

ELEXION

BSC Panel 319

Public

14 October 2021



PART I: NON-MODIFICATION BUSINESS (OPEN SESSION)

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**Digitalised Whole System Technical
Code**

Verbal – Laetitia Wamala & Frank Kabisante
(NGESO)

14 October 2021



Digitalised Whole System Technical Code

October/November 2021

nationalgridESO

Digitalised Whole System Technical Codes (WSTC) Webinar

Purpose of this discussion

1. To share and discuss the high level scope of the consultation paper
2. To signpost additional opportunities to engage with the digitalised WSTC project

Introduction

Refer to consultation section 2: Introduction

The digitalised WSTC project seeks to digitalise and consolidate or align technical codes through an industry-led approach.

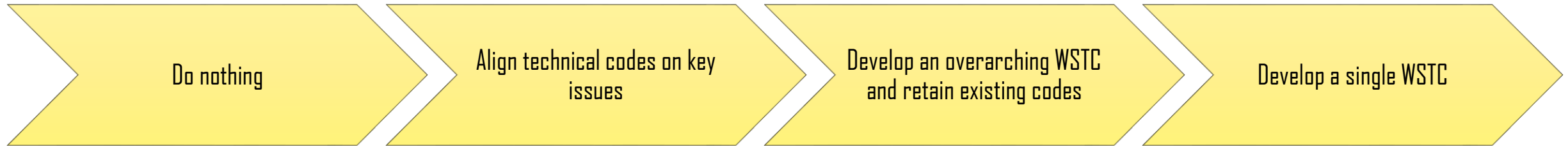
- The Ofgem/BEIS Energy Codes Reform recommends code simplification and consolidation
- Stakeholder feedback is that the technical codes are lengthy, overly complex, and are structured differently across Transmission and Distribution – creating a barrier to market participation and difficulty in navigation
- This ambition was supported by stakeholders and Ofgem as part of the ESO RIIO2 business plan
- NGESO has consulted at various industry forums since June 2021 to gather initial input on the scope, objectives and approach for this consultation and the wider project. The information gathered from the engagements at these forums has been used to inform this consultation.

Q1. What challenges do you have with using the technical codes?

Q2. Where there are challenges, please provide examples of areas where you would like to see change.

Potential Solutions

Refer to consultation section 3.1: Whole System Consolidation or Alignment



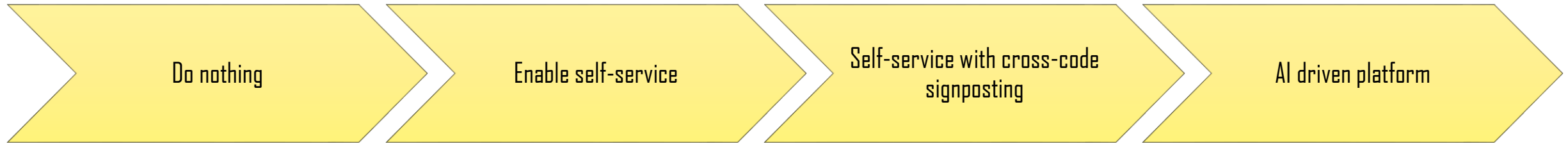
Q3. Are there further advantages and disadvantages of the potential solutions above?

Q4. Which of the issues identified in section2, (or by yourself in answer to Q1) would be addressed by each of the solution options?

Q5. Are there additional potential solutions for whole system alignment which could deliver value?

Potential Solutions

Refer to consultation section 3.2: Digitalisation



Q6. Are there additional potential solutions for digitalisation would could deliver value?

Q7. Which of the potential solution(s) for digitalisation do you see as providing the most benefit?

Q8. What risks and/or opportunities do you see in digitalising codes in parallel to work on code alignment, potential consolidation, and the Energy Codes reform programme? Please also share your views on how best to mitigate these risks.

Q9. Do you think the digitalised codes should be legally binding or for guidance only? Why?

Potential Solutions

Refer to consultation section 3.4: Work that can progress independently of the ECR outcome

Simplification & rationalisation
of Distribution Code (& ERECs)
and Grid Code separately

Identifying areas where the
Distribution Code (& ERECs) and
Grid Code can be aligned

Digitalising the Distribution Code
(& ERECs) and Grid Code
separately

Inclusion of SQSS in the Grid
Code

Inclusion of P2/7 in the
Distribution Code

Q10. Do you see value in progressing these work packages independently of the ECR and do you think they should be progressed?

Q11. Are there other opportunities that could be considered?

Potential Solutions

Refer to consultation section 3.5: Delivery of Solutions

Whole system alignment independent of ECR

- a) Deliver modifications through existing governance process
- b) Detailed recommendations for alignment delivered later, as part of ECR implementation

Code consolidation/alignment or creating new codes

- a) Develop recommendations & input to the BEIS/Ofgem ECR
- b) Postpone until ECR outcome

Digitalisation of codes

Digitalisation of

- a) Grid Code only
- b) Distribution Code (& ERECs) only
- c) Grid Code and Distribution Code (& ERECs) separately
- d) Grid Code and Distribution Code (& ERECs) together
- e) Wait for BEIS/Ofgem ECR decision on consolidation

Q12. Stakeholders have articulated that there is strong interdependence between options in whole system consolidation or alignment (section 3.1), digitalisation (section 3.2) and the delivery of solutions (section 3.5). Do you have a preferred combination of these solutions that you see as delivering the best value considering the issues implementing the solutions? Please provide a rationale for your response.

Q13. Are there other aspects of the project delivery where you see risks and opportunities to mitigate these?

