

Public

BSC Panel 304

9 July 2020

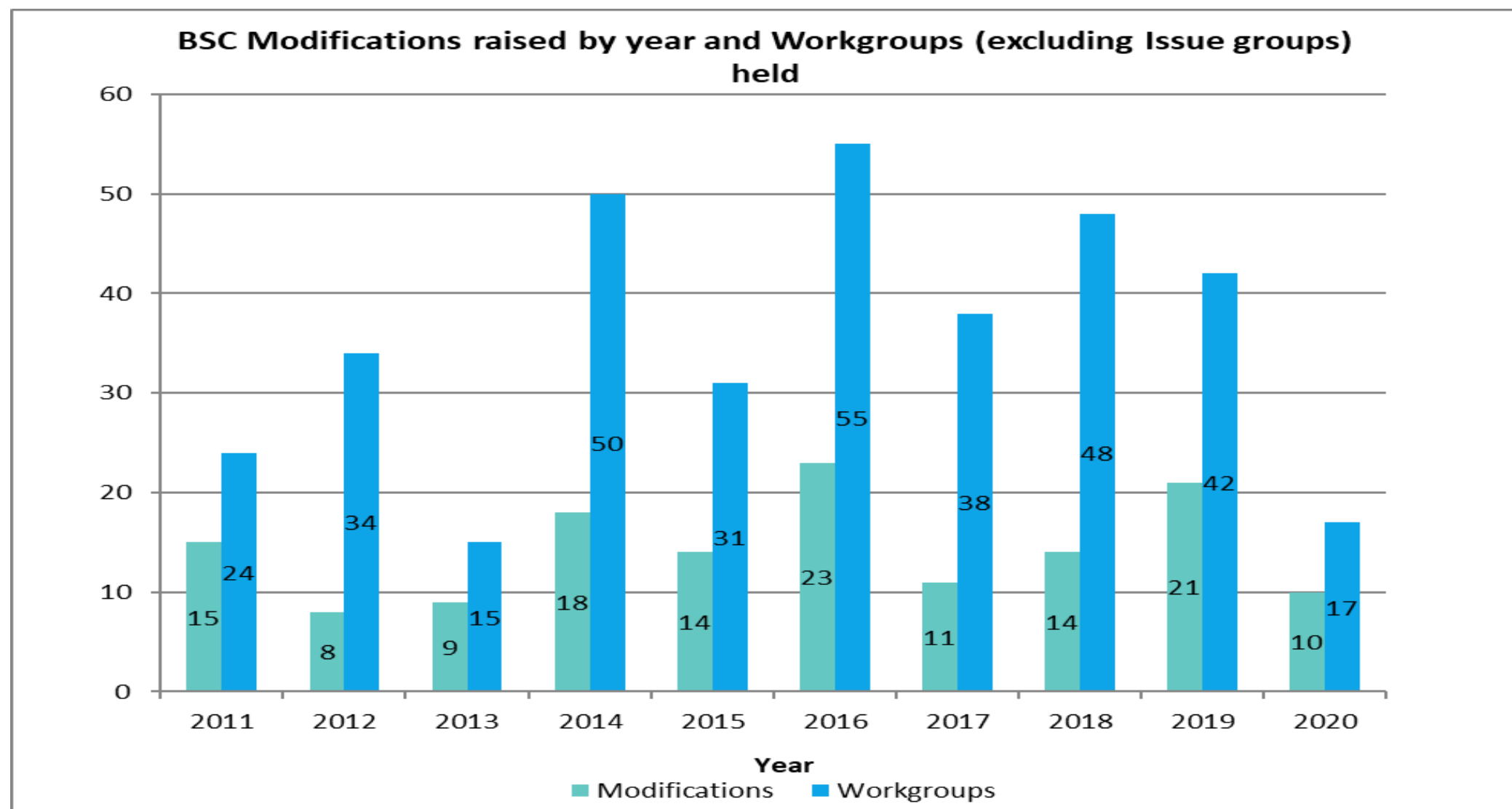


Change Report and Progress of Modification Proposals

304/03

Lawrence Jones

BSC Modifications raised by year and Workgroups held



BSC Modifications overview

Initial Written Assessment	P410
Assessment Procedure	P332, P375, P376, P379, P395, P398, P399, P402, P407
Report Phase	P408, P409
Urgent	
With Authority	P390
Authority Determined	P392
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 69, Issue 81, Issue 83, Issue 85, Issue 86, Issue 87, Issue 88, Issue 89, Issue 90

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
P332 'Revision to the Supplier Hub'								AR	DMR		
P375 'Behind the Meter'								AR	DMR		
P376 'Baselining methodology'							AR	DMR			
P379 'Multiple Suppliers'							CBA		AR	DMR	
P395 'Final Consumption Levies'								AR	DMR		
P398 'Open Data'							AR	DMR			
P399 'BSAD transparency'							AR	DMR			
P402 'BSC Data for targeted Charging Review'	IWA						AR	DMR			
P407 'MARI'			IWA								AR
P408 'Improved Output Useable Data'			IWA	RC	DMR						
P409 'Balancing data for Clean Energy Package'				IWA	DMR						

Red = staggered to reduce burden on market participants in response to COVID-19

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)
P332 'Revision to the Supplier Hub'				▼ Staggered
P375 'Behind the Meter'				▼ Staggered
P376 'Baselining methodology'				▼ Staggered
P379 'Multiple Suppliers'				▼ Staggered
P395 'Final Consumption Levies'				▼ Staggered
P398 'Open Data'			X	▲ Continue
P399 'BSAD transparency'			X	▲ Continue
P402 'BSC Data for targeted Charging Review'		X		▲ Continue
P407 'MARI'		X		▲ Continue
P408 'Improved Output Useable Data'		X	X	▲ Continue
P409 'Balancing data for Clean Energy Package'		X	X	▲ Continue
P410 'Harmonised Imbalance Settlement'		X		▲ Continue?
'Qualification for new LDSOs'			X	▲ Continue?
'HH Settlement for CT operated Meters'				▼ Stagger?

