

Ending the 'Coronavirus Disapplication Period' for Supplier Charges

BSC Panel

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Owner/author	Oli Meggitt	Purpose of paper	Decision
Classification	Public	Document version	V1.0
Summary	Following endorsement from the Performance Assurance Board (PAB), Elexon seeks the Panel's approval to end the 'Coronavirus Disapplication Period' for Supplier Charges		

1. Background

- 1.1 The BSC Panel raised Modification [P406](#)¹ on 9 April 2020. It was raised in response to the Government restrictions imposed by the COVID-19 outbreak, and had the effect of setting the Supplier Charges² for the SP08³ and SP04⁴ Serials to £0 from the March 2020 Performance Assurance Reporting and Monitoring System (PARMS) reporting period.
- 1.2 The Modification did this by introducing a 'Coronavirus Disapplication Period' for Supplier Charges, and noted that this period would end (and Supplier Charges were to be reinstated) when Government guidelines and restrictions had been eased, 'which would allow for normal Settlement operations to resume', as determined by the BSC Panel.

2. Current Situation

- 2.1 Modification [P429](#)⁵ was implemented on 24 February 2022. This modification removed (amongst other PARMS Serials) the SP04 Serial. Therefore, ending the 'Coronavirus Disapplication Period' would only see the reinstatement of the Supplier Charges associated with the SP08 PARMS Serial.
- 2.2 Elexon considers the lifting of COVID-19-related restrictions across Great Britain in Spring 2022 to be an indication that the 'Coronavirus Disapplication Period' can no longer be reasonably applicable.
- 2.3 Therefore, Elexon requests the BSC Panel to determine that the 'Coronavirus Disapplication Period' should come to an end. At its April 2022 meeting, the PAB supported this view.
- 2.4 The Modification stated that three months' notice should be given before the Period ends, following the Panel determination. Therefore, Elexon proposes that the charges are re-applied from the September 2022 Reporting Period (noting that this will be calculated in December 2022).

3. Recommendations

- 3.1 We invite the Panel to:

¹ 'Temporary disapplication of Supplier Charges SP08 and SP04 due to COVID-19'

² Supplier Charges are liquidated damages that Suppliers incur if they fail to meet certain performance levels

³ Percentage of Energy Settled on Annual Advances or Actual readings

⁴ Installation of Half Hourly Metering

⁵ 'Switching off Participant-Reported PARMS Serials'

- a) **NOTE** the contents of this paper;
- b) **DETERMINE** that the Coronavirus Disapplication Period for Supplier Charges should be ended, and Supplier Charges for SP08 are reapplied from the September 2022 PARMS Reporting Period; and
- c) **NOTE** that Elexon will issue communication to the Industry to confirm this decision.

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