

Minutes

BSC Panel

Meeting number **311**

Venue **Video Conference**

Date of meeting **Thursday 11 February 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 |
| 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 |
| Ivar Macsween | IM | Elexon (Part-Meeting) |
| Chris Arnold | CA | Elexon (Part-Meeting) |
| Ryan Dale | RD | Elexon (Part-Meeting) |
| Nick Groves | NG | Elexon (Part-Meeting) |

Attendees and apologies

| | | |
|-----------------|------|-------------------------------------|
| Zaahir Ghanty | ZG | Elexon (Part-Meeting) |
| Adey Bolaji | AB | Elexon (Part-Meeting) |
| Nicholas Rubin | NR | Elexon (Part-Meeting) |
| George Crabtree | GC | Elexon (Observer) |
| Reza Nia | RN | Elexon (Observer) |
| Anna Stacey | AS | Ofgem (Part-Meeting) |
| James Daniels | JD | NGESO (Part-Meeting) |
| Phil Smith | PS | NGESO (Part-Meeting) |
| Will Jones | WJ | NGESO (Part-Meeting) |
| Mark Herring | MH | NGESO (Part-Meeting) |
| Lewis Heather | LH | CEPA (Part-Meeting) |
| Shafiq Pandor | SP | CEPA (Part-Meeting) |
| Gary Keane | GK | CEPA (Part-Meeting) |
| Paul Rocke | PR | CACoP Chair, Gemserv (Part-Meeting) |
| Laurie Walker | LWal | Gilmond (Observer) |

1. Introduction

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

Part I: Non-Modification Business (Open Session)

2. Update on progress of IS solution for P408 'Simplifying the Output Usable Data Process as a consequence of GC0130' – (Verbal)

- 2.1 NGESO provided an [update](#) on the progress of the IS solution for [P408 'Simplifying the Output Usable Data Process as a consequence of GC0130'](#). Phil Smith (PS) Technical Change Delivery Lead from NGESO reiterated NGESO's apology for the delay and thanked the BSC Panel for agreeing a change to the Implementation Date twice.
- 2.2 James Daniels (JD) from the IS Delivery Team at NGESO presented NGESO's revised plan for 18 March 2021 Implementation Date. He asked the Panel to note that there are now additional controls in place to assure delivery; including extended test windows, escalation routes open with ESO CIO and Senior Directors involved in weekly checkpoints.
- 2.3 The Chairman asked what was meant by the lessons learned point "increased visibility of regulatory commitments associated with projects across our IT delivery towers". JD advised that weekly calls between NGESO's IT solutions team and the Codes team had been set up to allow better visibility and discussion on NGESO's commitments to industry.
- 2.4 A Panel Member observed that the need to revise the plan was entirely due to NGESO rather than other parties. They commented that more rigorous planning and a realistic timetable would be welcomed from industry and may have prevented the two changes to the Implementation Date. JD confirmed that NGESO's estimates were wrong in this case as the defect rate was far higher than originally anticipated. He advised that NGESO is anxious to improve its performance going forwards and will be conducting a full review after this project to make sure the learning experience is fed into future projects.

- 2.5 The Panel Member also commented on the tone of NGENSO's letter which seemed to suggest that industry was not ready to deliver the change when this was not the case. PS apologised, explaining that this was not NGENSO's intention; the point was meant to highlight that having text in the Grid Code that is clearly not true would be misleading for industry.
- 2.6 A Panel Member expressed concern that there may be additional pressures on NGENSO, who have target reporting lines to Ofgem, not to report on any difficulties or potential delays. They therefore queried how this would be addressed going forwards given that in this sort of project NGENSO is essentially project managing for the whole industry. JD advised that NGENSO encourages issues to be flagged as early as possible and would want to have a project culture which openly surfaced and dealt with issues whatever the source.
- 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. Interim update on the P379 Cost Benefit Analysis Report – (Verbal)