Key Benefits

Refer to consultation section 4: Key benefits

More efficient resource
requirements for a
connection journey

Increased market
participation across the
whole system

Encouraging innovation in
the market

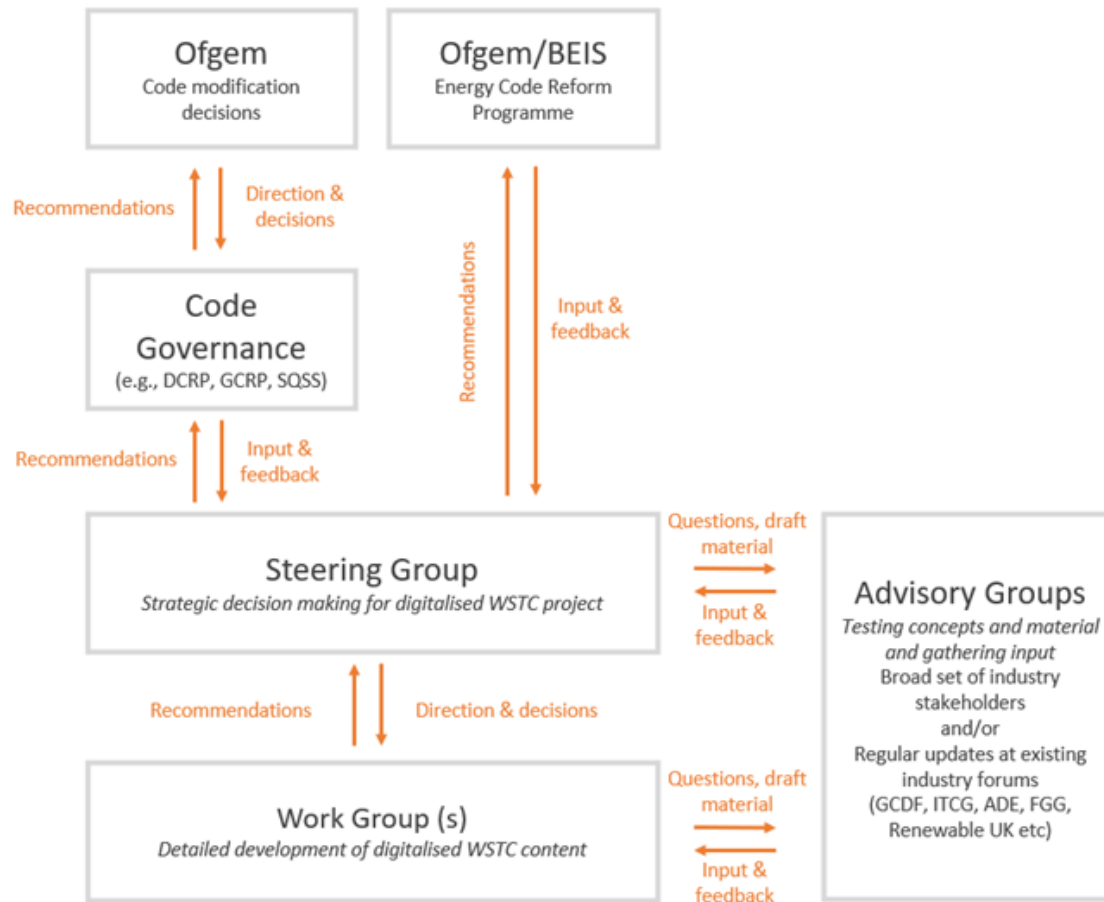
User-friendly technical
codes

Streamlined
implementation of
changes across the whole
system

Q14. Do you agree with the key benefits outlined above and can you see other benefits resulting from this project?

Project Governance

Refer to consultation section 5.1: Decision Making



Q15. Do you think that the proposed governance structure will enable delivery of the project? Would you change any aspects? If so, why?

Q16. Which elements of the project would you, or your organisation, like to be involved in? If so, please state in which capacity, and provide a short description of the perspective and value you would bring to the project?

Q17. What principles should apply when forming membership and ways of working for the various project groups?

Project Governance

Refer to consultation section 5.2: Proposed Terms of Reference – Steering Group

Membership

Frequency

Responsibilities

Q18. What are your views on the proposed Terms of Reference for the Steering Group?

Q19. Do you have further views on how best to include all relevant perspectives in the governance of the project?

Q20. How do you think the steering groups should make decisions, particularly if there is not consensus?

Project Governance

Refer to consultation section 5.3: Stakeholder Engagement

During
Consultation:
Webinars

During Project
Execution:
Webinars, Website
& Email

Q21. What are your views on the proposed stakeholder engagement? Is there more that can be done to ensure effective stakeholder engagement?

Q22. Would you like to attend the webinars? If so, please leave your contact details in your feedback.

Q23. Would you like to request a regular update from the project at your forum? If so, please leave contact details of your forum in your feedback.

Project Governance

Refer to consultation section 5.4: Schedule

	Milestone	Date
Consultation	WSTC Consultation 1 issued to industry	27/09/21
	Webinars	05/10/21, 11/10/21, 20/10/21, 02/11/21, 05/11/21, 10/11/21
	WSTC Consultation 1 closes	12/11/21
	First proposed Steering Group meeting	Before 17/12/21

Q24. What are your views on the proposed schedule?

How to Provide Feedback

Consultation Issued: 27th September 2021

Respond By: 12th November 2021

Contact Us

You can get the consultation document and response proforma [here](#).

You can send your consultation responses to our email address: box.WholeSystemCode@nationalgrideso.com

You can subscribe to our mailing list [here](#).

Webinars within the WSTC Consultation window

There will be regular webinars to explain the consultation and enable you to ask questions and provide feedback. (Repeat sessions – attend one)

- Tuesday 5 October, 11:00 – 12:00 ([Click here to join the meeting](#))
- Monday 11 October, 10:00 – 11:00 ([Click here to join the meeting](#))
- Wednesday 20 October, 10:00 – 11:00 ([Click here to join the meeting](#))
- Tuesday 2 November, 14:00 – 15:00 ([Click here to join the meeting](#))
- Friday 5 November, 10:00 – 11:00 ([Click here to join the meeting](#))
- Wednesday 10 November, 14:00 – 15:00 ([Click here to join the meeting](#))

Thank you

If you have any further questions, please contact the team at
box.WholeSystemCode@nationalgrideso.com



PART II: MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

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Change Report and Progress of Modification Proposals

