

Minutes

BSC Panel

Meeting number **314**

Venue **Video Conference**

Date of meeting **Thursday 13 May 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	Elxon CEO
Victoria Moxham	VM	Elxon Director of Customer Operations, Panel Secretary
Angela Love	AL	Elxon Director of Future Markets and Engagement (Part-Meeting)
Peter Stanley	PS	Elxon Director of Digital Operations (Part-Meeting)
Claire Kerr	CK	BSC Administration and Configuration Manager
Lawrence Jones	LJ	Modification Secretary
Jasmine Killen	JK	Ofgem (Part-Meeting)

Attendees and apologies

Anna Stacey	AS	Ofgem (Part-Meeting)
Nicola Garland	NG	Ofgem (Part-Meeting)
Katharine Birkner	KB	NGESO (Part-Meeting)
Sean Donner	SD	NGESO (Part-Meeting)
Justin Andrews	JA	Elxon (Part-Meeting)
Chris Arnold	CA	Elxon (Part-Meeting)
Craig Murray	CM	Elxon (Part-Meeting)
Andrew Grace	AG	Elxon (Part-Meeting)
Kathy Ferrari	KF	Elxon (Part-Meeting)
Sophie Bentley	SB	Elxon (Part-Meeting)
Rebecca Kassube	RB	Elxon (Part-Meeting)
Tirath Maan	TM	Elxon (Part-Meeting)
Douglas Alexander	DA	Elxon (Part-Meeting)
Yasmin Mouse	YM	Elxon (Part-Meeting)
Chris Welby	CW	Elxon (Part-Meeting)
John Lucas	JL	Elxon (Part-Meeting)
Clare Duffy	CDu	BSCCo Board (Observer) (Part-Meeting)
Sara Vaughan	SV	BSCCo Board (Observer) (Part-Meeting)
Anne Heal	AH	BSCCo Board (Observer) (Part-Meeting)

1. Introduction

- 1.1 The Chairman noted full attendance of the Panel today. The Chair also observed that there was still a vacant Consumer Panel Member seat on the Panel and would welcome the take-up of the second seat.

Part I: Non-Modification Business (Open Session)

2. Market-wide Half Hourly Settlement (MHHS): Implementation and Governance Arrangements – (Verbal)

- 2.1 Jasmine Killen (JK) from Ofgem [presented](#) on the implementation and governance arrangements of MHHS.
- 2.2 JK advised that for the purposes of MHHS implementation, the BSC Panel will get regular reports from Elxon on activities and costs incurred by Elxon as the overall MHHS Implementation Manager. However, the BSC Panel (or the Performance Assurance Board (PAB) if delegated to) will have a limited role (to the compliance and performance assurance of the MHHS Qualification and MHHS Migration Plan) in relation to the programme.
- 2.3 The Chairman noted that the decision-making role of the BSC Panel appeared to end in October 2021 but queried whether any input would be required from the Panel after this date. JK advised that Ofgem does not envisage the BSC Panel having a significant input into the programme and therefore the input would be minimal after this date; responsibility of the day-to-day management will sit with the Senior Responsible Owner (SRO).

- 2.4 MB observed that Ofgem would be introducing licence changes to oblige cooperation with the MHHS programme so queried what sanctions Ofgem had in mind. JK advised that the 'duty to cooperate' licence conditions will be introduced once the SCR process has concluded. If licensees are not cooperating, then Ofgem would be able to use its normal enforcement route. She noted that the proposed code changes set out sanctions with the most significant being in relation to qualification plans. Under the BSC, if a Party or Party Agent had not qualified by the date set out in the qualification plan, then they would be unable to register any new Meters and therefore be unable to take on any new customers.
- 2.5 A Panel Member queried whether there would be an additional group set up to the REC Cross Code Steering Group. JK confirmed that this was considered internally but Ofgem wanted to ensure that there would be specific cross-code coordination for MHHS and as such had proposed to set up a separate cross-code advisory group for the management of MHHS. This new group would be under the programme governance of Elexon and therefore likely chaired by the Elexon PMO or someone under the PM function.
- 2.6 The NGESO Panel Member noted the proposed CUSC changes. He advised that charging changes often involve a number of alternatives because of the commercial effect on businesses. He therefore queried whether Ofgem would be allowing this for this situation. JK advised that the Code Change and Development Group (CCDG) are responsible for drafting the proposed changes to the Target Operating Model (TOM) which will then be issued to industry for consultation; she therefore hoped that the CCDG could come to an agreement. These will then be presented to Ofgem with the intention that Ofgem would use their Smart Meter Act powers to implement them.
- 2.7 The NGESO Panel Member also questioned how much thought Ofgem had given to the significant industry reform currently ongoing across network charging as this relies on data coming from central bodies such as Elexon. JK recognised the concerns and risks that industry has to try and manage the volume of change programmes. Ofgem had looked at the delivery timescales of all current programmes and took into account the risks of these when setting out its own timetable for MHHS.
- 2.8 AL (Elexon Executive team sponsor of MHHS) advised that Elexon had been in discussions with Energy UK, Energy Networks Association (ENA) and Ofgem in relation to all the IT industry changes currently in the pipeline. A further meeting had been held where the Terms of Reference had been agreed. The group was now looking at the best way to communicate this information to industry.
- 2.9 A Panel Member asked of Ofgem's intention is for the role and remit of the Independent Assurance Provider – in particular whether this role was primarily intended to provide external scrutiny and assurance or whether it was focusing on providing support and second opinion. JK noted that Independent Assurance is an important part of the programme, and Ofgem intends to start a procurement process shortly. She welcomed any direct feedback from Panel Members.
- 2.10 The BSC Panel:
- a) **NOTED** the update.

