

Minutes

BSC Panel

Meeting number **327**

Venue **Elxon Offices/Video Conference**

Date of meeting **9 June 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
Lisa Waters	LW	Industry Panel Member
Tom Edwards	TE	Industry Panel Member
Diane Dowdell	DD	Chair Appointed Industry Panel Member
Derek Bunn	DB	Independent Panel Member
Fungai Madzivadondo	FM	Distribution System Operator Representative
Jon Wisdom	JW	NGESO Panel Member
Rhys Kealley	RK	Industry Panel Member
Simon McCalla	SM	Elxon CEO
Sara Vaughan	SV	Elxon Board Member
Victoria Moxham	VM	Elxon Director of Customer Operations
Angela Love	AL	Elxon Director of Future Markets and Engagement
Fionnghuala Malone	FMa	BSC Administration Team Leader
Lawrence Jones	LJ	Modification Secretary
Elliott Harper	EH	Head of Governance Services, Panel Secretary
Chris Arnold	CA	Elxon (Part Meeting)
Aylin Ocak	AO	Elxon (Part Meeting)
Iain Nicoll	IN	Elxon (Part Meeting)
Tirath Maan	TM	Elxon (Part Meeting)
Simon Waltho	SW	Elxon (Part Meeting)
Matt McKeon	MM	Elxon (Part Meeting)

Attendees and apologies

Mark DeSouza Wilson	MDSW	Elexon (Part Meeting)
Sarah Keay-Bright	SKB	NGESO
Cian McLeavey–Reville	CMR	NGESO
Danielle Walton	DW	Ofgem
Stuart Jackson	SJ	C &C

Apologies

Andy Manning	AM	Consumer Panel Member
Ed Rees	ER	Industry Panel Member
Mark Bellman	MB	Industry Panel Member
Lisa Waters	LW	Industry Panel Member

Open Session

1. Introduction

- 1.1 The Chair noted apologies from Mark Bellman (Rhys Kealley as alternate), Lisa Waters (Andy Colley as alternate), Andy Manning, and Ed Rees (Phil Hare as alternate).

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 (327/02)

- 2.1 The Modification Secretary presented the [Change Report and progress of Modification Proposals](#).
- 2.2 The Panel noted that [P438 'Amending the BSC to address sanction orders'](#) is still with Ofgem for decision, despite it being an Urgent Modification. The Ofgem Representative noted that Ofgem's legal team are looking at the Final Modification Report and legal drafting, noting that P438 is an Urgent Modification.
- 2.3 The BSC Panel:
- a) **APPROVED** a one-month extension to the P427 Assessment Procedure; **and**
 - b) **NOTED** the contents of the June 2022 Change Report.

3. P395 'Aligning BSC Reporting with EMR Regulations – an enduring solution' (327/03)

- 3.1 The BSC Panel:
- a) **AGREED** that P395:
 - i **DOES** better facilitate Applicable BSC Objective (f);
 - b) **AGREED** that P395 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
 - c) **AGREED** that P395 is neutral and consistent with the EBGL objectives;
 - d) **AGREED** a recommendation that P395 should be **approved**;
 - e) **AGREED** an initial Implementation Date of:
 - i **2 November 2023** if an Authority decision is received on or before 6 October 2022;

- f) **APPROVED** the draft legal text; and
- g) **APPROVED** the P395 Draft Modification Report.