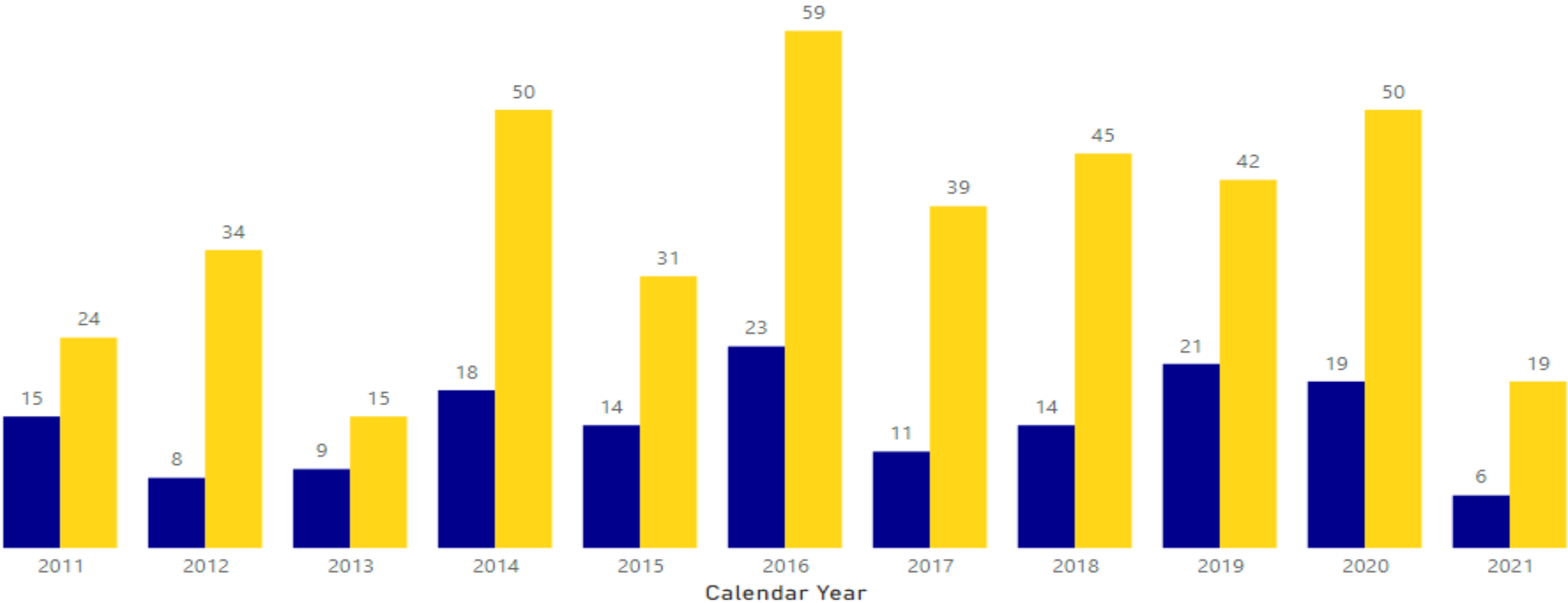
319/02 – Lawrence Jones

14 October 2021

BSC Modifications raised by year and Workgroups held

How many Modifications raised and Workgroups held?

● Mods raised ● Workgroups (excl. Issues)



BSC Modifications overview

Initial Written Assessment	P425, P426
Assessment Procedure	P332, P395, P410, P412, P415, P419
Report Phase	P421
Urgent	-
With Authority (decision cut-off)	P416
Authority Determined (implementation date)	P423, P424
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 91, Issue 92, Issue 93, Issue 94, Issue 95, Issue 96, Issue 97

BSC Modifications approved timelines

	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22
P332 'Revision to the Supplier Hub'		AR		DMR							
P395 'Final Consumption Levies'				AR		DMR					
P410 'Harmonised Imbalance'							DMR			AR	
P412 'Non-BM Balancing Providers pay for non-delivery imbalance'				AR		DMR					
P415 'VLP access to wholesale market'							AR		DMR		
P419 'Data to support BSUoS Reform'				AR	DMR						
P421 'Alignment with GC0144 for TERRE Market Suspension'	IWA		DMR								
P425 'Amend Shared SVA Metering Arrangement definition'			IWA					AR	DMR		
P426 'Combining Credit Cover for groups of related Parties'			IWA						AR	DMR	

BSC Change Release Roadmap

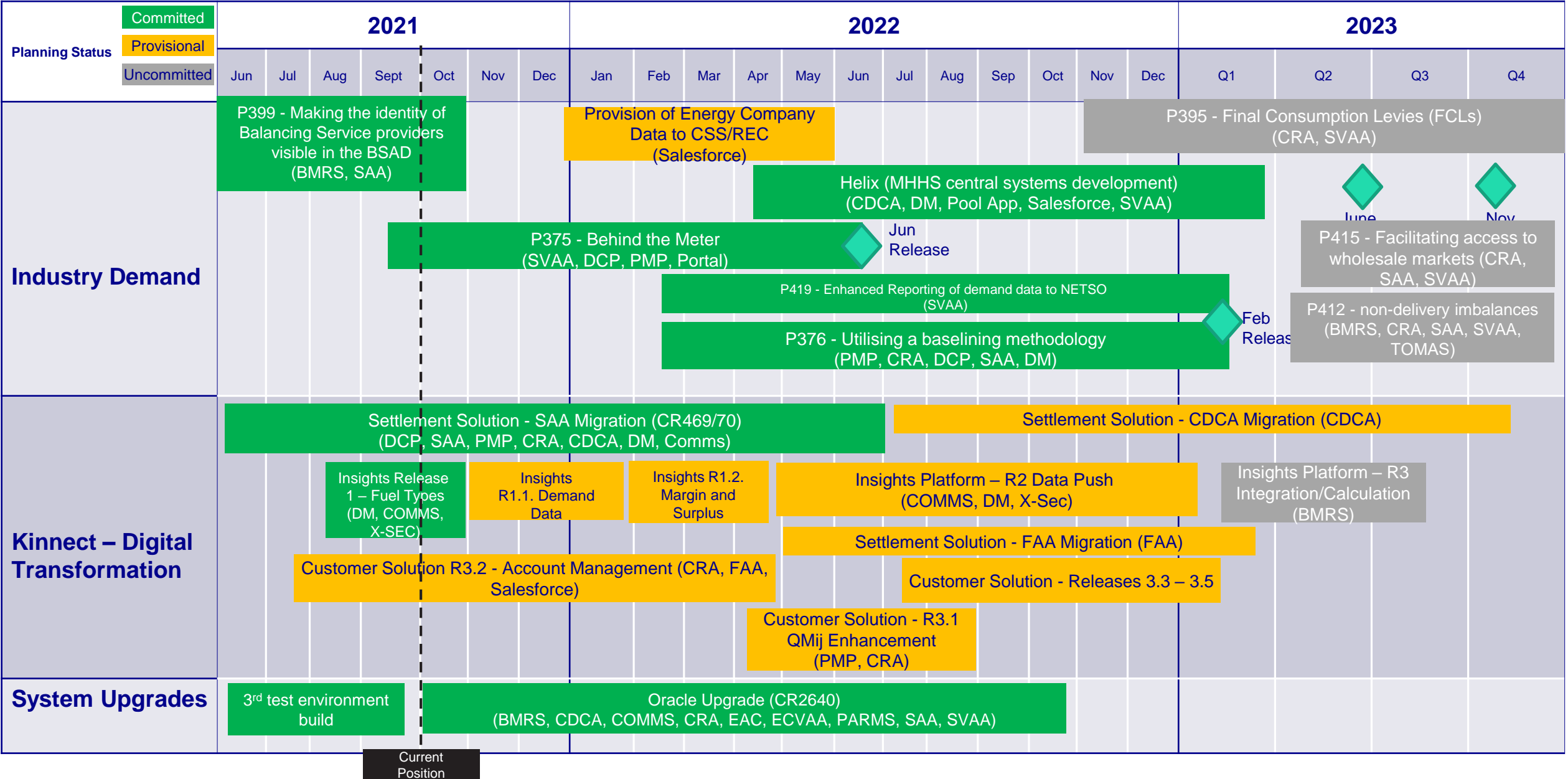
2021		2022			2023			Un-allocated
Nov	Ad-hoc	Feb	Jun	Nov	Feb	Jun	Nov	
P399 – Balancing Service Providers in BSAD	P332 – Revisions to Supplier Hub principle	P402 – TCR SCR	P375 – Asset Meters		P376 – Baselining Methodology			P395 – Final consumption levies
P421 – TEREЕ Market Suspension	P416 – Route of Appeal for Annual BSC Budget	CP1532 ‘Reduce HH CoS to meet SF’	CP1527 ‘Increase meter storage capacity’		P419 – BSUoS data			P410 – Harmonised Imbalance
CP1541 – Use of D4 in BSCP502		CP1548 ‘Remove BMRS CSV constraint’	CP1546 ‘Use DTS for UMS summary inventories’					P412 – Non-BM balancing service providers pay non-delivery
CP1544 – BSCCo sign-off for EFR Reps		CP1549 ‘CoMC for non-domestic SVA Meters’	CP1550 ‘Voltage failure alarms’					P415 – VLP access to wholesale market
CP1545 – TAM CVA Audit samples		CP1551 ‘Align BSCP601 to Measuring Instruments Regs’						P425 ‘Shared SVA Metering Arrangements’
CP1547 – Site specific LLF calculation for embedded LDSOs						Key Approved With Authority Report Phase Assessment Phase		P426 ‘Combining Credit Cover for groups of related Parties’