3. **MHHS Programme Update – (314/12)**

- 3.1 Justin Andrews (JA), MHHS Programme Manager emphasised that MHHS is an industry-led programme with Elexon as the SRO. Elexon's intention is to ensure that the programme is a success and that the structure delivers on Ofgem's obligations. As such, mobilisation activities are continuing, workgroups are being set up and Elexon is currently reviewing the documentation to ensure it can meet Ofgem's obligations; its approach will then be provided to both the BSCCo Board and BSC Panel. This will include its decision making approach and ensuring that there are no conflicts of interest or perceived conflicts of interest.
- 3.2 JA advised that Elexon will be implementing the system changes to deliver [P413 'Enable Elexon to be the Programme Manager for the implementation of Market-wide Half Hourly Settlement'](#) (whereby the additional BSCCo costs represented by this MHHS programme will be funded by Suppliers only) and Suppliers will start to be invoiced from July 2021. JA advised that at the April 2021 Panel meeting, the budget had been indicated at £73.6million but following the review and report by Complete Strategy a revised approach of outsourcing the PMO structure has been introduced, resulting in an increase in the budget of approximately £7million. A programme uncertainty figure had also been added to the budget so that the total of £90m for 2021-25 now matches the overall programme budget that Ofgem had published in its final business case. This additional amount accounts for "optimism bias", which Ofgem included in their figures. This total, of which 2021/22

represents £14.5m, will be included in the information that Elexon issues to industry for comment week beginning 17 May 2021.

- 3.3 The Chair noted section 2.5 of the paper where “Ofgem is expressly seeking a balance of power between the SRO and industry” and queried how this would work. JA advised that the programme should work by the relevant experts making decisions at the right level i.e. decisions of each working group being taken as final and only escalated where absolutely necessary. JK reiterated that the aim is for this to be an industry-led implementation and that decisions should be made as a consensus.
- 3.4 The Chair noted section 2.3.2 of the paper where “there is an escalation to the Independent Assurer and ultimately to Ofgem (although this appears to contradict in some way with the statement that decisions are made by the SRO)”. JK noted that the SRO will make decisions within their scope but if Parties disagree, then there is an escalation route for them to the Independent Assurer who will then take a view as to whether this should be referred to Ofgem.
- 3.5 A Panel Member expressed concern that the IPA would have Terms of Reference which would lead it to constant adversarial positions to the Elexon delivery. In their experience this could be highly counterproductive and prejudice the delivery of the overall project because of the distraction it caused. The PM urged Ofgem to propose a role for the IPA which would be more like a “critical friend” in which it acted constructively with Elexon. JK acknowledged the opinion, noting that external assurance was an important attribute of the governance that would lead to confidence by Parties and Ofgem in the delivery of the overall programme. JK was happy to receive further views from Panel Members and other interested bodies on the role of the IPA.
- 3.6 The NGESO Panel Member queried why the programme is not going through the usual Modification process rather than creating what they perceived to be an additional level of bureaucracy. JK advised that the SCR route was being used because the Modification route was not adept at making significant changes across a number of codes; MHHS is a significant change and therefore Ofgem did not believe the Modification process to be appropriate for this scale of programme. JK welcomed feedback from industry if there are any aspects of transparency currently missing from the programme as this is one of Ofgem’s key aims. AL advised that, in her view, what makes MHHS different to the normal Modification process is that it is heavily system-reliant; the team needs the IT specialists to participate and carry out the testing, in addition to those involved in regulation who usually sit on Modification Workgroups. The NGESO Panel Member suggested that under the governance structure of the programme, it would be useful to include detail on when certain issues are going to be considered; this increased transparency in advance for Parties would be helpful.
- 3.7 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

