

Minutes

BSC Panel

Meeting number **309**

Venue **Video Conference**

Date of meeting **Thursday 10 December 2020**

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
Andrew Colley	AC	Industry Panel Member
Lisa Waters	LW	Industry Panel Member
Mark Bellman	MBe	Industry Panel Member
Rhys Kealley	RK	Industry Panel Member
Tom Edwards	TE	Industry Panel Member
Derek Bunn	DB	Independent Panel Member
Diane Dowdell	DD	Chair Appointed Industry Panel Member
Fungai Madzivadondo	FM	Distribution System Operator Representative
Ed Rees	ER	Consumer Panel Member
Stew Horne	SH	Consumer Panel Member
Mark Bygraves	MB	Elexon CEO
Victoria Moxham	VM	Elexon Director of Customer Operations, Panel Secretary
Angela Love	AL	Elexon Director of Future Markets and Engagement (Part-Meeting)
Peter Stanley	PS	Elexon Director of Digital Operations (Part-Meeting)
Nigel Smith	NS	Elexon Director of Corporate Services (Part-Meeting)

Attendees and apologies

Geraldine Buckland	GB	Elxon Director of People (Part-Meeting)
Claire Kerr	CK	BSC Administration and Configuration Manager
Lawrence Jones	LJ	Modification Secretary (Part-Meeting)
Chris Arnold	CA	Elxon (Part-Meeting)
Matthew Woolliscroft	MW	Elxon (Part-Meeting)
Craig Murray	CM	Elxon (Part-Meeting)
Ivar Macsween	IM	Elxon (Part-Meeting)
Nick Baker	NB	Elxon (Part-Meeting)
Mehdi Jafari	MJ	Elxon (Part-Meeting)
Karen Lavelle	KL	Elxon (Part-Meeting)
Amanda Rooney	AR	Elxon (Part-Meeting)
Chris Lock	CL	Elxon (Part-Meeting)
Tirath Maan	TM	Elxon (Part-Meeting)
David Thomas	DT	Elxon (Part-Meeting)
Ed Morris	EM	Elxon (Part-Meeting)
Chris Wood	CW	Elxon (Part-Meeting)
Nicholas Rubin	NR	Elxon (Part-Meeting)
Jeremy Caplin	JC	Elxon (Part-Meeting)
Thomas Demetriades	TD	Elxon (Part-Meeting)
Hussein Osman	HO	Elxon (Part-Meeting)
Hannah Kernthaler	HK	NGESO (Part-Meeting)
Pavinder Babra	PB	NGESO (Part-Meeting)
Jon Wilkins	JWil	Research Craft (Part-Meeting)
Laurie Walker	LW	Gilmond (Observer)
Paul Mullen	PM	NGESO (Observer)

1. Introduction

- 1.1 The Chairman noted that it was Stew Horne's last Panel meeting and thanked him for his four years' service as a Consumer Panel Member having joined in September 2016. Stew is currently the Head of Energy Networks and Systems at Citizens Advice but his new role takes him to the Energy Saving Trust as Head of Policy. The Panel wished Stew well in his new role and for the future.

Part I: Non-Modification Business (Open Session)

2. Customer survey results – (Verbal)

- 2.1 Jon Wilkins (JWil) from Research Craft provided the Panel with the results of Elxon's Customer Survey 2020. He highlighted that the number of responses to the survey was markedly lower than usual with 90 completed

surveys, compared to 112 over the same period in 2019. Furthermore the Panel should bear in mind the impact that COVID-19 will have had on customers' responses, as well as Elexon itself and the research process.

2.2 The main messages from the survey were:

- Access to expertise, plus quality and reliability of service remain key priorities. However, the high degree of change this year means that greater importance is being placed on Elexon's adaptability;
- One consequence of this year's challenges appears to be a weaker sense that Elexon's service has improved, and this has come across all sizes of organisation;
- Despite the turbulence of this year, key overall ratings have remained remarkably close to usual levels; and
- Although only a minority identify specific improvements needed, modernisation of systems, proactively understanding needs and facilitating communication are all key general themes.

2.3 JWIL also highlighted some specific points as follows:

- Communications: Positive feedback received - more tailored communications taking into account business profiles would be a welcome improvement;
- OSMs are meeting or exceeding expectations for most - quality and speed of response are pivotal to success;
- BSC Change: Feedback on change has been even more positive this year, particularly communication before or after the decision point;
- Digital Future: Familiarity and understanding of Elexon's digitalisation programme is growing and interest is high. Regular updates and a road map are desired, but via the website and a variety of other communications touchpoints;
- Committees: Mixed feedback received - Conferencing facilities have become more valued (due to COVID-19) but there were also concerns over meeting papers' quality falling. This needs to be addressed quickly.
- Performance Assurance: Delivery of the process has been rated even more positively this year, particularly amongst medium or large organisations.