- 3.1 Lewis Heather (LH) from CEPA (Consultant) summarised CEPA's approach to the Cost Benefit Analysis, including evidence gathering, a summary of the costs, risks and unintended consequences; and a summary of the stakeholder workshop responses.
- 3.2 The Chairman noted the emerging conclusions that suggested that CEPA was finding it difficult to construct a robust benefits case except in the case of electric vehicles (EV) and heat pumps. He observed that these are high priority policy areas for government and therefore queried whether the CBA identifies any difficulties for policy makers who wished to see these areas develop. LH noted quantifying these areas is difficult; however engagement with developers and other stakeholders had suggested that these are at the lower end of uptake with other innovative products and services already emerging.
- 3.3 A Panel Member noted the £2.5billion costs over ten years (based on an assessment of 10% take up) so queried how the cost would vary. LH commented that it asked for responses based on 0.1%, 1% and 10% take up; although confidential they could highlight that two responses were received: one from a large domestic Supplier and one from a mid-tier Supplier:
- At 0.1% take up, costs ranged from £83million-£520million;
 - At 1% take up, costs ranged from £298million-£663million; and
 - At 10% take up, costs were both approximately £2.5billion.
- 3.4 LH noted that these figures are indicative but that they highlight the different economies of scale between the two different types of Supplier that responded. Additionally, he noted that there are some fixed costs but that these will be split and included in the report as upfront and annual costs.
- 3.5 The Consumer Panel Member queried the timescales CEPA are considering, noting the wider industry changes currently in progress. LH advised that CEPA's conclusions will hold for the immediate future; for the next five years rather than having to revisit the conclusions in a year.
- 3.6 A Panel Member queried whether CEPA considered levels of automation required or penetration of devices e.g. Alexa devices. LH confirmed that while CEPA did not look explicitly at penetration of different types of devices their analysis was framed within their consumer transformation scenarios. The Panel Member also queried whether CEPA had examined the effect of removing policy costs from electricity bills. LH highlighted the challenges of unintended consequences of policy and network costs; however CEPA will not carry out specific studies of the impact of changing the arrangements in this way.
- 3.7 Elexon confirmed that CEPA will be submitting its report to Elexon in early March 2021, followed by a Workgroup meeting to discuss the CBA findings. Following this meeting, CEPA will attend the 8 April 2021 Panel meeting to present its final report.
- 3.8 The BSC Panel:
a) **NOTED** the update.