Modification Update: P379 Cost benefit analysis

'Multiple Suppliers through Meter Splitting'

- We have been considering whether to use a third party to provide or support the P379 cost-benefit analysis (CBA)
- We have drafted a specification / requirements
- We have gone to market to find interested parties
- We have set a budget of £40-80k and believe a timeline of 4-6 months is required
- We plan to initiate Request for Proposal (RFP) week commencing 13 July
- Subject to successful bid:
 - Intention is to begin the CBA in September 2020 with consultation to follow in November 2020 or December 2020
 - Final CBA paper planned for early Q1 2021

Modification Update: P383

'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'

- P383 implementation cost estimates have increased from £465k to £905k
 - Discussions are on-going to manage and reduce the risks and costs with our service provider
- P383 was approved by Ofgem on 28 February 2020 for implementation on 1 April 2021
- We originally assessed the costs in June 2019 for inclusion in the Final Modification Report
 - the cost was provided on a stand-alone basis, and did not consider interactions with other system impacting changes
- As time has progressed, we have a clearer view of the current change pipeline through to April 2021 and consequently re-assessed the forecasted costs

Modification Update: P398

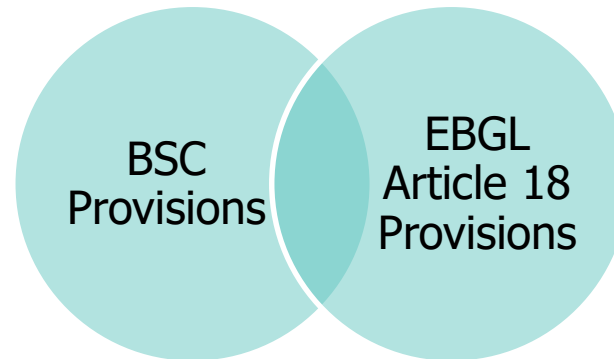
'Increasing access to BSC Data'

- Due to internal ELEXON IT issues, the issuing of the Assessment Consultation was delayed
- We therefore request a one month extension to the P398 Assessment Procedure, returning with the Assessment Report to the October 2020 Panel meeting, or earlier if possible

Net Zero Consideration

- At last month's Panel meeting we were asked to consider what changes, if any, are needed to consider a Modifications impact on emissions, given net zero requirement
- The BSC already requires the assessment of the impact of Modification Proposals on greenhouse gas emissions, where those impacts are likely to be material
 - Required following implementation of P263 'Code Governance Review: Send Back Process and Environmental Assessment' in December 2010
 - an assessment of the quantifiable impact of the Modification on greenhouse gas emissions and such assessment shall be conducted in accordance with the guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) that may be issued by the Authority from time to time
 - This can also be reflected in Applicable BSC Objective (b) is also relevant: "the efficient and economic operation of the relevant network system"
- Not aware of an assessment having been done before
- We propose to show for all Mods whether it is likely to reduce, increase or have no impact on greenhouse gas emissions – where material will require assessment

EBGL change process: EBGL Article 18 t&c (1 of 5)



- Some BSC provisions constitute EBGL Article 18 terms and conditions as approved by Ofgem
- BSC provisions became EBGL provisions too on 25 June 2020, alongside P392
- P392 included a new Annex F-2 in Section F - a table showing which BSC provisions also constitute Article 18 terms and conditions
- P392 amended the BSC Change process to also fulfil the EBGL change process and incorporate delegations from NGESO to Elexon and the BSC Panel

EBGL change process: Elexon and Panel obligations (2 of 5)

NGESO responsibilities	Delegation
Running a 1-month industry consultation and collating responses (Article 10)	Delegate to Elexon
Review consultation responses and decide whether to make changes to the Article 18 Mod proposal (Article 10)	Delegate BSC Panel
Publication of justifications for including, or not, the views resulting from the consultation (Article 10)	Delegate to Elexon
Submitting to the Authority the draft proposal amending A18 t&c (Article 4) and a proposal for amended terms and conditions (Article 6)	Delegate to BSC Panel

EBGL change process: impact on BSC (3 of 5)

- Modifications that impact Article 18 t&c must follow the amended BSC Change process
- Modifications may add new BSC provisions that also constitute EBGL Article 18 t&c held within the BSC – “extending”
- The amended BSC Change Process:
 - All Modifications
 - Will be assessed by Elexon/Proposer/WG and agreed by Panel to determine whether they impact EBGL provisions within the BSC
 - Modifications that impact EBGL terms and conditions
 - Impact on EBGL objectives considered by Elexon/Proposer/WG - agreed by Panel
 - One calendar month Report Phase Consultation
 - Reconvene Proposer/WG to provide justification for including/not including consultation comments
 - Panel agrees EBGL impacts and above justification
 - Panel sends FMR to Ofgem to fulfil BSC and EBGL processes

EBGL change process: Standard Workgroup ToR (4 of 5)

- Standard Workgroup (WG) Terms of Reference (ToR) should be updated to account for the WG considering:
 - Whether the Modification impacts the EBGL terms and conditions held in the BSC
 - The impact of the Modification on the EBGL objectives
- *"Does PXXX impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL objectives?"*

Training

- Industry training video to explain the new process to be published by 24 July

EBGL change process: EBGL Objectives (5 of 5)

- As defined in Section X Annex X-1, the EBGL Objectives means the objectives referred to in Article 5(5) of the EBGL including those objectives set out in the recitals and Article 3 of EBGL
- EBGL does not succinctly list its objectives, which include:
 - 1. This Regulation aims at:
 - (a) fostering effective competition, non-discrimination and transparency in balancing markets;
 - (b) enhancing efficiency of balancing as well as efficiency of European and national balancing markets;
 - (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;
 - (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;
 - (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue distortions within the internal market in electricity;
 - (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue distortions within the internal market in electricity;
 - (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
 - (g) facilitating the participation of renewable energy sources and support the achievement of the European Union target for the penetration of renewable generation.
 - 2. When applying this Regulation, Member States, relevant regulatory authorities, and system operators shall:
 - (a) apply the principles of proportionality and non-discrimination;
 - (b) ensure transparency;
 - (c) apply the principle of optimisation between the highest overall efficiency and lowest total costs for all parties involved;
 - (d) ensure that TSOs make use of market-based mechanisms, as far as possible, in order to ensure network security and stability;
 - (e) ensure that the development of the forward, day-ahead and intraday markets is not compromised;
 - (f) respect the responsibility assigned to the relevant TSO in order to ensure system security, including as required by national legislation;
 - (g) consult with relevant DSOs and take account of potential impacts on their system;
 - (h) take into consideration agreed European standards and technical specifications.