2.4 The Panel thanked JWIL for such a helpful presentation, commenting that it was a very positive set of results given the difficult circumstances over the past year; it was clear that Elexon is already taking positive action.

2.5 A Panel Member queried what the comments made on meeting papers specifically related to. JWIL advised that they were a collection of a handful of comments; these were largely in relation to papers not being issued in a timely fashion but also related to minor accuracy errors in papers that were specific to the Committees they were referring back to. Ed Morris (EM) commented that the Panel Committee Chairs and the BSC Administration and Configuration Manager had already met to discuss the paper issues and have developed an action plan to address the problem. Another Panel Member commented that if Elexon had been marked down for quality of papers they were certain that other Code Administrators would have scored even lower. In this context, they highlighted the lack of a Cross-Code Survey this year, and suggested that Ofgem should still take note of those Code Administrators that have not performed. The Ofgem Representative commented that it was unfortunate that Ofgem did not carry out its Cross-Code Survey this year.

2.6 A Panel Member noted the recommended key areas in relation to communications but asked Elexon to be mindful of the level of editorial control and influence; for example they did not want a Party to be excluded from certain communications and then that Party asking why it was not sent certain information further down the line. MB agreed that a balance needs to be struck between trying to make communications more targeted and making a wrong judgement call and Parties not receiving what they need. EM reassured the Panel that Elexon is ensuring that Parties are receiving all the relevant information that they should and are not missing out by not signing up to certain materials.

2.7 The BSC Panel:

a) **NOTED** the update.

Part II: 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

3. Change Report and Progress of Modification Proposals – (309/03)

- 3.1 The Modification Secretary [presented](#) the Change Report and progress of Modification Proposals. He noted that Elexon are preparing to raise two new Issues from the ESO. One on a review of the Reserve Scarcity Price this week and one on assessing the barriers to entry for sub 1MW providers in Q1 2021. The Panel clarified the scope of these Issues.
- 3.2 He noted that at the October 2020 meeting, the Panel agreed to end the COVID-19 prioritisation approach at the end of 2020, subject to feedback and the evolving situation. There has since been a new national lockdown with the majority of GB remaining in Tier 2 or higher. Taking into account that the Performance Assurance Board (PAB) has extended its derogations as well as the feedback received in the Customer Survey asking for more prioritisation, Elexon proposes to extend the prioritisation approach to 31 March 2021. The Panel agreed that this was appropriate.
- 3.3 There was an update on the EB GL Article 18 and the NCER rules ('Rules for suspension and restoration of market activities' and Rules for Settlement in case of market suspension'). The NCER Rules that were expected to be approved in October 2020 are now expected in Q2 2021 as Ofgem has identified that the NCER Rules approval is dependent on Grid Code Modifications [GC0144: Alignment of Market Suspension Rights to the EU Emergency and Restoration Code Article 35.1\(b\)](#) and [GC0147: Last resort disconnection of Embedded Generation – enduring solution](#).
- 3.4 Ofgem has indicated that it cannot approve the NCER Rules with these clarifications outstanding as they are fundamental to the provisions of the rules and system plans. This unexpected delay therefore poses a risk as once the NCER Rules are approved in Q2 2021 and become Article 18 Terms and Conditions, it could catch some in-flight BSC Modifications that have already progressed to the Report Phase. It will mean that Modifications fitting those criteria will not have considered the BSC provisions constituting NCER Rules and will therefore risk not be compliant with the BSC Change process as described in Section F. Elexon and NGESO have agreed to run a 'mop up' consultation if any Modifications are impacted, as was done for [P392 'Amending the BSC change process to incorporate the delegation of NGESO's powers and obligations under the EBGL to change EBGL Article 18 terms and conditions'](#).
- 3.5 A Panel Member queried whether these are affected by any statutory instruments for Brexit. The Modification Secretary confirmed that it had not identified any.
- 3.6 Elexon had now updated its Modification templates to encourage more cost information being provided by asking 'how much' rather than 'will you incur costs'. Cost-categories will be used, when appropriate and responses anonymised to encourage responses. He also noted the improvements that had been made to the Grid Code Modification governance following the approval of [GC0131: 'Quick Win' Improvements to Grid Code Open Governance Arrangements](#). The Panel noted that some of these Grid Code governance changes are already carried out under the BSC, whilst the others would not be appropriate.
- 3.7 The BSC Panel:
- a) **APPROVED** a three-month extension to the P332 Assessment Procedure;
 - b) **APPROVED** a two-month extension to the P376 Assessment Procedure;
 - c) **APPROVED** a three-month extension to the P407 Assessment Procedure; and
 - d) **NOTED** the contents of the December Change Report.
- 4. 'Move the Letter of Credit templates and Approved Insurance Product requirements to the BSC Website for more efficient maintenance and simplification' IWA – (309/04)**
- 4.1 A Panel Member was supportive in principle but was concerned that Elexon needs to specify to Parties that any change will always be consulted on for a specific period and will not immediately change. They suggested that an amendment is made to the legal text to make it clear that these types of changes will not be consulted on for less than a month. Another Panel Member agreed and suggested that a sufficiently strong signal for participants to be made aware that the formal words have changed needs to be explicitly made; any change of formal words in a Letter of Credit with a bank is not an easy process. They suggested that a three-month notice period might be appropriate. The Modification Secretary suggested that the legal text is updated to reflect these clarifications and that a review is carried out by the Panel Members who expressed their concern. The Panel agreed that this was sensible.
- 4.2 A Panel Member also suggested that as Elexon's initial view is that this Modification is treated as Self-Governance, a longer consultation period over the Christmas period would be more appropriate. As there does