Cross Code Steering Group

Change	Originated From	Cross Code Impact	Status
Amend the timescales for measurement transformer commissioning	Northern Power Grid	REC Metering Schedule	Raise at CCSG
CP1532 - Reduce Half Hourly Change of Supplier timelines to meet the Initial Settlement Run	Issue 86	REC Metering Schedule	Pending implementation for Feb 22 Release. Needs to be raised at CCSG. Requires CP1532 timeline to be aligned with REC CP e.g. Jun 22 Release.

Note: Only showing changes requiring a REC CP. Not showing changes requiring changes to data flows held in Energy Market Architecture Repository (EMAR) (6 in backlog) or other code impacts e.g. consequential changes from CUSC/Grid Code

Portfolio Pipeline and Plan



Modification update: P395

‘Excluding generators from BM Unit Gross Demand and the calculation of EMR Supplier Charges’

- The Workgroup have agreed a solution for impact assessment
- We are yet to establish the P395 Implementation Date due to the high complexity and stacking of BSC Changes, vital upgrades and MHHS commitments, scheduled over the next 3-4 years
- P395 builds on elements from P375 and P419, so cannot be implemented before these Modifications
- As P419 is due to be delivered in the same Release as P376, we are currently working on a joint P376/P419 impact assessment. This is due at the end of Nov 21.
- **We require this joint P376/P419 assessment, in order for us to estimate the costs and set the P395 Implementation Date**
- We require at least four months, upto six months to complete these impact assessments, drafting of legal text and the remaining Assessment Procedure activities
- We therefore request a six month extension to the P395 Assessment Procedure, returning with the Assessment Report by the May 2022 Panel meeting, or earlier if possible

Modification update: P412

‘Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy’

- Workgroup have not identified solutions that would better facilitate the Applicable BSC Objectives
- P412 Workgroup has effectively been on hold so the Proposer, ESO, can conduct an assessment of the costs and benefits of the P412 solution options for consideration by Ofgem and the Workgroup
- This was expected to conclude in November 2021. However, the Proposer’s revised timetable is for the cost/benefit consultation to be issued in October 2021
- We therefore request a nine month extension to the Assessment Procedure, returning to the August 2022 Panel meeting, or earlier if possible
 - This allows for the cost/ benefit consultation to complete, analysis of the results, engagement with Ofgem and further Workgroup meetings
 - It is possible P412 will be withdrawn as a result of these activities
 - P412 is not allocated to a Release, and, if needed will need to be scheduled following the impact assessment process

Modification update: P419

‘Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform’

- A solution was agreed for impact assessment at the first Workgroup meeting in July 2021, except in regards to CVA declarations
- As part of the assessment process, we have identified efficiencies in:
 - aligning part of the P419 solution with that of P395
 - combining the impact assessment for the entirety of the February 2023 BSC Release (i.e. alongside P376)
- To accommodate the solution alignment, the second P419 Workgroup was pushed back by two weeks, and another minor delay is associated with the joint impact assessment.
- We also still require ESO’s impact assessment in order to enable the Workgroup to provide initial views on the Modification
 - This is now expected by end of Oct
- Another Workgroup meeting will be held early November to consider the cost and confirm whether CVA declarations will be operated by Elexon or ESO. This will enable the Workgroup to provide initial views for consultation
- The Assessment Consultation will be issued mid-November
- We therefore request a two month extension to the Assessment Procedure, returning to present the Assessment Report at the January 2021 Panel, or earlier if possible
 - We do not expect this to impact the delivery of P419

Release Dates and Change Review

Release Dates

- The REC are moving standard Release days from a Thursday to a Friday, across gas and electricity
- Further to the update provided to the Panel on 12 August 2021, we are working with REC and CACoP to provide a move detailed update next month
- We issued a survey to gauge stakeholder views. Views were mixed and will be shared next month
 - We currently believe we will need to align with REC to ensure dependencies with Market Message changes are maintained
 - Working with ESO to ensure dependencies with ESO systems and changes are also maintained

Change Review

- We have drafted a survey to issue to stakeholders to ask for views on:
 - The scope of any BSC Change review
 - The objectives of any BSC Change review
 - The importance and timing of doing any such review
- We will issue in November, once our customer survey has completed

Recommendations

We invite the Panel to:

- a) **APPROVE** a six month extension to the P395 Assessment Procedure;
- b) **APPROVE** a nine month extension to the P412 Assessment Procedure;
- c) **APPROVE** a two month extension to the P419 Assessment Procedure; and
- d) **NOTE** the contents of the October Change Report.

