

Minutes

BSC Panel

Meeting number **322**

Venue **Video Conference**

Date of meeting **Thursday 13 January 2022**

Classification **Public**

Attendees and apologies

Attendees

Michael Gibbons	MG	BSC Panel Chair
Phil Hare	PH	Deputy BSC Panel Chair
Colin Down	CD	Ofgem Representative
Robert Wilson	RW	NGESO Alternate 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
Sara Vaughan	SV	Interim Elexon CEO
Victoria Moxham	VM	Elexon Director of Customer Operations, Panel Secretary
Angela Love	AL	Elexon Director of Future Markets and Engagement
Claire Kerr	CK	Governance and Compliance Manager
Fionnghuala Malone	FMa	BSC Administration Team Leader
Lawrence Jones	LJ	Modification Secretary
Audrey Ramsay	AR	NGESO (Part-Meeting)
Sean Donner	SD	NGESO (Part-Meeting)
Alison Price	AP	NGESO (Part-Meeting)
Jamie Flaherty	JF	Ofgem (Part-Meeting)

Attendees and apologies

Michael Walls	MW	Ofgem (Part-Meeting)
Erika Melen	EM	BEIS (Part Meeting)
Alina Bakhareva	AB	Elxon (Part Meeting)
Callum Chalmers	CC	Elxon (Part Meeting)
Chris Arnold	CA	Elxon (Part Meeting)
Chris Lock	CL	Elxon (Part Meeting)
Craig Murray	CM	Elxon (Part Meeting)
Matthew McKeon	MM	Elxon (Part Meeting)
Paul Wheeler	PW	Elxon (Part Meeting)
Tirath Maan	TM	Elxon
Wayne Jenkins	WJ	Elxon (Part Meeting)

Apologies

Jon Wisdom	JW	NGESO Panel Member
Fungai Madzivadondo	FM	Distribution System Operator Representative
Diane Dowdell	DD	Chair Appointed Industry Panel Member
Andy Manning	AM	Consumer Panel Member
Ed Rees	ER	Consumer Panel Member

1. Introduction

- 1.1 The Chairman noted apologies from Jon Wisdom (and that Rob Wilson was his alternate), Fungai Madzivadondo, Andy Manning, Ed Rees and Diane Dowdell (and that Phil Hare was her alternate).

Part I: Non-Modification Business (Open Session)

2. Restoration standard project– (Verbal)

- 2.1 Audrey Ramsay (AR) from NGESO [presented](#) on National Grid's Restoration standard project.
- 2.2 A Panel Member observed that there was only one coal site. AR confirmed this and noted that NGESO were looking to replace this. AR commented that NGESO would undertake a thorough compliance process to test capability to respond when they contract with a Black Start provider. However, she noted that this situation had not happened before, so they had tested online only. A Panel Member queried how these costs would be spread across the market. AR commented that if they are done through generators, balancing contracts would establish the costs.
- 2.3 Another Panel Member queried what provision there is for any additional time needed in regard to the Regulatory Framework Update Timeline. AR noted that whilst this was an ambitious timeline, NGESO was hoping to deliver it for the requirement of ESO by September 2023, especially as industry would want delivery as soon as possible. A Panel Member queried how NGESO could consider leaving out the BSC and CUSC initially in regard to market mechanisms. AR confirmed that NGESO were not planning on changing market mechanisms; they will ensure all the right contracts are in place.
- 2.4 Another Panel Member was concerned that there had not been any industry workshops to state initial thoughts and discuss these issues. They suggested that there needs to be such an event to ensure code changes are

aligned, to get engagement and to present a broader plan with the rest of the industry. AR highlighted that DNOs do attend each working group, though they have pushed for more representation.

- 2.5 The NGESO Panel Member noted that the reason the NGESO code is first is because it will take a while to get equipment to sort out specifications, however if NGESO progress using urgency it will not provide the same high quality outcome as there is less time for consideration. They also noted that there is a requirement in EU and GB law to test any unit that provides black start every three years.
- 2.6 The BSC Panel:
- a) **NOTED** the update.