BEIS direction to BSC

- BEIS has published its decisions from its consultation that included a change to the BSC: <https://smartenergycodecompany.co.uk/latest-news/beis-consultation-response-government-response-to-6-april-2020-consultation-and-outstanding-matters-from-14-january-2020-consultation/>
- The BSC change will require the BSC Panel to provide support and information to the Smart Energy Code Panel
- BEIS laid the legal changes to enact its decisions before Parliament on 18 June. The changes will be implemented in September 2020, subject to any objections by Parliament
- This is the first Government direction to the BSC since EMR in March 2015

Recommendations

We invite the Panel to:

- a) **APPROVE** a one-month extension to the P398 Assessment Procedure;
- b) **APPROVE** the change to the Standard Workgroup Terms of Reference; and
- c) **NOTE** the contents of the July Change Report.



P410 'Changing imbalance price calculations to comply with the Imbalance Settlement Harmonisation regulations'

304/04

Matthew Woolliscroft and
Jamie Webb (NGESO)

P410 EBGL Article 52 Imbalance Harmonisation



EBGL Article 52 ISH

EBGL Article 52(2) requires that TSOs establish a methodology for harmonising the determination and application of an imbalance price in an Imbalance Settlement Harmonisation proposal ('the ISHP'). The proposal contains guidelines and components which each TSO may use in their methodology.

The proposal is still currently with ACER and we are awaiting for a final decision on the final wording, we are expecting this in July 2020. Once ACER approve we have 18 months from the decision day to be compliant.

We have already identified the need to change the current Market Index price calculation with a new component called volume of avoided activation (VOAA), it is anticipated that this alone will bring a significant IT challenge between NGESO and Elexon, hence the need to raise the modification as early as possible.

The other potential change is regarding the application of buy and sell price adjusters that will need further investigation through the workgroup.

We do not anticipate any further changes, as through the ENTSOE working groups and engagement with Ofgem we have established most of our current model still applies, however we may still need to review that pending ACER's final decision.

Objectives

We believe that P410 has a positive impact on the following objectives:

(c) “Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity”

As the methodology will allow a harmonised approach to price calculation with other European TSO’s which should have a positive impact on Cross Border trading.

(e) “Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]”

Amending the BSC and making the relevant changes to the way imbalance is calculated in GB to reflect the changes required by the proposal will allow us to be compliant with the EBGL Article 52.

P410: Issue and Proposed solution

Issue

- The Imbalance price calculation is not compliant with the requirements of the ISHP
- In particular the MIP will need to be replaced with a VOAA based on the available prices of RR and FRR
- Other considerations may include:
 - the continued use and components of price adjusters;
 - whether NIV tagging is consistent with the intent of the ISHP; and
 - whether the use of marginal pricing using PAR1 is allowed by the ISHP.

Proposed solution

- Determine how best to introduce a new VOAA that is compliant with the ISHP and continues to provide appropriate market signals

P410: Areas to consider

- In addition to the Standard ToRs, the Workgroup should consider:
 - How a VOAA can be calculated in compliance with the ISHP
 - The value of keeping references to the MIP in the BSC
 - Whether the BPA is permissible in its current form
 - Whether PAR1 is compliant with the ISHP and if it remains the optimal volume
 - Whether any components of the BPA need to change, or whether a new parameter be introduced to account for relevant costs

P410: Proposed Progression

- Four month Assessment Procedure:
 - Three Workgroup meetings
 - Not a Self-Governance Modification
 - Assessment Procedure Consultation (15WD)
 - Assessment Report by **12 November 2020**
 - Report Phase Consultation and EBGL change process (19 November-19 December)
 - Draft Modification Report by **14 January 2021**

- Workgroup membership having expertise in:
 - the ISHP
 - BSC Settlement Calculations, in particular imbalance pricing
 - EBGL Article 18 Terms and Conditions

P410: Recommendations

We invite the Panel to:

- a) **AGREE** that P410 progresses to the Assessment Procedure;
- b) **AGREE** the proposed Assessment Procedure timetable;
- c) **AGREE** the proposed membership for the P410 Workgroup; and
- d) **AGREE** the Workgroup's Terms of Reference.



Modification to 'include LDSOs in Qualification to mitigate potential risks to Settlement'

304/05

Matthew Woolliscroft

Background

- The PAF Review considered the effectiveness of the Qualification technique
- The PAF Review presented recommendations in September 2019, which the PAB endorsed
- This included that new LDSOs be included in Qualification to mitigate risks to Settlement
- PAB formally requested under section F2.1.1(d)(vi) this Modification be raised at PAB233 in June 2020

Issue

- LDSOs (and IDNOs) have numerous BSC responsibilities that are linked to Settlement Risks
- New entrant LDSOs complete Qualification as SMRA and UMSO, but there is no preventative assurance for the LDSO specific activities
- LDSOs are considered Performance Assurance Parties are subject to other assurance techniques such as the BSC Audit and EFR
- The PAB believe new LDSOs should complete Qualification in the LDSO specific role before beginning operations

