

ELEXON

329/01 Elexon Report

For the Panel's information, summarising recent activities and developments within Elexon and the Balancing and Settlement arrangements.

11 August 2022

Panel election – Voting open until 26 August

Voting is open for the 2022 BSC Panel election. Six candidates have been nominated for the five Industry Panel Member places. Short biographies on each nominee are available to view on the Elexon website.

Voting takes place until 26 August, and we will announce the results by 15 September 2022.

Contact panelections@elexon.co.uk for more information, or see the [Elexon website](#) for more information and the online voting form.



Consultation on Elexon ownership

On 14 July, BEIS published its joint consultation with Ofgem on the future ownership of Elexon. It sets out options for public and private ownership. The preferred model presented is an industry federated ownership model, with BSC licensed funding Parties owning Elexon. The consultation seeks feedback on this option, as well as whether there is support for the other private (different subsets of industry) models, or the public ownership model.

The consultation is open until 22 September, with a final decision expected later this year.

BEIS/Ofgem Review of Electricity Markets

BEIS and Ofgem launched their Review of Electricity Markets (REMA) on 18 July, with a close out of 10 October. The review is looking at existing schemes, including the Balancing Mechanism, Capacity Market and CfD arrangements, and at how to ensure that the market arrangements are fit for delivering investment in arrangements to support achievement of a carbon free electricity system by 2035.

Elxon Kinnect: Parallel runs of new and legacy Settlement Systems begin

Settlement Solution

The Settlement Solution remains on target for September 2022. Parallel runs of the new and legacy systems began in the week commencing 1 August. These will demonstrate the working solution and support processes operating to live service levels as well as full reconciliation of historical calculations within the system. The parallel run will provide maximum assurance to industry before SAA cuts over to Kinnect when it will become sole system of record as part of the February 2023 Release.

Once live, the Settlement Solution will deliver significant reductions in operation time with faster calculation and removal of manual operation. It will track input files to enable the live identification of any missing data or erroneous files.

Insights Solution

The Insights Solution continues to progress Iteration 1.3, the scope of which includes critical reports with price sensitive parameters including Physical Notifications, Bid-offer data and Balancing Services Adjustment Data.

Recent development work includes the optimisation of the solution's infrastructure and data ingestion, to improve performance and reduce operational costs.

We have also developed a prototype for the next generation real time publishing service, Insights Solution Real time Information Service (IRIS) which was presented to the BMRS Change Board on the 21 July. The intention is to provide a free alternative to the costly legacy licensed software (TIBCO).

Iteration 1.3 is due to be released in November 2022.

Elxon Kinnect: Further Customer Solution enhancements

Customer Solution

Following delivery in June of the functional improvements to the Kinnect Customer Solution and changes to facilitate P375, a number of outstanding defects have been resolved and successfully deployed. Some associated small changes are also being progressed to enhance the solutions further.

The team is now working on changes to the Kinnect platform to support Modifications P376 and P419. Modification P376 optionally enables Suppliers, Virtual Lead Parties (VLPs) and Asset Metering Virtual Lead Parties' (AMVLPs) expected flows at SVA metering systems to be calculated using an approved Baseline Methodology for subsequent use in settlement of non-delivery charges. Modification P419 extends the provisions of P383, by expanding the aggregation of import volumes from Supplier Volume Allocation (SVA) storage facilities to include all non-final demand SVA facilities which will be excluded from BSUoS charges.

The team has also been defining the scope, acceptance criteria, constraints and dependencies for the Kinnect Programme to deliver all required customer changes to the Kinnect platform and to decommission the legacy Central Registration Agent (CRA).

A roadmap of the current, next and future developments planned for the Customer Solution is now available on the [Kinnect Customer Solution ongoing development and planning](#) page of the Elxon website.

