

ELEXION

BSC Panel 322

Public

13 January 2022



PART I: NON-MODIFICATION BUSINESS (OPEN SESSION)

A landscape photograph of a field at sunset. The sun is a bright, glowing orb in the upper right sky, casting a warm orange and yellow light. The sky is filled with soft, wispy clouds. In the background, a dark line of trees silhouettes against the horizon. The foreground is a field of tall grass, some of which is illuminated by several bright, curved green light trails that sweep across the middle of the frame from left to right.

BSC Panel Update

13 January 2022

Audrey Ramsay - System Restoration Senior Manager

Background

- In October 2021, BEIS issued a direction in accordance with Special Condition 2.2 of National Grid's Electricity System Operator's Transmission Licence, for a new Electricity System Restoration Standard (ESRS) which is set at–
 - a. 60% of electricity demand being restored within 24 hours in all regions;
and
 - b. 100% of electricity demand being restored within 5 days nationally.
- The purpose of this direction is to require that the ESO
 - a) Ensures and maintains an electricity restoration capability; and
 - b) Ensures and maintains the restoration timeframe.
- NGESO are required to comply with the agreed restoration time no later than 31 December 2026.

Issue and Defect

In order to implement the new ESRS, the ESO has identified seven areas that need development and we are seeking views from industry on those areas via consultation and industry working groups.

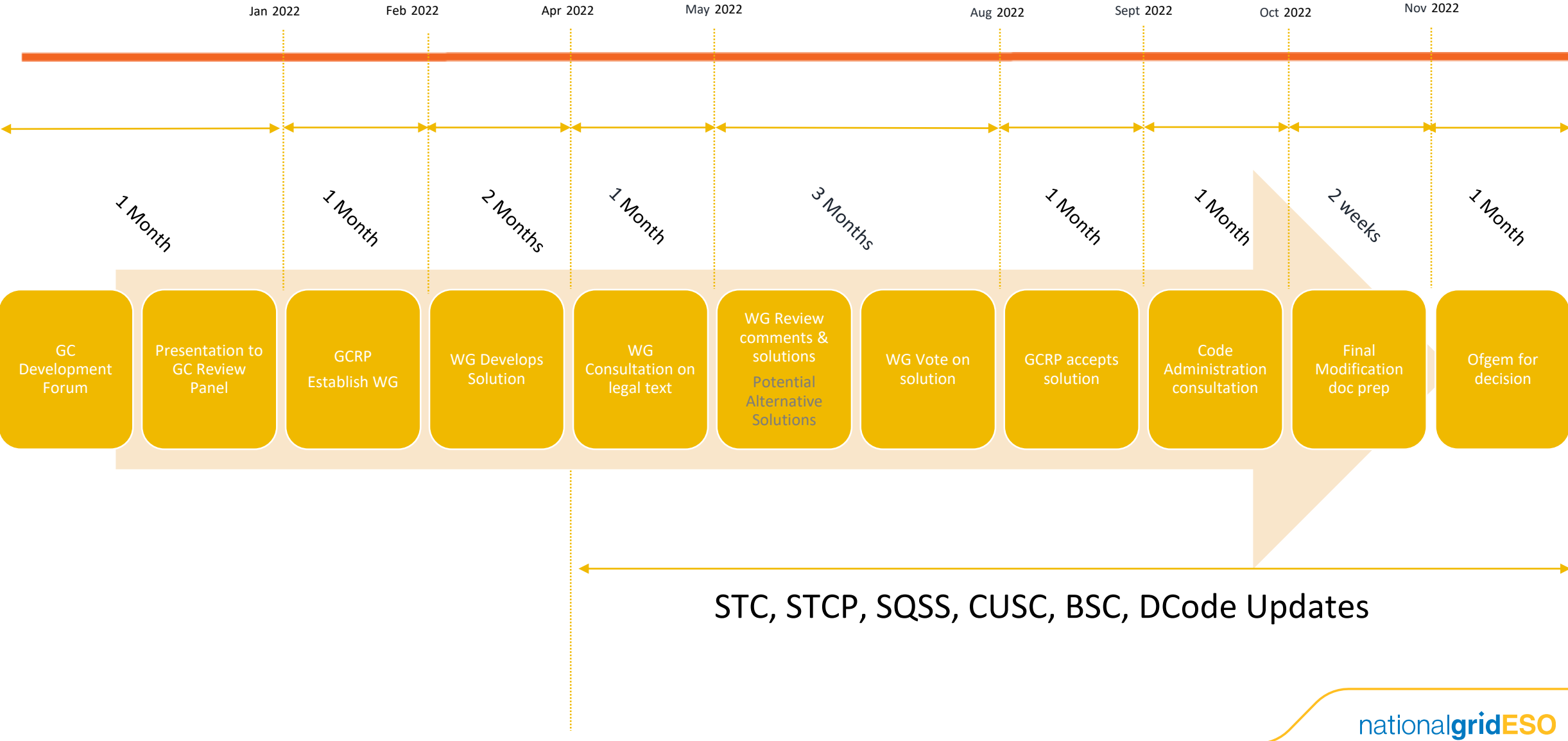
These are:

- Technologies and locational diversity
- Future networks
- Markets and funding mechanisms
- Regulatory frameworks
- Assurance
- Communication Infrastructure
- Modelling and Restoration Tool

Electricity System Restoration Standard (ESRS) – Update

- Established 7 Working Groups, meeting fortnightly.
- Incorporating learnings from Distributed ReStart
- Completed 3 working group meetings each and 4 for Regulatory Frameworks.
- ESRS consultation published on 10 Nov, closed 17 Dec, initial responses are being reviewed and will feed into the working groups.
- ESRS webpage launched.
- Regulatory Framework Working Group is proposing
 - Joint Grid Code & Distribution code working group
 - “Urgency” on Framework updates, however, ESO does not favour this due to limited time saving and huge resource implication.

