

MINUTES

MEETING NAME	BSC Panel
Meeting number	303
Date of meeting	11 June 2020
Venue	Video Conference
Classification	Public

ATTENDEES AND APOLOGIES

Attendees	Michael Gibbons	MG	BSC Panel Chair
	Phil Hare	PH	Deputy BSC Panel Chair
	Colin Down	CD	Ofgem Representative
	Jon Wisdom	JW	NGESO Panel Member
	David Lane	DL	DNO Representative
	Lisa Waters	LW	Industry Panel Member
	Mark Bellman	MBe	Industry Panel Member
	Rhys Kealley	RK	Industry Panel Member (Alternate for MD)
	Stuart Cotten	SC	Industry Panel Member
	Tom Edwards	TE	Industry Panel Member
	Derek Bunn	DB	Independent Panel Member
	Diane Dowdell	DD	Independent Panel Member
	Stew Horne	SH	Consumer Panel Member
	Ed Rees	ER	Consumer Panel Member
	Mark Bygraves	MB	ELEXON CEO
	Victoria Moxham	VM	ELEXON Director of Customer Operations, Panel Secretary
	Claire Kerr	CK	Panel and Committee Support Manager
	Lawrence Jones	LJ	Modification Secretary
	Craig Murray	CM	ELEXON (Part-Meeting)
	Nathan Flood	NF	ELEXON (Part-Meeting)
	Kathy Ferrari	KF	ELEXON (Part-Meeting)
	Michael Taylor	MT	ELEXON (Part-Meeting)
	Chris Stock	CS	ELEXON (Part-Meeting)
	Nick Baker	NB	ELEXON (Part-Meeting)
	Lisa Young	LY	C&C Group (Part-Meeting)
	Gavin Gardner	GG	KPMG (Part-Meeting)
	Nathan Cain	NC	KPMG (Part-Meeting)
	George Richards	GR	KPMG (Part-Meeting)
Apologies	Mitch Donnelly	MD	Industry Panel Member

1. Introduction

1.1 The Chairman noted apologies from Mitch Donnelly and noted his alternate.

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- 1.2 MB provided an update to the Panel on the recent cyber-attack. He advised that as of 11 June 2020, all ELEXON systems and networks were restored and services had been resumed.
- 1.3 MB advised that on the morning of 14 May 2020, an IT issue was identified which turned out to be a sophisticated cyber-attack. Following expert advice, ELEXON had purposely not engaged with the media and instead focused on keeping Parties informed via bulletins, telephone calls at senior and OSM level and our website. Core Settlement activities for the BSC and EMR were not impacted although analysis and reports have been.
- 1.4 ELEXON's strategy has been to restore its networks from clean backups, increase further existing security for remote working and ensure staff have access to clean laptops. MB advised that was it not for COVID-19, ELEXON would have been back up and running again within two weeks but the additional effort of having to courier laptops across the country and ensuring that all security measures are in place had slowed up the process considerably.
- 1.5 MB advised that ELEXON has been engaging with all the relevant authorities including the Metropolitan Police Force, Information Commissioner's Office and the National Cyber Security Centre. [Post meeting note: the ICO determined that, taking into account the measures that ELEXON already had in place and the steps Elexon has taken to respond to the cyber-attack, the ICO would be taking no further action.]
- 1.6 MB noted that customers had been very supportive during this challenging time. Ofgem, BEIS and National Grid ESO have been fully informed and Elexon has participated in Energy UK industry calls to broadcast updates.
- 1.7 MB noted that although staff had been unable to access their emails, they were able to collaborate and continue to work using other platforms.
- 1.8 A Panel Member commented that it was good to see that ELEXON and its partners had minimised the impact as soon as possible. However they queried whether emails had been accessed. MB confirmed that there was no evidence that emails had been accessed either to or from ELEXON. [Post meeting note: email is not a vector for transmission of the ransomware.]

MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

IWA: Initial Written Assessment | **AC:** Assessment Procedure Consultation | **AR:** Assessment Report
RC: Report Phase Consultation | **DMR:** Draft Modification Report

2. Change Report and Progress of Modification Proposals – (303/03)

- 2.1 The Modification Secretary asked the Panel to note that due to the cyber-attack, the normal volume of communication from BSC Change has been very low but that this should increase again over the next couple of days now that all staff have access to the system.
- 2.2 Also due to the cyber-attack, the Modification Secretary advised that the [Issue 87 'Busbar voltage transformer metering for Offshore wind farms under OFTO arrangements'](#) Workgroup was postponed. Additionally [P408 'Simplifying the Output Usable Data Process as a consequence of GC0130'](#), whose Assessment Consultation was due to be issued in May 2020 was instead issued on 8 June 2020, so will be brought back to the Panel on 9 July 2020. The Modification Secretary highlighted that in any event ELEXON needs to start working on the system changes for P408 before final approval for the wider benefits and to keep in line with the delivery date in November 2020. The corresponding Grid Code Modification has already been approved and the Panel initially recommended approval, so the Modification Secretary noted that the risk of this Modification not being approved is very low.

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- 2.3 The Modification Secretary noted that ELEXON continues to manage changes in accordance with the agreed conditions in response to COVID-19:
- Changes to the BSC (and its subsidiary documents) will continue to be progressed, but will be prioritised based on whether the change:
 - Is required to mitigate risks and issues caused by COVID-19
 - Is required to be implemented by a fixed deadline, and
 - Has minimal impact on market participants, unless required for the previous two points.
 - Workgroups will continue; and
 - New changes and consultations will be progressed in accordance with above criteria
- 2.4 The Panel agreed that no changes should be made to this approach and agreed to review the approach at its meeting on 13 August 2020. The Modification Secretary noted that the application of these criteria caused some BSC Changes being staggered but the cyber-attack now means that these plans have to be revisited. The Modification Secretary agreed to bring an update on this to next month's scheduled meeting.
- 2.5 The Modification Secretary asked the Panel for a four-month extension to the P399 timetable, noting that some contingency had been built in as it remained uncertain when a revised ESO impact assessment would be provided. A Panel Member expressed the view that ELEXON should ensure that [P399 'Making the identity of Balancing Service providers visible in the Balancing Services Adjustment Data'](#) is at the top of the priority list and believed that the Modification should be brought back sooner than four months' time. They highlighted that the Panel had already approved a two-month extension to P399 at its 9 April 2020 meeting due to COVID-19 and therefore believed giving an additional four-month extension was inappropriate.
- 2.6 ELEXON advised that the extension was down to ELEXON awaiting a revised impact assessment from the ESO. However, the NGESO Representative believed that it should be completed by the end of June. The Modification Secretary noted that if the impact assessment is received by the end of June then a Workgroup could take place in July followed by the Assessment Consultation. This would result in the Assessment Report being taken to the August or September Panel meetings. Another Panel Member highlighted that the issue trying to be resolved by P399 is most critical over the summer when it is more likely for trades to be happening and having an impact on cash-out prices. ELEXON noted that P399 will still take several months for implementation which will be after the summer 2020 period. The Modification Secretary suggested a two-month extension, based on receiving the ESO impact assessment by the end of June. This would mean returning with the Assessment Report by the September Panel meeting, or August if possible.
- 2.7 The NGESO Representative queried whether the implementation of [P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'](#) was still on track for 1 April 2021. The Modification Secretary advised that the cyber-attack had not impacted any implementation efforts and therefore this Implementation Date had not changed. However, it had been identified that in any event the legal text for P383 needs amending and as such ELEXON will be bringing these proposed changes back to the July Panel meeting.
- 2.8 The Panel suggested that the Modification Secretary should consider merging slides 4 and 5, including a clearer colour coding system that includes anomalies and adding in a few words around each Modification number so the Panel is aware which Modification each is referring to. The Modification Secretary agreed to take these suggestions into account going forwards.
- 2.9 The BSC Panel:
- a) **AGREED** to keep COVID-19 prioritisation approach and review again in August 2020;
 - b) **APPROVED** a three-month extension to the P332 Assessment Procedure;
 - c) **APPROVED** a two-month extension to the P398 Assessment Procedure;

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- d) **APPROVED** a two-month extension to the P399 Assessment Procedure; and
- e) **NOTED** the contents of the June Change Report.

