

## Minutes

### BSC Panel

Meeting number **310**

Venue **Video Conference**

Date of meeting **Thursday 14 January 2021**

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 (Part-Meeting)
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
Mark Bygraves	MB	Elexon CEO
Victoria Moxham	VM	Elexon Director of Customer Operations, Panel Secretary
Claire Kerr	CK	BSC Administration and Configuration Manager
Lawrence Jones	LJ	Modification Secretary
Craig Murray	CM	Elexon (Part-Meeting)
Matthew Woolliscroft	MW	Elexon (Part-Meeting)
Nick Baker	NB	Elexon (Part-Meeting)
Chris Wood	CW	Elexon (Part-Meeting)

## Attendees and apologies

Tirath Maan	TM	Elexon (Part-Meeting)
David Thomas	DT	Elexon (Part-Meeting)
Graham Dolomore	GD	NGESO (Part-Meeting)
David Bowman	DBo	NGESO (Part-Meeting)
Laurie Walker	LWa	Gilmond (Observer)

## 1. Introduction

- 1.1 The Chairman welcomed the Panel, noting the full attendance today.

## Part I: Modification and Change Business (Open Session)

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

## 2. Change Report and Progress of Modification Proposals – (310/03)

- 2.1 The Modification Secretary [presented](#) the Change Report and progress of Modification Proposals.
- 2.2 They noted that four Modifications are currently with the Authority for decision ([P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'](#), [P390 'Allowing extensions to Elexon's business and activities, subject to additional conditions'](#), [P398 'Increasing access to BSC Data'](#) and [P414 'Allowing a Party to Withdraw from the BSC and transfer outstanding liabilities to another Party'](#)) and although still within Ofgem's 25 Working Day KPI, asked Ofgem for an indication of when a decision on them could be expected. The Ofgem Representative stated that Ofgem is currently considering whether an Impact Assessment for P375 is needed. The Modification Secretary is keen to work with Ofgem on the Modification to ensure that, subject to Ofgem approval, it does not miss its implementation cut-off dates. In relation to P398, Ofgem believes it will miss the cut-off date (15 January 2021) for the Modification's first Implementation Date.
- 2.3 In relation to [P379 'Enabling consumers to buy and sell electricity from/to multiple providers through Meter Splitting'](#), the Cost/Benefit Analysis (CBA) consultation is currently with industry. In response to industry requests, this has now been extended by one week so responses are now due by 22 January 2021. Consequently presentation of the draft report will now be postponed to the Panel's April 2021 meeting. The stakeholder event held on 8 December 2020 was well-attended by 43 participants, covering a wide range of businesses. A Q&A sheet and the slides from this meeting have been published on the P379 webpage. One Panel Member queried whether there were any key takeaways that the Panel should be made aware of. The Modification Secretary will share these with the Panel once collated.

### ACTION 310/01

- 2.4 A Panel Member commented that it was useful that the consultants (CEPA) spoke to the Panel in November 2020 to provide an initial view of their framework; he believed this had encouraged them to put further detail into their analysis. He added that providing almost a coaching role had worked well in helping to set out the scope and was more confident that the report would be more aligned to the Panel's expectations. Another Panel Member suggested for CEPA to attend another Panel meeting in the interim before providing its final report; they would like a broader discussion to ensure that they fully understand the scope and benefits and expand this if need be. The Modification Secretary advised that CEPA had produced a draft skeleton structure of the CBA report and agreed to share this with interested Panel Members offline. Additionally, they would discuss with CEPA whether they could attend the February 2021 Panel meeting.

### ACTION 310/02

- 2.5 In relation to ['P407 Project MARI'](#), the Modification Secretary reminded Panel Members that they had requested the Assessment Consultation to be issued in January 2021 to avoid the Christmas period. However, following the outcome of the UK/EU trade negotiations, a new agreement with the EU will need to be reached to be able to participate in MARI as GB is no longer required to participate in MARI or implement it by 2022.

Therefore ESO and Elexon propose that until there is more certainty over our future participation in MARI, no more work on P407 will take place. The Panel agreed that this was a sensible approach.

