

Minutes

BSC Panel

Meeting number **323**

Venue **Elexon Offices/Video Conference**

Date of meeting **Thursday 10 February 2022**

Classification **Confidential**

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
Ed Rees	ER	Industry Panel Member (and alternate for AM)
Lisa Waters	LW	Industry Panel Member
Mark Bellman	MBe	Industry Panel Member (Part Meeting)
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
Fungai Madzivadondo	FM	Distribution System Operator Representative
Jon Wisdom	JW	NGESO 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

Attendees and apologies

Elliott Harper	EH	Elexon
Andy MacFaul	AMa	Ofgem (Part-Meeting)
Kishan Nundloll	KN	Ofgem (Part-Meeting)
Lee Stone	LS	Npower (Part-Meeting)
Alec Thompson	AT	LCCC (Part-Meeting)
Francisco Fontenla	FF	LCCC (Part-Meeting)
Matthew Johnson	MJ	EMRS (Part-Meeting)
Aylin Ocak	AO	Elexon (Part-Meeting)
Chris Arnold	CA	Elexon (Part-Meeting)
Stanley Dikeocha	SD	Elexon (Part-Meeting)
Jenny Sarsfield	JS	Elexon (Part-Meeting)
Katie Wilkinson	KW	Elexon (Part-Meeting)
Peter Frampton	PF	Elexon (Part-Meeting)
Nazifa Begum	NB	Elexon (Part-Meeting)
Mark DeSouza Wilson	MDSW	Elexon (Part-Meeting)
Chris Lock	CL	Elexon (Part-Meeting)
Kathryn Coffin	KC	Elexon (Part-Meeting)
Tirath Maan	TM	Elexon

Apologies

Andy Manning	AM	Consumer Panel Member
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1. Introduction

- 1.1 The Chairman noted the apologies from Andy Manning who had appointed Ed Rees as his alternate. He also noted the partial apology from Mark Bellman who joined the meeting at 11:00.

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

2. Change Report and Progress of Modification Proposals – (323/02)

- 2.1 The Modification Secretary presented the Change Report and progress of Modification Proposals.
- 2.2 The Chair highlighted that the Panel will receive the MHHS programme steering group communications for all parties and will ensure Elexon provide updates on this in a compliant manner.
- 2.3 The Modification Secretary informed the Panel that it was intending to ask the Panel, at its meeting next month, to raise a new Modification Proposal to enable non-BSC Parties to raise Metering Dispensations. A Panel Member asked if this would mostly be Meter Operators raising the Metering Dispensations and if, however there are unintended consequence due to the Registrant as having the responsibility but lacking in the knowledge of what is going on at the site, the continuity of the need for this knowledge is coming from the new

Registrant. Another Panel Member noted that the Supplier can go and check as the dispensations are publicly accessible. Elexon confirmed it was being raised more with site designers in mind and agreed to pick up any concerns with the Panel Member outside of the meeting.

