

Public

# BSC Panel 303

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11 June 2020



# Change Report and Progress of Modification Proposals

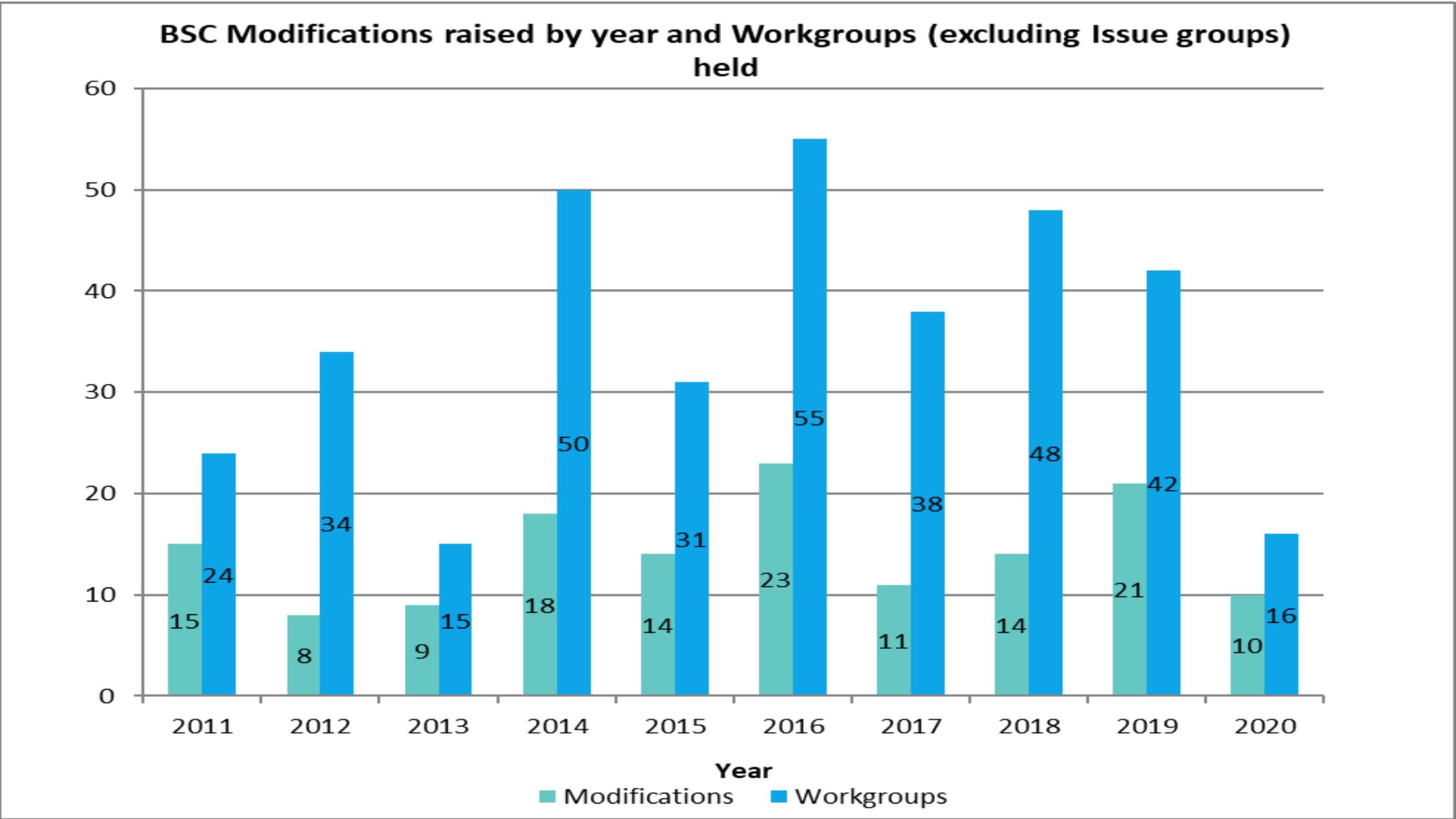
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303/03

