

## Minutes

### BSC Panel

Meeting number **320**

Venue **Elexon Offices/Video Conference**

Date of meeting **Thursday 11 November 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 (Part-Meeting)
Fungai Madzivadondo	FM	Distribution System Operator Representative
Ed Rees	ER	Consumer Panel Member (and alternate for AM)
Sara Vaughan	SV	Interim Elexon CEO (Part-Meeting)
Victoria Moxham	VM	Elexon Director of Customer Operations, Panel Secretary
Angela Love	AL	Elexon Director of Future Markets and Engagement (Part-Meeting)
Peter Stanley	PS	Elexon Director of Digital Operations (Part-Meeting)
Yasmin Mouse	YM	Elexon Interim CFO (Part-Meeting)
Claire Kerr	CK	BSC Administration and Configuration Manager

Attendees and apologies		
Lawrence Jones	LJ	Modification Secretary
Richard Smith	RS	Ofgem, Director of Energy Systems Management and Security
Chris Arnold	CA	Elexon
Craig Murray	CM	Elexon
Paul Wheeler	PW	Elexon
Tirath Maan	TM	Elexon
Angus Fairbairn	AF	Elexon
Kathy Ferrari	KF	Elexon
Nkem Afodume	NA	Elexon
Marcello Cecchini	MC	Elexon
Nick Groves	NG	Elexon
Apologies		
Andy Manning	AM	Consumer Panel Member

## 1. Introduction

- 1.1 The Chairman noted apologies from Andy Manning and that Ed Rees was his alternate.

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

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

## 2. Change Report and Progress of Modification Proposals – (320/02)

- 2.1 The Modification Secretary [presented](#) the Change Report and progress of Modification Proposals.
- 2.2 The Modification Secretary advised that Ofgem rejected [P416 'Introducing a route of appeal for the Annual Budget in line with the proposals for the Retail Energy Code'](#) on 10 November 2021.
- 2.3 A Panel Member suggested that the progression of [P395 'Aligning BSC Reporting with EMR Regulations – an enduring solution'](#) wait until the outcome of BEIS's exemption order. The Modification Secretary agreed to feed this back to the Workgroup.
- 2.4 Further, the Modification Secretary advised that Elexon is working on six upcoming Modifications with Proposers, which are expected to be raised at the standard December 2021 or January 2022 Panel meetings.
- 2.5 The Modification Secretary reminded the Panel that Elexon had issued a short survey to BSC Parties on potentially moving standard Release days, from a Thursday to a Friday. This came out of the Retail Energy Code (REC) who, as a dual fuel code, are looking to release on the same day. 11 participants responded to the survey representing Suppliers, Supplier Agents, Generators, LDSOs and Meter Administrator. However, the results were mixed and there was no pattern based on role.
- 2.6 Overall, Elexon believes it is better to keep the codes aligned, rather than have different Release dates for the same change. Elexon is therefore minded to move with REC to Fridays, to avoid breaking the system dependencies but are awaiting further Code Administration Code of Practice (CACoP) engagement and co-ordination. We will return by the March 2022 Panel, or sooner if possible, with a formal recommendation.