Part II: Modification and Change Business (Open Session)

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

3. Change Report and Progress of Modification Proposals – (322/02)

- 3.1 The Modification Secretary [presented](#) the Change Report and progress of Modification Proposals.
- 3.2 A Panel Member queried why Ofgem is struggling to reach a decision on [P421](#). The Ofgem Representative noted that there had been competing priorities around the festive period. They noted that there was the potential risk that Ofgem would not be able to provide a decision by 3 February 2022 and hence the need for a revised Implementation Date.
- 3.3 The Modification Secretary highlighted that whilst [Issue 95](#) was raised in June 2021, it had taken up until December 2021 to form a quorate Workgroup following extensive efforts on Elexon's behalf. Elexon is intending to reduce the quoracy for the Issue 95 Workgroup to four members to avoid any further delay; there is concern at the lack of interest from industry, despite extensive engagement, including reaching out directly to Parties that use TIBCO.
- 3.4 A Panel Member queried what would be the replacement issue if TIBCO was retired. The Modification Secretary highlighted that this is what the Issue will explore and would be led by the Analysis and Insight Product Team at Elexon. Should the Issue Group recommend TIBCO to be retired, Elexon would look to further engage with impacted Parties. The Panel Member suggested that reliability and speed of access to the data is the key attraction of TIBCO.
- 3.5 The BSC Panel:
- a) **APPROVED** a 10-month extension to the P415 Assessment Procedure;
- b) **AGREED** that the Issue 95 quoracy is reduced to four; and
- c) **NOTED** the contents of the January Change Report.

4. P419 Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform' – (322/03)

- 4.1 A Panel Member questioned whether the benefits of P419 are derived through a redistribution of costs amongst participants. Elexon highlighted that the benefits case for P419 is within the cost-benefit analysis attached to the Connection and Use of System Code [\(CUSC\) Modification Proposal \(CMP\)308](#) final Modification report.
- 4.2 A Panel Member noted that the National Grid ESO implementation cost seemed high and questioned whether this is just for housekeeping changes or if this is for data provision. Another Panel Member noted that the benefit is derived from the reduced risk on Suppliers that they have priced in on the fact that they are unsure of what is going on, and do not know how this will outturn. Further, the risk will disappear when setting the charges therefore, the benefits will outweigh any high implementation costs.
- 4.3 Sean Donner (SD) from the ESO noted that historically some issues have arisen that the same files have been used for other processes and therefore they wanted to capture the risk. SD noted that they do anticipate it to be at the lower end of the price range though want to be transparent. They noted that the size of the benefit is calculated by how it will facilitate CMP308. Further, analysis done by Ofgem's independent consultant suggested a range of benefits depending on future scenarios.

- 4.4 A Panel Member questioned how sites change to being non final demand, and whether this is detailed in a BSCP or process paper. Elexon noted that BSCP602, Kinnect or the online form that will also be developed can be used to declare exemption. Another Panel Member suggested that this solution will be to allow more automation as there is reporting beyond the assurance process.
- 4.5 The BSC Panel:
- a) **AGREED** that P419:
 - i **DOES** better facilitate Applicable BSC Objective (a);
 - ii **DOES** better facilitate Applicable BSC Objective (c); and
 - iii **DOES** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** an initial recommendation that P419 should be **approved**;
 - c) **AGREED** that P419 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
 - d) **AGREED** an initial Implementation Date of **23 February 2023** as part of the standard February BSC Release if an Authority decision is received on or before **31 March 2021**;
 - e) **AGREED** the draft legal text;
 - f) **AGREED** the amendments to the Code Subsidiary Documents;
 - g) **AGREED** an initial view that P419 should not be treated as a Self-Governance Modification;
 - h) **AGREED** that P419 is submitted to the Report Phase; and
 - i) **NOTED** that Elexon will issue the P419 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 February 2022.

5. **P431 'Post Brexit Agreement Updates' – (322/04)**

- 5.1 The BSC Panel:
- a) **AGREED** that P431:
 - i **DOES** better facilitate Applicable BSC Objective (d); and
 - ii **DOES** better facilitate Applicable BSC Objective (e);
 - b) **DETERMINED** (in the absence of any Authority direction) that P431 is a Self-Governance Modification Proposal;
 - c) **APPROVED** P431;
 - d) **AGREED** that P431 does not impact the EBGL Article 18 terms and conditions held within the BSC;
 - e) **APPROVED** an Implementation Date of:
 - i **30 June 2022** as part of the standard June 2022 Release.
 - f) **APPROVED** the draft legal text; and
 - g) **APPROVED** the P431 Modification Report.