Lawrence Jones

**ELEXON**

# BSC Modifications raised by year and Workgroups held



# BSC Modifications overview

|                            |                                                                                                 |
|----------------------------|-------------------------------------------------------------------------------------------------|
| Initial Written Assessment | <b>P409</b>                                                                                     |
| Assessment Procedure       | <b>P332, P375, P376, P379, P395, P398, P399, P402, P407</b>                                     |
| Report Phase               | <b>P408</b>                                                                                     |
| Urgent                     |                                                                                                 |
| With Authority             | <b>P390, P392</b>                                                                               |
| Authority Determined       |                                                                                                 |
| Self-Gov. Determined       | <b>P405</b>                                                                                     |
| Fast Track Determined      | -                                                                                               |
| Withdrawn                  | -                                                                                               |
| Open Issues                | <b>Issue 69, Issue 81, Issue 83, Issue 85, Issue 86, Issue 87, Issue 88, Issue 89, Issue 90</b> |

# BSC Modifications approved timelines

|             | Mar 20 | Apr 20 | May 20 | Jun 20 | Jul 20 | Aug 20 | Sep 20 | Oct 20 | Nov 20 | Dec 20 | Jan 21 |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>P332</b> |        |        |        |        | AR     | DMR    |        |        |        |        |        |
| <b>P375</b> |        |        |        |        |        |        |        | AR     | DMR    |        |        |
| <b>P376</b> |        |        |        |        |        |        | AR     | DMR    |        |        |        |
| <b>P379</b> |        |        |        |        |        |        | CBA    |        | AR     | DMR    |        |
| <b>P395</b> |        |        |        |        |        |        |        | AR     | DMR    |        |        |
| <b>P398</b> |        |        |        |        | AR     | DMR    |        |        |        |        |        |
| <b>P399</b> |        |        |        |        | AR     | DMR    |        |        |        |        |        |
| <b>P402</b> | IWA    |        |        |        |        |        | AR     | DMR    |        |        |        |
| <b>P407</b> |        |        | IWA    |        |        |        |        |        |        |        | AR     |
| <b>P408</b> |        |        | IWA    | RC     | DMR    |        |        |        |        |        |        |
| <b>P409</b> |        |        | IWA    | DMR    |        |        |        |        |        |        |        |

Red = COVID-19 prioritisation

# Change Priorities during Covid-19 pandemic

| Mod         | Needed to tackle COVID-19 | Needed to meet fixed timeline | Minimal impact on market participants | Result (▲ prioritised, ▼ de-prioritised) |
|-------------|---------------------------|-------------------------------|---------------------------------------|------------------------------------------|
| <b>P332</b> |                           |                               |                                       | ▼ Staggered                              |
| <b>P375</b> |                           |                               |                                       | ▼ Staggered                              |
| <b>P376</b> |                           |                               |                                       | ▼ Staggered                              |
| <b>P379</b> |                           |                               |                                       | ▼ Staggered                              |
| <b>P395</b> |                           |                               |                                       | ▼ Continue                               |
| <b>P398</b> |                           |                               | X                                     | ▲ Continue                               |
| <b>P399</b> |                           |                               | X                                     | ▲ Continue                               |
| <b>P402</b> |                           | X                             |                                       | ▲ Staggered                              |
| <b>P407</b> |                           | X                             |                                       | ▲ Continue                               |
| <b>P408</b> |                           | X                             | X                                     | ▲ Continue                               |
| <b>P409</b> |                           | X                             | X                                     | ▲ Continue                               |

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# Change Priorities during Covid-19 pandemic (1 of 2)

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- Agreed last month to review approach
- We continue to manage changes in accordance with agreed conditions:
  - 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
  - New changes and consultations will be progressed in accordance with above criteria
- New changes will be 'triaged' against criteria

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## Change Priorities during Covid-19 pandemic (2 of 2)

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- We propose:
  - No change to criteria – they remain fit for purpose and appropriate to apply;
  - To continue to prioritise to reduce burden on market participants; and
  - To review approach again at meeting on 13 August 2020

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## Modification Update: P332

