

ELEXON

Quality Delivery

Actively managing our services to ensure that we deliver in a reliable, economic and efficient way.

Innovation

Enhancing and evolving our services to support industry changes and development of the energy market.

Customer Centric

Improving the customer experience and developing richer customer relationships.

Simplification & Consolidation

Reducing complexity and fragmentation.

Digital Platform

Creating an agile digital platform to meet the changing energy market.

307/01 Elexon Report

BSC Panel

Date of meeting	8 October 2020
Paper Number	307/01
Owner/author	Mark Bygraves
Purpose of paper	For Information
Classification	Public
Summary	Elexon provides this paper for the Panel's information. The paper presents an overview of activities and developments within Elexon, the balancing and settlement arrangements, industry and Codes.

Executive Summary

Elexon is doing everything to assure the continuity of the services provided under the BSC and EMR during the Coronavirus pandemic. As part of this we have highlighted the PAB's decision for derogations to end on 31 December 2020.

We have provided some key highlights from our recent Annual BSC Meeting and Seminar including how BSC Parties voted for all seven directors to continue as directors of Elexon.

We have highlighted the successful candidates elected as BSC Industry Panel Members for the period 1 October 2020 to 30 September 2022.

We have provided an update on the submission of Market Domain Data (MDD) and Line Loss Factor Classes (LLFC) Plan for Ofgem's Targeted Charging Review (TCR).

In relation to Ofgem's Market Wide Half Hourly Settlement (MHHS), we have highlighted that ScottishPower raised P413 which will require Elexon, as the BSC Company (BSCCo), to provide the Programme Manager (PM) function for the implementation of MHHS.

We have announced the name of our new digital platform, Elexon Kinnect.

Target Audience

Elexon's customers and the wider industry.

Contents

Contents	1
I. Coronavirus News	2
II. Elexon News	2
III. Industry News	3
IV. Operational News	4
V. Electricity Market Reform News	5
VI. Cross-Code News	5
VII. KPI Spotlight	5
VIII: Summaries of Panel Business – Tabled	6
IX: Recommendations	6
Attachments	6

I. Coronavirus News

Elexon is doing everything to assure the continuity of the services provided under the BSC and EMR. We are helping to ease the burden of our Parties who may be experiencing difficulties at this time.

Actions taken by Elexon, the BSC Panel and Panel Committees are set out on our dedicated Coronavirus [webpage](#). Here we have also addressed a number of questions or issues that may arise because of the current events. We will also communicate any major changes to Elexon or the BSC via our regular channels.

Performance Assurance Board (PAB) issues notice period to end estimation Derogations

As a response to the COVID-19 lockdown, earlier this year the PAB approved a number of derogations to BSC obligations to enable Suppliers to instruct their agents to process estimates that better reflected consumption during the lockdown period.

At its September meeting, the PAB agreed that the derogations should end on 31 December 2020 and is now issuing a three month notice period to the industry. Further details can be found in PAB paper [236/13](#) and associated guidance notes.

II. Elexon News

Consultation Responses

We have responded to one consultation since our last update to the Panel as follows:

- **The Energy Networks Association (ENA)'s consultation on the work undertaken by the Open Networks Flexibility Services Workstream.** In our response we:
 - Suggested that it would be sensible if Distribution System Operator (DSO) baselining methodologies were consistent with those introduced through BSC Modification [P376 'Utilising a Baselining Methodology to set Physical Notifications for Settlement of Applicable Balancing Services'](#), in order to avoid asset operators having to meet two different standards at the same time.
 - Noted that we would be happy to work with the Open Networks team to ensure consistency of these arrangements, and that we'd welcome DSO involvement in P376.

All consultation responses are available on the [industry insights](#) page of the ELEXON website.

Annual BSC Meeting – highlights

On Thursday 10 September 2020, Elexon hosted the first ever virtual Annual BSC Meeting and Seminar.

Ofgem's CEO, Jonathan Brearley, was the keynote speaker, and Elexon's executive team also presented on Elexon's strategic priorities, performance over 2019/20 and support for the energy transition. The name for our new digital platform was also announced, Elexon Kinnect.

Elexon's Chairman, Michael Gibbons, welcomed guests to the seminar, congratulating attendees for working together in a difficult time.

The full list of highlights, slides and a short video can be found at the following [link](#).



Digitalising Elexon through Elexon Kinnect

Elexon is working to digitalise the BSC - both the legal text and our systems and processes. Our new digital platform, Elexon Kinnect, will be made available in phased releases and includes three platform elements: a Customer Solution, a Settlement Solution and an Insights Solution.

In January 2021 we will launch selected Market Entry and Asset Registration processes within the Elexon Kinnect Customer Solution platform. Further information can be found at the following [link](#).

Results of voting at the 2020 Annual BSC Meeting

All seven directors were up for re-election at the BSC Annual meeting on Thursday 10 September 2020 and were each approved to continue as directors. How BSC Parties voted on each director can be found at the following [webpage](#).