Proposed solution

- Include new entrant LDSOs in the scope of Qualification in the role of LDSO
- Extend the Qualification Service Providers scope to assess responses to the new SAD section
- Add a new role specific section to the SAD for questions relating to LDSO activities
 - New LDSOs will respond to this section in addition to the SMRA and UMSO roles

Applicable BSC Objectives

Applicable BSC Objective (d)

- Provide preventative assurance that new LDSOs are fully able to fulfil their BSC obligations
- Reduce the need for corrective action to be taken against new LDSOs once operational

Costs and impacts

Costs

- ELEXON's costs to implement this Modification will be ~£2600
 - £2100 for the QSP to amend the contract and ensure staff training
 - £500 for BSC document changes
- Ongoing cost of ~£6600 per LDSO Qualification
 - This is in line with Qualifying other roles
 - No increase to ELEXON's operational costs

Impacts

- No Party or Party Agent impact
- New entrants will need to demonstrate their capability through the Qualification process before going live
- Will not impact EBGL Article 18 T&Cs

Proposed Progression

Self-Governance

- This Modification Proposal should be progressed as a Self-Governance Modification

Progression Plan

Proposed Progression Timetable

Event	Date
Present Initial Written Assessment to Panel	9 July 2020
Report Phase Consultation (12WD)	17 March 2020 – 30 March 2020
Present Draft Modification Report to Panel	13 August 2020
Publish Final Self-Governance Modification Report	17 August 2020
Self-Governance appeal window closes	3 September 2020

Implementation Date

- We recommend an Implementation Date of:
 - 5 November 2020 as part of the November 2020 BSC Release

Recommendations (1 of 2)


We invite the Panel to:

- a) **RAISE** the Modification in Attachment A in accordance with F2.1.1(d)(vi);
- b) **AGREE** that the Modification should progress directly to the Report Phase;
- c) **AGREE** that the Modification:
 - i. **DOES** better facilitate Applicable BSC Objective **(d)**;
- d) **AGREE** that this Modification **does not** impact the Article 18 Terms and Conditions held within the BSC;
- e) **AGREE** an initial recommendation that the Modification be **approved**;
- f) **AGREE** an initial Implementation Date of:
 - i. 5 November 2020 as part of the November 2020 BSC Release;
- g) **AGREE** the draft legal text;
- h) **AGREE** the draft changes to BSCP537;

Recommendations (2 of 2)

We invite the Panel to:

- h) AGREE** an initial view that the Modification **should** be treated as a Self-Governance Modification; and
- i) NOTE** that ELEXON will issue the Draft Modification Report (including the draft legal text) for a 12 Working Day consultation and will present the results to the Panel at its meeting on 13 August 2020



P397 'Assessing the costs and benefits of adjusting Parties' Imbalances following a demand disconnection'

304/06

Craig Murray

P397: Issue and Solution

■ Issue

- Settlement Adjustment Processes (SAP - also known as the 'bottom-up' processes) introduced into the BSC under [P305 'Electricity Balancing Significant Code Review Developments'](#) in November 2015 may not be efficient to run in all circumstances, for example, when considering a DCE that has minimal material impact on Settlement. This possibility was highlighted following the [DCE which occurred on 9 August 2019](#).

■ Proposed Solution

- This Modification Proposal would introduce a mechanism through which BSCCo determines whether LDSOs, NETSO, certain Party Agents and BSC Agents, and BSCCo should carry out the Settlement adjustment processes.

P397: Panel's initial views (1 of 2)

Presented the Modification Report to Panel on 12 March 2020

The Panel:

- By **MAJORITY AGREED** that P397 **DOES** better facilitate Applicable BSC Objective (c)
- **UNANIMOUSLY AGREED** that P397 **DOES** better facilitate Applicable BSC Objective (d)
- **UNANIMOUSLY REJECTED** the progression of P397 as a Self-Governance Modification;
- **UNANIMOUSLY AGREED** a recommendation that P397 should be **APPROVED**;
- **UNANIMOUSLY APPROVED** an Implementation Date for P397 of **5WD following Authority approval**;

P397: Panel's initial views (2 of 2)

The Panel:

- **UNANIMOUSLY APPROVED** the draft legal text;
- **UNANIMOUSLY APPROVED** the draft redlined changes to the Code Subsidiary Documents;
- **UNANIMOUSLY APPROVED** the new 'Demand Disconnection Event Threshold Rules' document as a new Category 3 Configurable Item owned by the Panel on the Baseline Statement; and
- **UNANIMOUSLY APPROVED** the P397 Modification Report.

