

## Minutes

### BSC Panel

Meeting number **325**

Venue **Elexon Offices/Video Conference**

Date of meeting **14 April 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
Andrew Colley	AC	Industry Panel Member
Mark Bellman	MB	Industry Panel Member
Lisa Waters	LW	Industry Panel Member
Andy Manning	AM	Consumer Panel Member
Tom Edwards	TE	Industry Panel Member
Derek Bunn	DB	Independent Panel Member
Robert Wilson	RW	NGESO Alternate Panel Member
Diane Dowdell	DD	Chair Appointed Industry Panel Member
Fungai Madzivadondo	FM	Distribution System Operator Representative
Simon McCalla	SM	Elexon CEO
Sara Vaughan	SV	Previous Interim Elexon CEO
Victoria Moxham	VM	Elexon Director of Customer Operations, Panel Secretary
Angela Love	AL	Elexon Director of Future Markets and Engagement
Fionnghuala Malone	FMa	BSC Administration Team Leader
Lawrence Jones	LJ	Modification Secretary
Elliott Harper	EH	Elexon (Part Meeting)

## Attendees and apologies

Colin Berry	CB	Elexon (Part-Meeting)
Ivar Macsween	IM	Elexon (Part Meeting)
Chris Arnold	CA	Elexon (Part Meeting)
Michael Bate	MB	Ofgem
Andy MacFaul	AMa	Ofgem

## Apologies

Jon Wisdom	JW	NGESO Panel Member
Ed Rees	ER	Industry Panel Member
Rhys Kealley	RK	Industry Panel Member

## Open Session

### 1. Introduction

- 1.1 The Chair noted Rhys Kealley's apologies, and that Mark Bellman was his alternate, Jon Wisdom's apologies, with Robert Wilson appointed as his alternate, and Ed Rees' apologies.

## 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 (325/02)

- 2.1 The Modification Secretary presented the Change Report and progress of Modification Proposals.
- 2.2 A Panel Member queried whether Ofgem or Elexon could consider doing a lessons learned process due to Modification P332 being very time consuming and expensive. It was agreed that Elexon would lead on this and engage with Ofgem.
- 2.3 The Panel questioned whether there was an update on Modification P438 and highlighted that the Industry's view was that of Ofgem taking a long time to reach a decision, especially since what was required was a straightforward decision on urgency. The Panel commented that Elexon have been helpful in determining the potential issue. Additionally, the Panel expressed concerns questioning what Ofgem's escalation process is when urgency is at stake. Ofgem was understanding of the comments and commented that they expected to make a decision on urgency next week. Further, that there had been good engagement with Elexon.
- 2.4 The BSC Panel:
- a) **APPROVED** a two-month extension to the P432 Assessment Procedure;
  - b) **NOTED** the contents of the April 2022 Change Report.

### 3. P439 'Enabling BSCCo to undertake development of the EDA-based Data Integration Platform' (325/03)

- 3.1 A Panel Member questioned whether Elexon have a view on whether the forecasted EDA costs are within budget, after expressing concerns that cost estimation has been inaccurate for at least three other large programmes of work and could cause problems for Suppliers and Market Participants. A Panel Member requested whether Elexon could provide updates on expected costs at the earliest opportunity. AL noted that it is too early to provide an update on accurate costings as Elexon are currently seeking procurement of the EDA,

and will not have a figure until bids have come in. AL confirmed that updates on the costs would be reported to the Programme Steering Group.

- 3.2 A Panel Member noted that there were other examples of industry programmes which had gone significantly over budget (specifically, he noted SEC Modification Proposal MP162, Elexon's Helix project, and a REC change which had cost 2-3 times more than the forecasted amount).
- 3.3 SM queried whether the Panel think the challenge with forecasting is one of estimation or scope. A Panel Member noted that updates to the development of every programme need to be provided, therefore industry will have a more accurate estimation of overall costings. Further, they commented that the challenge here lies with scope and discipline.
- 3.4 A Panel Member questioned whether Ofgem are happy with the directed timetable given there has been an increase in Authority-led SCR Modifications, therefore some are still sat with Ofgem awaiting decision. AMa noted that Ofgem are happy with the proposed progression, and will prioritise P439 once Elexon has submitted the Modification for decision.
- 3.5 The BSC Panel:
  - a) **AGREED** with the evaluation of the Authority Led SCR Modification Proposal as detailed in this report;
  - b) **AGREED** that P439:
    - i **DOES** better facilitate Applicable BSC Objective (c);
    - ii **DOES** better facilitate Applicable BSC Objective (d);
  - c) **AGREED** that P439 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
  - d) **AGREED** an initial recommendation that P439 should be **approved**;
  - e) **AGREED** the timetable for implementing the proposed Authority Led SCR Modification Proposal;
  - f) **AGREED** an Implementation Date of 5WD following Authority Approval;
  - g) **AGREED** the draft legal text; and
  - h) **NOTED** that Elexon will issue a 10WD Authority Led SCR Modification Consultation (including all the draft BSC legal text) and will present the results to the Panel at its meeting on 12 May 2022.