Regulatory Framework Update Timeline



Contact Information

- For any queries or comments relating to Electricity System Restoration you can contact the team at:

box.ESO.Restoration@nationalgrid.com







PART II: MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

ELEXION

Change Report and Progress of Modification Proposals

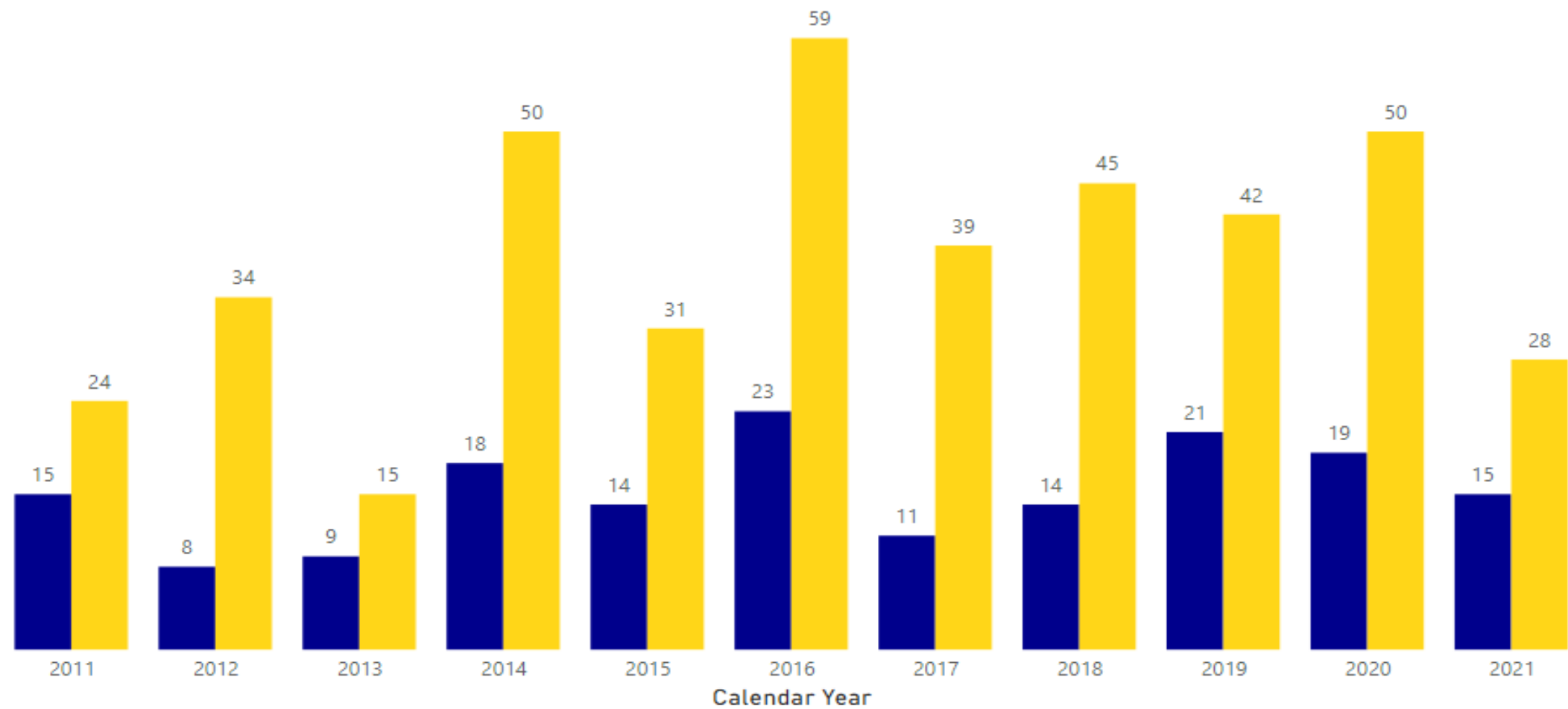
322/02 – Lawrence Jones

13 January 2022

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	
Assessment Procedure	P395, P412, P415, P419, P425, P426, P427, P430, P432
Report Phase	P332 (sent back), P431
Urgent	-
With Authority (decision cut-off)	P421, P429
Authority Determined (implementation date)	-
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	P410
Open Issues	Issue 91, Issue 93, Issue 95, Issue 96, Issue 97, Issue 98