6. **P433 'Aligning the P375 BSC changes with the post-P420 BSC Baseline' – (322/05)**

- 6.1 A Panel Member questioned whether anything was missed in regard to checking for impacts on other Modifications during the [P420](#) process. Elexon highlighted that P420 was approved and implemented after [P375](#), therefore the [P433](#) Modification was aligning the P375 text, as redlining could only be built upon approved text.
- 6.2 The BSC Panel:
- a) **AGREED** that P433:
 - i **DOES** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** that P433 does not impact the EBGL Article 18 terms and conditions held within the BSC;
 - c) **DETERMINED** that (in the absence of any Authority direction) that P433 is a Self-Governance Modification Proposal;

- d) **APPROVED** the Implementation Date for P433 of **30 June 2022** as part of the standard June 2022 BSC Release;
- e) **APPROVED** the draft legal text for P433;
- f) **APPROVED** the amendments to the Code Subsidiary Documents for P433; and
- g) **APPROVED** the P433 Modification Report.

7. **P332 'Revisions to the Supplier Hub Principle' – Authority send back – (322/06)**

- 7.1 Jamie Flaherty (JF) and Michael Walls (MW) from Ofgem commented that they had a useful conversation with Elexon in December 2021 to cover off the points in the send back letter. Ofgem were pleased that Elexon had taken these points into consideration, and consequently updated the DMR.
- 7.2 A Panel Member asked whether Ofgem acknowledged that Suppliers' concerns are real. JF commented that Ofgem are taking Suppliers' queries into account, though he could not comment further at that time as it may fetter the Regulator's discretion. A Panel Member challenged this as they did not think it would fetter Ofgem's discretion for them to provide a view; Suppliers had highlighted this as a possible issue years ago, expressed concerns of market inefficiency and a possible risk to the BSC.
- 7.3 MW advised that Ofgem could only consider the scope of P332 when making its decision and not broader issues within the energy market. Therefore, Ofgem was trying to consider all the evidence it needed to be able to make an informed decision. Further, Ofgem did not believe it was their role to find a solution to this issue but encouraged industry to make appropriate changes as and when required. The Modification Secretary also noted that there were mixed views in the Workgroup as to whether P332 was either a BSC or commercial issue.
- 7.4 A Panel Member agreed that there is a challenge relating to providing sufficient quantitative evidence; however it appeared that Workgroup members were not in a position to be able to provide detailed evidence. They noted that the Workgroup's view for P332 was to ensure that customers receive a comparable and consistent level of service regardless of whether an Agent is customer or Supplier preferred. Additionally, the Panel Member stated that it needs to be clear to all stakeholders and obvious whether it is customer or supplier preferred.
- 7.5 Another Panel Member disagreed with recommendations (a) and (e) as per their views expressed at previous Panel meetings.
- 7.6 A Panel Member suggested that the Panel should reflect, with some regret, on P332 being one of the longest-running Modifications and the progression of the Modification Proposal to date. Another Panel Member responded that it was the Proposer's decision to delay P332 by two-years pending the outcome of Ofgem's decision on the Target Operating Model (TOM) design under Market-wide Half Hourly Settlement and the creation of the Retail Energy Code (REC).
- 7.7 A Panel Member noted that we see a lot of instances where there is a struggle to get quorate Workgroups, especially as Workgroup members usually join if they have a definitive opinion on specific Modifications. Therefore it is Panel's role to take a bigger view across the industry and assess all of the possible options, and therefore the Panel should not have a problem with disagreeing with any Workgroup recommendations. The Chair noted it is a six year old Modification, albeit that there was a significant period of suspension. A Panel Member highlighted that there have been bigger things that have impacted the timelines of this Modification, including the BSC's membership proposal and the change in solution to the issue.
- 7.8 The Modification Secretary acknowledged that the definition of the issue might not have been as clear as it should have been at the beginning. Therefore Elexon could have spent more time supporting the Proposer in explicitly defining whether it would be a BSC issue or a commercial one from the start. They noted that this work had instead been undertaken by the Workgroup, though as this was a complex issue it had often been hard to differentiate between the two. They also noted that in the earlier years of the Modification, various alternate solutions were considered e.g. making Party Agents signatories to the BSC. Another Panel Member observed that the side letter was an entirely new solution, which was only put forward four years into the progression of the Modification.
- 7.9 A Panel Member agreed that they were happy with the outcome the Panel had reached, though questioned how the process could have been more evolutionary and clearer. The Modification Secretary noted that this Modification was very different from where it started due to many obstacles and challenges faced. Industry had recognised that there was an issue for Suppliers though it was hard to obtain the required evidence. Another

Panel Member commented that they hoped the side letter could potentially remove a barrier to entry for new small Suppliers. The Chair concluded that a series of unique circumstances had meant the Modification had moved away significantly from its original form rather than a need to change the way the Change Process currently works.