3. P409 'Aligning BMRS Reporting Requirements with the Clean Energy Package' – (303/04)

3.1 The BSC Panel:

- a) **AGREED** that the P409 Proposed Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREED** an initial recommendation that P409 should be **APPROVED**
- c) **AGREED** an initial view that P409 should be treated as a Self-Governance Modification;
- d) **AGREED** an initial Implementation Date for P409 of:
 - i) 05 November 2020 if a decision is received on or before 11 June 2020;
- e) **AGREED** the draft legal text for P409;
- f) **AGREED** that P409 is submitted straight to the Report Phase; and
- g) **NOTED** that ELEXON will issue the P409 Report Phase Consultation for a 10 Working Day consultation and will present the results to the Panel at its meeting on 11 June 2020.

4. Considering the opportunity for flexibility in the disapplication of Supplier Charges due to COVID-19 – (303/05)

- 4.1 A Panel Member queried whether any Party had come to ELEXON asking for flexibility. ELEXON confirmed that they had not; the flexibility issue first arose when P406 was presented to the Panel on 9 April 2020. At this time ELEXON was progressing a static Modification and the Panel therefore wanted ELEXON to look at flexibility options as things changed or if there was a second wave of COVID-19. The Panel Member noted that the benefits are not clear at the moment as the situation could pan out in a number of directions; switching on and off might be what the Panel looks at over time. However, the purpose of the paper was to look at whether there is an efficient way to add in flexibility so the Panel is prepared and can react at a later date if need be.
- 4.2 In relation to the Government advice on social distancing, ELEXON advised that the P406 solution allows for the charges to be reinstated once the Performance Assurance Board (PAB) and Panel are comfortable that no further effects of COVID-19 are being felt. A Panel Member commented that the UK Government is not sure of the next steps so the Panel needs to keep this under review and be able to respond quickly. ELEXON confirmed that the PAB is doing this and will report back to the Panel if appropriate.
- 4.3 A Panel Member was also concerned that if ELEXON does anything in relation to regional or serial numbers, it may be considered discriminatory. They therefore suggested that the Panel needs to consider what triggers it would expect e.g. if the two metre rule is reduced/removed, if more than six people can be in a house which opens up the opportunity for someone to read/remove a meter etc. The Panel agreed that a discussion should be had at the PAB re triggers for lifting disapplication and reported back to the Panel.

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4.4 The BSC Panel:

- a) **DISCUSSED** the opportunities for further flexibility in the P406 solution; and
- b) **AGREED** that no further Modification be raised to amend the flexibility of the P406 solution.

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NON-MODIFICATION BUSINESS (OPEN SESSION)

5. Minutes of previous meeting & Actions arising

- 5.1 The BSC Panel approved the draft minutes for BSC Panel meeting 302. ELEXON presented the actions and associated updates for the June 2020 Panel meeting.