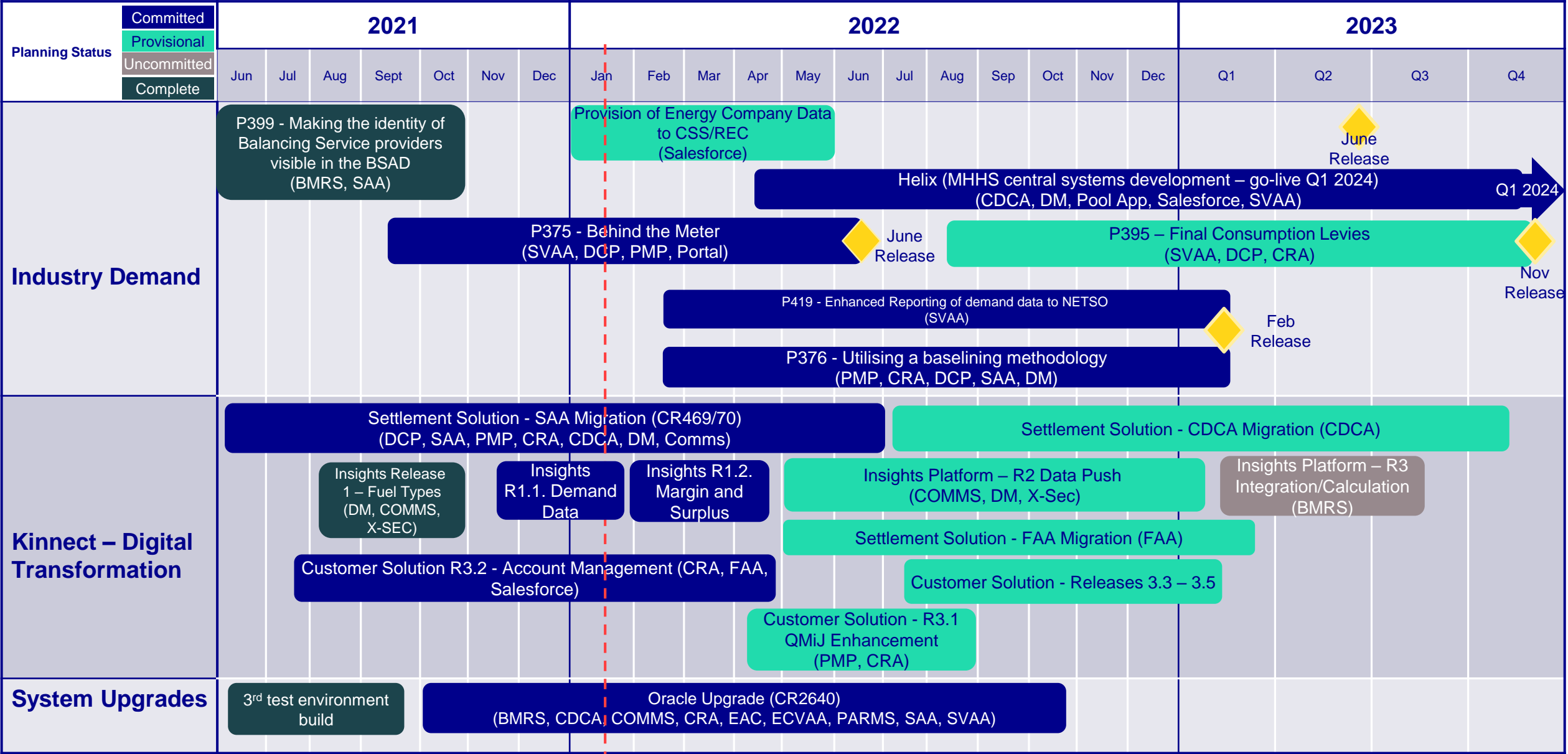
BSC Modifications approved timelines

	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22
P395 'Final Consumption Levies'						AR		DMR			
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								
P425 'Amend Shared SVA Metering Arrangement definition'				AR	DMR						
P426 'Combining Credit Cover for groups of related Parties'					AR	DMR					
P427 'Publish Parties impacts on Settlement Risks'					AR	DMR					
P430 'Extend P375 solution to Suppliers'	IWA								AR	DMR	
P431 'Post-Brexit updates'	IWA	DMR									
P432 'HH Settlement for CT Advanced Meters'	IWA				AR	DMR					
P433 'Updating the P375 legal text to align with the P420 Baseline'	IWA	DMR									

BSC Change Release Roadmap

2021	2022			2023			Un-allocated
Ad-hoc	Feb	Jun	Nov	Feb	Jun	Nov	
P332 'Revisions to Supplier Hub principle'	P402 'TCR SCR'	P375 'Asset Meters'		P376 'Baselining Methodology'			P395 'Final consumption levies'
P425 'Shared SVA Metering Arrangements'	CP1532 'Reduce HH CoS to meet SF'	P433 'Fix P375 legal text issues caused by P420'		P419 'BSUoS data'			P412 'Non-BM BS providers pay non-delivery'
P432 'HH Settlement for CT Adv. Meters'	CP1548 'Remove BMRS CSV constraint'	CP1527 'Increase meter storage capacity'		P428 'Correct P376 drafting error'			P415 'VLP access to wholesale market'
	P421 'TEREE Market Suspension'	CP1546 'Use DTS for UMS summary inventories'					P426 'Combining Credit Cover for groups of related Parties'
	CP1549 'CoMC for non-domestic SVA Meters'	CP1550 'Voltage failure alarms'					P430 'P375 extension to Suppliers'
	CP1551 'Align BSCP601 to Measuring Instruments Regs'	P427 'Publish Parties impact on Settlement Risks'					
	CP1555 'Consumption data for Measurement Classes G and F'	CP1552 'Updating BSCP520 timescales'					
	P429 'Switch off Participant reported PARMS Serials'	CP1553 'Meters and CT min. accuracy classes'					<div>Key</div> <div>Approved</div> <div>With Authority</div> <div>Report Phase</div> <div>Assessment Phase</div>
		CP1554 'Updating meas. transformer standards'					
		P431 'Brexit Mod'					

Portfolio Pipeline and Plan



Current Position

Modification Update: P410

‘Changing imbalance price calculations to comply with the Imbalance Settlement Harmonisation regulations’

- NGESO withdrew P410 on 5 January 2022
 - Adoption window open until 12pm on 13 January 2022
- Following discussions with Ofgem and BEIS regarding interpretation of the UK-EU Free Trade agreement, NGESO submitted a new Imbalance Settlement Methodology (ISM) for approval by Ofgem, as the sole relevant approval authority
- This updated proposal retained the ability to maintain the Market Index Price as a component of the Imbalance Price calculation. Given the potential distortive effects of introducing a Value of Avoided activation (VOAA) compliant with the previous Imbalance Settlement Harmonisation Proposal (ISHP), NGESO determined this to be the best course of action
- Ofgem approved NGESO’s ISM proposal on the 15th December 2021
- The amended ISM is consistent with the current mechanics of the BSC, and so the defect being addressed by P410 no longer exists

Modification Update: P415

‘Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties’

- Work has started on the cost-benefit analysis (CBA)
- An 8th Workgroup was held on 10 December 2021:
 - determined the method for separating wholesale market and balancing market volumes
- The next Workgroup meeting in late January will review the end to end solution that has been developed, including whether an Alternative Modification Proposal should be raised
- In order to allow for the undertaking of the P415 CBA, we need an additional six month extension, following which, we will require a further four months to complete the Assessment Procedure
- We therefore request a 10 month extension, returning with the P415 Assessment Report by the December 2022 Panel meeting
 - The results of the CBA are expected to be presented to the Panel by its August 2022 meeting