- 2.7 The Modification Secretary also highlighted that Elexon was struggling for Workgroup quoracy on a number of newly raised Modifications. They had therefore asked its OSMs to reach out to their customers on this.
- 2.8 The BSC Panel:
- a) **NOTED** the contents of the November Change Report.
3. **‘Correction to P376 Legal Text’ – (320/03)**
- 3.1 A Panel Member suggested that to take the pressure off a quick turnaround for the December 2021 meeting, to bring the Draft Modification Report to the January 2022 Panel meeting instead. Elexon advised that it was not anticipating a large number of responses to the consultation. Further, as Ofgem had requested for these changes to be made as part of its P376 decision letter, Elexon advised that it would be more sensible to present the results at the December 2021 meeting.
- 3.2 The BSC Panel:
- a) **RAISED** the Modification Proposal in Attachment A in accordance with F2.1.1(d)(i);
  - b) **AGREED** that this Modification:
    - i **DOES** better facilitate Applicable BSC Objective (d);
  - c) **AGREED** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
  - d) **AGREED** an initial recommendation that Modification should be **approved**;
  - e) **AGREED** an initial Implementation Date of:
    - i 23 February 2023 as part of the February 2023 Release
  - f) **AGREED** the draft legal text;
  - g) **AGREED** an initial view that this Modification should be treated as a Self-Governance Modification; and
  - h) **NOTED** that Elexon will issue the 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 9 December 2021.
4. **‘Switching off Participant-Reported PARMS Serials’ – (320/04)**
- 4.1 The Modification Secretary advised that Elexon had been engaging with Ofgem but that they had not yet confirmed whether this Modification was Significant Code Review (SCR) exempt. Elexon may therefore need to issue a suitability assessment report to Ofgem on behalf of the Panel if a decision was not received by next week.
- 4.2 Elexon advised that a Panel Representative was needed for this Modification. As the PAB Panel Sponsor, Mark Bellman agreed to take on this role.
- 4.3 The BSC Panel:
- a) **RAISED** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(vi));
  - b) **AGREED** that this Modification progresses directly to the Report Phase;
  - c) **AGREED** that this Modification:
    - i **DOES** better facilitate Applicable BSC Objective (d);
  - d) **AGREED** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
  - e) **AGREED** an initial recommendation that this Modification should be **approved**;
  - f) **AGREED** an initial Implementation Date of:
    - i **24 February 2022** as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
    - ii **5WD following Authority decision** (though no earlier than 3 March 2022) if that decision is received after 14 February 2022;

- g) **AGREED** the draft legal text;
- h) **AGREED** an initial view that this Modification should not be treated as a Self-Governance Modification; and
- i) **NOTED** that Elexon will issue the Draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 9 December 2021.

## 5. **P332 'Revisions to the Supplier Hub Principle' – (320/05)**

- 5.1 One Panel Member expressed the view that they were neutral on recommendations a) and e) as they did not believe that P332 added anything that was better than the current baseline. These reasons were consistent with those made at the September 2021 meeting ([BSC Panel 318](#)).
- 5.2 The BSC Panel:
  - a) **AGREED** by majority that P332:
    - i) **DOES** better facilitate Applicable BSC Objective (c);
    - ii) **DOES** better facilitate Applicable BSC Objective (d);
  - b) **AGREED** that P332 does impact the EBGL Article 18 terms and conditions held within the BSC;
  - c) **AGREED** P332 is consistent with the EBGL objectives;
  - d) **AGREED** that P332 is not a Self-Governance Modification Proposal;
  - e) **AGREED** a recommendation by majority that P332 should be **approved**;
  - f) **APPROVED** an Implementation Date of:
    - i) **5 WDs** after Authority decision; and
  - g) **APPROVED** the draft legal text and side letter for P332; and
  - h) **APPROVED** the P332 Modification Report.

## 6. **Issue 92 'Reserve Scarcity Pricing Review' – (320/06)**

- 6.1 A Panel Member queried whether NGESO would be raising anything out of this issue. The NGESO Panel Member noted that it would not.
- 6.2 A Panel Member noted that a discussion was had on adding new things into the DRM calculation but queried whether a potential change to the time was discussed. A Panel Member (who was also a member of the Issue Group) noted that this point was not discussed.
- 6.3 The BSC Panel:
  - a) **NOTED** the Issue 92 Report.

## 7. **Issue 94 'Assessing barriers to entry to the Balancing Mechanism for sub 1MW providers and decimal bids' – (320/07)**

- 7.1 A Panel Member also queried whether NGESO would be raising anything out of this issue. The NGESO Panel Member commented that this issue feeds into wider work on accessibility to market for participants.
- 7.2 A Panel Member noted that it is taking months for plant larger than 1MW to access the BM. The NGESO Panel Member observed that this is an ongoing issue to do with the current process.
- 7.3 The BSC Panel:
  - a) **NOTED** the Issue 94 Report.

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

## 8. **Market Index Definition Statement (MIDS) Review 2021 - (320/08)**

- 8.1 A Panel Member commented that presenting the MIDS Review as a [webpage](#) rather than a static pdf document was excellent (A\*).

8.2 A Panel Member queried whether there was any evidence that the Market Index Price (MIP) was being used for any other purposes. Elexon believed the MIP to be used as another pricing property but was not aware of the full uses amongst industry participants. Another Panel Member commented that they are aware that Parties are using the MIP in terms of Power Purchase Agreements (PPAs).