7.10 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** by majority a recommendation 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.

Part III: Non-Modification Business (Open Session)

8. Minutes of previous meetings & Actions arising

- 8.1 The BSC Panel approved the draft minutes for BSC Panel meeting 321. Elexon presented the actions and associated updates for the January 2022 Panel meeting.
- 8.2 In relation to Action 321(02), the Panel Secretary agreed to set up a meeting between the Elexon Lead, Andy Colley and Lisa Waters to resolve the outstanding issues of the high level emergency provisions paper.

9. Chair's Report

- 9.1 The Chair noted that the Board's six-month Circular to BSC Parties was due to be issued imminently¹.
- 9.2 The Chair also noted the latest CAP is at 305 until at least the end of January.

10. Elexon Report – (322/01)

- 10.1 A Panel Member noted that in relation to the Trading Charges issue, they had received many questions and concerns from Parties that if they were to contact Elexon, then it might be perceived that they were having problems. VM did not want this to be the case and confirmed that Elexon was not currently fielding a number of questions; the letter appeared to have sparked very little reaction.

11. Distribution Report

- 11.1 There was no report to comment on.

12. National Grid Report

- 12.1 The NGESO Panel Member highlighted that NGESO had published its [C16 2021-2022](#) consultation with responses due by 9 February 2022.
- 12.2 The NGESO Panel Member also noted that there is an Urgent CUSC Modification [CMP381: Defer exceptionally high Winter 2021/22 BSUoS costs to 2022/2023](#) which was raised by EDF Energy on 16 December 2021. This had been submitted to Ofgem for decision on 12 January 2022 with a decision expected by 14 January 2022.

¹ The Elexon Board Circular was [published](#) on 17 January 2022.

- 12.3 Further, the NGESO Panel Member noted that NGESO was continuing with its review of balancing services. A Panel Member queried how the BM review would take advantage of Elexon's expertise and data. The NGESO Panel Member commented that this was still being considered.

13. Ofgem Report

- 13.1 The Ofgem Representative noted that Ofgem had published its findings on the ESO review of its six-month performance. He confirmed that these had met expectations.
- 13.2 A Panel Member was of the view that NGESO had performed poorly in terms of IT delivery and queried whether Ofgem was intending to do anything to support the bad performance on IT delivery highlighted in the performance report. The Ofgem Representative commented that the review was deemed quite holistic but agreed to feed the comment back internally.
- 13.3 A Panel Member expressed a concern that at the ENCC meeting held on January 2022, NGESO provided a presentation on SO to SO trades. As part of this, it appeared that GB was making overpayments due to trading not currently happening on market prices. The Ofgem Representative agreed to discuss this point internally and provide the Panel with an update at its February 2022 meeting.

ACTION 322/01

14. Tabled Reports

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

15. Panel's submission to the Elexon Business Plan consultation – Verbal

- 15.1 Phil Hare (PH) presented the Panel's general draft comments to the Elexon 2022/2023 business plan.
- 15.2 AL noted that they agree with the Panel's comments regarding concerns for a potential delay to MHHS, which had also been recognised by both Ofgem and industry. Further, AL highlighted that they have looked at minimising risk with third parties; therefore a re-baselining exercise of the programme would take place once everyone involved was present within the programme.
- 15.3 In relation to Elexon's People Strategy, SV advised that Geraldine Buckland (Elexon's Chief People Officer) had produced a detailed text but had taken the view such a level of detail would better sit in the Annual Report.
- 15.4 SV highlighted that she should have raised in the Elexon report that it was likely that there would be a four-week delay on the Kinnect programme which had arisen from FAT 2 testing. However, this does not necessarily mean that the programme would go over budget as it might be contained within the central contingency. SV also explained, in response to a point made by PH on the plan, that the Helix programme had been omitted in a previous Business Plan as there was only certainty following the report of the architecture working group publication in April 2021. Nevertheless, SV acknowledged that an overview should have been included in the plan.
- 15.5 The BSC Panel:
- a) **NOTED** the Panel's draft comments on the Elexon Business Plan 2022/23.

16. Any other business

- 16.1 A Panel Member queried whether there was an update on the recruitment for a new CEO. The Chair advised that applications closed on 10 January 2022 so the first meeting to discuss the list of applicants would be taking place shortly. However, Elexon was still on track to announce a new CEO in March 2022.

17. Next meeting

- 17.1 The next meeting of the BSC Panel will be held at the Elexon Offices and via video conference on Thursday 10 February 2022.