P421: Revised Implementation Date (1 of 2)

- The Panel recommended implementation of P421 'Align BSC with Grid Code for TERRE Market Suspension' on 14 October 2021
- The original Implementation Date was:
 - **4 November 2021** if an Authority decision is received on or before 28 October 2021; or
 - **24 February 2022** if an Authority decision is received after 28 October 2021 but on or before 3 February 2022
- At the Panel meeting on 9 December 2021 Elexon highlighted that there was a risk that this Modification could timeout if Ofgem does not make a decision by 3 February 2022. As a result Ofgem requested a revised Implementation Date (in accordance with Section F2.11.18)
- The Panel recommended the following revised Implementation Date at its meeting on 13 December 2021:
 - **24 February 2022**, if the Authority's decision is received after 28 October 2021 but before 3 February 2022; or
 - **Five Working Days** following the Authority's decision, but no earlier than 3 March 2022 if the decision is received after 3 February 2022
 - Please note if a decision is received after the 3 February 2022 but before the 3 March 2022 we will treat this for the purposes of implementation of having been received on the 3 March 2022

P421: Revised Implementation Date (2 of 2)

- We consulted on the proposed revised Implementation Date between 23 December 2021 and 31 December 2021. No responses or comments were received to the revised Implementation Date by any Parties

Next Steps

- Ofgem to make a decision on the revised Implementation Date (Latest possible date for decision 3rd February to avoid timeout)
- Elexon will re-publish and re-submit the P421 Final Modification Report to Ofgem with Ofgem's decision on the revised Implementation Date

‘Assessing the continued use of TIBCO service as a source of data for market participants’

- Issue 95 was raised in June 2021, but it has taken until December 2021 to form an Issue Group
 - We now have a quorate Issue Group (5 members)
- We intend to reduce the quoracy to 4 members to avoid further delays
- We are also concerned by the lack of interest and engagement from Parties
 - TIBCO provides important Settlement information
 - We are concerned many organisations may not be aware of it or how it works, despite relying on it
 - We have sought to engage via Newscast, OSMs, related Modification Workgroups, Authorised signatories
- If the Issue Group recommends TIBCO is retired, we will, as part of the Modification, look to write directly to impacted Parties

Recommendations

We invite the Panel to:

- a) **APPROVE** a 10 month extension to the P415 Assessment Procedure;
- b) **AGREE** that the Issue 95 quoracy is reduced to four; and
- c) **NOTE** the contents of the January Change Report.

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P419 'Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform'