4. Change Report and Progress of Modification Proposals – (311/03)

- 4.1 The Modification Secretary presented the Change Report and an [update](#) on the progress of Modification Proposals.
- 4.2 NGESO has officially withdrawn [P407 'Project MARI'](#) as GB is no longer required to comply with Article 20 following the end of the Brexit transition period on 1 January 2021. There may be a requirement for Manually Activated Reserve Initiative (MARI) (or a similar product) in the future; if this is the case, a new Modification(s) will be raised and the work that has been completed to date can be repurposed. P407 will close on 18 February 2021, unless adopted by another BSC Party in the meantime.
- 4.3 The Chairman queried whether Ofgem had an estimated timescale for making a decision on [P390 'Allowing extensions to Elexon's business and activities, subject to additional conditions'](#). The Ofgem Representative reported that a decision is not imminent, but that he hoped a decision would be made by the 11 March 2021 Panel meeting.
- 4.4 The Modification Secretary also advised that following the Panel's discussion on the Code Administrator Code of Practice (CACoP) website business case at its 14 January 2021 meeting, the CACoP Forum had discussed next steps for the central website. At its meeting on 9 February 2021, the CACoP Forum had disagreed with the Panel's suggestion that a short industry survey would be beneficial to provide an up-to-date quantifiable business need; it does not intend to undertake a survey, but is happy for Elexon to consult BSC Parties.
- 4.5 The CACoP Forum was of the opinion that a clear governance structure for future website developments will only be implemented if unanimous support was agreed. Further, the CACoP Chair noted that while CACoP's Terms of Reference do not provide for the agreement of costs, these are due to be reviewed in 2021 so could be included in any update. CACoP Forum Members also maintained that a Memorandum of Understanding (MoU) was sufficient and that this was the process used to fund the annual cross-code survey; Elexon's legal team believes this is different to the annual cross-code survey in nature and that a formal agreement would be preferable. However, as the expected cost is low and the risk of any GDPR breach or legal challenge is low, Elexon is willing to proceed with a MoU.
- 4.6 The Chairman emphasised that the BSC Panel is in favour of efficient cross-code cooperation and invited Paul Roche, (PR), the CACoP Chair to provide any comment he wished to make to the Panel. PR advised that he had been personally leading on the CACoP website business case, and that the catalyst for a website came from the 2018 and 2019 Ofgem cross-code surveys. This had been echoed at a CACoP engagement seminar in late 2019. All the other ten Code Panels had now agreed to the funding of the CACoP website and Ofgem had provided its explicit support.
- 4.7 A Panel Member commented that market participants who would want to access this sort of information would want it to be as up-to-date as possible; therefore the Panel was of the opinion that Parties would just go directly to the Code Bodies' websites and that introducing another website would just add an additional layer of complexity. PR advised that the CACoP website had been designed to prevent any duplication of effort and that existing products such as the Central Modifications Register (currently hosted on the MRA website), Horizon Scanner (currently hosted on the Elexon website) and common market entry practices, would be stored centrally in one place. The Panel Member clarified that these products are also often out of date and lag behind the source code body websites, hosting them on a CACoP website would not change this.
- 4.8 The CACoP Chair emphasised that the funds requested from all Panels is for the upfront development cost of £2455 and annual maintenance of £400 only; the BSC Panel would not be tied into any future costs. Further, there would be a third party contract between Gemserv and the website developers, a MoU would be set up to enable Gemserv to recover its costs and the CACoP Terms of Reference would be updated later in the year to include future cost sharing. He added that no decision of the CACoP Forum is intended to be taken without unanimity; he was therefore not willing to proceed without full support from all the Code Bodies.
- 4.9 A Panel Member queried whether a review was going to be carried out to identify whether the new website had achieved its desired objectives. They were concerned that there are already too many websites and that if Parties simply continue to go to individual Code Bodies' websites, then it would have failed. PR advised that the intention is for a post-implementation review to be carried out six-twelve months' later, which will include issues such as this. The Panel agreed that such a review would be sensible along with a real-time update once established. A Panel Member commented that if there is not enough industry uptake, then this would need to be de-commissioned. The Modification Secretary believed these metrics should be established before the launch of the CACoP website to ensure we were not 'marking our own work.'

- 4.10 A Panel Member queried how the CACoP Forum is going to ensure that all Code Administrators keep their relevant Code information up-to-date and maintained on the CACoP website. PR advised that each Code Administrators will be responsible for keeping their existing material up to date on the website. However, he suggested that the CACoP website will have additional benefits such as a centralised industry meetings calendar. He noted that if Code Administrators are not cooperating as they should, there are mechanisms to escalate such as to the more senior level steering group (which Angela Love (Elexon Director of Future Markets and Engagement) attends from Elexon).
- 4.11 A Panel Member believed it was important to understand the decommissioning process of the CACoP website, should it fail to realise the benefits. PR agreed that CACoP would look into this.
- 4.12 The Ofgem Representative reiterated Ofgem's support for the creation of the website. He acknowledged that the costs are relatively low and was of the opinion that the concerns raised should be able to be resolved. Further, he was supportive of keeping the CACoP website under review.
- 4.13 All but one member of the Panel agreed to endorse the funding of the CACoP website, subject to a post-implementation review and real-time update. The Panel Member who disagreed was not convinced that the website would add any value and did not believe that there were sufficient governance structures in place to ensure that there are consequences for those Code Administrators who do not keep the website maintained. They believed a better way forward was the merging of Code body websites, not creating another one.
- 4.14 The BSC Panel:
- a) **AGREED** to endorse the funding of the CACoP website, subject to a post-implementation review and real-time update; and
 - b) **NOTED** the February Change Report.
5. **P402 'Enabling reform of residual network charging as directed by the Targeted Charging Review' – (311/04)**
- 5.1 A Panel Member queried whether there were any views from the Workgroup or consultation respondents on the validation route by the Supplier Volume Allocation Agent (SVAA) in the P402 Alternative solution (as is in the Proposed Solution). Elexon advised that no consultation respondents explicitly highlighted validation within the P402 Alternative solution although NGESO, as the Proposer of P402, highlighted the perceived benefits of having this additional level of assurance. However, Elexon noted that the level of assurance for the Proposed solution is not comparable with the level of Performance Assurance that would be applied to other aspects of core Settlement; P402 assurance is more business validation i.e. checking that files are received, that they are completed and populated as expected rather than checking the accuracy of those files.
- 5.2 The NGESO Panel Member expressed concerns with the P402 Alternative solution. He questioned its longevity arguing that the P402 Proposed solution was a better process overall. He noted that NGESO and Elexon had agreed how to manage the P402 interim solution and so wanted the Panel to consider both solutions on their merits and not just what can be delivered in the timescale available. Elexon acknowledged that it was unfortunate that the P402 Alternative solution was raised so late; a potential alternative had been considered earlier but the Workgroup had agreed it that should be developed outside of the BSC.
- 5.3 The NGESO Panel Member also commented that the proposed P402 costs are comparable with those of [P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'](#) and [P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services'](#). They were therefore unclear as to why the P402 proposed costs are significantly higher, given its level of complexity. A Panel Member commented that the main difference between the two solutions is the Elexon costs (£1.5-2million for Proposed and £2k for Alternative). Elexon confirmed that the high cost is largely due to the solution impacting BSC systems.
- 5.4 Elexon asked the Panel to note that the P402 Workgroup was keen to hear the views from Independent Distribution Network Operators (IDNOs) as Distribution Network Operators (DNOs) will seek to share the costs proposed by both solutions whereas the IDNOs would individually bear costs. Elexon advised that as there were some IDNO representatives on the P402 Workgroup, it had strived to engage with IDNOs via the consultation and separate exchanges. However, only a small number of responses were received; so no common themes could be identified to reflect on their overall position.