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### 'Revisions to the Supplier Hub Principle'

- We have drafted legal text and associated Qualification/Re-Qualification side letter
  - Has been reviewed by external lawyers to ensure legal robustness
- We plan to hold a Workgroup to review legal text and finalise solution
- The Assessment Consultation has been moved from June 20 to August 20 as a result of the COVID-19 prioritisation, as it has a significant impact on Parties, particularly Suppliers and their Agents
- We therefore request a three month extension to the P332 Assessment Procedure, returning with the Assessment Report by the October 2020 Panel meeting

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## Modification Update: P398

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### 'Increasing access to BSC Data'

- We had planned to issue the Assessment Consultation in early June, but due to internal ELEXON IT issues, this has not been possible
- We therefore request a two month extension to the P398 Assessment Procedure, returning with the Assessment Report to the September 2020 Panel meeting, or earlier if possible.

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## Modification Update: P399

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'Making the identity of Balancing Service providers visible in the Balancing Services Adjustment Data'

- Following Workgroup meeting on 27 March, ESO agreed to revise its solution to reduce costs and timescales
- Revised ESO impact assessment needed
- COVID-19 is impacting timely delivery of impact assessment
- Remains uncertain when we will receive impact assessment
- We therefore request a four month extension, returning with the Assessment Report by the November 2020 Panel meeting, or sooner if possible

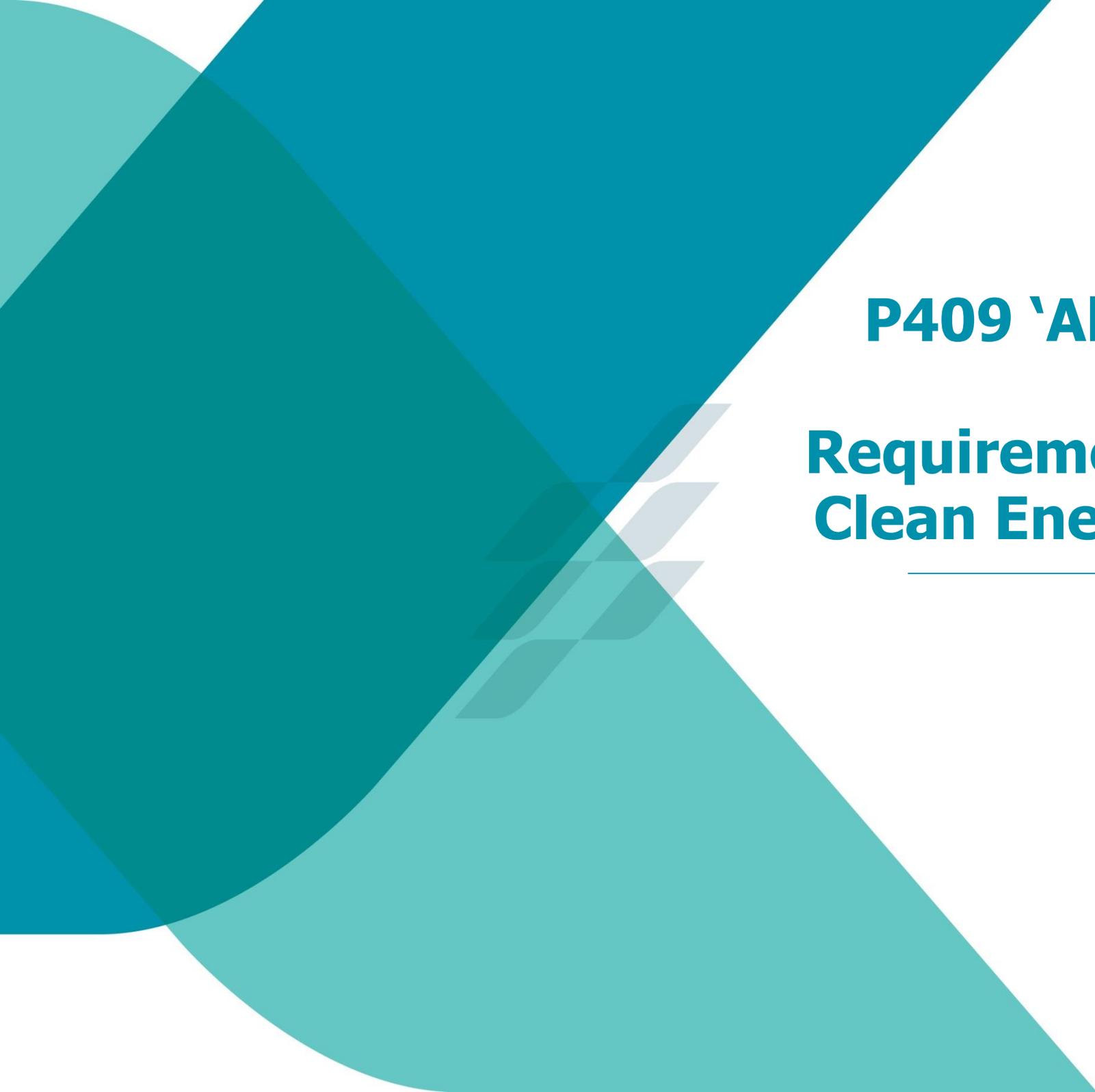
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# Recommendations