322/03 – Craig Murray

13 January 2022

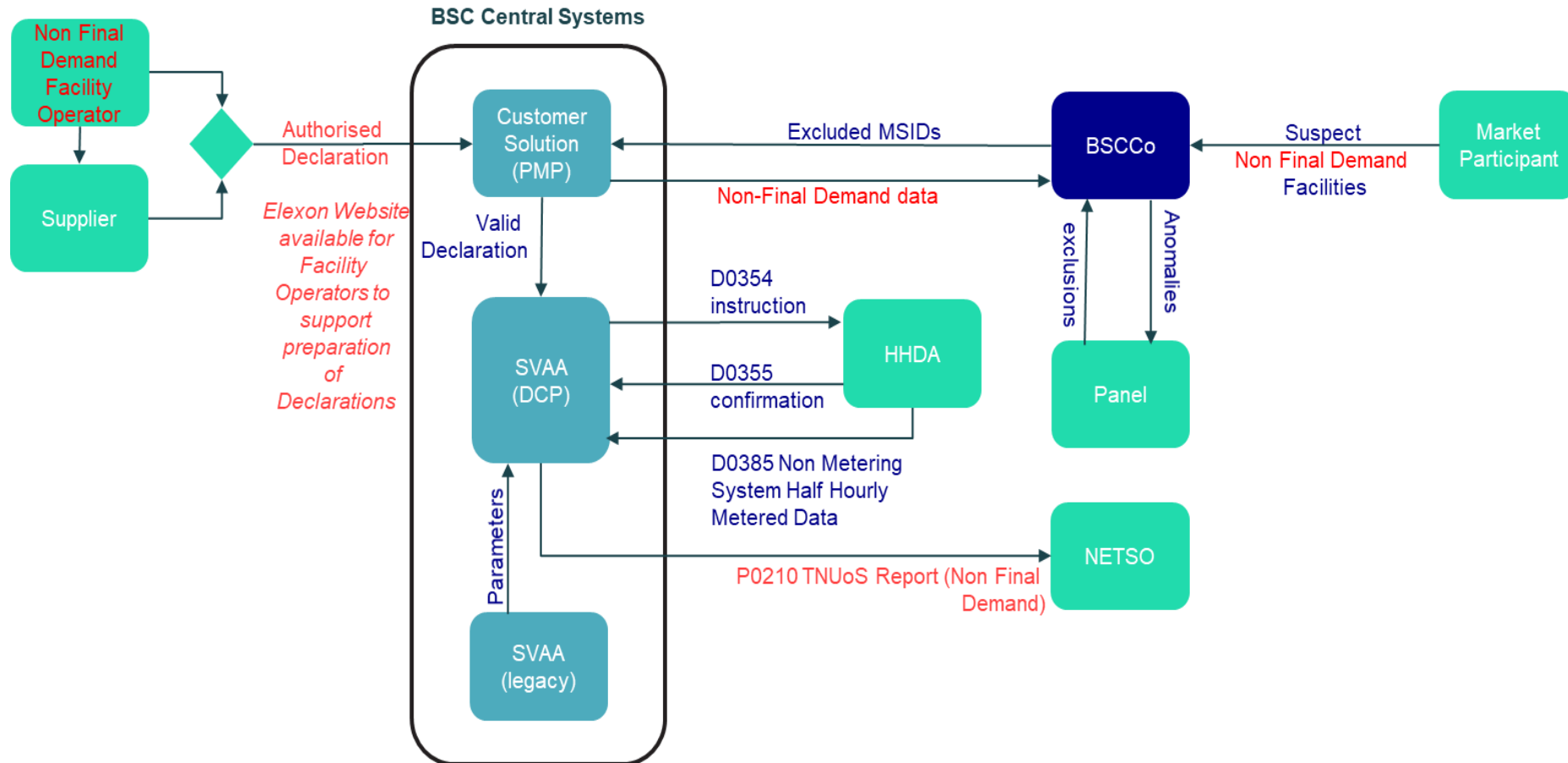
P419: Background

- Following the Targeted Charging Review, the second BSUoS Task Force was launched. The Task Force made two recommendations for implementation in April 2023:
 - **BSUoS should be charged to Suppliers based on their Final Demand**
 - **BSUoS should be recovered using a fixed tariff**
- Connection and Use of System (CUSC) Modification CMP308 'Removal of BSUoS charges from Generation' is proposing that BSUoS is charged to Final Demand in line with the recommendation of the Task Force
- The proposer of CMP308 considers that benefits include removing barriers to GB generators so that they can compete with European generators who currently don't pay any balancing charges
- P419 was raised to support CMP308, by ensuring National Grid ESO receives required SVA HH Final Demand metered data for BSUoS billing purposes excluding non-Final Demand

P419: Proposed Solution

Proposed solution

- P419 will expand the solution in place for [P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'](#) to take account of Generation and Eligible Services sites, in addition to Storage. A summary of the P383/P419 process is below, with those aspects being amended by P419 highlighted in red text



P419 – Impacts

Market Participant Impacts

- **Generators**
 - The process would require generators to sign a declaration that they were ineligible for BSUoS charges which they would send to Suppliers
- **Suppliers**
 - Suppliers would pass the above declaration to the SVAA to be excluded from Final Demand, which would in turn be sent to NGESO
- **Half Hourly Data Aggregators**
 - No impacts expected on systems and processes, but higher volume of data related to BSUoS-exempt sites expected
- **NGESO**
 - NGESO will be required to process the above declarations and process the data accordingly

P419 – Impacts

Document Impacts

BSC Sections:

- Section S
- Section S-2
- Section X-1
- Section X-2

BSCPs:

- BSCP503 - Half hourly data aggregation for SVA metering systems registered in SMRS
- BSCP602 - SVA metering system register

Other CSDs:

- SVA Data Catalogue, Service Description and User Requirement Specification

Note: SVA Data Catalogues to be updated during the implementation period

System Impacts

- Supplier Volume Allocation Agent (SVAA)
 - P419 would increase the scope of the sites to be excluded from Final Demand data sent to NGESO, increasing the amount of declarations to be processed and requiring new capabilities to be built

P419 – Costs and Benefits

Costs

Organisation	Implementation (£)	On-going (£)	Impacts
Elxon	450k – 600k	10k – 15k per annum	The implementation and ongoing costs are mostly associated with the required system changes and expansion of assurance activities
NGESO	500k – 1000k	0	The implementation costs are related to system changes, with the upper range covering the risk that changes may be required to legacy IT systems
Industry	N/A	N/A	No impact
Total	950k – 1600k	10k – 15k per annum	

Benefits

- Total benefits of CMP308 (which P419 will facilitate) between 2022 – 2040 are forecast to be between **£0.61bn and £0.86bn**

P419: Consumer and environment impacts

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability	Neutral
2) Lower bills than would otherwise be the case	Positive
3) Reduced environmental damage	Positive
4) Improved quality of service	Neutral
5) Benefits for society as a whole	Neutral

P419: Implementation approach

- The Workgroup recommends an Implementation Date for P419 of **23 February 2023**
 - It is crucial that P419 is implemented on this date to allow the SVAA to process declarations from Suppliers before the implementation of CMP308 on 1 April 2023, in line with Ofgem's expectation
 - If Ofgem is unable to make a decision on P419 by **31 March 2022**, P419 will time out
 - A decision is needed by this date as BSC system build needs to start in April 2022 to meet the P419 Implementation Date

P419: Assessment consultation responses (1 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's initial unanimous view that P419 does better facilitate the Applicable BSC Objectives than the current baseline?	1	0	0	0
Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P419?	1	0	0	0
Do you agree with the Workgroup that the amendments to the Code Subsidiary Documents (CSDs) in Attachment B delivers the intention of P419?	1	0	0	0
Do you agree with the Workgroup's recommended Implementation Date?	1	0	0	0
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P419 which would better facilitate the Applicable BSC Objectives?	1	0	0	0
Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?	1	0	0	0

- Assessment Procedure Consultation was circulated from 15 November 2021 – 6 December 2021 (15WD)
- One response received from NGESO, in line with its views as the Proposer of P419

P419: Assessment consultation responses (2 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's assessment that P419 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	1	0	0	0
Does your organisation agree with the Workgroup that maintaining all three options for submitting declarations should be maintained? If you think one of the routes should not be implemented, please state which process and your rationale.	0	0	1	0
Do you agree with the use of existing DUoS declarations instead of a Director's signature as proof of the Non-Final Demand status of a site? What risks or issues do you believe this could cause, if any (noting the Workgroup did not identify any material risks)?	1	0	0	0
Should the use of DUoS declarations be time-limited (i.e. to assist in initial implementation) or should it form part of the enduring solution?	0	0	1	0
If the use of DUoS declarations should be time-limited, do you believe it should be for 3, 6, or 9 months? Please provide reasons why.	0	0	1	0
If you expect to register sites in this way, please indicate the number of sites you expect to put through this process.	0	0	1	0