- 2.4 The Modification Secretary informed the Panel that Elexon would be removing the glossary and references appendix from the Modification Reports. The Chair clarified that within Modification Reports, the acronyms will be included within the document but not in the separate appendix.
- 2.5 The BSC Panel:
- a) **APPROVED** a three month extension to the P425 Assessment Procedure; and
 - b) **NOTED** the contents of the February Change Report.
3. **P435 'Enabling EMRS to undertake preparatory work for potential future settlement services to LCCC' (323/04)**
- 3.1 SV noted that Elexon is very supportive of the request of designation to LCCC.
- 3.2 A Panel Member queried where the funding for the consultancy work would come from as the future schemes would be subject to required funding. AT highlighted that LCCC fund their own contracts. A new contract could be created and funded if LCCC were to receive the designation.
- 3.3 A Panel Member requested more clarity on future settlement services. AT highlighted that the nuclear RAB is going through Parliament and this is the main driver for this Modification, though the Modification allows for more flexibility as through Net Zero delivery LCCC's role may be asked to expand.
- 3.4 A Panel Member noted that the Modification appears very open-ended, though noted that the risk to BSC Parties is mitigated as LCCC is a separate entity. They queried what the Board's role is in the process. Elexon noted that P435 will be subject to the same conditions set out in P390. Elexon Legal commented that the scope of this Modification is to enable EMRS to do preparatory work on adapting the EMRS systems only, therefore the operation of the settlement function will be part of a subsequent Modification.
- 3.5 The Chair commented that the arrangements concerning overhead costs for the benefit of BSC Parties will continue.
- 3.6 A Panel Member queried whether the P435 Modification better facilitates BSC Objective B. AT commented that this is more of a secondary impact, therefore it will not have as much of an impact on BSC arrangements going forward. Elexon noted that EMRS are a single and trusted point of contact, especially due to the pre-established relationship between both Parties. The NGENSO Panel Member noted that the Modification does not entirely align with Objective B.
- 3.7 The BSC Panel:
- a) **DESIGNATED** LCCC to raise the Modification Proposal;
 - b) **AGREED** that this Modification progresses directly to the Report Phase;
 - c) **AGREED** that this Modification:
 - i) **DOES NOT** better facilitate Applicable BSC Objective (b); and
 - ii) **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 view that this Modification should **not** be treated as a Self-Governance Modification;
 - g) **AGREED** an initial Implementation Date of:
 - i) 5WDs after Authority approval
 - h) **AGREED** the draft legal text; and
 - i) **NOTED** that Elexon will issue the Draft Modification Report (including the draft BSC legal text) for a 10WDs consultation and will present the results to the Panel at its meeting on 10 March 2022.

4. **P434 Mandate to Half Hourly Settle the Non-Half Hourly Unmetered Supplies Metering Systems - (323/03)**

- 4.1 A Panel member noted that there are ongoing discussions on what the timelines for MHHS should be, and wondered whether it was possible to use a relative timeline of milestones as opposed to specific dates in case of any delays. LS commented that this would be difficult as the overall programme plan is relatively fixed and so far can only work with what the timeline outlines. The Modification Secretary queried whether the P434 Modification is best placed to hard code the dates and timelines into it, though noted that the workgroup will explore this further.
- 4.2 LS highlighted that P434 is facilitated to support the Target Operating Model. A Panel Member commented that they thought that other benefits in addition to the MHHS Programme were additional reasons for the Modification to proceed. Therefore, they noted that the timelines must be relative to ensure people know how to comply.
- 4.3 The NGESO Panel Member questioned whether there was any conflict with the Targeted Charging Review (TCR) changes, if the implementation date still stands in April 2023. LS commented that there is no perceived impact as UMS is a volume metric charge.
- 4.4 A Panel Member queried whether more accurate Settlement is an outcome of P434. LS commented that P434 will allow the Meter Administrator role to calculate the data, therefore it can provide more accurate data and settlement. Further, the existing half-hourly UMS market is better than the consumption used in non-half-hourly Settlement. Though no analysis has been done, the benefit is currently in the perceived effect of P434. Another Panel Member noted that this should be considered in a Workgroup as this is an improvement of the current tolerance of settlement.
- 4.5 A Panel Member noted that the Change of Measurement Class process has been consulted on, and that the output from this should be considered as part of Workgroup discussions. A Panel Member commented that there should also be a consideration for customer engagement within Workgroups.
- 4.6 The BSC Panel:
- a) **AGREED** that P434 progresses to the Assessment Procedure;
 - b) **AGREED** the proposed Assessment Procedure timetable;
 - c) **AGREED** the proposed membership for the P434 Workgroup; and
 - d) **AGREED** the Workgroup's Terms of Reference.