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We invite the Panel to:

- a) **AGREE** to keep COVID-19 prioritisation approach and review again in August 2020;
- b) **APPROVE** a three-month extension to the P332 Assessment Procedure;
- c) **APPROVE** a two-month extension to the P398 Assessment Procedure;
- d) **APPROVE** a four-month extension to the P399 Assessment Procedure; and
- e) **NOTE** the contents of the June Change Report.



# P409 'Aligning BMRS Reporting Requirements with the Clean Energy Package'

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303/04

Craig Murray

**ELEXON**

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# Background

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- The Clean Energy Package requires that the current system balance, the estimated imbalance prices and the estimated energy prices shall be published with a delay after delivery of no more than 30 minutes
- BSC Section V 'Reporting' requires that 'indicative data' is published within 45 minutes of the end of the Settlement Period
- ELEXON is currently compliant in practice and P409 will have no practical impact on the Balancing Mechanism Reporting Agent (BMRA) systems
  - Currently working within a 30 minute deadline according to Service Level Agreements in the BMRA Service Description and User Requirement Specification
  - Deadline is specified as Continuous Acceptance Duration Limit (CADL) + 15 minutes

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# Solution

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## Proposed solution:

- Update BSC Section V 2.3.3(b) to align with the requirement in the Clean Energy Package, changing the publication deadline for indicative data for a Settlement Period to 30 minutes from the end of the Settlement Period
- P409 will ensure indicative data is published within 30 minutes regardless of whether CADL is extended
  - CADL is an amendable parameter which can be updated via consultation
- Updating the BSC will ensure publication is required within 30 minutes and eliminate any potential ambiguity

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## Applicable BSC Objectives

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- Proposer believes P409 better facilitates Applicable BSC Objective (e) as it maintains BSC alignment with the Regulation (Regulation (EU) 2019/943) and is neutral against any other Applicable BSC Objectives

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# Impacts

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- P409 is a document-only change as the necessary systems are already compliant with the Clean Energy Package requirement
- Raised now due to:
  - Not materially impacting market participants

## Impacts:

- **BSC Agents:**
  - None – already functionally compliant
- **ELEXON as BSCCo (~£360):**
  - BSC Section V 'Reporting'
  - Minor internal document changes

# Progression

- Proposer recommends progressing P409 straight to the Report Phase as a Self-Governance Modification as the solution is self-evident and has no impact on the Self-Governance Criteria
- We recommend an implementation date of **05 November 2020** (Nov 20 Release) if decision by or on 11 June

## Proposed Progression Timetable for P409

| Event                                       | Date                   |
|---------------------------------------------|------------------------|
| Present Initial Written Assessment to Panel | 11 June 2020           |
| Report Phase Consultation                   | 15 June – 29 June 2020 |
| Present Draft Modification Report to Panel  | 9 July 2020            |
| Self-Governance Appeal Window               | 9 July – 30 July 2020  |