not appear a rush to implement this change, the Panel Member also suggested that an April 2021 Release date rather than a February 2021 Release date might better suit. Elexon agreed to extend the consultation period until mid-January 2021 so that the Modification could be presented to the Panel at its February 2021 meeting and instead implemented as part of the April 2021 Release.

4.3 The BSC Panel:

- a) **RAISED** the Modification Proposal in Attachment A in accordance with F2.1.1(d)(i);
- b) **AGREED** that this Modification:
 - i **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREED** that this Modification progresses directly to the Report Phase;
- d) **AGREED** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- e) **AGREED** an initial recommendation that this Modification should be **approved**;
- f) **AGREED** an initial Implementation Date of:
 - i 1 April 2021 as part of the April 2021 Standalone Release;
- g) **AGREED** the draft legal text;
- h) **AGREED** an initial view that this Modification should be treated as a Self-Governance Modification; and
- i) **NOTED** that Elexon will issue the Draft Modification Report (including the draft BSC legal text) for a 20 Working Day consultation and will present the results to the Panel at its meeting on 11 February 2021.

5. 'Amendments to the P383 legal text for Additional BM Units' IWA – (309/05)

- 5.1 A Panel Member commented that the legal text appears to only have the [P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'](#) changes rather than the amendments made to the P383 approved legal text. Elexon responded that this Modification's legal text for has been drafted over the top of the P383 approved legal text. The consultation will make it explicit as to what is the P383 approved legal text and what are the new text amendments, and include both the original P383 legal text and one with the new changes.

5.2 The BSC Panel:

- a) **RAISED** the Modification Proposal in Attachment A;
- b) **AGREED** that this Modification:
 - i **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREED** that this Modification progresses directly to the Report Phase;
- d) **AGREED** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- e) **AGREED** an initial recommendation that this Modification should be **approved**;
- f) **AGREED** an initial Implementation Date of:
 - i 1 April 2021 as a standalone BSC Release;
- g) **AGREED** the draft legal text;
- h) **AGREED** an initial view that this Modification should be treated as a Self-Governance Modification; and
- i) **NOTED** that Elexon will issue the Draft Modification Report (including the draft BSC legal text) for a 13 Working Day consultation and will present the results to the Panel at its meeting on 14 January 2020.

6. P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point' DMR – (309/06)

- 6.1 A Panel Member observed that Suppliers can be Virtual Lead Parties (VLPs) and queried how much of the solution is applicable to them. Additionally, the Panel Member commented that a Workgroup is looking at the Cost/Benefit Analysis (CBA) for secondary Suppliers for P379. They are finding this difficult as it appears that

many of these will have already been captured under P375. Elexon advised that P375 was originally raised by Flexitricity to deal with the inaccuracies associated with the [P344 'Project TERRE implementation into GB market arrangements'](#) solution. The main advantage for Suppliers for P375 is that it will give everyone a more accurate representation of their imbalance position. Currently, Suppliers' imbalance position is affected by the VLP beneath the boundary which is based on estimates but P375 will give them more accurate readings. The second advantage for the wider industry is that it will also facilitate other Modifications in the future e.g. [P379 'Enabling consumers to buy and sell electricity from/to multiple providers through Meter Splitting'](#), [P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'](#), [P395 'Excluding generators from BM Unit Gross Demand and the calculation of EMR Supplier Charges'](#) and [P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties'](#). This will enable better access to the market for evolving technologies as we head towards net zero.