All 9 respondents to the Report Phase Consultation unanimously supported P397

P397: Send Back Procedure

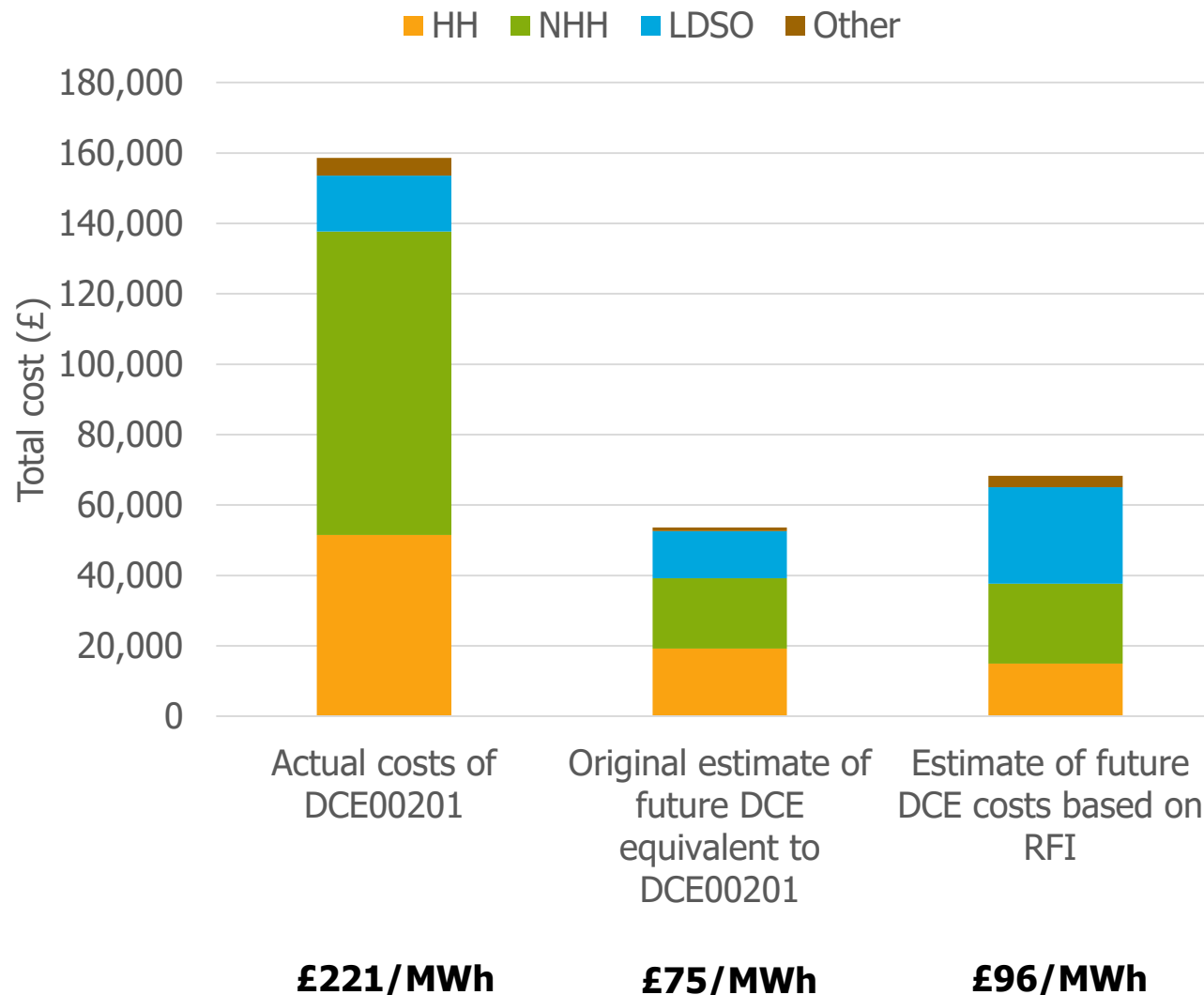
- Sent the P397 Modification Report to Ofgem on 24 January 2020
- Ofgem issued a Send Back Direction on 3 March 2020 requesting further evidence be gathered before it could make a decision:
 1. Evidence gathered from the lessons learned exercise associated to the full set of costs for the Settlement Adjustment Process (SAP) as well as the difference in costs for different Parties
 2. The cost of running the SAP following the DCE on 9 August 2019
- Agreed to gather the evidence as part of Issue 89 and present the findings at the Panel's meeting on 9 July

DCE RFI Responses

- RFI responses were received from:
 - 10 out of 11 affected LDSOs
 - 7 out of 8 affected HH Data Collectors (DC)/Data Aggregators (DA)
 - 5 out of 13 affected NHH Data Collectors (DC)/Data Aggregators (DA)
- The responses covered:
 - c.95% of LDSO reported disconnected Metering Systems
 - c.97% of reported disconnected HH Metering Systems
 - c.20% of reported disconnected NHH Metering Systems
- For analysis, DCs and DAs have been analysed together as 'Agents' as some responses combined costs
- Note no other industry parties, such as Suppliers, responded to this RFI

Costs of DCE for Agents, LDSOs and ELEXON

DCE00201 Actual Cost vs. Future Estimates



- Total estimated cost for DCE00201, using data from RFI responses, was **£158k**
- Total estimated costs for a future DCE with equal volume, using data from RFI responses, is **£68,291**
- Total estimated costs in the original P397 report, using indicative data for Agents and LDSOs, was **£53,644**
- “Other” covers any costs faced by ELEXON

Costs of DCE for Agents, LDSOs and ELEXON

Summary of cost estimates for different market participants in a future DCE based on RFI responses:

Party Type	Cost Type	Cost
LDSO	Event and MPID	£979 per LDSO MPID
NHH Agents	Event and MPID	£1,082 per Agent MPID
HH Agents	MSID	£3.23 per MSID
ELEXON	Event	£2,000

- Event and MPID: costs are dependent on number of MPIDs per DCE / not dependent on number of impacted MSIDs
- MSID: costs are dependent on number of impacted MSIDs

RFI Analysis Summary

- RFI responses project future DCEs will cost significantly less than DCE00201
- RFI responses represented the costs of LDSOs and HH Agents well
- Due to lower response rates, NHH Agents costs had to be uprated significantly when estimating total costs
- RFI responses highlighted a significant variation in cost between similar agents and roles for DCE00201; however, for future DCEs there was less variation
- LDSO and NHH Agents do not appear to be significantly affected by the number of impacted MSIDs within a DCE
- In contrast, HH Agents' costs appear to be linked to impacted MSID numbers
- Based on RFI analysis, a future DCE cost value is estimated to be **£68k (c.£96/MWh)**

Issue 89 outcomes

Option 1 – the original solution, amended to reflect the outcomes of the RFI (i.e. assume all Agents and LDSOs are impacted and incorporate the average costs determined by the RFI). If DCE Cost greater than DCE Value, SAP will **not** be run

Option 2 – two step process. First step identical to Option 1, second step to generate more specific DCE Cost

Option 3 – As Option 2, but without the first step (i.e. only uses the more specific calculations to determine whether DCE Cost)

Panel can also decide to take forward the original, unchanged solution presented at its Meeting in January (based on indicative cost estimates assuming a DCE identical to DCE00201)

Option 1 – Benefits and Drawbacks

Benefits

- Decision made quickly (1WD following receipt of DCE data from the NETSO)
- Non-discriminatory
- Cheapest solution (~£800)
- Based on cost data that better reflects industry's expected costs (as opposed to the original solution)