P419: Assessment consultation responses (3 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's view that P419 should not allow retroactive declarations of exemption?	1	0	0	0
What benefits will the reporting of BSUoS-exempt CVA sites bring and what issues, if any, would reporting SVA data only bring?	0	0	0	0
If CVA data were to be published, should it be published on Elexon's Website (and subsequently the new Insights platform) or NGESO's Portal?	0	0	0	1
Should this data consist simply of a list of BSUoS-exempt CVA sites or should aggregated CVA non final demand volumes also be published (on a monthly basis)?	0	0	0	1
Do you have any further comments on P419?	0	1	0	0

- NGESO supportive of publication of CVA non-final demand data if clear benefit of doing so
- Where this evidence is provided, support publication on the Elexon website alongside the SVA non-final demand data as it would provide all relevant data in the same place

P419: Assessment consultation responses (4 of 4)

Question	High	Med	Low	None	Other
Will P419 impact your organisation?	1	0	0	0	0
How much will it cost your organisation to implement P419?	0	0	0	0	1
What will the ongoing cost of P419 be to your organisation?	0	0	0	0	1
How long (from the point of approval) would you need to implement P419?	0	0	0	0	1

- NGESO cost impacts were not clear at the time of APC circulation, but they were available and detailed for the final Workgroup meeting. Those costs/impacts are detailed in the impacts and costs section of this presentation
- NGESO requires 10-12 months from the point of approval to implement P419

P419: Workgroup views

Declarations

- Members agreed that the three routes for declaring non-final demand status is appropriate
- Agreed that allowing a bulk upload of sites under a single declaration for a time-limited period (6 months) post-implementation would be beneficial for parties with large portfolios
- Agreed that evidence of exemption for DUoS charges may be used in lieu of a Director's signature for a time-limited period (6 months) post-implementation would reduce the administrative burden on small site operators
- Agreed that retroactive applications for exemption should not be allowed under P419

Reporting

- Data for non-final demand SVA sites would be reported in the same way that it is currently reported for storage sites:
 - a list of all declared non-final demand sites updated on a monthly basis; and
 - SVA non-final demand volume aggregated by GSP Group
- A list of all declared non-final demand CVA sites should be published alongside the SVA data and updated on a monthly basis

Assurance

- The Workgroup agreed that the processes put in place for P383 should be expanded for P419. The import/export volumes of exempt sites should be monitored for anomalies and, where an anomaly is detected, be subject to further investigation, including site visits

P419: Workgroup views – Terms of Reference

- a) Is the CVA declarations process an appropriate means to exclude CVA non-Final Demand from BSUoS charges?
- b) If a signed declaration is made, should export metered values be collected to validate a site's eligibility for exemption?
- c) How will P419 impact the BSC Settlement Risks?
- d) What changes are needed to BSC documents, systems and processes to support P419 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
- e) Are there any Alternative Modifications?
- f) Should P419 be progressed as a Self-Governance Modification?
- g) Does P419 better facilitate the Applicable BSC Objectives than the current baseline?
- h) Does P419 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

P419 – Terms of Reference (a), (b) and (c)

(a) Is the CVA declarations process an appropriate means to exclude CVA non-Final Demand from BSUoS charges?

Proposer withdrew this part of the solution due to risk of timeline impacts – Workgroup unanimously agreed with this view

(b) If a signed declaration is made, should export metered values be collected to validate a site's eligibility for exemption?

Workgroup unanimously agreed that Export volumes should be collected for BSUoS-exempt SVA sites for validation purposes

(c) How will P419 impact the BSC Settlement Risks?

Workgroup unanimously agreed that P419 will not impact any BSC Settlement Risks

P419 – Terms of Reference (e), (f) and (h)

(e) Are there any Alternative Modifications?

Workgroup unanimously agreed that there are not Alternative Modifications

(f) Should P419 be progressed as a Self-Governance Modification?

Workgroup unanimously agreed that P419 should not be progressed as a Self-Governance Modification as it is likely to impact Self-Governance Criteria (b) (ii), (iii) and (c).

(h) Does P419 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

Workgroup unanimously agreed that P419 is not expected to impact the EBGL provisions held within the BSC

P419: Workgroup views against BSC Objectives

Does the P419 Proposed Solution better facilitate the Applicable BSC Objectives?

Applicable BSC Objective	(a)	(c)	(d)
Proposer Views	Positive	Positive	Positive
Workgroup Views	Positive (Unanimous)	Positive (Unanimous)	Positive (Unanimous)

Applicable BSC Objective (a)

- CMP308 and CMP361 if approved, will amend NGESO's Transmission License in relation to how it calculates network charges. P419 will enable it to effectively fulfil these obligations.

Applicable BSC Objective (c)

- Since the implementation of CMP202 'Revised treatment of BSUoS charges for lead parties of Interconnector BM Units' in August 2012, interconnectors are exempt from BSUoS charges whilst GB generation is not. This proposal would ensure GB generation is on a level with interconnectors.

Applicable BSC Objective (d)

- The most efficient way for NGESO to access the data required to exempt non-final demand from BSUoS charges is through BSCCo. As such, P419 is promoting the most efficient operation of the system. It also maintains the status quo of the BSC providing metered data for BSUoS calculations, which is more efficient than alternative methods.

P419: Recommendations

We invite the Panel to:

- a) **AGREE** 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) **AGREE** an initial recommendation that P419 should be **APPROVED**;
- c) **AGREE** that P419 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** an initial Implementation Date of **23 February 2023** as part of the February 2023 standard BSC Release if an Authority decision is received on or before **31 March 2022**;
- e) **AGREE** the draft legal text for P419;
- f) **AGREE** the amendments to the Code Subsidiary Documents for P419;
- g) **AGREE** an initial view that P419 should not be treated as a Self-Governance Modification;
- h) **AGREE** that P419 is submitted to the Report Phase; and
- i) **NOTE** 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.