- 5.5 Overall, the Panel largely agreed with consultation respondents' and Workgroup Members' views that the P402 Alternative solution is better than the P402 Proposed solution. This is largely driven by Applicable BSC Objective (d) and the difference in BSC costs between the two solutions.
- 5.6 The BSC Panel:
- a) **AGREED** that P402 should progress to the Report Phase:
 - b) **AGREED** that the P402 Proposed Modification:
 - i **DOES** better facilitate Applicable BSC Objective (a);
 - c) **AGREED** that the P402 Alternative Modification:
 - i **DOES** better facilitate Applicable BSC Objective (a); and
 - ii **DOES** better facilitate Applicable BSC Objective (d);
 - d) **AGREED** that the P402 Alternative Modification is better than the P402 Proposed Modification;
 - e) **AGREED** an initial recommendation that the P402 Alternative Modification should be approved and that the P402 Proposed Modification should be rejected;
 - f) **AGREED** initially that P402 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
 - g) **AGREED** an initial Implementation Date of:
 - i **24 February 2022** if an Authority decision is received on or before 27 May 2021 (noting that the enduring system changes will be implemented at a later date);
 - ii **24 February 2022** if an Authority decision is received on or before 24 June 2021;
 - h) **AGREED** the draft legal text for the Proposed Modification;
 - i) **AGREED** the draft legal text for the Alternative Modification;
 - j) **AGREED** an initial view that P402 should not be treated as a Self-Governance Modification; and
 - k) **NOTED** that Elexon will issue the P402 draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 11 March 2021.

6. **P413 'Enable Elexon to be the Programme Manager for the implementation of Market-wide Half Hourly Settlement (MHHS)' – (311/05)**