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**P425 'Amendment to the definition of
Shared SVA Meter Arrangement'**

319/03 - Lee Stone (E.ON Energy Solutions
Limited) & Jenny Sarsfield

14 October 2021

P425 Amendment to the definition of Shared Metering Arrangement

BSC Panel 14.10.21

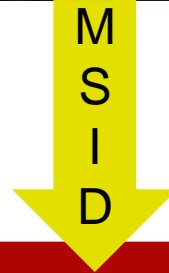


Shared SVA Metering Arrangement

- There are established rules within the BSC that facilitate the ability for Metered Volumes to be split over primary and “pseudo” secondary Metering System Identifiers (MSIDs).
- In practice these arrangements are used to facilitate companies who wish to split the costs and payments between companies who have a shared interest in a site within the I&C market e.g. shared investment in a generation asset.
- Whilst the BSC facilitates these arrangements it also currently prevents the same supplier from being able to supply both primary and secondary MSIDs.
- It is our understanding that the 2 or more supplier rule was part of the original implementation of Shared SVA Metering Arrangements, however we do not perceive that a single Supplier supplying such a arrangement carries additional settlement risks.

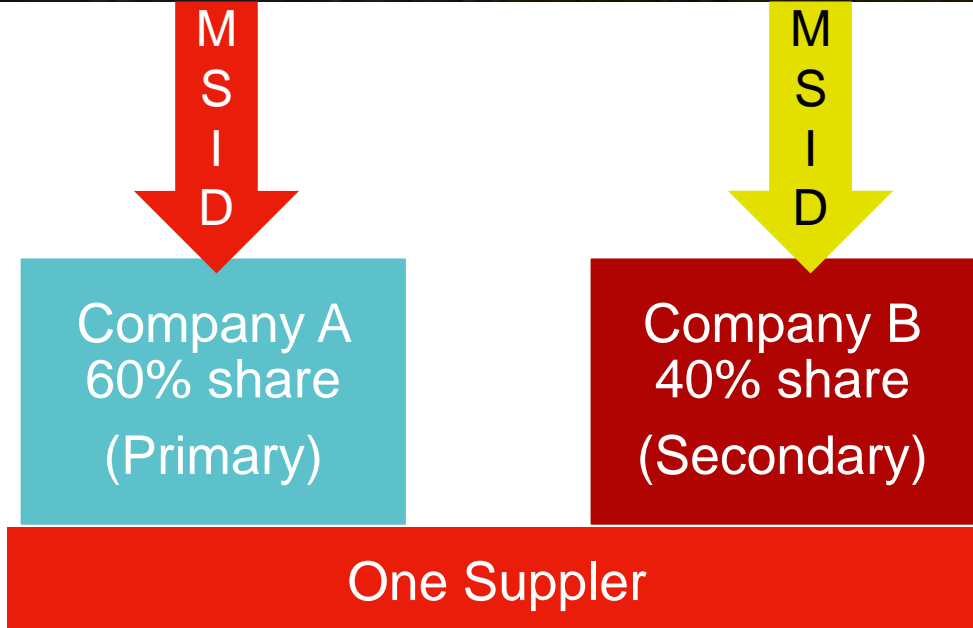


Company A 60%
share
(Primary)
Supplier A



Company B 40%
share
(Secondary)
Supplier B

P425 and Shared SVA Metering Arrangements



- We believe that the existing rule adds complexity such as:
 - **Initial set up** – Both customers must find separate Suppliers, who then need to co-ordinate with each other and its agents to complete set up (including meter installation).
 - **Future registrations** – There is limited information available to Suppliers in registration of the MSID, leading to a possibility that suppliers unknowingly registering secondary MSIDs whilst also supplying the primary MSID.
 - **Barrier to competition** – The Primary Supplier can not supply the entire site under a single Supplier ID, so the secondary customer does not have access to whole supply market.
- As such, we believe that removing the requirement for 2 or more Suppliers to facilitate a Shared SVA Metering Arrangement will better facilitate **Applicable BSC Objectives (c) and (d)**, by reducing complexity and competition barriers, and increasing efficiency.

P425: Issue and Proposed solution

Issue

- The existing rules for Shared Supplier Volume Allocation (SVA) Meter Arrangements state that the arrangement must be between two or more Suppliers, which prohibits a single Supplier from facilitating such an arrangement

Proposed solution

- This Modification proposes to remove the requirement for a Shared SVA Metering Arrangement to involve two or more Suppliers, with the definition amended so that one or more Supplier may be involved

P425: Areas to consider

- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 - How will P425 impact the processes outlined in BSCP550?
 - What would the commercial benefit of P425 be?
 - How can pseudo MPANs be better identified in the market?

P425: Proposed Progression

- 5 month Assessment Procedure
- Workgroup membership should include:
 - Those with experience in Shared SVA Meter Arrangements
 - Representatives from impacted Parties – Suppliers, HHMOAs, and HHDCs
- The impacts and costs will be assessed during the Assessment Procedure

Event	Date
Workgroup Meeting	W/C 08 November 2021
Workgroup Meeting	W/C 13 December 2021
Assessment Procedure Consultation (15 WDs)	10 January 2022 – 28 January 2022
Workgroup Meeting	W/C 07 February 2022
Present Assessment Report to Panel	10 March 2022
Report Phase Consultation (13 WDs)	16 March 2022 – 1 April 2022
Present Draft Modification Report to Panel	14 April 2022
Issue Final Modification Report to Authority	20 April 2022

P425: Recommendations

We invite the Panel to:

- a) **AGREE** that P425 progresses to the Assessment Procedure;
- b) **AGREE** the proposed Assessment Procedure timetable;
- c) **AGREE** the proposed membership for the P425 Workgroup; and
- d) **AGREE** the Workgroup's Terms of Reference.

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**P426 ‘Combining related BSC Parties’
Energy Indebtedness positions for the
Credit Cover Percentage calculation’**

319/12 – Karl Maryon (Drax Energy Solutions Limited) and Paul Wheeler

14 October 2021

Combining related BSC Parties' Energy Indebtedness positions for the Credit Cover Percentage calculation

Why Change?

- Energy Indebtedness is calculated individually for each BSC Party and Credit Cover must be lodged on that basis.
- There is no option for companies within the same group to provide collective credit arrangements.
- BSC Parties are unable to optimise provision into a single position resulting in disproportionate and inefficient levels of credit being lodged in aggregate.
- The ability to optimise and enable more efficient credit arrangements will reduce the cost of providing credit for related Parties.
- This will not reduce the amount of Credit Cover lodged below the level needed to cover the risk of default, nor will it increase the Credit risk or cost for Parties that do not (or cannot) aggregate their credit provision in this way.
- Implementing this proposal will remove inefficiencies imposed on related BSC Parties as unnecessary excess Credit Cover will no longer need to be lodged.

Proposed Solution

- The Proposal is to provide the option that related BSC Parties are able to rely on shared credit arrangements and provision.
- This would enable more efficient business operation by removing a significant operational and financial overhead without increasing the cost or exposure of other Parties.
- The current arrangements provide a significant operational and financial overhead.
- Where BSC Parties are related (i.e. within the same body corporate), the proposal is that the Energy Indebtedness of each BSC Party should be combined and the Credit Cover Calculation then performed on the combined position.