4. **P432 'Half Hourly Settlement for CT Advanced Metering Systems' (327/04)**

- 4.1 A Panel Member clarified that the Implementation Date of 1 October 2022 was for new connections only.
- 4.2 A Panel Member noted that it is a good idea to implement P432 ahead of MHHS. Though, key concerns include the scope for exclusions for domestic customers with CT Meters, Market Domain Data is on top of the coordination. The Modification Secretary noted that P432 has been drafted to reflect Supplier Licence Conditions.
- 4.3 MDSW highlighted that domestic CT customers will continue to have right to opt out of their data being used and then they won't be Half Hourly settled, therefore noted that the BSC definition of an Advanced Meter will be changed.
- 4.4 FM commented that the impact on DNOs is indicated as low in the Assessment Report, though there are predictions it could be medium to high due to the customer engagement process. [P272](#) 'Mandatory Half Hourly Settlement for Profile Classes 5-8' showed that there could be a risk that customers will be more difficult to engage with. There will be a DCUSA issue raised by the Proposer imminently.
- 4.5 A Panel Member queried how de-risking the process works by starting early, further they questioned whether the cost and effort of dealing with non-compliance has been factored in. MM highlighted that reconfiguration of meters tends to reveal issues, which may not be typical migrations.
- 4.6 Danielle Walton (DW) from Ofgem questioned whether this de-risks the programme. It was noted that any mods coming through CCDG should go through this process. However, it may take longer than standard migrations, as the de-risk against the concerns that have been raised will be quantified. AL noted that the earlier this programme is started, the sooner Elexon will know what the potential issues could be. Therefore, this will help in identifying the possible problematic sites.
- 4.7 The NGESO Panel Member noted that they agree with starting process early, however questioned whether attaching a hardcoded date to this is the best thing if Parties are saying they are unable to meet a specific date. The Chair reminded the Panel that this is intimately related to a much bigger programme. AC: What are the consequences for non-compliance?
- 4.8 The Modification Secretary noted that the Performance Assurance Board (PAB) said they will not be closely monitoring the migration as the risk assessment does not justify this, as there are no 'prescribed' consequences, though note that both PAF and PAB will need to respond.
- 4.9 A Panel Member commented that this is a poorly contested part of the market and they were therefore unsure how this will affect competition. However noted that the structural competitiveness of the energy market is out of the Panel's control. It was noted that this may result in increased costs to Suppliers.
- 4.10 The BSC Panel:
 - a) **AGREED** that P432:
 - i **DOES NOT** better facilitate Applicable BSC Objective (c);
 - ii **DOES NOT** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** an initial recommendation that P432 should be **rejected**;
 - c) **AGREED** that P432 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
 - d) **AGREED** an initial Implementation Date of:
 - i **5WDs** after Authority decision if decision is received by 26 August 2022;
 - e) **AGREED** the draft legal text;
 - f) **AGREED** the amendments to the Code Subsidiary Documents;
 - g) **AGREED** an initial view that P432 should not be treated as a Self-Governance Modification;
 - h) **AGREED** that P432 is submitted to the Report Phase; and
 - i) **NOTED** that Elexon will issue the P432 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 14 July 2022.

5. P440 'Enabling Elexon to administer the Capacity Market Advisory Group' (327/06)

5.1 The BSC Panel:

a) **AGREED** that P440:

- i **DOES** better facilitate Applicable BSC Objective (f);
- ii **DOES** better facilitate Applicable BSC Objective (c); and
- iii **DOES** better facilitate Applicable BSC Objective (b)

b) **AGREED** that P440 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;

c) **AGREED** an initial recommendation that P440 should be **approved**;

d) **AGREED** an initial Implementation Date of:

- i **1 September 2022** if an Authority decision is received on or before 25 August 2022;

e) **APPROVED** the draft legal text; and

f) **APPROVED** the P440 Modification Report

6. Issue 98 Issue Report (Tabled)

6.1 The BSC Panel:

a) **NOTED** the update

Part II: Non-Modification Business (Open Session)

7. ESO Net Zero Market Reform Programme

7.1 Sarah Keay Bright (SKB) and Cian McLeavey-Reville (CML) from NGESO presented an update on the [ESO's Net Zero Market Reform](#) programme.

7.2 The Chair queried how many zones/nodes sit behind the analysis. NGESO confirmed 1000 nodes and then noted that this will be applied to transmission level.

7.3 A Panel Member queried what expansion would be needed for advancing the assessment. SKB noted that this will be within the next phase of assessment, which will require talking to key stakeholders and detail what the practicalities are. She noted that this will sought to be done through a thorough quantitative review. The Chair asked whether there was any indication on the size of the benefits of this programme. SKB highlighted that the costs are substantially outweighed by the benefits after undertaking the cost benefit analysis.

7.4 The NGESO Panel Member noted that this is a case for change as there are significant benefits to drive the Market Reform Programme forward.

7.5 A Panel Member queried whether this will this facilitate the transition to Net Zero, and whether NGESO are receiving a positive response from large scale investors. SKB noted that there is a specific phase of assessment to look at investment. Further, the future support mechanisms and what they may look like are being looked at by NGESO. It was highlighted that NGESO are aiming to enable the transition at a lower cost to consumers without any unintended consequences

7.6 FM queried what Panels NGESO is engaging with for stakeholders. NGESO noted that they have had over 1500 stakeholder engagement sessions on this.

7.7 SM noted that there is not a visible thorough assessment of the implementation risks of the programme, noting having looked at both the public and private reports. Therefore he queried whether ESO have a mitigation plan for those risks. SKB commented that as progression continues, ESO will enter impact assessment stage looking currently at practicality and risks and exploring these in more detail.