8.3 The BSC Panel:

a) **NOTED** the ISG's recommendation; and

b) **AGREED** that no change is made to the Market Index Definition Statement (MIDS).

## 9. **Revision of Market-wide Half Hourly Settlement (MHHS) Implementation Monthly Charge – (320/09)**

9.1 KF provided an overview of the proposal and AL reiterated that the proposal was for the rate to be applied retrospectively to April 2021, which meant that funds would be given back to BSC Parties in December 2021.

9.2 A Panel Member queried why there would be a change in rate. AL advised that they had worked with Ofgem in relation to setting up the MHHS Programme and they had recommended that a Partner be brought on board to help with this. This process had taken slightly longer than planned and was now envisaged for early 2022 and therefore the costs within 2021/22 were going to be substantially less.

9.3 The Chair observed that a consequence of approving the new charge would result in the MHHS budget looking significantly smaller this year and would therefore look significantly larger next year. AL advised that once the Lead Delivery Partner is brought on board, MHHS IM would be reviewing the proposed budget and noted that a large amount of contingency was included in the current figures.

9.4 A Panel Member queried what would happen to Parties who had gone into Administration if the charge was being applied retrospectively. Elexon agreed to investigate this<sup>1</sup>.

### **ACTION 320/05**

9.5 The BSC Panel:

a) **APPROVED** the new MHHS Implementation Monthly Charge Specified Charge of £0.02235/SVA MSID per month; and

b) **APPROVED** the rate be applied retrospectively from April 2021.

## 10. **MHHS Verbal Update**

10.1 AL advised that the MHHS Programme is looking to appoint a Lead Delivery Partner. They had gone to best and final offers with three shortlisted bidders and as such had made a recommendation to the Board in November 2021. A decision was expected imminently so that they are fully mobilised from January 2021. Ofgem was also looking to appoint the Independent Assurance Provider with similar timescales. Once both these roles are in place, there should be more certainty around costings.

10.2 Further, the first Project Steering Group (PSG) took place on 10 November 2021, where constituents were provided an update on where the programme is to date. In addition, the MHHS Programme Newsletter "The Clock" is issued each Wednesday and Parties are able to sign up to this communication on the following [webpage](#).

10.3 The BSC Panel:

a) **NOTED** the update.

## 11. **Minutes of previous meetings & Actions arising**

11.1 The BSC Panel approved the draft minutes for BSC Panel meetings 318F, 318G, 319, 319A, 319B, and 319C. Elexon presented the actions and associated updates for the November Panel meeting.

11.2 In relation to Panel action 318E/AOB, the Panel Member reiterated that when you read through the emergency provisions, there are a number of areas where the BSC Panel could be asked to do things. They therefore

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<sup>1</sup> Post-meeting note: In relation to Suppliers who had exited the market, any Credit due back to them would go to offsetting any debt they had accrued whilst exiting. Any monies that remain would be returned to the Administrator but only after Final Reconciliation had been run (as this may adjust any balance due).

queried exactly what the Panel's obligations would be and when these would take effect. The Panel Secretary agreed to feed these specifics back to the Elexon team working on the action.

- 11.3 A Panel Member noted Panel action 319A/01, in relation to the Panel submitting a tailored response to Ofgem's consultation on the price cap. The Panel Member believed the scope of the response should be expanded to include other recent observations that the Panel had made. They were also of the view that a Panel letter should be written as soon as possible and that it should not be delayed until Ofgem's consultation had been issued. The majority of the Panel agreed that the Panel should wait for Ofgem's consultation before submitting a response but agreed that it should go wider than just a response to the price cap.

## **12. Chair's Report**

- 12.1 The Chair noted that after the December 2021 Panel meeting, a Christmas lunch would be held at the Somers Town Coffee House so he welcomed as many Panel Members as possible to attend. The Panel Secretary also advised that it was likely that the start time of the December Panel meeting would be 9.30am.