4. Change Report and Progress of Modification Proposals – (314/02)

- 4.1 The Modification Secretary [presented](#) the Change Report and progress of Modification Proposals.
- 4.2 In relation to [P395 ‘Aligning BSC Reporting with EMR Regulations – an enduring solution’](#), the Modification Secretary advised that the the Low Carbon Contracts Company (LCCC) had requested an expansion of the solution, which required more analysis and assessment. Out of the suggestions made, only a quarterly report was determined to be in scope of the BSC and P395. A Panel Member, who is also a P395 Workgroup Member, commented that the main issue was in relation to what extent Elexon should be accommodating the needs of LCCC that the Workgroup believed LCCC are responsible for. He supported the extension request. In addition, the Workgroup has requested a more complex solution option be considered.
- 4.3 The Modification Secretary provided a review of the COVID-19 prioritisation approach. He advised that the main impact was between May and September 2020, where consultations were staggered, resulting in a number of Modifications requiring an extension. However, Workgroups remained unaffected. Virtual meetings have been well attended, positive feedback had been received that they work extremely well. The Modification Secretary believed virtual meetings should be retained following the easing of lockdown measures and sought Panel feedback. The Panel agreed but expressed concern that going back to physical meetings may result in a

decrease in Workgroup participation; members' time would increase by having to travel. Panel Members also agreed that it would be a challenge to enable a hybrid of remote working and those attending the office environment to work well. They were concerned that the previous facilities used for meetings with some people attending the Elexon offices with one or two people on the phone would need consideration; this method would no longer be as efficient as the current MS Teams meetings that the Panel had become accustomed to.

- 4.4 A Panel Member queried when Ofgem intends to make a decision on [P399 'Making the identity of Balancing Service providers visible in the Balancing Services Adjustment Data'](#) as it had been with the Authority since January 2021. The Modification Secretary highlighted that an expected decision date was 11 May 2021 and that the cut-off date for implementation was towards the end of May 2021. The Ofgem Representative agreed to follow up with the policy lead on this.

- 4.5 The BSC Panel:

- a) **APPROVED** a three month extension to the P332 Assessment Procedure;
- b) **APPROVED** a five month extension to the P395 Assessment Procedure;
- c) **NOTED** the contents of the May Change Report.

5. **P419 'Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform' – (314/03)**

- 5.1 A Panel Member queried what is meant by an eligible services facility. NGESO advised that this is defined in the Connection Use of System Code (CUSC) as *"For the purposes of CUSC Section 14 shall mean a Single Site that can only and solely provide Eligible Services to The Company and does not undertake Electricity Storage or Electricity Generation or consume any Active Power other than for the provision of the Eligible Services."*

- 5.2 The BSC Panel:

- a) **AGREED** that P419 progresses to the Assessment Procedure;
- b) **AGREED** the proposed Assessment Procedure timetable;
- c) **AGREED** the proposed membership for the P419 Workgroup; and
- d) **AGREED** the Workgroup's Terms of Reference.

6. **P420 'Retail Code Consolidation Significant Code Review' – (314/04)**

- 6.1 A Panel Member queried what data items are in scope and how this approach fits in with open data. Elexon agreed to confirm this although they did not expect any current data that is published on the BMRS to be affected.

ACTION 314/01

- 6.2 The Chair queried who is chairing the Cross Code Steering Group (CCSG). Elexon advised that Lawrence Jones is currently attending as the representative for the BSC and will be chaired for the first 12 months by the Retail Energy Code (REC). A rotating Chair will then be introduced following this.
- 6.3 The Chair queried whether there is any precedent for the lead Code to set timescales etc. from previous cross-code work. Elexon advised that formally there had not been but that this was not unfamiliar; the BSC typically works with the CUSC and Grid Code to coordinate Modifications i.e. having a lead modification of a code and consequential modification of a code to ensure both modifications are sent to the Authority at the same time.
- 6.4 A Panel Member queried the rationale for setting up another, new, cross-code body. The Panel Member suggested that surely this should be given to the CACoP in its leading role of coordinating the Code Bodies, and that this was an important opportunity for CACoP to tackle an important and tangible challenge facing the Codes; furthermore, appointing a different body to do this role would undermine CACoP's standing in the industry, when the MHSS project could prove its worth to the industry. Nicola Garland (NG) responded that Ofgem did not believe this to be a lack of faith in what industry had been doing; rather ensuring that objectives are met within the required timeframes so that Ofgem can ensure that the benefits are realised for consumers.
- 6.5 A Panel Member queried whether it is possible for the consultation period to be extended, noting that the proposed Implementation Date is 1 September 2021 as there are substantial legal changes which need careful consideration. Elexon advised that a number of the proposed legal changes had been consulted on in 2020 by

