

Minutes

BSC Panel

Meeting number	330	Venue	Elexon Offices/Video Conference
Date of meeting	8 September 2022	Classification	Public

Please note that unless otherwise stated, all Panel decisions were unanimous.

Attendees and apologies

Attendees

Michael Gibbons	MG	BSC Panel Chair
Phil Hare	PH	Deputy BSC Panel Chair
Andrew Colley	AC	Industry Panel Member
Angela Love	AL	Elexon Director of Future Markets and Engagement
Aylin Ocak	AO	Elexon
Beth Procter	BP	Elexon
Chris Day	CDa	Elexon
Colin Down	CD	Ofgem Representative
Derek Bunn	DB	Independent Panel Member
Diane Dowdell	DD	Chair Appointed Industry Panel Member
Ed Rees	ER	Industry Panel Member
Elliott Harper	EH	Head of Governance Services, Panel Secretary
Emma Burns	EB	Flextricity
Fionnghuala Malone	FMa	BSC Administration Team Leader
Fungai Madzivadondo	FM	Distribution System Operator Representative
Gary Keane	GK	CEPA
George Crabtree	GC	Elexon
Ivar Macsween	IM	Elexon

Attendees and apologies

James Rees	JR	Good Energy
Jenny Sarsfield	JS	Elexon
John Lucas	JL	Elexon
Johnny Moore	JM	Elexon
Jon Wisdom	JW	NGESO Panel Member
Kamila Dziuba	KD	Elexon
Roger Harris	RH	Elexon
Iain Niccoll	IN	Elexon
Kit Dixon	KD	Good Energy
Lawrence Jones	LJ	Modification Secretary
Lewis Heather	LH	CEPA
Mark Bellman	MB	Industry Panel Member
Mark DeSouza Wilson	MDSW	Elexon
Matt McKeon	MM	MHHS
Michael Bate	MBa	Ofgem
Nazifa Begum	NB	Elexon
Rhys Kealley	RK	Industry Panel Member
Sara Vaughan	SV	Elexon Board Member
Simon McCalla	SM	Elexon CEO
Stan Dikeocha	SD	Elexon
Tirath Maan	TM	Elexon
Tom Edwards	TE	Industry Panel Member
Victoria Moxham	VM	Elexon Director of Customer Operations

Apologies

Andy Manning	AM	Consumer Panel Member
Lisa Waters	LW	Industry Panel Member

Open Session

1. Introduction

- 1.1 The Chair noted apologies from Andy Manning whose alternate was Ed Rees, and Lisa Waters whose alternate was Andy Colley.

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 (330/02)

- 2.1 The Modification Secretary presented the Change Report and progress of Modification Proposals.
- 2.2 The BSC Panel:
- a) **NOTED** the contents of the September 2022 Change Report.

3. P444 'Bringing Supplier Compensation into the BM Initial Written Assessment' (330/03)

- 3.1 Emma Burns (EB) (Flextricity) presented the Initial Written Assessment for P444.
- 3.2 Ofgem noted that they consider this Modification to be SCR Exempt.
- 3.3 The NGESO Panel Member queried why is this a BSC matter and not just between the customer and the matter. EB noted that the aggregator also needs involvement, which necessitates interaction and compliance with the BSC.
- 3.4 A Panel Member commented that there is no reason to believe the P444 solution will be different from P415. Ivar Macsween (IM) noted that as P415 is not approved, the P444 defect needs to allow for potential changes, but acknowledged that the intention of the Proposer at this current time is to utilise processes developed for P415.
- 3.5 IM agreed to add a term of reference into the P444 Terms of Reference to cover the topics of different scenarios where Suppliers have hedged funds into the workgroup terms of reference.
- 3.6 A Panel Member queried whether this was this considered as an alternate to P415. IM noted that it was discussed by the P415 workgroup, in which the defect as worded by the Proposer prevented it being considered in P444, therefore this Modification has been raised as a separate proposal.
- 3.7 The BSC Panel:
- a) **AGREED** that P444 progresses to the Assessment Procedure;
- b) **AGREED** the proposed Assessment Procedure timetable;
- c) **AGREED** the proposed membership for P444 Workgroup; and
- d) **AGREED** the Workgroup's Terms of Reference.

4. Improving Efficiency of Default Funding Share Process and Energy Supply Company Administration Initial Written Assessment (330/04)

- 4.1 A Panel Member highlighted that they agree with the proposal but noted that for regular Settlement payments Parties have an initial view of what the liability will look like at the Interim (II) Settlement Run, and this is important for companies' cash flow forecasting. They queried whether the solution can be adapted so Parties can have a view of what the Default Funding Share (DFS) is likely to look like at the II Settlement Run.
- 4.2 RH noted that Elexon has a role to play to help industry, especially in terms of planning cash flow. He noted that reporting this information does not need to be included in this Modification. Further, he commented that there are trading charges on the Elexon portal accessible to BSC Parties only.
- 4.3 The BSC Panel:
- a) **RAISED** this Modification Proposal (in accordance with BSC Section F2.1.1 (d) (i));

- b) **AGREED** that this Modification:
 - i **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREED** that this Modification can progress directly to the Report Phase;
- 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** be treated as a Self-Governance Modification;
- g) **AGREED** an initial Implementation Date of 10 Working Days after the Self-Governance appeal window closes;
- 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 12 Working Day consultation and will present the results to the Panel at its meeting on 13 October 2022.