## **13. Elexon Report – (320/01)**

- 13.1 SV reiterated her thanks to Mark Bygraves for all the hard work that he did for Elexon and wished him well for the future. The Panel also reiterated the comments they had made on this news in a confidential Panel meeting. The Panel thanked Mark, and commended him for his hard work and excellent contribution during his tenure. One Panel Member commented that they would be sad to see him go and that he had led a wonderful organisation. The Panel agreed with this sentiment.
- 13.2 SV reported that Elexon Kinnect remained on track and to budget. She highlighted the successful Alpha testing for the Insights Solution, noting the close testing environment that was carried out with users. Further, it had been a good example of Elexon working with its customers to obtain feedback and reacting as quickly as possible to be able to make key improvements.
- 13.3 SV also highlighted that the Credit Committee had now adopted the Credit Assessment Price (CAP) alternative process, which was significantly quickly and less prescriptive. Further, Elexon was now consulting to decrease the CAP from £259/MWh to £240/MWh on 18 November 2021.

## **14. Distribution Report**

- 14.1 The DNO Representative commented that Elexon joined the DNO Commercial Operations meeting on 10 November 2021 to discuss the [P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties'](#) cost-benefit analysis. They advised that it was a productive meeting and that they will continue to engage with Elexon throughout the process.

## **15. National Grid Report**

- 15.1 The NGESO Panel Member noted that it held its C16 webinar on 8 November 2021 and hoped to issue the informal C16 consultation on 15 November 2021. The formal consultation would be issued on 10 January 2022.
- 15.2 The NGESO Panel Member also noted that its next Markets Forum would be held on 18 November 2021. The forum would discuss various balancing products, energy codes reform consultation etc.
- 15.3 Further, he advised that responses to Ofgem's TNUoS call for evidence are due by close of play on 12 November 2021.
- 15.4 Further, he advised that he had assumed a new role at NGESO so was now responsible for all technical codes and changes to any frameworks. However, he would assume his role as the NGESO Panel Member.

## **16. Ofgem Report**

- 16.1 The Ofgem Representative noted that it had now shared the individual results of the Cross-Code survey bilaterally with Code Administrators. Code Bodies have been advised to inform Ofgem if there is anything commercially sensitive or wrong in the results. Ofgem hoped to publish the results by the end of November 2021.

## **17. Tabled Reports**

- 17.1 The BSC Panel noted the reports from the ISG, SVG, PAB, TDC, Credit Committee, the Trading Operations Headline Report and the System Price Analysis report.
- 17.2 VM noted that at the November 2021 SVG meeting, there was some concern from SVG Members in relation to switching under the REC from D-flows to Market Message (MM) flows as they were unsure as to what REC was doing with these. The SVG Panel Sponsor added that it was not good governance as there had been no coordination or documentation published for industry to detail what was what. The SVG therefore requested further clarity and suggested that the Panel write to the REC to express their concerns.
- 17.3 VM advised that since the SVG meeting, Elexon had created a spreadsheet for cross-reference purposes but was of the view that Elexon should not have had to step in and do this. The Panel agreed to support a letter being written to the REC in relation to a lack of due process but that it would come from the SVG Chair and SVG Panel Sponsor. As SVG Chair, VM agreed to circulate this to the Panel once it had been issued.

## 18. Any other business

- 18.1 A Panel Member noted that the new CACoP website had been launched but was disappointed that Modification Workgroups were not currently included on the 'meetings' tab as it would be useful to know this. The Panel Secretary (also CACoP Rep) agreed to feed this back to the CACoP Forum.
- 18.2 A Panel Member noted that a Party who would like a Metering Dispensation had approached them but as a non-BSC Party is unable to request this. They therefore queried whether the Panel would consider raising a Modification. Elexon agreed to take this request away.

### ACTION 320/06

- 18.3 A Panel Member commented that it would be helpful to understand what a Special Administration Regime (SAR) would involve if it were to happen and that those Parties involved are aware of what the SAR. The Consumer Panel Member agreed commenting that the scenarios and liabilities of a failing medium Supplier would be materially different depending on whether the SAR was understood. The Panel agreed that this would be helpful. VM advised that this is currently being looked at and would share this with the Panel once it had recommendations to propose.
- 18.4 The Chair advised that Claire Kerr had been promoted to the role of Governance and Compliance Manager and as such, the December 2021 meeting would be her last one as Panel Secretary.

## 19. Next meeting

- 19.1 The next meeting of the BSC Panel will be held at the Elexon Offices and via video conference on Thursday 9 December 2021.