BSC Panel Elections 2020: Candidates successfully elected

The following five candidates have been successfully elected as BSC Industry Panel Members for the period of 1 October 2020 to 30 September 2022:

- Andrew Colley
- Lisa Waters
- Mark Bellman
- Rhys Kealley; and
- Thomas Edwards.

Elexon's Customer satisfaction survey

Elexon has launched its 2020 customer satisfaction survey and the results are expected later this autumn. Ofgem has announced that it will not be conducting its own cross code survey of each code manager's performance.

Changes to the Elexon website

We have updated the BSC website to enhance the customer experience by adding Plain English definitions to the top 25 'searched for' glossary terms. Content that relates to Elexon, such as company dealings and updates has been moved to a new corporate site (www.elexon.com).

Sign up to the virtual Elexon and BSC seminar: Introduction to the energy market

Due to COVID-19, we have been unable to hold the Elexon and BSC seminar: Introduction to the energy market in person. We will now be holding the sessions via webinars on Tuesday 6 October and Wednesday 7 October 2020. Details on how to sign up can be accessed from the following [webpage](#).

Elexon contributes to techUK's Connected Home Campaign Week

As part of techUK's Connected Home Campaign Week, Elexon contributed a [guest blog](#) : MHHS – 'behind the scenes' of how the industry will revolutionise the way consumers interact with their electricity supply.

III. Industry News

European Developments

Future UK-EU trading agreement

Formal UK–EU future trade agreement negotiations commenced in March 2020. Negotiations continue at pace both formally, and informally. However, as has been widely reported, both sides were hoping to be further towards a solution than they are by now.

The Government has started to lay some Statutory Instruments ahead of 31 December 2020 (none affect the BSC so far) and we are analysing potential no-deal risks as well as the merits of the UK and EU's proposed legal texts.

In September 2020 we were expecting to see further sets of Statutory Instruments (SIs) pertaining to Electricity. However, the latest indication from BEIS is that they will be released 'Autumn/Winter 2020'.

Clean Energy Package

Directive (EU) 2019/944 is the second part of the Clean Energy Package which has to have the necessary laws, regulations and administrative provisions necessary to comply brought into force by 31 December 2020 (i.e. the last day of the transition period). We have communicated to Ofgem where we think the BSC may be impacted and this has been passed to BEIS. An SI is due in 'Autumn/Winter 2020' to enact the Directive into UK law.

Article 6 of the Electricity Regulation (Regulation (EU) 2019/943) requires Settlement to be based on pay-as-clear instead of pay-as-bid. This could cause substantial work for NGESO and some work for Elexon to deliver a BSC Modification in the required timetables. NGESO are leading on this piece and we are in close support and engaging together. We are still waiting on a derogation form Ofgem on this.

Modification [P412 'Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy'](#) was raised by NGESO ahead of the September 2020 BSC Panel. This will address issues around Balancing Responsibility and non-delivery charges.

Electricity Balancing Guideline (EB GL)

On Friday 4 September 2020 NGESO announced publically that they would not deliver TERRE, the pan-European balancing platform, before the end of 2020. What will happen post 1 January 2021 remains unclear and is largely dependent on UK/EU FTA Negotiations. Wider access to the Balancing Mechanism had already started in December 2019 and is not affected by this delay to TERRE.

National Grid ESO raised BSC Modification [P407 'Project MARI'](#) on 4 May 2020 and Grid Code Modification [GC0145: Updating the Grid Code to include MARI](#) on 19 May 2020 for project MARI. These are the BSC and Grid Code Modifications to ensure GB Market participants are able to provide manually Activated Frequency Reserve (mAFR) when the platform goes live by July 2022. We have had three Workgroups already.

There are several outstanding actions to be resolved by NGESO, and some from Elexon. With this in mind, Elexon and NGESO will hold the next two meetings as Elexon/NGESO only meetings to work through the outstanding issues. Workgroup members will next be invited to participate on 13 October 2020 where we will update members on progress with the outstanding actions.

Network Code on electricity emergency and restoration

We are still waiting on a decision from Ofgem regarding NCER and market suspension. We have a modification from NGESO ready to be raised that will ensure the NCER terms of reference are incorporated into the balancing terms of reference as required by Article 18 of the EBGL.

IV. Operational News

Updates to the submission of MDD and LLFC Plan for Ofgem's Targeted Charging Review TCR

In August 2020, we issued a Request for Information (RFI) so that BSC Parties could provide views on the potential impacts of adding large numbers of new LLFCs (approximately 19,000) and valid set combinations (approximately 300,000) to MDD. The vast majority of respondents highlighted risks and requested testing prior to the data being published.