Drawbacks

- Least specific DCE Cost
- Does not account for number of HH MSIDs impacted

Option 2 – Benefits and Drawbacks

Benefits

- More specific DCE Cost
- Based on number of actual impacted Agents
- Based on actual number of MSIDs impacted
- Seeks to provide a swift solution based on Option 1 method

Drawbacks

- Adds complexity to decision
- Final decision could take 8WDs
- More expensive than Option 1 due to LDSO costs (maximum of ~£27k, will vary depending on number of LDSOs affected)
- Discriminatory to LDSOs as they have to produce P0238 files even if SAP not run
- Results in perverse outcomes, as described in the example given

Option 3 – Benefits and Drawbacks

Benefits

- More specific DCE Cost
- Based on number of actual impacted Agents
- Based on actual number of MSIDs impacted
- Can be completed in 7WDs (as opposed to 8WDs in Option 2)
- Avoids perverse outcomes of Option 2 but retains more specific costs

Drawbacks

- Adds complexity to decision
- Final decision could take 7WDs (as opposed to 1WD in Option 1)
- More expensive than Option 1 due to LDSO costs (maximum of ~£27k, will vary depending on number of LDSOs affected)
- Discriminatory to LDSOs as they have to produce P0238 files even if SAP not run

P397 Options – DCE00201

Table below shows whether the SAP would be carried out under each Option if an event identical to DCE00201 were to happen in future (note DCE Value = **£63.91/MWh**)

Option	Estimated DCE Cost	SAP carried out?
1	£95.67/MWh	No
2 (step 1)	£95.67/MWh	No
2 (step 2)	£40.24/MWh	Yes
3	£40.24/MWh	Yes

Issue 89 outcomes – Next Steps

- It is ELEXON's view that **Option 1** is the most appropriate solution:
 - Provides certainty at the earliest opportunity in the event of a DCE (1WD following receipt of DCE data from the NETSO)
 - Most efficient Option
 - Prevents incurring operational costs for LDSOs in advance of having confirmation that the SAP will be run

- 4 of the 10 attendees to the 29 June meeting of the Issue Group replied to our communications to support this approach

P397 – Next Steps

ELEXON recommends that the Business Rules be amended in line with Option 1:

- If the Panel agrees to amend the P397 solution, we recommend that industry is consulted and the responses presented to the Panel at its meeting on 13 August

Alternatively, the Panel may:

- Amend the P397 solution but not consult industry – the revised Modification Report will be sent to Ofgem with revised redlining
- Not make any changes to the P397 solution – the revised Modification Report will be sent to Ofgem

P397: Recommendations (1 of 2)

We invite the Panel to:

- a) **AGREE** that the P397 solution should be amended to incorporate Option 1, in line with the Issue 89 recommendation;
- b) **AGREE** that P397:
 - **DOES** better facilitate Applicable BSC Objective (c);
 - **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREE** an initial recommendation that P397 should be **APPROVED**;
- d) **AGREE** an initial Implementation Date of 5WD following Authority approval;
- e) **AGREE** the BSC legal text;
- f) **AGREE** the Code Subsidiary Documents;

P397: Recommendations (2 of 2)

- g) **AGREE** the revised new 'Demand Disconnection Event Threshold Rules' document;
- h) **AGREE** to re-issue P397 for Report Phase Consultation;
- i) **NOTE** that **ELEXON** will issue the revised Draft Modification Report for a 12 Working Day Consultation and will present the results to the Panel at its meeting on 13 August 2020.

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

304/07

Craig Murray

P409: Background

- 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

P409: Solution

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

P409: Panel's Initial Views

UNANIMOUSLY AGREED:

- that the P409 Proposed Modification **DOES** better facilitate Applicable BSC Objective (e);
- an initial recommendation that P409 should be **APPROVED**
- an initial Implementation Date for P409 of 05 November 2020 if a decision is received on or before 11 June 2020;
- the draft legal text for P409;
- an initial view that P409 should be treated as a Self-Governance Modification;
- that P409 is submitted straight to the Report Phase; and


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.

Please note no responses were received to this consultation

P409: Recommendations

We invite the Panel to:

- a) **AGREE** P409:
 - **DOES** better facilitate Applicable BSC Objective (e);
- b) **DETERMINE** (in the absence of any Authority direction) that P409 is a Self-Governance Modification Proposal;
- c) **APPROVE** P409;
- d) **AGREE** that P409 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- e) **APPROVE** an Implementation Date of 05 November 2020 as part of the November 2020 BSC Release
- f) **APPROVE** the draft legal text; and
- g) **APPROVE** the P409 Modification Report.



P408 'Simplifying the Output Usable Data Process as a consequence of GC0130'

304/08

Andrew Grace

P408: Background

- P408 is being raised as a consequence of Grid Code Modification GC0130: “OC2 Change for simplifying ‘output useable’ data submission and utilising REMIT data”
- GC0130 will remove the need for NGESO to send certain Output Useable data to the BMRA, whilst requiring new data to be sent
- The existing BSC requirements are overly complex and should be simplified

P408: Proposed Solution

- Update BSC Section Q and X-2 in order to ensure BSC alignment to the Grid Code following the implementation of GC0130
- Update BMRS

P408: Panel's initial views

- P408 should be treated as Self-Governance
- P408 should proceed directly to Report Phase
- Implementation date to be agreed via a delivery plan with NGESO
- Unanimously agreed with all recommendations

P408: Report Phase Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that P408 should be approved?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P408?	1	0	0	0
Do you agree with the Panel's recommended Implementation Date and approach?	1	0	0	0
Do you agree with the Panel's initial view that P408 should be treated as a Self-Governance Modification?	1	0	0	0
Will P408 impact your organisation?	1	0	0	0
Will your organisation incur any costs in implementing P408?	1	0	0	0
Do you have any further comments on P408?	0	1	-	-

- One respondent – NGESO
- Implementation date of 3 December 2020 subsequently agreed with NGESO

P408: Recommendations

We invite the Panel to:

- a) **AGREE** that the P408 Proposed Modification:
 - **DOES** better facilitate Applicable BSC Objective (a);
 - **DOES** better facilitate Applicable BSC Objective (b); and
 - **DOES** better facilitate Applicable BSC Objective (c);
- b) **AGREE** that P408 does not impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **DETERMINE** (in the absence of any Authority direction) that P408 is a Self-Governance Modification Proposal;
- d) **APPROVE** P408;
- e) **APPROVE** an Implementation Date of:
 - 3 December 2020;
- f) **APPROVE** the draft legal text;
- g) **APPROVE** the P408 Modification Report.