#### 4. **P395 'Aligning BSC Reporting with EMR Regulations – and enduring solution' (325/04)**

- 4.1 A Panel Member queried the process for submitting declarations when switching Suppliers. Following the meeting, CB and the Panel Member clarified the question and the answer. Suppliers are responsible for submitting declarations. If the customer changed Supplier, the new Supplier would be required to submit a new declaration. The Panel Member asked if this could be transferrable. It won't be possible to include this in the P395 solution at this stage as the solution has been baselined, but Elexon agreed to consider when this change could be considered.
- 4.2 The Panel questioned whether an additional document is needed to agree in the way that validation works. It was highlighted that there is an increase of complex sites with operational metering and questioned whether the checks being done are picking up sites with storage.
- 4.3 A Panel Member highlighted that the most valuable exports don't appear to be going to the most valuable sources first and therefore queried the approach of the merit order. CB noted that the P395 work group had considered options for the Merit Order Methodology before agreeing on the chosen methodology. CB also noted that the Merit Order Methodology would be captured as a Category 3 Code Subsidiary Document, which would have a dedicated change process set out in BSCP40. CB noted that in an unconstrained world, each complex site would have its own methodology, but the Workgroup agreed that this would be highly complex and burdensome, resulting in increased cost and extended delivery timescales. A Panel Member expressed a concern around timescales and whether there is a lack of urgency considering implementation would be in 18 months. CB noted that this timescale was necessary because there were already changes in train which must be developed and tested before P395 could be developed on top of them. Further, the Modification Secretary highlighted that P395 needs to build upon other changes and also give Ofgem adequate time to decide on Modifications, therefore the proposed Implementation Date is November 2023.
- 4.4 The BSC Panel:
  - a) **AGREED** that P395:

- i) **DOES** better facilitate Applicable BSC Objective (f);
- b) **AGREED** an initial recommendation that the P395 Proposed Modification should be Approved;
- c) **AGREED** that P395 DOES impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREED** the impact on the EBGL objectives;
- e) **AGREED** an initial Implementation Date of:
  - i) **2 November 2023** if an Authority decision is received on or before 6 October 2022;
- f) **AGREED** the draft legal text for the Proposed Modification;
- g) **AGREED** an initial view that P395 should not be treated as a Self-Governance Modification;
- h) **AGREED** that P395 is submitted to the Report Phase; and
- i) **NOTED** that Elexon will issue the P395 Draft Modification Report (including the draft BSC legal text) for a one month consultation and will present the results to the Panel at its meeting on 9 June 2022

## 5. P436 'Consequential BSC changes for Switching SCR (REC 3.0) (325/05)

### 5.1 The BSC Panel:

- a) **AGREED** with the evaluation of the Authority Led SCR Modification Proposal detailed in this report;
- b) **AGREED** that P436:
  - i) **DOES** better facilitate Applicable BSC Objective (c);
  - ii) **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREED** 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** a recommendation that P436 should be **approved**;
- f) **APPROVED** an 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);
- g) **AGREED** the BSC legal text for P436 in Attachment C, including the changes to the BSC subsidiary documents;
- h) **APPROVED** the new Category 1 BSC Configurable Item BSCP604 'Error Resolution and Retrospective Manual Amendments' to become effective upon implementation of P436, including the amendments made to BSCP604 following consultation; and
- i) **DELEGATE** ownership of BSCP604 to the SVG.

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

### 6. Minutes of previous meetings & Actions arising

- 6.1 The BSC Panel approved the draft minutes for BSC Panel meeting 324 and 324B. Elexon presented the actions and associated updates for the April 2022 Panel meeting.
- 6.2 Michael Bate (MB) from Ofgem provided an update of the action 324(02) which referred to the response to the Panel's letter on pending expulsion approvals and noted that they will provide a written response to Elexon.