- 6.2 A Panel Member queried whether P375 would require CoP compliant Metering. Elexon advised that as part of P375, CoP11 had been designed with input from industry, metering manufacturers and BEIS to facilitate the use of all types of asset metering. Additionally, Elexon has also updated and future-proofed BSCP601 to ensure it is not a barrier for new technologies but easier access to the market. Elexon has tried to cater for all types of metering including DC metering and metering that is also, coincidentally compliant with SMETS. Further, should there be a call (such as a future evolution of Government's smart policy) for asset meters to be operable with the Data and Communications Company (DCC) capable smart Meters, then all that will be needed will be a Change Proposal (CP) to make necessary changes.
- 6.3 The NGESO Panel Member noted the input of an Industry Expert Group (IEG) and asked whether Elexon had considered the risk of any changes to the processes impacting the recommendations the Panel is being asked to approve. Elexon advised that this risk is the same as for other Modifications; the IEG is being formed to help shape the Code Subsidiary Documents (CSDs) for processes underpinning P375. It is not unusual for Elexon to develop the CSDs as part of the implementation phase, and it was felt by the Workgroup that this approach has prevented a delay to the potential Implementation Date for P375. Additionally it will ensure that the CSDs can be drafted in parallel with commencing the system changes.
- 6.4 The Consumer Panel Member observed that there is a good articulation of consumer benefits throughout the Draft Modification Report, including the clear benefits in relation to competition, but noted that the Consumer Impact box itself is vague. Elexon agreed to draw these benefits out more clearly in the Final Modification Report.
- 6.5 A Panel Member suggested that P375 be scheduled for a specific post-implementation review (in line with the Panel Strategy) to reflect on the actual benefits that are/are not realised. The Panel supported doing this.

ACTION 309/01

- 6.6 The BSC Panel:
 - a) **AGREED** that P375:
 - i **DOES** better facilitate Applicable BSC Objective (b);
 - ii **DOES** better facilitate Applicable BSC Objective (c); and
 - iii **DOES** better facilitate Applicable BSC Objective (e);
 - b) **AGREED** a recommendation that P375 should be **approved**;
 - c) **APPROVED** an Implementation Date of:
 - i 30 June 2022 if an Authority decision is received on or before 30 April 2021; or
 - ii 3 November 2022 if an Authority decision is received after 30 April 2021 and before 30 June 2021;
 - d) **APPROVED** the P375 draft legal text;
 - e) **APPROVED** the draft redlining to the BSC subsidiary documents in Attachments B and C;
 - f) **NOTED** the draft redlining to BSCP602 in Attachment D; and
 - g) **APPROVED** the P375 Modification Report.

7. [P398 'Increasing access to BSC Data' DMR – \(309/07\)](#)

- 7.1 A Panel Member queried whether a similar request to that of [P383](#) would be routed through the P398 process rather than a separate Modification, if approved.