Relevant Objectives

- We believe that this Modification will better facilitate the Applicable BSC Objectives (c) and (d), when compared to the current baseline.
- We believe this Modification will promote both effective competition in the generation and supply of electricity and efficiency in the implementation of the balancing and settlement arrangements because the current setup requires related BSC Parties to potentially lodge unnecessarily high levels of Credit Cover.
- Reducing these levels to a more appropriate amount will result in savings across the industry which can be passed onto consumers and ease the barrier to entry for new Parties.
- Groups of related BSC Parties would no longer need to provide multiple lines of credit when only one is necessary, which would be more efficient for those BSC Parties and potentially for Elexon too.

P426: Issue and Proposed solution

Issue

- The current method for calculating Balancing and Settlement Code (BSC) Party Energy Indebtedness is inefficient for Parties who have multiple BSC Parties within their group of companies

Proposed solution

- Where BSC Parties are related (i.e. within the same body corporate), the proposal is that the Energy Indebtedness of each BSC Party should be combined and the Credit Cover Calculation then performed on the combined position

P426: Areas to consider

- In addition to the standard Terms of Reference, we aim to verify with the Workgroup:
 - How should groups of BSC Parties be defined?
 - Can BSC Parties access funding arrangements that permit the sharing of liabilities across Parties within a Group?
 - Are there any alternative solutions which could be suitable?

P426: Proposed Progression

- 6 month Assessment Procedure
- Workgroup membership having expertise in:
 - BSC Credit Cover and Credit Default arrangements
 - Management of Settlement Risk and corporate financing arrangements
- The impacts and costs will be assessed during the Assessment Procedure

Event	Date
Workgroup Meeting	W/C 15 November 2021
Workgroup Meeting	W/C 14 February 2022
Assessment Procedure Consultation (15 WDs)	14 March 2022 – 1 April 2022
Workgroup Meeting	W/C 4 April 2022
Present Assessment Report to Panel	14 April 2022
Report Phase Consultation (10 WDs)	20 April 2022 – 4 May 2022
Present Draft Modification Report to Panel	12 May 2022
Issue Final Modification Report to Authority	18 May 2022

P426: Recommendations

We invite the Panel to:

- a) **AGREE** that P426 progresses to the Assessment Procedure;
- b) **AGREE** the proposed Assessment Procedure timetable;
- c) **AGREE** the proposed membership for the P426 Workgroup; and
- d) **AGREE** the Workgroup's Terms of Reference.

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**‘Publication of Performance Assurance
Parties’ impact on Settlement Risk’**

319/04 –George Crabtree

14 October 2021

Background

- One of the recommendations following the Performance Assurance Framework (PAF) review was to amend the Error and Failure Resolution (EFR) process such that the Performance Assurance Board (PAB) could issue notices to industry where Performance Assurance Parties (PAPs) fail against their EFR plan
- The PAB unanimously recommended that the Panel raise this Modification in accordance with BSC Section Z 8.2

Issue and Proposed solution

Issue

- Resolving issues through EFR can take a substantial amount of time
- The BSC doesn't currently permit the PAB to publish PAP contribution to Settlement Risk data

Proposed solution

- The proposed solution would amend BSC Section Z – Performance Assurance to allow the PAB to publish notices to industry in respect of PAPs' contribution to Settlement Risk along with relevant risk data
- This change would result in an additional escalation step to incentivise swifter improvement

Applicable BSC Objectives

- It is Elexon's view that this Modification better facilitates Applicable BSC Objectives (c) and (d) as ensuring the Errors and Failures within the market are resolved helps ensure an even playing field for all market participants
- Additionally, this change is intended to ensure the timely resolution of non-compliances with the BSC arrangements, thereby supporting the efficient implementation of these arrangements

Areas to consider

- In addition to the standard Workgroup Terms of Reference, we aim to verify with the Workgroup:
 - What (if any) limitations should be placed on the scope of Settlement Risk data which the PAB is permitted to publish in a public notice of a PAP's contribution to Settlement Risk where said PAP meets the criteria set out within the solution?
 - What (if any) additional criteria or thresholds should need to be met prior to such a notice being published regarding a PAP's contribution to Settlement Risk?
 - What (if any) restrictions should be placed on the frequency with which such notices regarding a PAP's contribution to Settlement Risk could be published?
- We recommend that the Workgroup comprise of participants who have expertise or experience in the following areas:
 - Assurance & Compliance
 - Settlement Risks
 - EFR
 - Relevant impacted parties

Proposed Progression

Event	Date
Workgroup Meeting	14 October 2021
Workgroup Meeting	W/C 8 November 2021
Workgroup Meeting	W/C 6 December 2021
Assessment Procedure Consultation (15 WDs)	7 February 2022 – 25 February 2022
Workgroup Meeting	W/C 28 February 2022
Present Assessment Report to Panel	14 April 2022
Report Phase Consultation (10 WDs)	19 April 2022 – 3 May 2022
Present Draft Modification Report to Panel	12 May 2022
Issue Final Modification Report to Authority	19 May 2022

No impact on EGBL

Costs

- Only costs for Elexon are associated with document changes estimating <£1k
- No costs anticipated for other Parties

Recommendations

We invite the Panel to:

- a) **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(vi));
- b) **AGREE** that this Modification progresses to the Assessment Procedure;
- c) **AGREE** the proposed Assessment Procedure timetable;
- d) **AGREE** the proposed membership for this Modification Workgroup; and
- e) **AGREE** the Workgroup's Terms of Reference.

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**P421 'Align the BSC with Grid Code
modification GC0144 for TERRE Market
suspension'**

319/05 – Chris Arnold & Joe Henry (NGESO)

14 October 2021

P421: Background

Issue

- The BSC does not cover the TERRE suspension scenario detailed in paragraph BC4.10(c) of the Grid Code which was implemented on 26 May 2021
- BC4.10(c) relates to TERRE Market suspension as a result of the operators of the TERRE Central Platform [LIBRA] notifying National Electricity Transmission System Operator (NETSO) that the TERRE market has been or is to be suspended
- Additionally, provisions in the BSC outlining notification processes in the event of a TERRE Market suspension should be aligned with the Grid Code

Solution

- The solution changes the TERRE Market suspension provisions in BSC paragraph Q5A.1 to expressly provide for the circumstances detailed in BC4.10(c) of the Grid Code
- The provisions under Section Q5A detail notification requirements between Parties in the event of TERRE Market suspension. They also place obligations on NETSO and Elexon to determine specified information in relation to the start and end of the TERRE Market suspension

P421: Panel's Initial Views

The Panel initially:

- a) **AGREED** that P421 progresses directly to the Report Phase;
- b) **AGREED** that P421:
 - i. **DOES** better facilitate Applicable BSC Objective (a);
 - ii. **DOES** better facilitate Applicable BSC Objective (e);
- c) **AGREED** that this Modification **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREED** that this Modification should be **approved**;
- e) **AGREED** the legal text;
- f) **AGREED** an initial Implementation Date of:
 - i. **4 November 2021**, if the Authority's decision is received on or before 28 October 2021; or
 - ii. **24 February 2022**, if the Authority's decision is received after 28 October 2021 but before 3 February 2022; and
- g) **NOTED** that Elexon will issue the P421 Draft Modification Report (including the draft BSC legal text) for a one month consultation (as it impacts EBGL terms and conditions) and will present the results to the Panel at its meeting on 14 October 2021.