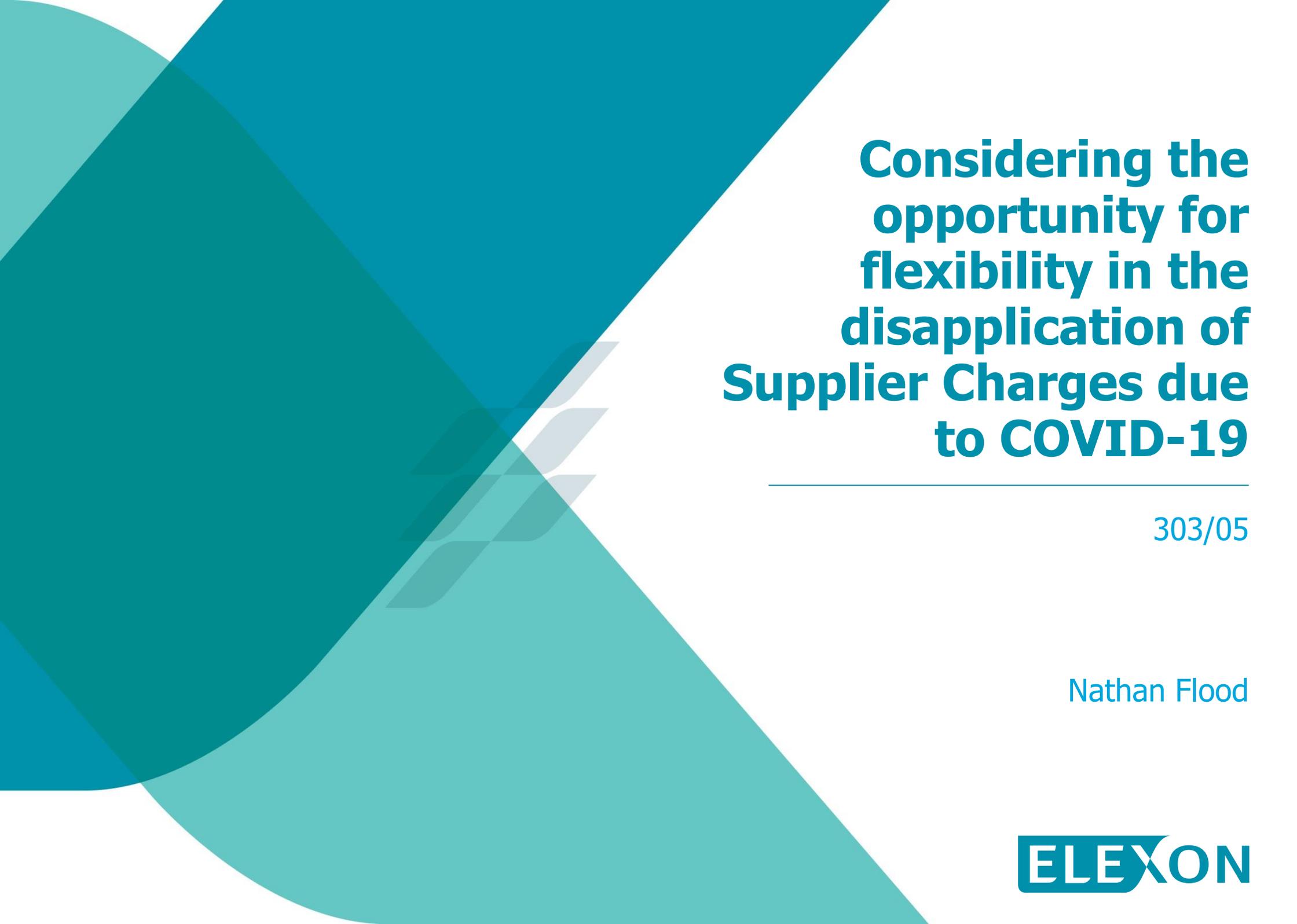
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# Recommendations

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We invite the Panel to:

- a) **AGREE** that the P409 Proposed Modification:
  - **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREE** an initial recommendation that P409 should be **APPROVED**
- c) **AGREE** an initial view that P409 should be treated as a Self-Governance Modification;
- d) **AGREE** an initial Implementation Date for P409 of:
  - 05 November 2020;
- e) **AGREE** the draft legal text for P409;
- f) **AGREE** that P409 is submitted straight to the Report Phase; and
- g) **NOTE** 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 9 July 2020.