- 7.2 Elexon advised that P398 will not replace existing routes to data (i.e. licences in place will remain). However it will put a governance structure in place so that if there are any new requests for data that are not covered elsewhere in the BSC, it provides a route for parties to have access to that data. Elexon also advised that this is in line with the Energy Data Task Force's recommendations. The NGESO Panel Member commented that in relation to P383, a Modification was still required in order to place obligations on storage providers to ensure that parties had a route to that storage data; not every situation would require a new Modification to be raised.
- 7.3 A Panel Member queried who would ultimately be responsible for approving the requests. Elexon advised that this would firstly sit with the BMRS Change Board (BCB) (as a Panel sub-Committee) who will have a threshold of £150,000 implementation cost otherwise it will be referred up to the Panel. Elexon confirmed that there will be no route of appeal beyond the Panel; Ofgem will not have the power to intervene although it is something Ofgem might consider in the future. A Panel Member queried whether the BCB's decision has to be unanimous. Elexon confirmed that the BCB's decision would be by majority.
- 7.4 A Panel Member queried whether changes to the BMRS would be covered under P398. Elexon confirmed that P398 is introducing a governance process to release data and is not making changes to systems or BMRS.
- 7.5 A Panel Member commented that while they support open data as a point of principle, it must have good governance structures. The intention should not be more sophisticated than wanting all data to be available to everybody and anyone. The Ofgem Representative commented that the drafting of the Energy Data Task Force made it clear that all data should not be made available to all; there are many instances where data should be provided on a case-by-case basis. Elexon asked the Panel to note that Ofgem had been working closely with it on the development of P398 and had been particularly pro-active in providing feedback.
- 7.6 A Panel Member queried why charging BSC Parties for the data is not being used as mitigation against abuse of the process noting that currently some confidential data can be obtained but via a fee. Elexon advised that the Workgroup was strongly of the view that BSC Parties should not be charged for the data; they believed it to be contrary to the intention of open data and could be seen as a barrier to innovation. Additionally, the information that Elexon publishes will be made public so whilst the requester will have the immediate benefit of the data, it will then be published for the benefit of the wider industry.
- 7.7 The BSC Panel:
- a) **AGREED** that P398:
 - i **DOES** better facilitate Applicable BSC Objective (c);
 - b) **AGREED** a recommendation that P398 should be **approved**
 - c) **APPROVED** an Implementation Date of:
 - i 25 February 2021 as part of the February 2021 BSC Release if an Ofgem decision is received on or before 15 January 2021; or
 - ii 24 June 2021 as part of the June 2021 BSC Release if an Ofgem decision is received after 15 January 2021 but on or before 31 May 2021.
 - d) **APPROVED** the draft legal text; and
 - e) **APPROVED** the P398 Modification Report.

8. P414 'Allowing a Party to Withdraw from the BSC and transfer outstanding liabilities to another Party' DMR – (309/08)

- 8.1 A Panel Member asked whether this route could be mis-used by Parties going into Section H Default. Elexon advised that any debts accrued would be transferred to an existing BSC Party who would also have to explicitly agree with the withdrawing Party about taking on those liabilities. This does not increase the risk in any way as Credit Cover would still remain and be transferred to the gaining Party.
- 8.2 The NGESO Panel Member asked whether Elexon was concerned that P414 could be subject to Ofgem's send back process by not fully exploring the appeals process comment. Elexon advised that it had discussed a right of appeal with the Proposer and included rationale in the Modification Report. The Proposer of P414 believed that as P414 will deliver an administrative process and does not affect Parties' rights or ability to withdraw from the BSC, a right of appeal is not necessary. Additionally, where the Panel determines to reject an application, the withdrawing Party is not precluded from resubmitting an application after addressing the Panel's comments.

8.3 A Panel Member noted that by taking on an exiting Party's liabilities, a Party could jeopardise its own viability which in turn could lead to a default of its existing commercial contracts. Another Panel Member commented that this would always be a risk, but didn't believe it was for the BSC Panel to police. As to the risk of intentional corporate misbehaviour whereby one Party sought to avoid its liabilities by transferring them to another Party, the Panel was reminded that the Panel had discretion to approve or not.

8.4 The BSC Panel:

a) **AGREED** that P414:

i **DOES** better facilitate Applicable BSC Objective (d);

b) **DETERMINED** (in the absence of any Authority direction) that P414 is not a Self-Governance Modification Proposal;

c) **AGREED** a recommendation that P414 should be **approved**;

d) **APPROVED** an Implementation Date of:

i 25 February 2021 if an Authority decision is received on or before 8 February 2021; or

ii 1 April 2021 if an Authority decision is received after 8 February 2021 but on or before 8 March 2021;

e) **APPROVED** the draft legal text;

f) **APPROVED** the draft changes to BSCP65; and

g) **APPROVED** the P414 Modification Report.

9. P390 'Allowing extensions to Elexon's business and activities, subject to additional conditions' - Authority Send back – (309/09)

9.1 A Panel Member asked Ofgem whether similar obligations will be put on other Code Administrators when they do the same thing. The Ofgem Representative was not aware of any plans to put obligations on other Code Administrators; Ofgem had to judge P390 on its own risks and merits.

9.2 A Panel Member asked when Elexon can expect a decision on P390 if it provides the Final Modification Report as soon as possible, recognising the extraordinary time that Ofgem has already taken. The Ofgem Representative commented that it did not yet have an expected decision date but suggested that Ofgem should be able to provide its decision within its 25 Working Day KPI (subject to the amendments made through the send back having addressed the concerns they raised) and taking into account the Christmas period.