Ofgem and that a month-long consultation was being given for P420 rather than the standard 10 Working Day period. NC also confirmed that a one-month consultation period was sufficient.

6.6 The BSC Panel:

- a) **AGREED** with the initial evaluation of the Authority Led SCR Modification Proposal as detailed in the Authority Led SCR Modification report;
- b) **AGREED** that P420:
 - i) **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREED** that that P420 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREED** the impact on the EBGL objectives;
- e) **AGREED** an initial recommendation that P420 should be **approved**;
- f) **AGREED** the timetable for implementing the proposed Authority Led SCR Modification Proposal;
- g) **AGREED** an initial Implementation Date of:
 - i) 1 September 2021; and
- h) **AGREED** the draft redlined text in Attachment B.

7. P416 'Introducing a route of appeal for the Annual Budget in line with the proposals for the Retail Energy Code' – (314/05)

- 7.1 The Chair noted that his interest had been declared in signing the BSCCo Board's response to the P416 consultation but asked the Panel whether anyone disagreed with him chairing the item, noting he would not offer any comment or views on the proposal. No Panel Members disagreed.
- 7.2 A Panel Member (Proposer's Representative) noted that when looking at the drafting for the REC, an appeals mechanism had been included (which also exists under other codes) and therefore they wanted to introduce this into the BSC, which would also support consistency between the codes. They were of the view that the Workgroup had been very open and constructive in its discussions; the P416 Proposed Solution was now an appropriately risk-managed solution.
- 7.3 MB observed the de minimis threshold of 5% Voting Share plus ten Party Groups to stop any spend. However, given Elexon's funding model where it does not have cash reserves or shareholder(s) who would be able to underwrite any expenditure, if an appeal is raised, he queried whether that activity would have to cease on in any case. A Panel Member noted that activities would still be funded, despite the risk that the activity was being challenged. Additionally, any money already spent on a particular activity would not have to be given back.
- 7.4 MB also flagged that Elexon would need to introduce changes to service provider contracts i.e. to ensure that contracts may be terminated at short notice which introduces a risk premium. Further, there would be costs associated with de-mobilising and where applicable, re-mobilising appealed activities. He queried whether the Workgroup had included these in the ongoing costs detailed in the Assessment Report and also when the Workgroup had been considering Applicable BSC Objective (d) which related to efficiency of balancing and settlement. Elexon advised that this level of detail had not been ascertained at this stage but that the ongoing costs (listed from zero to variable, subject to the particulars of any appeal) are associated with the implications of pausing of spend.
- 7.5 A Panel Member expressed serious concerns with P416 for three reasons:
 - 1) No defect had been identified in the BSC by the Workgroup.
 - Only two formal responses had been received to the Annual Budget in the past three years which demonstrates that Parties are content with Elexon's level of engagement (silence is taken as acceptance).
 - 2) Introducing Ofgem into the governance process is detrimental.
 - It reduces the accountability of the Board to BSC Parties that was introduced by P324;
 - Ofgem cannot commit to any timescales to make decisions on appeals; and
 - It will detract from the non-binding/binding resolutions arrangements already in place.
 - 3) Ofgem have clearly stated that governance arrangements need to be tailored to each Codes' need and therefore the Proposer's assertion that the REC is "best practice" and other Codes should align is wrong.

- The BSC already has strong checks and balances; and
- There is inconsistency across all the Codes - three code bodies have similar arrangements and six do not.