- 2.6 In relation to [P410 'Changing imbalance price calculations to comply with the Imbalance Settlement Harmonisation regulations'](#), the third Workgroup meeting was held on 17 December 2020, to review further analysis provided by Elexon. The Workgroup believed that all solution options considered to date would be strongly detrimental to the current arrangements and as such are seeking to find a solution that is both compliant and that would overall better facilitate the arrangements. As such, the Workgroup has requested a three-month extension; Elexon agrees but believes the Assessment Report must be presented to the Panel in April 2021 (this would only use two of the three months requested) in order to give Ofgem at least a one-month decision period before the implementation cut-off for the required Implementation Date (January 2022).
- 2.7 A Panel Member noted that this could change again via a Statutory Instrument (SI) or Special Committee; in their view the right solution is preferable to one meeting a deadline. Another Panel Member suggested that legal flexibility may be required in raising another Modification in parallel to P410. The Ofgem Representative commented that its policy team understand the challenges and acknowledges the proposed delay; however they endeavour to remain engaged and hope to make a decision in the required timeframes.
- 2.8 In relation to [P413 'Enable Elexon to be the Programme Manager for the implementation of Market-wide Half Hourly Settlement'](#), the Modification Secretary noted that the final planned Workgroup meeting is scheduled for 25 January 2021 but that should anything in the Assessment Consultation or at the Workgroup require further action, we will require additional time to resolve. As such, a one-month extension is requested for contingency purposes.
- 2.9 NGESO had reported that there may be a delay to the Implementation Date of [P408 'Simplifying the Output Usable Data Process as a consequence of GC0130'](#) as some issues had been identified during testing. This is still being assessed but if a change was required to the Implementation Date, it would need to seek formal approval from Ofgem; a request may therefore be issued ex-Committee following Panel approval. The NGESO Panel Member described the core reason for the delay is being due to critical infrastructure reasons; issues have been identified on the firewalls of both NGESO and Elexon's systems.
- 2.10 The BSC Panel:
- a) **APPROVED** a three-month extension to the P410 Assessment Procedure;
  - b) **APPROVED** a one-month extension to the P413 Assessment Procedure; and
  - c) **NOTED** the contents of the January Change Report.

### **3. P399 'Making the identity of Balancing Service providers visible in the Balancing Services Adjustment Data' – (310/04)**

- 3.1 LW declared an interest as they were now advising the Proposer of the Modification.
- 3.2 A Panel Member noted that there was no Alternative solution without 'tendered status' and queried whether this was because the Workgroup agreed to retain the 'tendered status' field despite the cost. Elexon confirmed this was the case and that the Workgroup believed that removing the 'tender status' field would so decrease the value of the Modification that such a solution could not be better than the Proposed solution, even taking into consideration the reduced costs.
- 3.3 Another Panel Member was concerned that the benefits are described as "intangible" but the costs are significant £1.1-1.25million. The Proposer noted that the original intention of the Modification was to level the playing field and suggested that Modifications associated with providing data are difficult to quantify the benefits. She noted that being able to see what NGESO is doing with third parties would influence decisions as a trader, Supplier, generator etc.; noting that the more information participants have, the better their decision-making should be. This should lead to more efficient and economic decision making by market, ultimately benefiting end consumers. The Modification Secretary added that the Workgroup believed this data was important and likely to be introduced at some point. If this change were to be brought in at a later date, it is likely that the implementation costs will have increased. Industry participants responding to the consultation in support of the change appear to believe that benefits outweigh the costs.
- 3.4 A Panel Member challenged the approximate £500k cost of a single data item and queried whether all options were explored. They also noted that once Elexon Kinnect is implemented, the cost of adding data items should be significantly less. Elexon advised that the Workgroup had considered other options and ways of cutting the

costs i.e. only including data items they believed to be essential to deliver the benefits, but that they were ultimately beholden to NGENSO system designs and impact assessments. The Workgroup's initial impact assessment had a three-year implementation lead time and approximately £2.2million costs. The P399 costs are largely down to having to link Salesforce and BM systems within NGENSO's systems; if this link already existed, then the costs would be significantly less. Elexon also advised that the Workgroup had considered not making the link and just publishing the data items on NGENSO's Portal. However, the Workgroup was concerned around the governance of such an arrangement (as NGENSO would not be under a BSC obligation to do so and would not have a robust change process with industry to follow) and the anonymity agreements in some of the bilateral contracts would have prevented the data being published.