9.3 The BSC Panel:

a) **AGREED** that the P390 Legal Text should be amended;

b) **AGREED** that P390:

i **DOES** better facilitate Applicable BSC Objective (c); and

ii **DOES** better facilitate Applicable BSC Objective (d);

c) **AGREED** a recommendation that P390 should be approved;

d) **APPROVED** an Implementation Date of:

i **5 Working Days** following Authority approval;

e) **APPROVED** the revised draft legal text in Attachment B; and

f) **APPROVED** the P390 Modification Report.

9.4 The Chairman (having not participated in the debate) then commented that in his view, the Ofgem approach to Elexon's ability to compete was highly prescriptive, and it resulted in a series of preconditions which do not apply to other competing companies, as well as other Code Bodies. He trusted that, in the event of changes in companies providing code services elsewhere, Ofgem would adopt a similar approach, in the interests of fair competition.

10. Code Administrator Code of Practice (CACoP) Forum Update – (Verbal)

10.1 Elexon provided an [update](#) on the CACoP following a request from the Panel Working Group who were looking at how the BSC Panel can proactively engage with other Code Bodies.

- 10.2 Elexon highlighted the main CACoP products including the Central Modification Register, Horizon scan and CACoP newsletter. These are all available on the [CACoP Forum](#) page of the BSC website.
- 10.3 A Panel Member expressed their view that the purpose of the CACoP is to simply align the Codes rather than creating new structures like a CACoP website. Elexon has expressed similar views at the CaCoP and in relation to the website had already asked for a business case to be put forward (which will be brought to the Panel for its input in the next few months). Elexon also advised that the CACoP agenda is largely driven by the Chair of the meeting (currently Genserv) and that Elexon will not Chair until five years' time (Elexon previously chaired in 2017). In the current arrangements Administrators that administer more than one Code get multiple turn at chairing the CaCoP, which seems to hinder any substantial developments.
- 10.4 AL observed that the Master Registration Agreement (MRA) is due to take the Chair next despite it closing down in September 2021 (when it will be incorporated into the Retail Energy Code (REC)). She therefore queried whether the CACoP had even considered who would be chairing in the September-December 2021 period. Elexon advised agreed to raise this at the next CACoP meeting.
- 10.5 The Consumer Panel Member commented that Consumer Benefits should be articulated in every change to help increase transparency and engagement from external bodies and that it should not be an onerous process for Code Administrators. He noted that Ofgem's review of Objectives across all Code Administrators is an entirely different piece of work.
- 10.6 A Panel Member observed that the current CACoP work appears to be highly superficial compared to the actions it could be taking to help the Codes work together. They expressed the view that Ofgem view the current work as extremely disappointing, even wasteful of valuable resources. The Ofgem Representative responded that CACoP does appear to do some good work and have some useful conversations but noted that it takes a long time for any action. They noted that if the Code Administrators are representing their Panels then they should be having the conversations at CACoP and taking necessary actions back; it appeared that some of the attendees at CACoP either are not senior enough to make decisions in the meeting or they needed to defer to the Panel, which could lead to delays in moving things along. MB observed that Code Administrators appear to be attending more from their own Code perspective and AL noted that for some of the Codes it is the commercial service provider who is attending.
- 10.7 AL advised that Genserv had even set up a separate group (which it talked about in terms of being "above" CACoP). This was initially meant to discuss the impact of COVID-19 and what the impact could be of further lockdowns, but now seems to be moving beyond that. She noted that she is not clear what the remit of the group it is but that Ofgem and BEIS have now been invited.
- 10.8 Elexon is pursuing the Panel's Strategy to actively seek out collaboration with other Code Bodies: the BSC Panel Chairman will attend the CUSC Panel meeting on 18 December 2020. A reciprocal invitation has also been extended to the CUSC Panel Chair, Trish McAuley to attend a BSC Panel meeting in January or February 2021.
- 10.9 The BSC Panel:
- a) **NOTED** the update;
 - b) **AGREE** consumer benefits; and
 - c) **AGREE** that Elexon will bring CACoP updates on a quarterly basis.

Part III: Non-Modification Business (Open Session)

11. Minutes of previous meetings & Actions arising

- 11.1 The BSC Panel approved the draft minutes for BSC Panel meetings 308, 308A and 308B. Elexon presented the actions and associated updates for the December Panel meeting.

12. Chairman's Report

- 12.1 The Chairman advised that he chaired another Energy Institute Policy Debate last week, which featured the Minister, Kwasi Kwarteng, with Keith Anderson (Scottish Power) and Emma Pinchbeck (Energy UK) speaking on UK energy priorities for 2021. The discussion was dominated by the 10 point plan for net zero, and the consequences for jobs. The section involving the Minister talking about and answering questions on the costs

of net zero, hydrogen policy, the White Paper, the relevant institutions, and CCS, was particularly interesting. A link is available [here](#).