At its 10 September 2020 meeting, the first set of submissions were presented to the SVG for approval. The SVG referred the decision to the BSC Panel. Subsequently, at its September meeting, the BSC Panel deferred two Change Requests M3630 and M3632, which only contain changes to support Ofgem's TCR, until further information on the 1 April 2021 deadline and testing has been provided.

Testing is required to make sure all the participants will be able to load the significantly larger MDD and LLF files at this stage and to ensure there is not a risk to Settlement. Currently, we are in the process of assessing, as a minimum, providing test files for MDD(D0269/D0270) and LLFs(D0265). We will be distributing an indicative plan to LDSOs & IDNOs once the expected testing timescales have been agreed and finalised. As a result of this, any scheduled TCR Change requests will be on hold until testing has been successfully completed.

Please note that as the current TCR submissions are on hold, this might have a knock on impact on the later stages of the current plan and may affect DNOs go-live dates for the related submissions for 1 April 2021. We will make sure that the participants are kept informed with regards to testing and are provided with sufficient notice prior to TCR submission dates.

Further information can be found on the [MDD webpage](#).

More electricity market data available

As part of our commitment to improving access to electricity market data, we have now made more electricity Settlement data available on our [Open Settlement Data](#) page.

V. Electricity Market Reform News

No EMR Circulars have been issued since the last Panel meeting. All previous EMR Circulars are available to download from the [EMRS Circulars page](#) of the EMRS website.

VI. Cross-Code News

Ofgem Market Wide Half Hourly Settlement (MHHS)

Our Code Change and Development Group (CCDG) and Architecture Working Group (AWG) work continues to progress. The next CCDG meeting will be held on 20 October 2020 and the next AWG meeting will be held on 27 October 2020.

ScottishPower raised [P413 'Require Elexon to be the Programme Manager for the implementation of Market-wide Half Hourly Settlement'](#) which will require Elexon, as the BSC Company (BSCCo), to provide the Programme Manager (PM) function for the implementation of MHHS. The first Workgroup meeting was held on 22 September 2020 with the second meeting scheduled to take place the week commencing 12 October 2020.

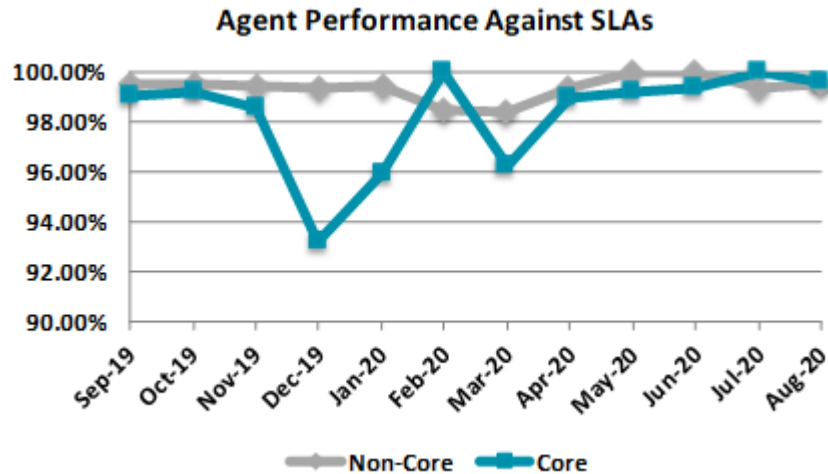
Retail Energy Code (REC) Manager and RECCo

The RECCo service provider procurement has concluded with the award of the Professional Services Contract to Gemserv, Performance Assurance to Deloitte and Technical Services to Cap Gemini. Further information can be found on the following [REC webpage](#).

The BSC Panel wrote to Ofgem about the governance and assurance arrangements for metering raising concerns about the proposed spilt between the BSC and REC. Ofgem and Elexon have agreed to meet to discuss the proposals and report back to the Panel with its conclusions.

VII. KPI Spotlight

Stability of service continues to be maintained with a total of 39 out of 41 Service Level Agreements (SLAs) being met in August, in line with July performance but an increase of 4 SLAs met when compared to August 2019. Where failures have been seen, corrective actions have either been implemented or in progress to prevent any future failures of a similar issue.



VIII: Summaries of Panel Business – Tabled

Summaries of papers considered and decisions made by the Panel Committees since the last Panel meeting can be found in their headline reports, included as attachments to this paper. Please note that there was no Trading Disputes Committee (TDC) meeting held this month.

IX: Recommendations

We invite the Panel to:

- **NOTE** the contents of this paper.

Attachments

Attachment A – Elexon monthly KPIs

Attachment B1 – Report from the ISG (Public)

Attachment B2 – Report from the ISG (Confidential)

Attachment C – Report from the SVG

Attachment D1 – Report from the PAB (Public)

Attachment D2 – Report from the PAB (Confidential)

For more information, please contact:

Mark Bygraves, Chief Executive Officer

mark.bygraves@elexon.co.uk

020 7380 4137