6. Chairman's Report

- 6.1 The Chairman noted that on 2 June 2020, the Credit Committee met and deemed it appropriate to keep the Credit Assessment Price (CAP) at the current price of £30/MWh.. Further details can be found at the following link: <https://www.elexon.co.uk/article/credit-assessment-price-cap-price-stays-at-30-mwh/>.
- 6.2 The Chairman noted that the Annual BSC Report is due for publication at the end of June 2020. Both PH and MBe have agreed to review the document on behalf of the Panel.
- 6.3 The Chairman advised that the Annual BSC Meeting, due to take place after the BSC Panel meeting on 9 July 2020 will be postponed. Due to the cyber-attack, there have been issues of availability of the external auditors who will complete their work later in the summer and the accounts are one item for distribution ahead of the meeting. ELEXON has contacted Jonathan Brearley's office to see if he can speak at a potential 10 September 2020 meeting instead. ELEXON is currently awaiting a response.
- 6.4 The Panel Secretary advised that the [BSC Panel Elections](#) webpage is now live. Information relating to Determining Trading Party Groups, the 2020 Panel Elections timetable and general guidance is all available. Trading Parties have until 20 June to ensure that their details are up to date. ELEXON will be emailing out nominations papers no later than 26 June 2020. If anyone has any questions they should contact the Election Coordinator, Claire Kerr, at panelections@elexon.co.uk.

7. ELEXON Report – (303/01)

- 7.1 MB noted that ELEXON completed its project TERRE system changes at the end of May 2020. Given that TERRE go live has been recently delayed by NGESO due to COVID-19 until at least October 2020, ELEXON will need to participate in industry-wide testing ahead of that time and there will be associated costs to do this. MB advised that over the extended period until October 2020, ELEXON will have costs in excess of £400,000 due to the delay, despite completing its own system changes on time. A Panel Member queried whether there was any further information on Grid Correction Factors. ELEXON advised that it was unable to carry out any reports due to the access issues but that it was hoping to present something at the PAB meeting on 25 June 2020 so this should be published on 19 June 2020.
- 7.2 MB highlighted that although not in the report, in its impact assessment highlighting the net benefits of MWHHS Ofgem discussed how this industry wide programme could be implemented and one of the options was for an industry body to play that project management role. Given ELEXON's involvement today in the programme, MB explained ELEXON was exploring providing that role and agreed to keep the Panel informed.
- 7.3 MB drew the Panel's attention to Electralink's recent webinar on energy governance transformation. MB expressed concern that when quoting the cost of the Code Modification process, Electralink advised that the Smart Energy Code (SEC) budget is £6.8million for six Modifications and that ELEXON's budget is £43million for 18 Modifications so approximately £2million per Modification. He highlighted that these figures are ill-informed and misleading largely because they ignore that within those amounts ELEXON operates the systems and funds changes to those systems. Secondly, in Electralink's December 2019 audited Accounts, they have claimed to be the 'highest ranked provider of central services to the UK energy market'. MB questioned this statement given the results of Ofgem's code administrator's annual survey and the Panel agreed. Overall, the Panel was supportive of ELEXON writing to Electralink in private to express the Panel's concerns.

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- 7.4 MB advised that putting the wellbeing of staff and customers at the forefront, ELEXON had decided that it will not be returning to the office at all before 1 September 2020. A Panel Member expressed caution that ELEXON has a lot of young staff and that it might be right for ELEXON to facilitate for staff who want to return to the office to be able to do so for their own mental health. MB advised that ELEXON had carried out a staff survey in relation to returning to work and three webinars with a Q&A session. MB noted that he had been stressing that everybody is not in the same position. Additionally, ELEXON is shifting its language from 'working from home' to 'working remotely'. MB had also reminded staff of the employee assistance programme that ELEXON has in place 24 hours a day due to everybody having to juggle lots of priorities. A Panel Member agreed that the entire industry is now looking at flexible policies and how businesses will operate going forwards. Another Panel Member commented that ScottishPower has also actively enquired as to who needs to return specifically for well-being reasons and will make provisions accordingly.

8. Distribution Report

- 8.1 The DNO Representative noted that the delay detailed at last months' meeting in relation to a Non Half Hourly Data Aggregators (NHHDA) has now been resolved. The DNO Representative thanked all involved as it means that the Targeted Charging Review (TCR) can now proceed as planned.
- 8.2 A Panel Member noted that National Grid ESO had published Grid Code Modification [GC0143: Last resort disconnection of Embedded Generation](#) on its website but noted that DNOs would be the ones implementing this. The Panel Member requested for DNOs to provide an update to the Panel on what the long term solution is and whether any changes are needed to cashout.