13. Elexon Report – (309/01)

- 13.1 A Panel Member noted the cross-border trading arrangements and asked for confirmation on whether they impact Settlement. The NGESO Panel Member noted that NGESO will remain a party to the Inter-TSO Compensation Agreement (ITC); GB will therefore maintain its status as a third country. NGESO does not expect things to change in how volumes are charged either by European status or across interconnectors. This has been discussed at the Transmission Charging Methodology Forum (TCMF) who acknowledge there is a risk; NGESO is going to discuss this again with the TCMF in January 2021 to see if the risk emerges then.
- 13.2 A Panel Member also noted the BSC [Insight article](#) which considers the ways that the implementation of [P350 'Introduction of a seasonal Zonal Transmission Losses scheme'](#) changed the allocation of Transmission Losses article. They commented that it was a good piece of analysis work but found it difficult as to how Elexon had concluded the outcome is more efficient. MB agreed for the author of the BSC Insights Article, Mehdi Jafari to contact the Panel Member to discuss the issue in further detail.

ACTION 309/02

14. Distribution Report

- 14.1 The DNO Representative commented that it continues to have good engagement with Elexon on the MDD TCR changes.
- 14.2 She also noted that DNOs have been engaging with RECCo and Ofgem as to how DNOs will be governed under the REC.

15. National Grid ESO Report

- 15.1 The NGESO Panel Member noted that further TCR Modifications had been approved; one of which is the BSUoS data Modification which NGESO relies on data from Elexon for this.
- 15.2 The NGESO Panel Member also noted that its TERRE Implementation Group had commenced of which Elexon is a member. A meeting was held on 9 December 2020 where TERRE progression so far was discussed. A Panel Member requested that someone from NGESO formally present at the Panel meeting in January or February 2021 to update the Panel on the progression so far. The NGESO Panel Member confirmed that they would arrange this as soon as possible.

ACTION 309/03

16. Ofgem Report

- 16.1 The Ofgem Representative noted that it had published its [RIIO-2 Final Determinations](#) where it set out a £30billion package of investment across networks and system operator which commences on 1 April 2021.
- 16.2 They also noted that Ofgem had published its decision on its [Supplier Licensing Review](#) on the ongoing requirements for exit arrangements for Suppliers; this will hopefully reduce the number of disorderly Supplier failures. The measures have four things they are trying to achieve: promote more responsible risk management, improve governance, improve accountability, and enhance market oversight. Changes should take effect from 22 January 2021.
- 16.3 A Panel Member commented that Ofgem appears to treat each Supplier the same regardless of whether they are a domestic Supplier or a Supplier trading export from renewable generation. They suggested that these proposals cannot be a blanket approach because of their potential to disadvantage some Suppliers. The Ofgem Representative advised that Ofgem's involvement depends on the number of customers. This is detailed in section 2.22 onwards in the above review document which covers the thresholds (they are at 50,000 and 200,000 customers).

17. Tabled Reports

- 17.1 The BSC Panel noted the reports from the ISG, SVG, PAB, TDC, the Trading Operations Headline Report and the System Price Analysis report.

18. De Minimis Acceptance Threshold (DMAT) Review 2020 – (309/10)

18.1 The BSC Panel:

- a) **NOTED** the analysis presented in this paper;
- b) **AGREED** that no change is made to the DMAT; and
- c) **AGREED** that Elexon conduct the next scheduled review in two years' time.

19. Continuous Acceptance Duration Limit (CADL) Review 2020 – (309/11)

19.1 The BSC Panel:

- a) **NOTED** the analysis presented in this paper;
- b) **AGREED** that no change is made to the CADL; and
- c) **AGREED** that Elexon conduct the next scheduled review in two years' time.

20. 2020/21 Business Plan and Annual Budget – (309/12)