- 7.6 A Panel Member agreed and emphasised that these concerns had been discussed by the Workgroup. There were therefore no new arguments being put forward at this stage. Another Panel Member believed it was important Parties had a say in the Elexon budget, but had serious concerns that P416 may have unintended consequences.
- 7.7 A Panel Member (Proposer's Representative) agreed that Elexon is doing a great job and found the Board's response to the consultation extremely useful. However, he believed that P416 was not about Elexon's performance, it was about mitigating the risk (not a current issue) that this may not always be the case (as had happened under other codes).
- 7.8 A Panel Member commented that they agreed with the Workgroup's minority view that P416 would be detrimental to Applicable BSC Objective (d). This is because it introduces costs, uncertainty and risk to manage an unnecessary process as there is already an effective mechanism in place. Overall, the majority of the Panel agreed that in line with the Workgroup's minority view, P416 is detrimental to Applicable BSC Objective (d) and should therefore be rejected.
- 7.9 The BSC Panel:
- a) **AGREED** that P416:
 - i **DOES NOT** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** an initial recommendation that P416 should be **rejected**;
 - c) **AGREED** that P416 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
 - d) **AGREED** an initial Implementation Date of:
 - i **5WDs** after Authority decision
 - e) **AGREED** the draft legal text;
 - f) **AGREED** an initial view that P416 should not be treated as a Self-Governance Modification;
 - g) **AGREED** that P416 is submitted to the Report Phase; and
 - h) **NOTED** that Elexon will issue the P416 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 10 June 2021.

8. **P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services' – (314/06)**

- 8.1 A Panel Member observed that although the consultation only received three responses, it was well-received that the Trading Body (Association of Decentralised Energy 'the ADE') had responded.
- 8.2 A Panel Member queried whether P376 could be implemented in November 2022 rather than February 2023. Elexon advised that it had taken into consideration other changes in the pipeline (P375 and the Elexon Kinnect Programme) but wanted to create certainty for industry. If in the near future Elexon is able to bring this forward, it would endeavour to present this proposal to the Panel and Ofgem for amendment.
- 8.3 A Panel Member suggested that a review of Parties' take-up (as well as whether they should be using this) should be carried out 12-18 months after the Implementation Date. Another Panel Member suggested that ongoing monitoring could be carried out under the Trading Operations Report. The Panel agreed that carrying out both the review and the ongoing monitoring would be sensible and would advise industry participants that they intend to conduct both. The Panel Secretary agreed to add this to the BSC Panel Strategy Implementation Plan.

ACTION 314/02

- 8.4 Elexon also highlighted the Proposer's view that they did not just see P376 as an alternative to P375 but that it additionally produces more accurate Settlement. This is because it allows the volumes delivered by individual customers to be worked out by an agreed central process rather than relying on Virtual Lead Parties (VLPs) to make their own decision as to what each customer has delivered.
- 8.5 The BSC Panel:

- a) **AGREED** that P376:
 - 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** that P376 does impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **AGREED** the impact on the EBGL objectives;
- d) **DETERMINED** that P376 is not a Self-Governance Modification Proposal;
- e) **AGREED** a recommendation that P376 should be **approved**;
- f) **APPROVED** an Implementation Date of:
 - i 23 February 2023 as part of the February 2023 BSC Release if an Authority decision is received on or before 1 October 2021;
- g) **APPROVED** the draft legal text;
- h) **APPROVED** the P376 Modification Report.

9. Approval of P398 Configurable Item changes for the June 2021 BSC Release – (314/11)

- 9.1 The BSC Panel:
 - a) **DELEGATED** ownership of the 'Process for requesting BSC data' document to the BMRS Change Board (BCB); and
 - b) **APPROVED** the 'Process for requesting BSC data' document as a Category 3 BSC Configurable Item to be implemented on 24 June 2021 as part of the June 2021 BSC Release.

Part III: Non-Modification Business (Open Session)

10. Minutes of previous meetings & Actions arising

- 10.1 The BSC Panel approved the draft minutes for BSC Panel meetings 312A and 313. Elexon presented the actions (noting that all were now closed) and associated updates for the May Panel meeting.
- 10.2 The Chair noted the useful [guidance](#) on the treatment of carbon costs under the current industry code objectives from July 2010 that had been included as part of the late papers from Ofgem.

11. Chair's Report

- 11.1 The Chair advised that the cross-code Chairs meeting was held on 19 April 2021, with Ofgem also in attendance. It was agreed that the purpose of the group was to consider how best to develop proposals relating to the Codes Review (governance and structure). The Code Administrator Code of Practice (CACoP) website will list the Terms of Reference of the group. The next meeting is planned for 14 June 2021, with BEIS also due to attend.
- 11.2 In relation to the Annual Meeting on 8 July 2021, Elexon is currently looking for another speaker (potentially from Ofgem) as a BEIS Representative has notified Elexon that they are unable to attend.
- 11.3 The Chair asked the Panel that assuming government guidelines remain as proposed from 21 June 2021, whether they would be willing to attend the 8 July 2021 Panel meeting at the Elexon offices. The majority of the Panel agreed that they would be willing to attend in person, with the minority expressing the view that they would subject to receiving their vaccinations, company policy etc. Elexon advised that it would investigate the meeting room situation, especially as the afternoon was the Annual Meeting and hybrid participation needed to be considered. Elexon stated that the Panel would be kept informed dependent on conditionality.
- 11.4 A Panel Member also queried whether the Board/Panel dinner would take place again as usual on 7 July 2021. The Chair agreed that if any Board or Panel Members would like to meet for dinner, then an informal arrangement could be set up.