- 3.5 A Panel Member commented that in principle, increased transparency is better but noted that many markets deliberately preserve anonymity to prevent gaming amongst participants and queried whether this aspect was considered. The Proposer responded that larger parties will have a better view of the market than smaller parties who may have limited availability to public data. She added that NGENSO have made it clear that by paying for this change now, they are hoping in future it can leverage the data link to get access to better data in other areas in the future; the cost of this is therefore spread amongst wider benefits. The NGENSO Panel Member noted that the costs will not change as they are for the specific project at this time. He encouraged industry to speak to NGENSO to let them know what data it wants to see; market participants can always provide feedback to the weekly SO transparency forum.
- 3.6 One Panel Member disagreed with recommendation b) as they did not believe that they had enough information to warrant the benefit being outweighed by the significant cost, even though they agreed P399 better facilitated the Applicable BSC Objectives. They also encouraged Workgroups to be more commercial in their decisions such as this.
- 3.7 The BSC Panel:
- a) **AGREED** that P399:
    - i **DOES** better facilitate Applicable BSC Objective (a);
    - ii **DOES** better facilitate Applicable BSC Objective (b);
    - iii **DOES** better facilitate Applicable BSC Objective (c);
    - iv **DOES** better facilitate Applicable BSC Objective (d); and
    - v **DOES** better facilitate Applicable BSC Objective (e);
  - b) **AGREED** a recommendation that P399 should be approved;
  - c) **AGREED** that P399 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
  - d) **AGREED** that P399 is consistent with the EBGL objectives;
  - e) **AGREED** a recommendation to the Authority that P399 should be **approved**;
  - f) **APPROVED** an Implementation Date of:
    - i **4 November 2021**, if the Authority's decision is received on or before 20 May 2021; or
    - ii **24 February 2022**, if the Authority's decision is received after 20 May 2021 but before 7 October 2021.
  - g) **APPROVED** the draft legal text; and
  - h) **APPROVED** the P399 Modification Report.

#### **4. P418 'Amendments to the P383 legal text for Additional BM Units' – (310/05)**

- 4.1 The BSC Panel:
- a) **AGREED** that P418:
    - i **DOES** better facilitate Applicable BSC Objective (d);
  - b) **AGREED** that P418 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
  - c) **DETERMINED** (in the absence of any Authority direction) that P418 is a Self-Governance Modification Proposal;
  - d) **APPROVED** P418;
  - e) **APPROVED** an Implementation Date of:

i) 1 April 2021 as a standalone BSC Release;

f) **APPROVED** the draft legal text; and

g) **APPROVED** the P418 Modification Report.

## 5. Agreement of contribution to the Code Administrator Code of Practice (CACoP) website costs – (310/06)

- 5.1 A Panel Member expressed mixed views as to whether another website was needed and acknowledged the low cost share of BSCCo. They noted that the business case suggests there may be benefits associated with all changes being stored in one depository. However, they thought that industry should be consulted as to what it actually needs on the website. They were also concerned that the Codes Review may amalgamate a number of the codes and therefore questioned whether the timing was right to create the website at this stage.
- 5.2 A Panel Member believed there would be benefit in having a website with a consolidated Modification tracker as this would force Code Administrators to keep this updated and maintained properly for a relatively small cost. Elexon clarified that the Central Modification Register already exists on all Code Bodies' websites. Panel Members observed that its information typically lags by around two weeks so out-of-date most of the time. MB queried how frequently this is being used. Elexon noted that the Central Modification Register on Elexon's website has on average five hits per month, Elexon's CACoP page itself gets around 20 hits a month and the October 2020 CACoP newsletter had 17 downloads. However, Elexon is unable to filter out Elexon staff access from industry from this figure so industry use may far lower. Elexon also noted that these metrics only covered its website and that it could not provide metrics for how often CACoP data was being accessed on other Code websites.
- 5.3 Another Panel Member was concerned that if there is no code obligation to update the website, they questioned the longevity as they were not convinced that all Code Administrators would adhere to this on simply a voluntary basis. Elexon also expressed duplication concerns in Code Administrators having to update their own website (which they are likely to do) as well as the CACoP website (to which they may give less priority, although it was noted the paper made clear that the view of CACoP was that in the event of any contradictions, the specific Code Administrator's website was the definitive information. In addition, further consideration is required as to what Parties would like to see from the website and understanding the governance for making changes to it; we need to agree how future and ongoing costs would be managed.
- 5.4 A Panel Member was not supportive of the website. Although it may appear to be Code Bodies working together, they did not believe it set out the practical ambitions detailed in the Panel Strategy; these are to build useful working links with other Code Bodies to realise tangible benefits to solve known problems. The Ofgem Representative commented that Ofgem was supportive of the website being developed and the wider benefits being put forward but had not yet considered the costs (they believed this was for industry to consider). Further, they believed the identified concerns could be resolved; they acknowledged that this is not the only thing that needs to be done but believed this to be a good starting point.
- 5.5 A Panel Member noted that if Code Administrators already have webpages that are being frequently updated, whether it would be possible for the CACoP to have a facing page with links to what is being done elsewhere. Another Panel Member commented that there are businesses already providing this as a service so CACoP should look outside of Code Administrators and therefore whether there is a need for this.
- 5.6 The Panel unanimously agreed that at the present time, it was unable to endorse the initial set up and development costs for the proposed CACoP website. The Panel agreed that it required further assurances from the CACoP with the main benefits and industry drivers of creating a website, what the proposed governance arrangements would be (particularly around future development) and how the website will help with cross-code collaboration that the Panel is committed to. The Panel also wanted to share its suggestion of Code Administrators' webpages being accessible from a CACoP front-facing webpage.
- 5.7 A Panel Member also suggested that the proposers of the website need to be much clearer on the business need, and suggested the proposers create a short online survey to obtain quantifiable data on whether market participants think the website should be created and if so, what should be on it.
- 5.8 The BSC Panel:
- a) **NOTED** the attached CACoP website business case; and