- 20.1 Elexon presented the draft 2020/2021 Business Plan and Annual Budget. MB advised that the cost of regular BSC activities remain broadly unchanged. However, the budget changes are largely due to systems investments, comprising demand-led changes (largely the cost of system changes to implement Modifications) and continuing investment in Elexon's new digital platform, Elexon Kinnect (which will use cloud-based technology, will therefore be scalable and flexible and capable of implementing BSC changes more quickly). MB confirmed that this was the principle reason for the £12million increase.
- 20.2 A Panel Member queried how much of the £12m increase is attributable to projects such as Market Wide Half Hourly Settlement (MHHS). MB confirmed that the majority of the increase is due to changes to the Settlement Administration Agent (SAA) system. AL noted that Elexon needs to invest in its systems to facilitate MHHS to ensure that the benefits of MHHS are realised; these benefits are not insignificant.
- 20.3 A Panel Member commented that the need for Elexon to cater for an increase in smaller parties should be emphasised. They noted that spending on the infrastructure is crucial but commented that the focus should remain on practical improvements e.g. MHHS, more small parties and the fact that the current systems are old.
- 20.4 A Panel Member noted the sharp comparison between last year's budget and this year's Business Plan, and asked whether any smoothing of the spend could be considered by running the programme over two or three years. MB noted that Elexon is in a good position of understanding the overall costings and that there is always a risk that other projects have to be prioritised to defer the spending into the following year. The total cost of the IT investment is estimated at £50m, and that the costs in this year's Business Plan should be viewed in that context rather than the separate year-on-year figures.
- 20.5 Another Panel Member suggested that Parties should be asked whether they would prefer any underspend to be carried over to the following year. MB advised that returning any outstanding funds is a BSC requirement and therefore any change to this would require a BSC Modification to be raised. AL noted that this approach would therefore not be feasible for 2021/22. Another Panel Member queried whether Parties could make suitable accounting provisions themselves if provided with suitable information.
- 20.6 Elexon thanked the Panel sub-group formed of Phil Hare, Mark Bellman and Rhys Kealley for their early feedback on the draft of the Business Plan. A Panel Member expressed the view that there had been a significantly better process carried out this year. The sub-group will now collate the Panel's comments and bring a draft of the Panel's formal consultation response to Panel meeting on 14 January.
- 20.7 The BSC Panel:
 - a) **NOTED** the intended publication of the BSCCo Business Plan on 17 or 18 December 2020, the invitation for industry to comment prior to 22 January 2021, and that we will hold an interactive webinar around 13 January 2021; and
 - b) **DETERMINED** that the Panel wished to provide its own comments and to confirm Panel Members to prepare a response for submission prior to 22 January 2021.

21. Targeted Charging Review (TCR) – Risks, Mitigations and proposed next steps – (309/13)

- 21.1 The Chairman noted that the BSC Panel's letter to Ofgem had been classified as private and queried whether this was going to be made publicly available on the Elexon website. Elexon responded that it chose not to make the letter public as it, Ofgem and the ENA had been working intensively to sort the issue and did not see the benefit of publishing. Additionally, Ofgem have indicated that they will provide a response to the letter.
- 21.2 A Panel Member commented that their duties on the Panel were primarily to BSC Parties and as such believed that Parties should be made aware that the Panel had raised its concerns and was trying to hold Ofgem to account on these type of issues. Elexon commented that it is currently looking at how to engage more openly to facilitate any visibility issues. It also assured the Panel that it is trying to be as open and transparent as possible; the confidential paper taken to the November 2020 Panel meeting had been made public and published on the BSC Panel 308 webpage. Additionally, Elexon is providing all updates on a dedicated page on its website and in places such as Newscast. The Chairman suggested that Ofgem's response could be published alongside the Panel's letter once it is received. The Panel agreed that this would be sensible.
- 21.3 Kayt Button (KB) from Ofgem advised that Ofgem is likely to provide a response to the Panel's letter in the week beginning 14 December 2020. She noted that significant progress had been made over the past couple of weeks but that there is still some work to do regarding the IDNO changes; there is a workshop and a webinar being held with IDNOs to discuss this; therefore highlighting that this issue is being discussed via a number of channels.
- 21.4 The NGESO Panel Member queried whether the risk to deliver P383 and [CP1531 'Additionally provide the TUoS Report to National Grid ESO at the II Settlement Run'](#) BSUoS changes had been mitigated for the go-live date of April 2021. Elexon confirmed that it had put in place a substantial package to try and mitigate the outstanding programme risks: all project managers are aligned and working together and Elexon's testing will now not start until February 2021; increasing resources by from either working longer hours or weekends remains a possible programme measure, but only if needed.
- 21.5 The BSC Panel:
- a) **NOTED** the update provided.

22. Any other business

- 22.1 AL noted Elexon's draft Policy View on reforming the SO roles and the code arrangements. She noted that the intention is to issue this as a thought piece with a view to engaging with BSC Parties, BEIS and Ofgem, similarly to the code consolidation Policy View issued in 2019. She encouraged the Panel to provide any comments it wished.

23. Next meeting

- 23.1 The next meeting of the BSC Panel will be held remotely on Thursday 14 January 2021.