# Considering the opportunity for flexibility in the disapplication of Supplier Charges due to COVID-19

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303/05

Nathan Flood



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## Issue

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- Panel discussed the opportunity for further flexibility, with regards to partial reintroduction of Supplier Charges, or further disapplication of Supplier Charges if social distancing measures are periodically switched on and off
- Panel requested that we consider the opportunity for further flexibility and return with an update at its next meeting

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## Current flexibility in the P406 solution

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- We developed a solution that would meet the self-evident criteria of a straight to Report Phase Modification. Introduction of further flexibility may have hampered this progression
- Whilst the legal text is intended for single use, the Panel does have the flexibility to decide when to reinstate Supplier Charges, based on our assessment of Settlement performance

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## Opportunities for further flexibility (1 of 3)

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### ■ **Re-introduction of Serials by differing geography**

- Panel could reinstate Supplier Charges for individual GSP Groups where Suppliers and Party Agents were in a position to resume activities
- Benefit - Suppliers may be incentivised to maintain the integrity of Settlement at an earlier point
- Would require system changes to the Performance Assurance Reporting and Monitoring System (PARMS) and likely significant cost
- Unclear whether significant benefit would be delivered over the COVID-19 impacted period

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## Opportunities for further flexibility (2 of 3)

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### ■ Re-introduction of individual Serials

- PARMS supports the separate configuration of charges by Serial
- Could offer useful flexibility where the conditions for reintroducing the charges may differ between Serials or parts of the market
- May include some configuration charges, which would need to be impact assessed
- Phased reintroduction of Serials needs to consider the impact on the redistribution of Supplier Charges as well as the charges paid
- Status of any other derogations needs to be considered

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## Opportunities for further flexibility (3 of 3)

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- **Further disapplication of Supplier Charges if social distancing measures are switched off and back on again**
  - Beneficial if the Panel wishes to realign with Government advice on social distancing
  - Tangible material benefit from introducing this extra flexibility over the time period of COVID-19 is unknown

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# Conclusions

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- Potential benefits to introducing further flexibility
- Unclear whether tangible benefits delivered to market participants
- Consider whether a Workgroup should be convened to assess any solution

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# Recommendations

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We invite the Panel to:

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

Public

# Minutes of Meeting 302 and Actions Arising

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Claire Kerr

**ELEXON**

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# Chairman's Report

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Michael Gibbons

**ELEXON**

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# ELEXON Report

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Mark Bygraves



Public

# Distribution Report

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David Lane



Public

# National Grid Report

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Jon Wisdom

**ELEXON**

Public

# Ofgem Report

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Colin Down

**ELEXON**

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# Panel Committee Reports

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303/01A-C2

**ELEXON**



# **BSC Funding Shares Audit Scope**

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303/02

Kathy Ferrari

**ELEXON**

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## BSC Funding Share Audit Scope (1 of 2)

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- Funding Shares used to charge ELEXON's costs to Trading Parties
- Funding Shares Audit required by the BSC
- Panel required to agree scope of Audit
- Scope is limited to calculation of Funding Shares - costs separately audited
- Funding Share data accompanying ELEXON's invoices can be checked against the website and assistance is always available from the Finance Team

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## BSC Funding Share Audit Scope (2 of 2)

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- Calculation of Main Funding Shares, SVA (Production) Funding Shares, and General Funding Shares (on a default basis)
- Calculation of Annual Funding Shares (used by FAA)
- Checking of BSC Cost shares through to invoices

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# Recommendations

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We invite the Panel to:

- **APPROVE** the proposed scope of the Funding Shares Audit.