'Half Hourly Settlement and remote communication obligations for CT Advanced Meters'

304/09

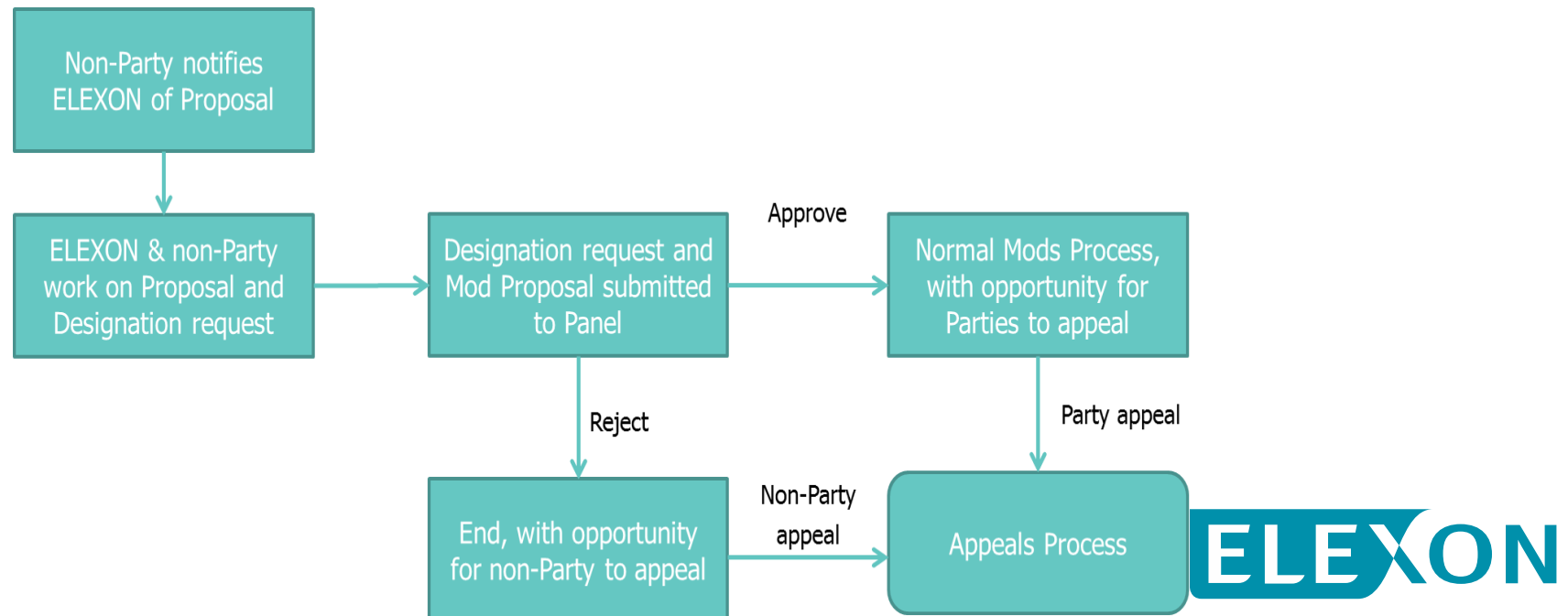
Andrew Grace
& Tom Chevalier (AMO)

Designation criteria

- P370 'Allow the Panel to designate non-BSC Parties to raise Modifications'
 - Implemented in April 2019
 - This proposal is the first designation request ELEXON has received
 - Industry have been notified of the designation request
- In order for a designation request to be considered by the Panel, the applicant, a "Third Party Applicant," must submit:
 - A valid (meets the existing requirements to submit a modification proposal in F2.1.2 of the BSC) modification proposal;
 - The rationale for requesting designation as a Third Party Proposer, including information on what other steps, if any, have been taken by the Third Party Applicant to have the Code issue or defect addressed;
 - The reasons why the applicant believes that they have an interest in the Code

Designation process

- In considering the application, the Panel may:
 - Before designating a person as a Third Party Proposer, conduct such consultation with Parties and interested third parties as it considers necessary;
 - Refuse to accept an application for designation as a Third Party Proposer, in which case we shall provide the Third Party Applicant with the Panel's reasons for such refusal and notify industry of the decision; and
 - Approve the request, in which case the Third Party Proposer shall be treated as a Proposer under Section F of the BSC, and we shall notify industry of the decision



Background

- Supply Licence Conditions (SLC)
 - The SLC requires all CT operated Metering Systems to be fitted by end of 2020, this was set out in ~2011
 - In Nov 2019 BEIS confirmed that there will be no delay to Advanced Meter obligations – the issues affecting smart metering delays are not applicable to Advanced Meters
- Market-wide HH Settlement (MHHS)
 - Design Working Group: “CT metering systems are the largest consuming metered sites remaining NHH settled, and therefore will provide the greatest settlement improvement benefit by moving them to HH. The DWG consider these MPANs are a good candidate for early migration.”
 - Now in further design, ensuring all CT operated Metering Systems are in one segment, makes design less complex
- Modification P322
 - Aspects that have emerged through Modification Group discussion is the requirement for remote communications and difficulties arranging site visits
- Covid-19
 - Settlement performance has dropped – demonstrating reliance on site visit data retrieval

