
BSC Sandbox lessons learned report 2021

BSC Panel

Date of meeting **9 December 2021**

Paper number **321/13**

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Purpose of paper **For Information**

Classification **Public**

Document version **V1.0**

Summary **The BSC Sandbox has been operational for one year. In that time, it has received two applications with one approved and one in progress. The BSC Sandbox has taken 0.125 FTE for Elexon to operate.**

1. Introduction

1.1 BSCCo must produce an annual lessons learned report containing:

- The costs incurred by us in respect of administering the BSC Sandbox;
- Metrics relating to participation in the sandbox;
 - Number of derogations granted (and currently active)
 - Number of Modifications raised following derogation
 - Number of failed projects
 - Number of derogations terminated due to approved Modifications;
- A summary of live and recently ended derogations;
- BSCCo's view of whether the programme is delivering against the Applicable BSC Objectives; and
- Any other information or metrics that the Panel or BSCCo determine are relevant for the report.

1.2 This paper is intended to satisfy these requirements for the first year that the BSC Sandbox become operational in August 2020.

2. Costs incurred by us in respect of administering the BSC Sandbox

2.1 Since becoming operational, Elexon has received two BSC Sandbox applications. The first application was from Emergent Energy, received on 21 August 2020, and the second from Centrica on 30 June 2021.

2.2 Emergent's application took 9 months to process, averaging 0.1FTE of resource over that time (rounded to nearest 0.1 FTE). Centrica's application has taken 5 months to process so far, averaging 0.1FTE of resource over that time (rounded to nearest 0.1FTE). The effective total time spent over this time (1.3 years) is 0.125FTE, or approximately 0.1FTE on an ongoing basis. The cost to Elexon over this time has been approximately 30 days of effort, at a cost of £466 per day, totalling £13980.

2.3 Much of the time taken relates to performing a critical friend role to applicants, ensuring that the application has minimal impact on BSC Parties and is able to operate within the terms of the derogations available.

3. Metrics relating to participation in the BSC Sandbox

3.1 We have received two applications to the BSC Sandbox:

- One derogation has been granted; and
- One is currently active.

3.2 There have been no derogations raised following derogation, no failed projects and no derogations terminated due to approved Modifications.

4. Summary of live and recently ended derogations

4.1 Emergent's derogation is currently live. They are aggregating customer demand on private wire networks to submit an aggregated position in lieu of incorrect boundary meter readings for the Supplier of the Site. This is to mitigate the distortive effect of including demand data from customers on the site who are Supplied by other Suppliers. More information on Emergent's derogation can be found on the BSC Website.

4.2 Emergent are currently setting up the sites prior to operation of the derogation.

5. BSSCo's view of whether the BSC Sandbox is delivering against the Applicable BSC Objectives

5.1 In our view, it is too early to determine whether the BSC Sandbox is positive against any Applicable BSC Objectives.

5.2 While it has enabled Emergent to operate a derogation to solve a problem, the time taken is in line with the time taken to assess a BSC Modification. However, as the derogation was specific and limited in scale it may have saved time on implementation, resulting in an overall positive impact against Applicable BSC Objective d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

5.3 However, until a BSC Modification is raised and assessed using the information gathered from the trial, it is difficult to determine whether there is any lasting advantage.

6. Recommendation

6.1 We invite the Panel to:

- a) **NOTE** the BSC Sandbox annual lessons learned report and the operation of the BSC Sandbox to date.

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