- b) **DETERMINED** not to endorse payment of the BSCCo share of initial set up and development costs (£2,455) at this stage pending further assurances from CACoP re the need, benefits, governance, maintenance etc.

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## Part II: Non-Modification Business (Open Session)

### 6. Minutes of previous meetings & Actions arising

- 6.1 The BSC Panel approved the draft minutes for BSC Panel meetings 309 and 309A. Elexon presented the actions and associated updates for the January 2021 Panel meeting.

### 7. Chairman's Report

- 7.1 The Chairman noted that there is a new Energy Minister, Anne-Marie Trevelyan, and he will be writing to her on behalf of Elexon and the Panel to introduce us and congratulate her on her new role.
- 7.2 He noted that Dieter Helm was given a Knighthood on the New Years' Honours List and as such had written to congratulate him. A Panel Member commented that they regretted that there were not more from the energy industry were honoured on the New Years' Honours List for their effort and commitment during the pandemic. The Chairman also noted that it is open to industry leaders to nominate deserving individuals.
- 7.3 The Chairman also noted that he attended a CUSC Panel meeting on 18 December 2020. He agreed with the CUSC Panel Chair, Trisha Mcauley, that it would be sensible for the Chairs of all Code Bodies to have a cross-code meeting. Additionally, Trisha has been invited to attend a BSC Panel meeting when she is available. A Panel Member queried whether there were any reflections he took from the meeting. The Chairman commented that it appeared more procedural.

### 8. Elexon Report – (310/01)

- 8.1 In relation to COVID-19, VM reported that as certain performance assurance derogations would be continuing as a result of the national lockdown introduced on 4 January 2021, dates in some guidance notes needed to be updated.
- 8.2 In relation to MDD TCR, VM noted that we are continuing to work to mitigate the identified risks; industry testing from 10 February-23 February 2021 is still on track.
- 8.3 MB noted that a webinar took place on 12 January 2021 in relation to the 2020/21 Business Plan. We had 28 external attendees who asked a number of questions, mainly on the Elexon Kinnect programme. He highlighted that industry responses to the Business Plan are due by 5pm on 22 January 2021.

### 9. Distribution Report

- 9.1 The DNO Representative noted that the Distribution Connection and Use of System Agreement (DCUSA) Modification [DCP371 'Last resort arrangements for Distributors to manage specific consumer connected devices'](#) and Smart Energy Code (SEC) Modification Proposal [0046 'Allow DNOs to control Electric Vehicle chargers connected to Smart Meter infrastructure'](#) have been put on hold for at least six months. This is to allow them to explore alternative solutions which are being developed and which were not available when the Modifications were originally raised. The Proposer (SSE) is working with Energy UK to explore the viability of alternative solutions, and this will aim to have several DNOs involved along with Energy UK members (and hopefully BEIS and Ofgem).

### 10. National Grid Report

- 10.1 The NGESO Panel Member reported that NGESO does not seem to be receiving responses from embedded capacity market plant and queried whether the Panel knew why that might be. A Panel Member was of the view that NGESO are not receiving responses from Demand Side Response (DSR) but that embedded generators are running. Additionally, they noted that issues are being caused by not knowing what cashout is going to be, given that most are being paid on the basis of spill.
- 10.2 He also highlighted that SSE have launched a Competition and Markets Authority (CMA) appeal against Ofgem's decision on CUSC Modifications [CMP317 & CMP327: Removing Generator Residual and excluding assets required for connection](#) and [CMP339: Consequential changes for CMP317/327 \(TCR\)](#).

### 11. Ofgem Report

- 11.1 The Ofgem Representative noted that Ofgem had approved the use of Short Term Operating Reserve (STOR) and BM products for energy balancing and approved the derogation that NGENSO requested on these products.
- 11.2 They also noted that Ofgem [published](#) its forward work programme 2021/22 on 15 December 2020 with consultation responses due by 19 February 2021.