Issue and Proposed solution

■ Issue

- The Standard conditions of electricity Supply Licence (SLC) requires Advanced Meters to be fitted to all Current Transformer (CT) operated Meters by the end of 2020. The BSC definition of Advanced Meters does not require these to be settled on a Half Hourly (HH) basis, this proposal seeks to align SLC & BSC requirements
- Similarly, the SLC definition of Advanced Meters requires provision of remote communications, this proposal seeks to align SLC & BSC requirements

■ Proposed solution

- Settle all CT operated Metering Systems on a HH basis by a date beyond the end of 2020 to allow migration, such as October 2021;
- Introduce an explicit BSC requirement to require all CT operated Metering Systems to have remote Communications Equipment; and
- Monitoring of compliance through a mechanism, such as a repurposed SP04

Views against objectives

- Objective c)
 - CT operated Metering Systems are higher energy consuming sites. Settlement accuracy is improved by HH Settlement of larger energy sites, where the Advanced Meters are already installed as a requirement of the SLC
 - The Modification enables a smooth transition to the Market Wide HH Settlement (MHHS) SCR TOM for Advanced Meters (subject to SCR progression)
- Objective d)
 - Identification of “100kW metering systems” is not clear and is a legacy from the opening of supply competition. The BSC obligations on ‘former PC5-8’ metering systems is not robust, whereas requirements against physical differentiators such as CT vs whole current are easier to monitor
 - An *explicit* BSC obligation to require remote communications for CT operated Advanced Meters provides alignment with the SLC and opportunity for compliance monitoring. The recent Covid-19 decline in settlement performance has demonstrated the reliance on site visit data retrieval

Request for Designation

- Rationale for request
 - Draft Modification circulated to AMO members and directly to a number of Supplier representatives
 - Unable to find a BSC Party willing to raise to Modification
- Reasons why the Third Party Applicant believes that they have an interest in the Code
 - The Association of Meter Operators (AMO) is a trade association representing metering companies
 - AMO has a direct interest in assisting the industry stakeholders to meet their licence and BSC obligations
 - Meter Operators are keen that modern BSC compliant CT metering equipment is installed and operating safely
 - Meter Operators benefit from mandating HH Settlement by regular remote data collection identifying metering/communication faults promptly enabling quicker resolution

Recommendations

We invite the Panel to:

- a) **DESIGNATE** the AMO to raise the attached Modification Proposal.

Issue and Proposed solution

■ Issue

- Although the Standard conditions of electricity Supply Licence (SLC) requires Advanced Meters to be fitted to all Current Transformer (CT) operated Meters by the end of 2020, the BSC definition does not require these to be settled on a Half Hourly (HH) basis

■ Proposed solution

- Align the definition of Advanced Meter in the BSC with the SLC and require all Advanced Meters to settle Half Hourly

Areas to consider

- In addition to the Standard ToRs, the Workgroup should consider:
 - What interactions does the proposal have with the P272, P300 and P322 solutions?
 - What interactions does the proposal have with the Settlement Reform SCR and other significant programmes of work?
 - Assessment of the costs and benefits, where possible and needed
 - What changes are needed for monitoring and reporting of the transition of the Metering Systems?

Proposed Progression (1 of 3)

- The timetable has been put together on the basis the Proposer does not believe we need a Cost Benefit Analysis:

Event	Date
Present Initial Written Assessment to Panel	9 July 20
Assessment Procedure Consultation	28 September 20 – 16 October 20
Present Assessment Report to Panel	12 November 20
Report Phase Consultation	16 November 20 – 27 November 20
Present Draft Modification Report to Panel	10 December 20
Issue Final Modification Report to Authority	17 December 20

Proposed Progression (2 of 3)

- If the initial Workgroup believes a Cost Benefit Analysis is required:

Event	Date
Present Initial Written Assessment to Panel	9 July 20
Costs and Benefits Consultation	5 October 20 – 30 October 20
Cost Benefit Analysis	4 January 21 – 29 January 21
Assessment Procedure Consultation	26 April 21 – 21 May 21
Present Assessment Report to Panel	8 July 21
Report Phase Consultation	12 July 21 – 6 August 21
Present Draft Modification Report to Panel	9 September 21
Issue Final Modification Report to Authority	16 September 21

Proposed Progression (3 of 3)

- We recommend the Workgroup comprise of participants who have expertise or experience in the following areas:
 - Settlement processes;
 - Performance Assurance processes;
 - Metering processes; and
 - Change of Measurement Class activities

- In particular, we believe that members of the P272, P300, P320 and P322 Workgroups should be included, as well as Performance Assurance Board (PAB) and Supplier Volume Allocation Group (SVG) Members

Recommendations

We invite the Panel to:

- b) AGREE** that the proposal progresses to the Assessment Procedure;
- c) AGREE** the proposed Assessment Procedure timetable;
- d) AGREE** the proposed membership for the Workgroup; and
- e) AGREE** the Workgroup's Terms of Reference.

Public

Minutes of Meeting 303 and Actions Arising

Claire Kerr

Public

Chairman's Report

Michael Gibbons



Public

ELEXON Report

Mark Bygraves



Public

Distribution Report

Fungai Madzivadondo

ELEXON

Public

National Grid Report

Jon Wisdom



Public

Ofgem Report

Colin Down

ELEXON

Public

Panel Committee Reports

304/01A-E





BSC Panel Strategy

304/10

Claire Kerr

Main Panel Actions

- Pro-active engagement with other industry codes
- Review of BSC Panel Chair
- Facilitating Settlement of “behind the Meter” situations (metering behind the boundary point and meter splitting)
- BSC Sandbox
- Finding better ways to get better representation from those “not in the room”
- Net zero emissions by 2050
- COVID-19

* Post-Implementation Reviews

Recommendation

We invite the Panel to:

- a) **APPROVE** the BSC Panel Strategy for 2020-2022.