### 7. Chair's Report

- 7.1 It was agreed that at a future Panel meeting, there will be agenda items on the FSO of Elexon and the Codes Review.
- 7.2 The Ofgem Representative noted that there are upcoming webinars on the FSO and Codes Review.
- 7.3 The Chair noted that the Credit Committee are meeting extremely frequently as the market has been very volatile. However, he noted that the last meeting did not propose a different cap from the previous meeting.

7.4 The Chair noted that the Panel Election process will begin soon. The Chair appointed members will continue until a new Chair is appointed and the criteria for selection will be transparent. It was clarified that the nominations will run from the end of June until August 2022.

7.5 The Chair noted that the Annual BSC meeting will be held on the 14<sup>th</sup> July 2022, with the Annual Board and Panel dinner occurring the evening before on 13<sup>th</sup> July.

## **8. Deputy Chair's Report**

8.1 Recommence recruitment for the Panel Chair which has started following appointment of Simon McCalla as CEO. The appointment should happen around Summer 2022.

## **9. Elexon Report (325/01)**

9.1 A Panel Member commented on the new Digital Code site and noted they had a great interaction and has provided feedback. The Modification Secretary noted that the current Digital Code is a work in progress, but are keen to work with industry on the next phase. It was highlighted that the Code is legally correct and will replace PDF versions on the BSC Website.

## **10. Distribution Report**

10.1 The DNO Representative noted that the questions which had arisen from the P415 cost benefit analysis were addressed.

## **11. National Grid Report**

11.1 The NGESO Panel Member noted that there was a markets forum that addressed locational pricing found on the NGESO website: <https://www.nationalgrideso.com/document/247306/download>.

11.2 He noted that NGESO will publish the Government responses to the FSO and energy code reform, and welcome both of these topics. He highlighted that despite the ESO being a legally separate business, the challenge of achieving Net Zero requires a reassessment of the role of the ESO and the structures around it.

## **12. Ofgem Report**

12.1 The Ofgem Representative noted that the Code reforms decision on who will take on strategic functions will be dually made by Ofgem AND BEIS Further, the new governance framework will cover the ten electricity and gas Codes as part of CACOP. He highlighted that two webinars will be held on these topics on the 25 and 26 April 2022. Ofgem expect to publish an open letter on this matter and have noted that they have appointed consultants to help with code consolidation, the details of which are currently confidential.

12.2 The Ofgem Representative highlighted that the ESO's performance is at the mid scheme review from April 2021 and have asked individual views to be fed into Ofgem by 19 April for the April 2022 review.

## **13. Tabled Reports**

13.1 The BSC Panel noted the reports from the SVG, PAB, TDC, the Trading Operations Headline Report and the System Price Analysis report.

## **14. Any other business**

14.1 A Panel Member queried what the status of P419 was given a decision would need to be made ahead of the 1 June 2022. It was highlighted that P419 is linked to the associated CMP, with the aim to circulate these out together.

14.2 A Panel Member noted that the high court ruling (Court case judgement number Case No: CO/1890/2021) legalities were upheld in the judgement, therefore the quashing orders would now need to be implemented.

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## **Part III: Non-Modification Business (Closed Session)**

## **15. Next meeting**

15.1 The next meeting of the BSC Panel will be held in the Elexon Offices on Thursday 12 May 2022.

## Actions

**Meeting name:** BSC Panel

**Meeting number:** 326

**Date:** 12 May 2022

**Classification:** Confidential

No.	Meeting no	Paper	Action	Owner	Due date	Action update	Status	Public/Confidential
1.	324(01)	324/02	Elxon to engage with BEIS on the matter of ensuring there is a coordinated approach with how sanctions orders should be treated.	Elxon	April 2022		Closed	Public
2.	324(03)	Distribution Report	The DNO Representative to ask the DNOs to review their connection processes to ensure that their connection metering is compliant with the DCUSA and also with the BSC.	The DNO Representative	April 2022	<i>DNOs have been asked to review their connection processes to ensure that connection metering is compliant with the BSC. DNOs are to check that in the information that they are sending to customers who are new connections they remind them of the need to have BSC complaint metering and where the details can be found..</i>	Closed	Public