ELEXION

P431 'Post Brexit Agreement Updates'

322/04 – Chris Arnold & Alison Price
(NGESO)

13 January 2022

P431: Issue and Proposed solution

Issue

- As a result of the UK leaving the European Union (EU), Great Britain (GB) is no longer part of the Internal Energy Market and updates are required to the BSC to ensure that legal text appropriately reflects these changes

Proposed solution

- The Solution seeks to update the BSC in light of the UK leaving the Internal Energy Market
 - Updates to the requirements in Section F 'Modification Procedures' as to the scenarios in which the Authority and National Electricity Transmission System Operator (NETSO) can raise Modification Proposals
 - Changing the requirements in relation to the NETSO submitting data to the BMRA so that the data submission is required under the Transparency Regulation only. Direct references to ENTSO-E and EBGL Local Data are also removed
 - Removing Section V6.1 which relates to the submission of Transparency Regulation data by the BMRA to ENTSO-E
 - Updates and removals of relevant definitions in Section X-1 'General Glossary'

P431: Panel's Initial Views

The Panel initially :

- a) **AGREED** that P431 progresses directly to the Report Phase;
- b) **AGREED** that P431:
 - i. **DOES** better facilitate Applicable BSC Objective (d);
 - ii. **DOES** better facilitate Applicable BSC Objective (e);
- c) **AGREED** that P431 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREED** an initial recommendation that P431 should be **approved**;
- e) **AGREED** an initial Implementation Date of:
 - i. **30 June 2022** as part of the standard June 2022 Release;
- g) **AGREED** the draft legal text;
- h) **AGREED** an initial view that P431 should be treated as a Self-Governance Modification; and
- i) **NOTED** that Elexon will issue the P431 Draft Modification Report (including the draft BSC legal text) for a 15 Working Day consultation and will present the results to the Panel at its meeting on 13 January 2022.

P431: Report phase consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that P431 should be approved?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P431?	1	0	0	0
Do you agree with the Panel's recommended Implementation Date?	1	0	0	0
Do you agree with the Panel's initial view that P431 should be treated as a Self-Governance Modification?	1	0	0	0
Do you agree with the Panel's initial view that P431 does not impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	1	0	0	0
Will P431 impact your organisation?	0	1	0	0
How much will it cost your organisation to implement and operate P431?	N/A	N/A	N/A	N/A
Do you have any further comments on P431?	0	1	0	0

- There was 1 response received from the Proposer (NGESO)
- The consultation respondent indicated that as the change is an administrative change there would be no costs to implement the Modification if approved.

P431: Recommendations

We invite the Panel to:

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

ELEXION

**P433 'Updating P375 legal text to align
with the post-P420 BSC Baseline'**

322/05 – Craig Murray

13 January 2022

Background, Issue and Proposed solution

Background

- P420 'Retail Code Consolidation Significant Code Review' was implemented on 1 September 2021, amending the BSC to align it with the Retail Energy Code (REC) version 2.0 as part of Ofgem's Faster Switching Significant Code Review
- The legal text for P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point', was approved by the BSC Panel at its meeting in October 2020, well before the full P420 solution had been developed

Issue

- The P420 legal text impacts the P375 approved legal text. Consequently, the P375 legal text cannot be implemented on 30 June 2022 due to conflicts with amendments introduced by P420

Proposed solution

- Resolve the legal text conflicts by re-baselining the approved P375 changes on the post-P420 versions of the BSC
 - Amendments will resolve inconsistencies, including conflicts between the P375 approved drafting and the current post-P420 baseline, and housekeeping errors
 - This Modification will positively impact Applicable BSC Objective (d) as it allows those benefits of P375 to be realised and will ensure that the P375 legal text and can be implemented without conflicts or manifest errors

P433: Panel's initial views

After raising P433 at its meeting on 9 December 2021, the Panel initially:

- a) **AGREED** that this Modification progresses directly to the Report Phase;
- 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 this Modification should be **approved**;
- e) **AGREED** an initial Implementation Date of:
 - i. **30 June 2022**, as part of the standard June 2022 BSC Release;
- g) **AGREED** the draft legal text;
- h) **AGREED** the amendments to the Code Subsidiary Documents for P433;
- i) **AGREED** an initial view that this Modification **should** be treated as a Self-Governance Modification; and
- j) **NOTED** that Elexon would issue the Draft Modification Report (including the draft BSC legal text) for a 15 Working Day consultation (extended to cover Christmas and New Year) and would present the results to the Panel at its meeting on 13 January 2022.

P433: Report Phase Consultation responses

- The Report Phase Consultation opened on 15 December 2021 and closed on 5 January 2022, for a total of 15WD. No responses were received to the consultation
- As part of internal final quality checks, Elexon has removed the amendment to the definition of “Type Approval” in BSCP601, as approved under P375.
 - CP1551 has amended this definition in the time since P375 was approved, and will be implemented in the February 2022 standard BSC Release. The CP1551 definition is the most up to date and the P375 changes would revert these changes, so the P375 amendments have been removed under P433

P433: Recommendations

We invite the Panel to:

- a) **AGREE** that P433:
 - i. **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** that P433 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **DETERMINE** (in the absence of any Authority direction) that P433 is a Self-Governance Modification Proposal;
- d) **APPROVE** an initial Implementation Date for P433 of **30 June 2022** as part of the standard June 2022 BSC Release;
- e) **APPROVE** the draft legal text for P433;
- f) **APPROVE** the amendments to the Code Subsidiary Documents for P433; and
- g) **APPROVE** the P433 Modification Report.