- 6.1 A Panel Member queried whether P413 is needed to enact Ofgem's plans in its [consultation](#) issued on 22 January 2021. Elexon confirmed that P413 is required to facilitate it providing these services and to have a mandate to recover costs under the BSC. Elexon clarified that when the Workgroup was developing the solution for P413 in late 2020, the process Ofgem intended to follow to determine the provider(s) for these services was not clear. As such, the Workgroup developed the solution to be as flexible as possible, noting a number of provisions for this in the draft legal text. The Workgroup did not want to delay the progression of the Modification (as this may delay the mobilisation of the programme including the implementation and benefits) and as such took the view that the legal text was flexible enough to cater for what was published in Ofgem's most recent consultation.
- 6.2 Anna Stacey (AS) from Ofgem advised that Ofgem's plan, set out in its 22 January 2021 consultation is to place responsibility for managing and implementing MHHS with industry and for Elexon to take on the role of Senior Responsible Owner (SRO). One of the reasons that P413 is considered valuable is that it includes the cost-recovery mechanism which will help to enable that delivery. Ofgem will, however, make its final decision once it receives the Modification and reflects on the responses to its own consultation. In answer to a question from a Panel Member about whether P413 is needed, Ofgem noted that its Smart Meters Act powers to amend Codes and licences have not yet been switched on.
- 6.3 A Panel Member queried what the ongoing costs would be. Elexon noted that they will depend on the specific services that Ofgem sets. However, the Workgroup noted that Ofgem's original draft Impact Assessment consultation proposed that costs of the services would be recovered from BSC Parties regardless of whether it would be Elexon or somebody else carrying out the role. It was noted that the only difference between the Proposed and Alternative solution was whether these costs were recovered from BSC Parties in the same way as existing Elexon costs (Proposed) or from Suppliers only (Alternative). A Panel Member emphasised that the sooner the increased cost can be flagged to BSC Parties the better so that they can plan their future budgets.

Elexon advised that there are provisions in the legal text for P413 to allow the Annual Budget to be updated once the costs are known.

- 6.4 At the Panel's request, Elexon reiterated the Workgroup's arguments for and against the different cost-recovery mechanisms under the Proposed and Alternative Modifications. A Panel Member gave an additional argument in favour of the Proposed Modification, which was that the risks of a poorly-managed implementation affect all BSC Parties. Another Panel Member expressed support for the Proposed Modification and disagreed with the argument that generators will not benefit from MHHS. This Panel Member believed that MHHS has wider benefits to all Parties and consumers through facilitating a more cost-effective and low-carbon electricity system. Another Panel Member, who was in favour of the Alternative Modification, considered that all MHHS Implementation Management costs will ultimately be passed to consumers but that it is easier for Suppliers to pass on those costs. The other Panel Members confirmed that they were relying on the arguments already expressed within the Assessment Report.
- 6.5 The Panel unanimously agreed that both the Proposed and Alternative Modifications are better than the existing baseline. Overall the majority of the Panel agreed that the P413 Proposed Modification is better than the P413 Alternative Modification and should therefore be approved. The Panel noted that this was the opposite view to that recommended by the Workgroup.
- 6.6 The BSC Panel:
- a) **AGREED** that the P413 Proposed Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** that the P413 Alternative Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (d);
 - c) **AGREED** that the P413 Proposed Modification is better than the P413 Alternative Modification;
 - d) **AGREED** an initial recommendation that the P413 Proposed Modification should be **approved** and that the P413 Alternative Modification should be **rejected**;
 - e) **AGREED** that P413 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
 - f) **APPROVED** an initial Implementation Date for the Proposed Modification of:
 - i) **5WD** after Ofgem approval;
 - g) **APPROVED** an initial Implementation Date for the Alternative Modification of:
 - i) **5WD** after Ofgem approval;
 - h) **APPROVED** the draft legal text for the Proposed Modification;
 - i) **APPROVED** the draft legal text for the Alternative Modification;
 - j) **AGREED** an initial view that the P413 Proposed and Alternative Modifications should not be treated as a Self-Governance Modification;
 - k) **AGREED** that P413 is submitted to the Report Phase, with a Draft Modification Report to be presented to the Panel at its meeting on 11 March 2021; and
 - l) **NOTED** that Elexon will issue the P413 Draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 11 March 2021.

Part III: Non-Modification Business (Open Session)

7. Minutes of previous meetings & Actions arising

- 7.1 The BSC Panel approved the draft minutes for BSC Panel meetings 310, 310A, 310B and 310C. Elexon presented the actions and associated updates for the February Panel meeting.
- 7.2 In relation to BSC Panel 310C, the Panel discussed the wording to be included in its letter to Ofgem regarding its concerns of Parties' recent explanations of their reasons for entering BSC Section H Defaults. The Panel agreed not to single out any specific Party and to make the letter more generic.