5. **P436 Consequential BSC changes for Switching SCR (REC 3.0) – (323/05)**

- 5.1 Ofgem confirmed that whilst the content of the Modification Proposal is related to the Switching SCR, it did not require a SCR suitability assessment. Ofgem also confirmed that that P436 is outside the scope of HHS & Access Charging SCRs.
- 5.2 A Panel Member noted that the DNOs' SMRAs have raised concerns with Ofgem and Elexon that SMRA arrangements have been moved from the MRA to the BSC. EH noted that Elexon are aware of these concerns.
- 5.3 Kishnan Nundoll (KN) from Ofgem highlighted that timing of the consultation is deliberate as it is happening across all of the codes. Additionally, he noted that the open letter details that all of the other code modifications have been raised. Further, he commented that Ofgem is aware there that there is lots of work to be done, hence why there will be a time period of a few weeks between Authority decision and implementation.
- 5.4 The BSC Panel:
- a) **AGREED** with the initial evaluation of the Authority Led SCR Modification Proposal as detailed in the Authority Led SCR Modification report;
 - b) **AGREED** that P436:
 - i **DOES** better facilitate Applicable BSC Objective (c); and
 - ii **DOES** better facilitate Applicable BSC Objective (d);
 - c) **AGREED** that that P436 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
 - d) **AGREED** that P436 is neutral and consistent with the EBGL objectives;
 - e) **AGREED** an initial recommendation that P436 should be **approved**;

- f) **AGREED** the timetable for implementing the proposed Authority Led SCR Modification Proposal;
- g) **AGREED** an initial Implementation Date of:
 - i) The date on which version 3.0 of the REC comes into effect (noting that this date will be determined by Ofgem); and
- h) **AGREE** the draft redlined text in Attachment C.

6. **P419 Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform (323/06)**

- 6.1 The Modification Secretary reminded the Panel that there is a decision cut off for the end of March, so that the systems can be built in April.
- 6.2 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** a 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) **APPROVED** an Implementation Date of **23 February 2023** if an Authority decision is received on or before 31 March 2022;
 - e) **APPROVED** the draft legal text for P419;
 - f) **APPROVED** the amendments to the Code Subsidiary Documents for P419; and
 - g) **APPROVED** the P419 Modification Report.

7. **P379 lessons learned headline report to date – (323/07)**

- 7.1 The NGESO Panel Member reflected that a number of the points picked out in lessons learned were already highlighted by Panel when the P379 Modification was raised. They questioned how can the Panel help proposers split larger topics into smaller chunks of work.
- 7.2 A Panel Member noted that the inception of P379 came from Elexon's white paper in a response to the CMA concerns. It was a result of Elexon being proactive, and the Panel Member questioned whether this was optimistic or insufficiently grounded. SV suggested that it was a question of how things are taken forward, rather than that you should draw the conclusion that Elexon shouldn't write white papers or policy views in the future. The Chair noted that Elexon received a lot of positive feedback having issued the white paper.
- 7.3 Elexon noted that the white paper was drafted to address settlement issues, and the solution as it related to settlement was relatively straight forward.
- 7.4 A Panel Member queried what steps Elexon take to be a critical friend when a Modification is proposed and progressed. Further, they questioned why this issue had not evolved into an Ofgem-driven SCR Modification. The Modification Secretary noted that there is no explicit critical friend guidance, though Elexon's role is to prepare for questions and challenge the Proposers, whilst providing expertise.
- 7.5 On the SCR question, a Panel Member noted that P379 had initially seemed simple. SV suggested that, potentially, there should be some sort of "gate" process, where you might reflect on whether a modification might evolve into an SCR or into the Sandbox process or be stopped. The Modification Secretary noted that Ofgem supported the Modification throughout. Another Panel Member noted that the wider implications were not addressed or reflected by Elexon soon enough in the process and queried whether Elexon could act as their own critical friend. Another Panel Member commented that Workgroup size limitation may be counterproductive, therefore questioned whether consultations could be issued at earlier stages to streamline the process. A Panel Member highlighted that Elexon is a very good critical friend especially in comparison to other code administrators.
- 7.6 The Chair questioned whether an expanded version of the learning paper to have a more comprehensive checklist of potential learning items was worthwhile, addressing points such as workgroup size, Sandbox,

gateways and customer views., Elexon took an action to consider these points and potentially feed them into a more substantial lessons learned paper.