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P332 'Revisions to the Supplier Hub Principle' – Authority send back

322/06 - Paul Wheeler

13 January 2022

P332: Send Back (1 of 2)

- The P332 Final Modification Report (FMR) was submitted to Ofgem on 17 November 2021
- Ofgem issued a Send Back Direction on 14 December 2021, stating that it was unable to form a decision on whether to approve or reject P332 based on the evidence provided
- Ofgem directed that additional steps be undertaken to address their concerns, and a revised FMR should include:
 1. Quantitative evidence or further analysis which fully explains and demonstrates the scale of the issue that P332 is attempting to resolve (or an explanation on why this evidence cannot be provided)
 2. A clear, succinct summary of the BSC Panel's rationale for making their recommendation in the FMR
 3. A clear, succinct summary of how P332 has been amended in order to reflect Ofgem's considerations from their 2019 letter outlining its provisional thinking on P332

- In the Second Draft Modification Report (DMR) we set out to address each of Ofgem's concerns:
 1. The FMR explained that it was not feasible for the Workgroup to gather quantitative evidence as it was not possible (as there are too many variables and it would be hard to establish causation), or it would be prohibitively costly to do so. The qualitative and anecdotal evidence provided by industry was included in the FMR
 2. In the Second DMR we reiterate the Panel's views versus the Workgroup's views, explaining that the Panel's final view did not differ from its initial view
 3. The Proposer amended the solution after Ofgem's letter of October 2019 from a high impact/effort change (all Party Agents to become BSC signatories) to a low impact/effort change (side letter) as he acknowledged the difficulties in providing the quantitative evidence

P332: Elexon's recommendations

- A revised P332 FMR is submitted with the points raised by Ofgem addressed in the Send Back Process section
- No further Workgroup meetings to be held, as the Workgroup have already considered the points raised by Ofgem
- We consulted the Workgroup on 15 December 2021 to seek views on this approach
- Only one Workgroup Member responded, suggesting the Proposer should withdraw P332, however, this would only be possible during the Assessment Procedure
- The Proposer is supportive of our proposed approach and what has been written in the revised DMR
- We invite the Panel to provide its views on the points raised by Ofgem and Elexon's proposed response. In particular, the reasons why the Panel has formed a different recommendation to the Workgroup

P332: Summary of views – For

Workgroup	Panel
<ul style="list-style-type: none">• Ensure Customers receive comparable and consistent level of service regardless of whether Agent is Customer or Supplier preferred• Suppliers are not disadvantaged commercially• May help to reduce barriers to entry for small Suppliers and new entrants, as side letter is effectively a default contract• The side letter is another tool for Suppliers to ensure that BSC provisions and obligations are adhered to	<ul style="list-style-type: none">• The solution <u>is</u> adding something to the obligations and provisions that already exist in the BSC• Suppliers could resolve issues without having to go to Elexon or the Performance Assurance Board• The P332 solution would allow Suppliers to target problem relationships and areas• The side letter is a route for Supplier to engage with an Agent with whom it doesn't have a direct contract• The side letter sets framework between Supplier and Agent and therefore could benefit small Suppliers entering the market

P332: Summary of views – Against

Workgroup	Panel
<ul style="list-style-type: none">Proposed solution does not add anything to the obligations and provisions already existing in the BSCAdds further bureaucracy and complexity to the arrangements, without providing any benefitsSVA MOAs have been removed from the solution (as moved to the REC from 1 September 2021), main perceived issue was SVA MOAs	<ul style="list-style-type: none">The proposed solution is not as much a threat as Removal of QualificationThe side letter could spoil a potential relationship between Supplier and Agent as the remedy is resolving in Court

P332: Recommendations

We invite the Panel to:

- a) **AGREE** that P332:
 - i. **DOES** better facilitate Applicable BSC Objective (c); and
 - ii. **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** that P332 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **AGREE** P332 is consistent with the EBGL objectives;
- d) **AGREE** that P332 is not a Self-Governance Modification Proposal;
- e) **AGREE** a recommendation that P332 should be **approved**;
- f) **APPROVE** an Implementation Date of:
 - i. **5 WDs** after Authority decision; and
- g) **APPROVE** the draft legal text and side letter for P332; and
- h) **APPROVE** the P332 Modification Report.



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

322/01 – Sara Vaughan

ELEXION

Distribution Report

Fungai Madzivadondo

ELEXION

National Grid Report

Rob Wilson

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**Panel's draft submission to the Elexon
Business Plan 2022/23 consultation**

Verbal – Phil Hare

13 January 2022

General draft comments on the Elexon Business Plan 2022/23 (1 of 2)

In summary the Panel supports this Business Plan; however we do have some comments which we outline below:

- We want to take the opportunity to recognise the strong performance feedback from Customers in this year's survey despite the very difficult conditions
- The Panel endorses the views expressed in the survey of the importance of the quality of service and believes that this Plan supports this, while also taking due heed of the need to control costs when many Parties are having to cut their costs dramatically
- The explanation of the changes to the costs from previous plans is clear and helpful, although we do have some concerns that it represents yet another year-on-year cost increase to Parties
- While the timing and need to carry out Helix programme are outside Elexon's control, the Panel still wants the Helix programme to be robust, given their importance to the overall MHHS programme. However, the Panel is concerned that previous years' Plans omitted any mention of Helix when it has been clear for some time that such expenditure was likely. We would like to see a deeper explanation of Year 2 and Year 3 projections in the Plan, including any further other potential cost contingences, and a commitment to regularly revising the Helix overall cost estimates

General draft comments on the Elexon Business Plan 2022/23 (2 of 2)

- We note the continued progress of the Kinect programme in terms of both delivery and cost control and congratulate Elexon on delivering this important initiative
- While the Panel fully supports the approaches taken so far on the MHHS Project Management and that it is already setting a commendable delivery, we have some concern that the consultancy costs are exposed to risks of delays caused by other third parties, and ask Elexon to ensure that consultant teams are not paid for being idle
- The Panel believes Elexon attracting and retaining high quality staff is fundamental to delivering the Plan, but the “People Strategy” outlined in the Plan needs to provide more detail and show more commitment to this end
- We note that the Customer Survey found that Parties would like Elexon to be more involved in debate shaping the industry. While the Panel believes that Elexon does have a role in industry debate, it believes that the current level of engagement is sufficient
- Panel largely aligns with Elexon’s views on the need and actions for Code Consolidation – and supports Elexon cooperation with Ofgem/BEIS. The Panel did make its own submission to Ofgem’s consultation

Recommendations

We invite you to:

a) NOTE the Panel's draft comments on the Elexon Business Plan 2022/23.

MEETING CLOSE

ELEXON

THANK YOU