8. Chairman's Report

- 8.1 The Chairman advised that Anne-Marie Trevelyan (Energy Minister) had been invited to speak at Elexon's Annual BSC Meeting scheduled for 8 July 2021. We are currently awaiting a response.
- 8.2 The Chairman noted that he had set up a series of calls with Chairs of all Code Administrators, which had proved useful and interesting. He noted that the Chair of the IGT UNC Code had suggested that a series of Cross-Code Chair meetings should be held in the context of the Codes Review.
- 8.3 He also noted that Trisha McAuley, the CUSC Panel Chair would be joining the BSC Panel meeting on 11 March 2021.
- 9. Elexon Report – (311/01)**
- 9.1 VM noted that the PAB had agreed that Supplier estimation derogations will continue until further notice. The derogations will be reviewed quarterly so will next be reviewed at the PAB's April 2021 meeting, taking into consideration feedback from industry.
- 9.2 MB observed that changes to the structure of Xoserve had been announced to take place during March 2021, with effect from the beginning of April 2021. MB advised that an outsourcing structure had been proposed; Xoserve had outsourced to a new company which will be owned by an investor and existing services will be then sub-contracted to that new company (called Correla. MB understood the benefits stated are to improve existing services, allow an increase in innovation and allow Correla to do more activities, which were apparently difficult to achieve under the existing structure.
- 10. Distribution Report**
- 10.1 The DNO Representative advised that IDNOs and DNOs are currently working with Ofgem on MHHS data requirements; the aim is to look at the impact of MHHS on each data set.
- 11. National Grid Report**
- 11.1 The NGESO Panel Member noted Ofgem's publication on the [Electricity SO Reform](#) that was issued on 25 January 2021. He noted that overall it was positive in terms of the ESO's current performance and what it does; highlighting the comments made on how the staff are valued and do an excellent job, and the recommendation of additional roles that an independent System Operator (SO) could take on. Further, he noted that Ofgem's concerns were focussed on the apparent perceptions of (as opposed to actual) conflicts of interest. He added that the review needs to be in the Consumer interest and therefore further work needs to be carried out.
- 11.2 A Panel Member noted the absence of Elexon and Codes Review in Ofgem's publication and queried whether Elexon would be providing a response. MB noted that at the Annual BSC Meeting in 2020, Elexon initially outlined its thinking on reforms. Following on from this, Elexon has set out options for a single energy code body to work alongside a reformed SO in its new policy, '[Reforming the System Operator Roles and Code Arrangements](#)'. This approach will allow better management of the energy system on the road to net zero. Elexon has put forward options for reforming gas and electricity system operation and the energy codes in tandem so that 'once in a generation' changes can be made to how central services for the energy system are delivered.
- 11.3 The Ofgem Representative advised that the SO Review and Codes Review should be running in parallel (there is one team at BEIS looking at both) so that any upcoming consultations or consequential legislation changes can all be made as a single package. Detailed timings are not yet published but Ofgem/BEIS hopes to consult in late 2021.
- 11.4 The NGESO Panel Member also advised that NGESO is considering an Optional Download Flexibility Management (ODFM) product in summer 2021. A consultation will be issued on 15 February 2021 as part of the EB GL compliance process. A Panel Member queried whether the product would avoid a higher Balancing Services Use of System Cost (BSUoS) cost. The NGESO Panel Member clarified that this is a system management tool; it is designed to allow the control room to ensure that the system is secure to manage by reducing embedded generators and bring on more transmission connected generators.
- 11.5 A Panel Member queried whether the ODFM product would bring a change to cashout as cashout signals were distorted in 2020 as a result. The NGESO Panel Member advised that this is currently being considered as part of the product itself.

12. Ofgem Report

- 12.1 The Ofgem Representative asked if the BSC Panel would wish Ofgem to carry out its cross-code survey in 2021 having had to postpone it in 2020 due to COVID-19; the BSC Panel unanimously supported Ofgem proceeding with its cross-code survey in 2021.

13. Tabled Reports

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

14. Responding to feedback on the 2021/22 Elexon Business Plan – (311/07)

- 14.1 MB advised that three written responses had been received to the 2021/22 Elexon Business Plan. He noted that the third respondent had wished for their response to remain confidential and as such, this would not be published on the Elexon website although a summary would be included.