7.8 The BSC Panel:

a) **NOTED** the update

Part III: Modification and Change Business (Open Session)

8. Summary of Change Process Review Survey & Next Steps

- 8.1 The Ofgem Representative queried whether more flexible consultation lengths dependent on the situation may be more efficient. This was in order to highlight an example of principle based rather than prescriptive governance. The Chair supported the sentiment, and noted the need to ensure quality is maintained when considering process efficiencies.
- 8.2 The Chair questioned whether there should be consideration of (in light of the Ofgem Energy Codes review) how a BSC Change process that does not include industry Panels could be operated. The Chair stated that an emphasis could be given to ways of ensuring levels of engagement with industry do not decline as a result of the removal of industry Panels.
- 8.3 SM noted that the Digital Code has a crucial role to play in improving the BSC Change process particularly in terms of efficiency and quality of analysis supporting BSC Changes.
- 8.4 A Panel Member queried whether stakeholders who considered the BSC Change process complex were conflating the complexity of the BSC Change processes with the content of Modifications/Change Proposals and Issues themselves. The Modification Secretary noted this point and suggested that the BSC Change documentation could be reviewed for simplification opportunities whilst still maintaining the current BSC Change documentation quality.
- 8.5 The Modification Secretary noted that this review stemmed from the 2020 Panel strategy, and the survey has been carried out in 2022. The NGESO Panel Member commented that there could be value in looping in other user groups at NGESO.
- 8.6 The Ofgem Representative noted that any help or input for the Ofgem energy codes review from any Issue group established would be welcome, but noted that input is even more helpful when it is targeted at specific questions related to the codes review as and when those questions are considered by Ofgem.
- 8.7 A Panel Member questioned whether there was need to conduct this Issue group on the basis that the output of the Ofgem energy codes review would likely overlap with recommendations from any Issue group established to review the BSC Change processes. Another Panel Member commented that they believe it is important for the Panel to consider continuous improvement but they had not seen an argument for large scale change to the process.
- 8.8 The BSC Panel:
- a) **AGREED** that Elexon should return to the Panel in July with a draft Issue form, before raising the Issue Group.

Part IV: Non-Modification Business (Open Session)

9. Minutes of previous meetings & actions arising

- 9.1 The BSC Panel approved the draft minutes for BSC Panel meeting 326 and 326A. Elexon presented the actions and associated updates for the June 2022 Panel meeting.

10. Chair's Report

- 10.1 The Chair noted that David Rigney will be leaving the Board in July. Tim Fitzpatrick will be his successor.
- 10.2 A new committee called the MHHS Committee has been set up which will ensure that oversight by and the obligations of the Board for MHHS can be carried out properly, as well as enabling a sub group of the Board to contribute expertise to the MHHS Programme.
- 10.3 It was noted the Panel meeting on 14th July will start before 10am due to the annual BSC meeting in the afternoon. Post meeting note: This is now confirmed to start at 09:30am.

11. Elexon Report (327/01)

- 11.1 The BSC Panel:
- a) **NOTED** the update

12. Distribution Report

- 12.1 The BSC Panel:

a) **NOTED** the update

13. National Grid Report

13.1 The BSC Panel:

a) **NOTED** the update

14. Ofgem Report

14.1 The Ofgem Representative noted that Ofgem decided not to conduct an annual Code Administrator performance survey this year, and instead an analysis has begun deciding whether this survey adds value, and what changes could be made to it.

14.2 Ofgem are undertaking an assessment of the costs and benefits of locational pricing, and have put out a call for input around opportunities and risks. Ofgem are seeking feedback by 24 June, with an anticipated report to be published in October 2022.

15. Tabled Reports

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

16. BSC Audit Opinion - Verbal

16.1 MG Highlighted another delay to the BM Audit which is holding up the BSC Audit and questioned if there is anything of a systemic nature which is delaying this again.

16.2 VM confirmed Elexon is working with NGESO to see if there is anything that can be done to ensure the report is delivered on time in 2023.

16.3 The BSC Panel:

a) **NOTED** the update

17. ISG Committee Update – Verbal

17.1 A Panel Member queried whether there is anything further the Panel could do to support the ISG committee. IN noted that as there are only 7 active members, it could be beneficial to put out a call around membership, though noted that this may be challenging when hard when people don't have the time to volunteer.

17.2 The BSC Panel:

a) **NOTED** the update

18. Any other business

18.1 A Panel Member noted that NGESO has issued a warning on an interconnector, and queried what is this warning and where is it. JW agreed to take this away.