## 12. Tabled Reports

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

## 13. Credit Assessment Price (CAP) Review Process 2020 – (310/07)

- 13.1 A Panel Member queried whether an Issue Group would discuss wider issues than just the ‘gold standard’ automation issue as they believed an automated approach would align with obligations in the BSC.
- 13.2 Another Panel Member was of the view that the current process works well as it allows for a manual sense check. The Chairman commented that industry appears content with the current process but noted that it does not allow the price data to move in the 30 days that are being consulted on; changing to a new CAP set once a month under an automated process does not allow for this either.
- 13.3 A Panel Member queried whether an assessment of the risk of shortening the time period had been carried out. Elexon noted that it had not investigated the risk specifically but had analysed how a change in CAP would affect the amount of Parties’ Credit Cover percentages.
- 13.4 The BSC Panel:
- a) **NOTED** the contents of the paper; and
  - b) **AGREED** the recommendation of the Credit Committee for the CAP Review Process to proceed as currently designed.

## 14. Panel’s response to the 2020/21 Business Plan – (310/08)

- 14.1 The Chairman thanked the Panel for its early preparatory work and contributions to the Panel’s response. (PH took over as Chairman for this item)
- 14.2 PH commented that the two-stage process this year in which members of the Panel had early oversight of the Business Plan before it was put out for consultation had worked particularly well. He thanked RK, MB and VM for their help in this process. The Panel agreed that the letter should be formally submitted and published.
- 14.3 The BSC Panel:
- a) **NOTED** the response.

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## Part III: Non-Modification Business (Open Session)

### 15. TERRE Implementation Group update – (Verbal)

- 15.1 Graham Dolomore (GD) and David Bowman (DBo) provided NGENSO’s approach to TERRE implementation in GB, including its decision to pause temporarily.
- 15.2 GD noted that NGENSO has convened a TERRE Implementation Group for interested stakeholders to consider implementation. The group met during November and December 2020 to draft scenarios and implementation plans and a further meeting was held on 13 January 2021. The group will now consider two scenarios now that the Trade and Cooperation Agreement (TCA) is in force:
- 1) Pause work completely and focus on other areas (scenario 4) or;
  - 2) Consider a GB-only TERRE-like mechanism similar to what other northern countries have done (with no cross-border component there is no need for revised interconnector agreements) (scenario 1a).
- 15.3 NGENSO is drafting a proposal for how a CBA on GB TERRE-like mechanism could be developed, taking into account future market reforms and how this would impact GB consumers now and in the future. This will be shared with the TERRE Implementation Group at its next meeting on 27 January 2021.

- 15.4 A Panel Member commented that a number of the participants in the TERRE Implementation Group urged NGESO to do nothing (scenario 4) until there is further clarity around what to do next. The Panel agreed that scenario 4 would be their preference.
- 15.5 In relation to Project MARI, GD advised that agreement had been made with Ofgem to pause any further work. NGESO are working with BEIS to ensure that any exit from this work meets the new legal guidelines in terms of withdrawal from legal engagement. GD suggested that someone from the MARI team provide a further update to the Panel at the February 2021 meeting.

**ACTION 310/03**

- 15.6 The BSC Panel:  
a) **NOTED** the update.

**16. UK/EU Trade and Cooperation agreement and its impact on the BSC – (Verbal)**

- 16.1 Elexon provided an update on Brexit and the Trade and Cooperation Agreement (TCA) following its conclusions on 24 December 2020. Elexon advised that its next steps include further liaison with Ofgem, BEIS and NGESO, double checking its initial analysis, communicating any outputs with industry, raising a BSC Modification for end-of Implementation phase in due course; and awaiting information from BEIS regarding priorities and future relationship arrangements.
- 16.2 A Panel Member queried what the purpose of the Specialist Committee on Energy is. Elexon advised that their understanding (based on what has been published and said so far) is that it will ensure that there is a governance structure so that provisions about and affecting energy in the TCA are carried out and to ensure cooperation between both parties.
- 16.3 A Panel Member queried whether Elexon would be looking to change Applicable BSC Objective (e) 'Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Cooperation of Energy Regulators]'. Elexon advised that this is something it is currently considering. However as this is part of the Transmission License it is something it would need to discuss with Ofgem and NGESO if amendments to the wording in the License is required.
- 16.4 A Panel Member queried whether the EB GL process will be removed for BSC Modifications. Elexon confirmed that this process would not be removed unless a change is made to UK legislation.
- 16.5 The BSC Panel:  
a) **NOTED** the update.

**17. Next meeting**

- 17.1 The next meeting of the BSC Panel will be held remotely on Thursday 11 February 2021.