ACTION 323/01

7.7 The BSC Panel:

a) **COMMENTED** on and **NOTED** the P379 lessons learned headline report

Part II: 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 322. Elexon presented the actions and associated updates for the February 2022 Panel meeting.

9. Deputy Chair's Report

9.1 The Deputy Chair highlighted that the Chairman's tenure has been extended till the end of December 2022 to provide continuity pending the appointment of a new CEO. The Chair noted that he wanted to invite the Chair-appointed Panel Members to stay for the same tenure to provide continuity on the Panel. Panel Members were supportive of this, and also noted that they would welcome a conversation about the correct makeup of expertise within the Panel to reflect current needs.

10. Chair's Report

10.1 The Chair announced that the board issued an open letter to all BSC Parties in January setting out its current activities and priorities.

10.2 The Chair highlighted that the Annual BSC Meeting will be held on 14 July 2022 preceded by a Panel/Board dinner on 13 July.

11. Elexon Report – (323/01)

11.1 SV introduced the topic of Event Driven Architecture (EDA) in the Elexon Report, which is a data integration platform as introduced by MHHS. It will sit at the centre of new industry infrastructure and will need a governance mechanism. SV noted that Ofgem is currently consulting on whether to appoint Elexon or RECCo to be responsible for the governance, funding and responsibility of the EDA for MHHS.

11.2 The Chair noted that the EDA consultation finishes on 17 February and highlighted that Panel Members can respond to this before that date.

11.3 SV also highlighted the delay to the SAA product as part of Kinnect and said that, in March's Panel meeting, she would outline the expected extent of the delay.

12. Distribution Report

12.1 The DNO Representative commented that they are continuing to engage on CVA metering issues.

13. National Grid Report

13.1 The NGESO Panel Member noted that they have received the derogation from Ofgem and also noted that C16 consultation responses are due.

13.2 A Panel Member highlighted that the webinar on the stability market did not address how it might impact settlement, though acknowledged that this could be useful for Elexon to think and talk about. Further, they questioned whether all the customers on the Octopus trial are half-hourly. The NGESO Panel Member noted that they would take this away and will give an update.

14. Ofgem Report

14.1 The Ofgem Representative noted Ofgem had published the cross code surveys and highlighted that there are individual reports for each code.

14.2 The Ofgem Representative highlighted that a consultation on the proposed forward work programme was published which addressed two main issues. These included the rising wholesale prices and Ofgem's role in

delivering net zero. The final work programme will be published at the end of March and Ofgem are seeking comments by the 28th February.

- 14.3 The Ofgem Representative commented that a vast amount of documents were published in relation to the price cap which comprised of decision, consultation and update papers. They noted that there was some methodology decisions to ensure the cap reflects costs faced by suppliers. Additionally, a consultation relating to medium term changes to the price cap methodology was published, and it was highlighted that this will be implemented in October 2021.

15. **Tabled Reports**

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

16. **Application for a derogation under BSC Section K5.2.1 for the Isle of Man Interconnector (323/09)**

- 16.1 The NGESO Panel Member noted that there is an assumption that the lead Party will just be changed and there will be no change to the site. Elexon confirmed that this is the case.

- 16.2 The BSC Panel:

a) **NOTED** that Elexon will present a request for a derogation in accordance with BSC Section K5.2.1 at the March 2022 Panel meeting

17. **Any other business**

18. **Next meeting**

- 18.1 The next meeting of the BSC Panel will be held in the Elexon Offices on Thursday 10 March 2022.