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9. National Grid ESO Report

- 9.1 The NGESO Panel Member highlighted that the system operation continues to meet challenges. However, he suggested dialling into the weekly ENCC webinar for more detail or to provide feedback to its operational teams.
- 9.2 The NGESO Panel Member advised that NGESO will begin publishing non-BM STOR data through its portal from 25 June 2020.
- 9.3 The NGESO Panel Member noted that NGESO is reviewing Ofgem's letter in reference to network costs assistance to decide how best to take this forward for transmission charges.
- 9.4 The NGESO Panel Member advised that an urgent Connection Use of System Code (CUSC) Modification [CMP345 'Defer the additional Covid-19 BSUoS costs'](#) was raised by SSE to defer costs into 2021/22. This has now concluded and is with Ofgem for a decision.
- 9.5 The NGESO Panel Member advised that the Targeted Charging Review (TCR) Modifications will begin to be submitted from the CUSC Panel to Ofgem from the end of July 2020. He advised that progress has been good although [CMP317/327](#) has a record of 84 potential alternative solutions due to the scale of the potential options involved. A Panel Member commented that they did not see this as a failure for National Grid ESO but as a failure of Ofgem who should have been in a position to tell the Workgroup exactly what it wanted particularly as the Modification was in response to an Ofgem identified issue. The Ofgem Representative noted Parties' frustration with Ofgem and agreed to report this back.

10. Ofgem Report

- 10.1 The Ofgem Representative noted that it had [granted](#) the ESO an exemption from 15-minute imbalance settlement.

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- 10.2 The Ofgem Representative noted that Ofgem had published an open letter outlining what support schemes we expect to be available for shippers and suppliers to help them with cash flow issues related to COVID-19, i.e. network charge deferral.
- 10.3 The Ofgem Representative also advised that the Annual Cross-Code survey is currently on hold due to COVID-19 and queried whether the Panel had any thoughts on this. A Panel Member queried whether the results would be feeding into the Codes Review as they noted that the results are not for the benefit of the Panel since the Panel/ELEXON has a more granular survey of its own i.e. what Ofgem does with the responses is key. The Panel agreed that they had no concerns with the survey proceeding, suggesting it was carried out as soon as possible.

11. Tabled Reports

- 11.1 The BSC Panel noted the reports from the ISG, SVG and the PAB.
- 11.2 A Panel Member noted that in the PAB Headline Report, it detailed how it was going to take Habitat six months to become a Virtual Lead Party (VLP) and queried whether there was anything that could be done to get people into the market faster. The Panel Member also noted that there is a definition of 'BM active' in the Grid Code that is triggered by something in the BSC but neither are defined which is causing confusion. ELEXON agreed to explore the possibilities for this. The NGESO Panel Member agreed to act as a link.

ACTION 303/04

NON-MODIFICATION BUSINESS (OPEN SESSION)

12. Funding Shares Audit Approach – (303/02)

- 12.1 The BSC Panel:
- a) **APPROVED** the proposed scope of the Funding Shares Audit.

13. Any other business

- 13.1 A Panel Member noted that the BSC includes a provision for a proposer to describe the impact on emissions in Modifications. However they did not think that this provision had ever been used and questioned whether this is appropriate in a net zero environment. They therefore requested for ELEXON consider what should be done going forwards i.e. whether this provision should be mandatory in the future.

ACTION 303/05

- 13.2 A Panel Member highlighted that they had flagged to ELEXON some odd and missing data on the BMRS from NGESO. They had concerns that the data industry is getting is misleading in real time. ELEXON agreed to look into this and provide an update at the July Panel meeting.

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14. Next Meeting

- 14.1 The next meeting of the BSC Panel will be held remotely on Thursday 9 July 2020.