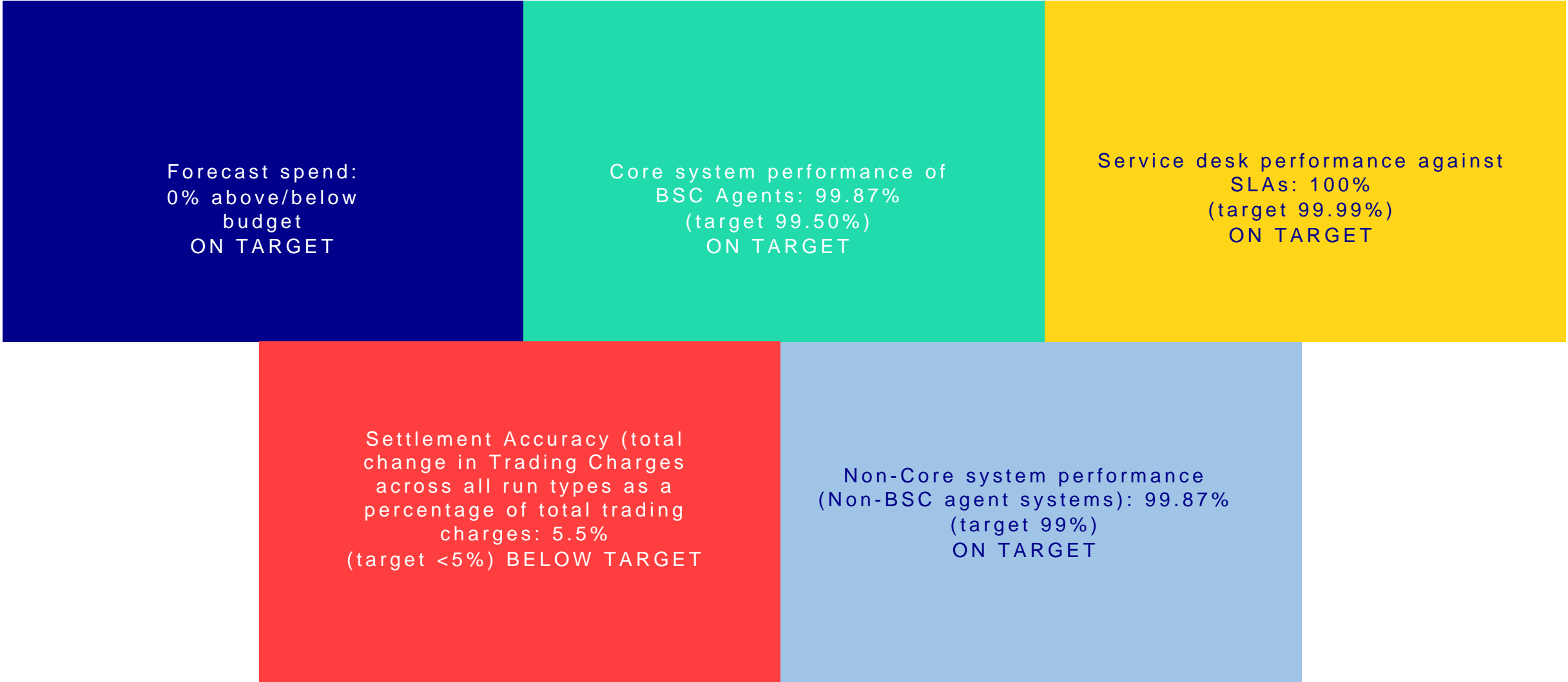
Elexon Kinnect: Budget update

Overall, the Kinnect Programme remains on budget with £30.3m of investment in progress, of which £27.3m has been spent to date. The remaining £16.5m is forecast for future work to conclude migration of the legacy systems to the digital platform in 2023 and we have £7.1m remaining contingency, which is held by the transformation committee.

These figures are also demonstrated in the table below:

CTD (£m)	Committed	FTC	Contingency	Forecast Outturn	Budget	Variance
27.3	3.0	16.5	7.1	53.9	53.9	0

Key KPIs: March 2022



Appendices

Elxon monthly KPIs and summaries of papers considered and decisions made by the Panel Committees since the last Panel meeting can be found in their headline reports, included as attachments to this paper:

Attachment A – Elxon monthly KPIs

Attachment B – Report from the SVG (public)

Attachment C1 – Report from the PAB (public)

Attachment C2 – Report from the PAB (confidential)

Note: There was no TDC or ISG meeting this month.

Recommendation



We invite the Panel to:

- **NOTE** the contents of this paper.