P421: Report Phase Consultation responses

- The Report Phase Consultation opened on 18 August 2021 and closed on 20 September 2021, for a one-month consultation to meet the 'EBGL change process requirements'
- No responses were received to the consultation

P421: Recommendations

We invite the Panel to:

- a) **AGREE** that P421:
 - i. **DOES** better facilitate Applicable BSC Objective (a); and
 - ii. **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREE** a recommendation that P421 should be **approved**.
- c) **APPROVE** an Implementation Date of:
 - i. **4 November 2021**, if the Authority's decision is received on or before 28 October 2021; or
 - ii. **24 February 2022**, if the Authority's decision is received after 28 October 2021 but on or before 3 February 2022.
- d) **APPROVE** the draft legal text; and
- e) **APPROVE** the P421 Modification Report.

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**Approval of BSCP603 'Meter Operations and
Data Collection for Asset Metering Systems'
for June 2022 standard BSC Release**

319/06 – Craig Murray

14 October 2021

P375 - Summary

- Approved by Ofgem on 24 February 2021 for implementation on 30 June 2022 as part of the June 2022 Standard BSC Release
- Amends the BSC to allow Asset Meters installed between the Boundary and the asset to provide balancing services to be used for Settlement
- The Panel approved the majority of amended Code Subsidiary Documents (CSDs) in its September 2021 meeting
- As stated in the September meeting, due to impacts of the implementation of the Retail Energy Code (REC) and upon recommendation from the Performance Assurance Board (PAB), Elexon drafted a new BSCP to contain the P375 changes that were included in BSCP502 and BSCP514 (presented for information to the Panel at its September meeting)

P375 – BSCP603 Industry Review

- The newly drafted BSCP603 ‘Meter Operations and Data Collection for Asset Metering Systems’ was circulated for industry review between 8 September 21 – 22 September 21
- One response was received to this review. The full details of amendments made in relation to the associated comments can be found in Appendix A of the approval paper
- BSCP603 should be approved as a Category 1 Configurable Item, and the ownership of the document should be delegated to the Supplier Volume Allocation Group (SVG)

P375 – Next Steps

- Outstanding CSDs with no impact on market participants to be amended for P375 to be progressed in Q1 2022:
 - SVAA User Requirement Specification
 - SVAA Service Description
- P375/P420 Alignment Modification to be raised no earlier than the November Panel meeting

Recommendations

We invite the Panel to:

- a) **APPROVE** the new Category 1 BSC Configurable Item BSCP603 'Meter Operations and Data Collection for Asset Metering Systems' to become effective on 30 June as part of the June 2022 BSC Release; and
- b) **DELEGATE** ownership of BSCP603 to the SVG



PART III: NON-MODIFICATION BUSINESS (OPEN SESSION)