12. Elexon Report – (314/01)

- 12.1 MB reported that subject to government guidelines, Elexon intends to re-open its offices on Tuesday 22 June 2021 on a Tuesday-Thursday basis with a focus on those colleagues who were keen to return. From September 2021 (if there are no restrictions still in place), employees will be able to attend the office on a business need but are not expected to return to previous arrangements.
- 12.2 PS asked whether the Panel required any further detail or a different emphasis on the new Elexon Kinnect section of the report. A Panel Member wanted to hear how the project is going in comparison to the cost, effort and risk that Elexon thought there would be at the start of the project. PS advised that as per the Business Plan, the current focus is the Settlement Administration Agent (SAA) system migration as the core Settlement engine. This is going well from both a quality and velocity perspective (in order to validate the delivery plan). The main risk to the Kinnect project the volume of industry change that the programme will have to accommodate while it is in full flight. For example today that P375 had been approved, and the MHHS project is still in its early days.
- 12.3 The Panel Member asked how the Panel could assist in minimising additional costs, and PS responded by requesting that consideration of the Kinnect project was made in setting implementation timescales for relevant Modifications.

13. Distribution Report

- 13.1 The DNO Representative advised that DNOs had previously held workshops with Ofgem and Elexon on consequential changes to MPAS governance under the BSC after REC implementation and Faster Switching go-live. Although changes are unable to be made until switching go-live, it is important that DNOs continue those discussions. The last workshop was held in November 2020 and the plan was to continue the discussions early this year with the potential of setting up an industry workgroup to discuss the impacts. The DNO Representative advised that they would be in touch with Elexon to discuss how to progress with the discussions on BSC/SMRS governance and change control post RCC SCR.

14. National Grid Report

- 14.1 The NGESO Panel Member noted that NGESO carried out an additional C16 consultation to include BSAD data into cashout pricing for ODFM. This was approved by Ofgem on 30 April 2021. If any ODFM actions are used over the summer or beyond, they will be included in the BSAD information.
- 14.2 They also noted that NGESO had published an [open letter](#) on to transmission connected generation in response to concerns related to system operation where generators are not following obligations under the Grid Code.
- 14.3 The NGESO Panel Member noted that the frequency, risk and control report had been approved by Ofgem and was now an annual process.
- 14.4 Further, the NGESO Panel Member noted the Elexon Circular [EL03300](#) regarding a significant number of Maximum Import Limit (MIL) / Maximum Export Limit (MEL) files being sent which was causing issues in publishing the data on the BMRS. They pointed out this was down to a significant number of re-submissions from Parties to NGESO. The NGESO Panel Member noted that they considered the most appropriate way forward was to engage with the parties and ask them not to re-submit data unless there has been any significant changes.

15. Ofgem Report

- 15.1 The Ofgem Representative advised that there will be a publishing moratorium in June 2021. This is linked to Ofgem replacing its current website. Further details will be issued in due course.
- 15.2 On EU exit and changes to code objectives (which live in the licence), the Ofgem Representative noted that Ofgem had published its end of transition period licence changes [decision](#) in February 2021 which mainly updated references to Europe (e.g. changed references from 'EU law' to 'retained EU law' and updated some definitions where required). Ofgem did not change the policy intent of any licence conditions. However, if the objectives (and related definitions) are mirrored in the code, then these may need to be updated to align with the licence changes.

16. Tabled Reports

- 16.1 The BSC Panel noted the reports from the ISG, SVG, PAB, TDC, BCB, the Trading Operations Headline Report and the System Price Analysis report.
17. **Funding Shares Audit Approach 2020-21 Approval – (314/07)**
- 17.1 The BSC Panel:
- a) **APPROVED** the proposed scope of the Funding Shares Audit for financial year 2020/2021.
18. **Next meeting**
- 18.1 The next meeting of the BSC Panel will be held remotely on Thursday 10 June 2021.