- 14.2 A Panel Member was pleased to see that two additional responses were received in addition to the BSC Panel's response.

- 14.3 The BSC Panel:

a) **NOTED** the responses received to the 2021/22 Elexon Business Plan and the proposed changes to the Business Plan to reflect them.

15. Annual Demand Ratio Update – (Verbal)

- 15.1 Elexon provided a verbal [update](#) on the Grid Supply Point (GSP) A and issues it had identified within the Annual Demand Ratio (ADR) reporting within this area.

- 15.2 The Chairman queried whether Elexon could provide a steer on the nature of the re-distribution that is implied. Elexon advised that Suppliers who are subject to Group Correction Factor (GCF) would have underpaid (mainly Non Half Hourly (NHH) Suppliers) in that GSP and have therefore been undercharged. Generators and predominantly HH Suppliers would have overpaid through transmission losses and are therefore likely to receive funds back.

- 15.3 A Panel Member noted that there are distinct steps for a number of processes including the registration of meters, aggregation rules, changes made to meters when Meter Operator Agents (MOAs) go to site and for communication flows between distributors and MOAs. They commented that there needs to be low level assurance around all of these. Elexon advised that the ADR response group is a good first step to addressing these but agreed that it is still not able to react as quickly as it would like. Further, the Elexon Assurance Team is looking at improving its CVA reporting so that these issues can be flagged sooner and prevent them from occurring in the first place.

- 15.4 A Panel Member queried whether it is possible for automatic alerts to be set up to identify when a meter deviates from historical patterns. Elexon advised that the meter should have been programmed to flag the issue to the Central Data Registration Agent (CDCA) when it had gone down; however this was not done and as such Elexon is currently investigating why. Elexon noted that validation after the event is important as it has an impact on Settlement; as such this will be included in the lessons learned.

- 15.5 A Panel Member noted that distributors have an obligation to validate GSP Group take but noted that there is no incentive for them to do so. They therefore queried whether distributors are actually doing it themselves; if so this is something that distribution businesses should have picked up. Elexon advised that distributors are overall responsible for the accuracy of their meters (noting the human error aspect) but agreed that this concern needs investigating further.

- 15.6 MB advised that he fully recognised the impact of the situation and recognised the consequences of this issue spanning different financial years.

- 15.7 The BSC Panel:

a) **NOTED** the update.

16. Any other business

- 16.1 A Panel Member noted that there had been issues with IFA2 commissioning from 21 January 2021- 4 February 2021. They advised that there was:
- no live metering data on IFA2 flows until after commercial go-live;
 - no live metering information until a few hours after commercial go-live which meant the industry was unsure whether IFA2 was working or not;
 - an ongoing issue at NGESO which meant that not all FPNs flowed through to Elexon as they had GCs of zero so PNs were rejected; and
 - no forward availability at the daily and weekly level; IFA2 just appeared to many models that rely on this data.
- 16.2 The Panel Member highlighted that this was not an unexpected event as the asset had been in planning and construction for years; they therefore queried where there was lack of co-ordination. Elexon advised that FPN data was not flowing through the BMRS system, which was caused by an issue between NGESO and the IFA's communication. A member of the ISG raised this concern at the ISG meeting and it was immediately escalated to NGESO who were part of commissioning the interconnector. This issue had now been resolved but Elexon had asked for some lessons learned as this is not the first time that there had been interconnector issues; and that there will be a number of commissioning changes in the next few years so it wanted to ensure there is not a repeat of the issue. A workshop on this is likely to be held with the BMRS Change Board (BCB) at its next meeting.
- 16.3 The NGESO Panel Member advised that the integration of interconnectors is difficult and complex; issues in relation to timing and data are dependent on the interconnector themselves and is not always something that NGESO can control. In this case, BM registration details that NGESO held were incorrect which prevented the data flowing; however this was prioritised and fixed within 10 hours.
- 16.4 A Panel Member requested a post-implementation review of the re-distribution of funds following the implementation of [P396 'Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units'](#), including whether there were any inferences for an additional interconnector. A Panel Member noted that some prior work was carried out on the Modification and funds were estimated at approximately £1-2million. The Panel Secretary agreed to add this to the Panel Strategy tracker.

17. **Next meeting**

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