E L E X O N

**Minutes of previous meetings
and Actions arising**

Claire Kerr

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Chair's Report

Michael Gibbons

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Elexon Report

319/01 - Mark Bygraves

ELEXION

Distribution Report

Fungai Madzivadondo

ELEXION

National Grid Report

Jon Wisdom

ELEXION

Ofgem Report

Colin Down

ELEXION

Panel Committee Reports

319/01A-E

ELEXION

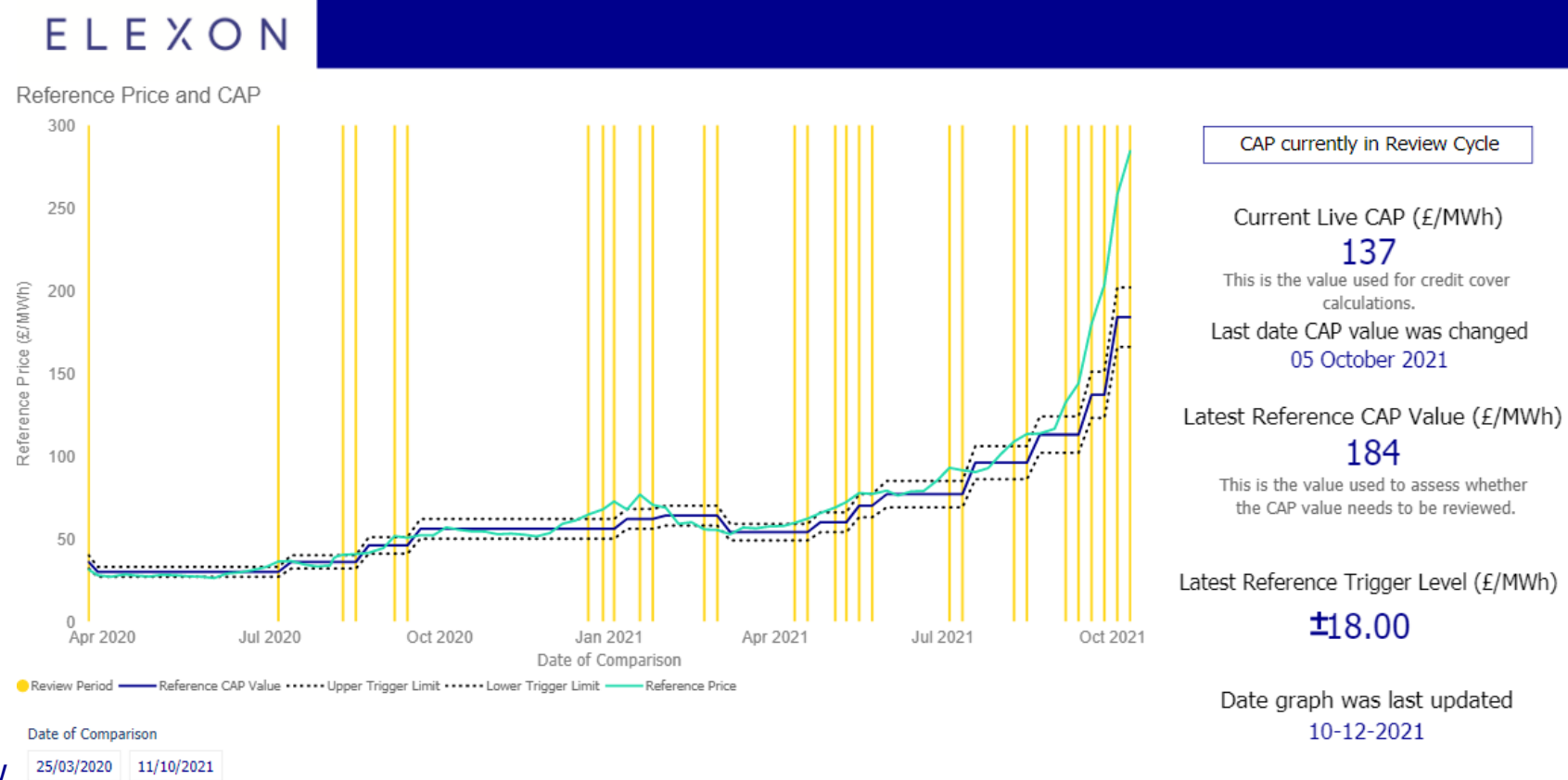
Alternative CAP Review process

319/07 – Emma Tribe

14 October 2021

Reason for change

- Reference Prices have been rising since April 2021, and have been greater than £100/MWh since start of August 2021
- The three most recent consulted on CAP's under the current process have been
 - £137/MWh – implemented 5 October 2021
 - £184/MWh – to be implemented 21 October 2021
 - £259/MWh – to be decided, but not to be implemented before 4 November 2021
- Three consultation responses have been received disagreeing with the latest two values. Two of these have suggested capping the CAP
- Current process is quite prescriptive in how CAP can be set, and what data sources used
- The soonest a CAP can be set following a CAP trigger event is a 21 WDs



Source: [Trading Operations Report - Credit](#)

Proposed alternative mechanism

For use during periods where volatile prices are causing a significant number of CAP breaches or large changes in CAP.

Credit Committee members can pause the normal mechanistic process, and notify industry that the alternative CAP review Process will be used.

1. Every two weeks the committee will propose a new CAP value, with support and advice from Elexon. Wider range of data sources used to inform value, previous consultation responses taken into account
2. Consult with industry for one working day.
3. Following consultation, industry is notified of what the new CAP will be and implementation date.
4. Implementation time shortened to 10 working days

While the normal process is paused, Elexon will continue to monitor the normal process, particularly the number of CAP breaches and jumps in suggested CAP values. This will inform when the prices have stabilised and the normal process can be resumed. A notification to industry would also be issued to state that the process has reverted to the normal process.

Recommendations

We invite the Panel to:

- **PROVIDE** any comments on the proposed mechanism and how the Credit Committee can use their influence on setting the CAP;
- **APPROVE** the suggested edits to the Credit Assessment Price (CAP) Review Guidance Document; and
- **NOTE** that if approved the guidance will be updated as soon as possible following this meeting so that they can take effect.

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**Update of progress made to BSC
Panel Strategy 2020-2022**

319/08 – Claire Kerr

14 October 2021

Achievements so far (1 of 2)

- **Delivery of core BSC Services**
 - Delivering change
 - Introduced prioritisation process during COVID-19 pandemic
 - This ended on 30 June 2021 which was consistent with the direction of travel for the Government's roadmap and vaccination efforts, and reflected the assurance related derogations overseen by the PAB
 - **Code Governance Review and Cooperation with other Code Administrators**
 - BSC Panel submitted a formal response to Ofgem/BEIS's consultation on the Energy Codes Reform
 - Active role in CACoP – provided valuable input into the CACoP website
 - BSC Panel Chair attended cross-code Panel Chairs meeting and attended CUSC Panel meeting
 - **Elexon Kinnect**
 - Regular monthly updates on the Elexon Kinnect Programme are included in the Elexon Report and Exec Sponsor attends Panel meetings to answer any questions as and when required
- **Resolution of known BSC issues**
 - **Multiple Suppliers (P379)** – important learnings from the development process, which Elexon plans to compile and publish by Q1 2022
 - **Open Data** – P398 was approved – Panel mindful that access to open data assists progress to net zero by supporting innovators in developing new products and services
 - **Credit Assessment Price Review process** – Panel considered two ways forward (current process or pursue a 'gold-standard' automated approach) but overall agreed with the Credit Committee's recommendation to proceed with the current process

Achievements so far (2 of 2)

- **Ensuring Demand Control Event (DCE) procedures remain fit for purpose**
 - Issue 89 Group recommended that irrespective of the outcome of P397, no further amendments should be made to the Settlement Adjustment Processes (SAP) as the costs of any further amendments would outweigh the likely costs associated with running the SAPs
- **Faster change process**
 - Panel suggested that it would be useful for a short survey to be issued to industry to gauge feedback
- **Efficient working practices between Panel Committees**
 - **Review of Panel Committees' Terms of Reference (ToR)**
 - Four Panel Committees and Credit Committee ToR aligned in March 2021. Key changes included amendments to the quoracy rules (four members for all), amendment to the voting procedures so that this is now by majority rather than unanimity and the removal of any gendered references

Upcoming actions

- **Post-implementation reviews**
 - **BMRS Change Board (BCB)**
 - Elexon has been monitoring whether having a separate Committee has proved beneficial in being able to approve small, low risk and low impact BMRS Changes and will provide an update to the Panel by the end of Q4 2021 for Panel consideration and discussion
 - **BSC Sandbox**
 - Proposal to use the BSC Sandbox for the first time was approved by Ofgem in May 2021
 - Panel agreed to review the process once it had been running for 12 months by the end of Q4 2021
 - **P411**
 - Panel agreed to review the effectiveness of the Qualification Performance Assurance Technique (PAT) which required new Licensed Distribution System Operators (LDSOs) to undergo Qualification in this role once it had been implemented for over 12 months – update will be provided in Q1 2022
- **Panel Governance**
 - **Appointing a successor to the current BSC Panel Chair**
 - Review was conducted by Deputy Panel Chair on Panel Chair's role and responsibilities
 - Panel have formed a Panel sub-committee to work with the Board in the appointment process
 - **Annual ToR updates**
 - Removing reference to 'approval by Industry Members of the Panel' from all in relation to applications

Recommendations

We invite the Panel to:

- a) **NOTE** the that have been achieved out of the BSC Panel Strategy to date; and
- b) **NOTE** the items that will require Panel review over the next six months.

MEETING CLOSE

ELEXON

THANK YOU