5. **P427 'Publication of Performance Assurance Parties' impact on Settlement Risk' Draft Modification Report (330/05)**

- 5.1 George Crabtree (GC) presented the P427 Draft Modification Report which seeks to increase the effectiveness of all detective and investigative Performance Assurance Techniques (PATs) including Error and Failure Resolution (EFR) through greater incentives via the publication of Performance Assurance Parties' (PAPs') performance data.
- 5.2 The Panel confirmed that it would have the ultimate say on what data can be published. Elexon explained that the PAB would recommend to the Panel which data should be published and the Panel would have to approve the recommendation.
- 5.3 Two Panel members were of the opinion that publishing this data would have no positive impact on Settlement and that there was a chance it could negatively impact Settlement if companies felt disadvantaged in some way at this data being shared publicly.
- 5.4 The BSC Panel:
 - a) **AGREED** by majority that P427:
 - i **DOES** better facilitate Applicable BSC Objective (c); and
 - ii **DOES** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** that P427 does impact the EBGL Article 18 terms and conditions held within the BSC and is neutral against and consistent with the EBGL objectives;
 - c) **AGREED** by majority a recommendation that P427 should be approved;
 - d) **APPROVED** an Implementation Date of:
 - i **23 February 2023** if an Authority decision is received on or before 2 February 2022; or
 - ii **29 June 2023** if an Authority decision is received after 2 February 2022 but on or before 8 June 2023;
 - e) **APPROVED** the draft legal text;
 - f) **APPROVED** the amendments to the Code Subsidiary Documents for the proposed Modification;
 - g) **APPROVED** the P427 Modification Report.

6. **CP1567 'New BSC Procedure (BSCP) for Assurance Information Requests (AIRs)' Assessment Report (330/06)**

- 6.1 GC presented the Assessment Report for CP1567.
- 6.2 A Panel Member noted that a BSCP should not contain new obligations that are not already in the Code.
- 6.3 Beth Procter (BP) noted that Section Z determines that there are a number of PAF techniques as assured by the PAB. Therefore the PAF techniques need to be used as part of these obligations. She noted that the new BSCP just lists these and reflects the TAPAP techniques which have occurred before.

- 6.4 One Panel Member confirmed that this principle is now in the Uniform Network Code (UNC) and so is consistent with other industry codes.
- 6.5 A Panel Member queried what makes the AIR different to the EFR process. BP commented that whereas EFR is used when non-compliance is identified, the AIR will be used as a detective technique, to proactively make decisions regarding the deployments of other techniques. She further noted that this technique can be applied to any Party under the PAF.
- 6.6 The BSC Panel:
- a) **APPROVED** the new Category 1 BSC Configurable Item BSCP605 'Assurance Information Request' to become effective upon implementation of CP1567, including the amendments made to BSCP605 following consultation;
 - b) **APPROVED** CP1567 for implementation on 3 November 2022 as part of the November Release; and
 - c) **DELEGATED** ownership of BSCP605 to the PAB.

7. **P437 'Allowing non-BSC Parties to request Metering Dispensation' Assessment Report (330/07)**

- 7.1 A Panel Member queried whether the generic metering dispensation is likely to result in the increase of metering dispensation applications.
- 7.2 Iain Nicoll (IN) noted that there does not seem to be any increase in the number of applications. He noted that an applicant can submit a generic metering dispensation application which can be used going forward.
- 7.3 The BSC Panel:
- a) **AGREED** that P437;
 - i **DOES** by majority better facilitate Applicable BSC Objective (c);
 - ii **DOES** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** an initial recommendation that P437 should be **Approved**;
 - c) **AGREED** that P437 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
 - d) **AGREED** the draft legal text for P437;
 - e) **AGREED** the amendments to the Code Subsidiary Documents for P437;
 - f) **AGREED** an initial view that P437 should be treated as a Self-Governance Modification;
 - g) **AGREED** an initial Implementation Date of;
 - i **10 Working Days** after the Self-Governance Objection window closes;
 - h) **AGREED** that P437 is submitted to the Report Phase; and
 - i) **NOTED** that Elexon will issue the P437 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 13 October 2022.

8. **Draft P432 'Half Hourly Settlement for CT Advanced Metering Systems' Send Back Process (330/17)**

- 8.1 The Chair noted that Ofgem had made a number of suggestions in the send back letter, which is very helpful.
- 8.2 It was noted that one of the suggestions from Ofgem was to generate a revised implementation timeframe for P432. A Panel Member questioned whether we should wait to see the MHHS re-plan before coming up with a new implementation approach. However it was pointed out that P432 needs to be re-submitted to Ofgem by 30 November 2022 so there will not be time to readdress the timeframes if we wait for the MHHS re-plan, instead the new compliance dates could be linked to the MHHS milestones.
- 8.3 A Panel Member questioned whether the Workgroup have reflected on why their views are so different from the consultation responses. It was noted that Suppliers should be at workgroup meetings and to not rely on consultation responses to make the process efficient.
- 8.4 LJ commented that Workgroup members are obliged to consider the views from the consultation.
- 8.5 The BSC Panel:
- a) **APPROVED** this draft P432 Send Back Process

9. Issue 93 'Review of the BSC metering Codes of Practice' Report (330/08) - Tabled

- 9.1 The BSC Panel:
- a) **NOTED** the contents of this paper.

10. P415 Cost Benefit Analysis (330/15)

- 10.1 Lewis Heather (LH) from CEPA provided the Panel with an update on the P415 Cost Benefit Analysis.
- 10.2 The Panel agreed that the report was well structured and thorough.
- 10.3 LH thanked the Panel and Elexon for the engagement with CEPA. He noted that current volatility around gas prices, while not modelled within the CBA, strengthened the case for introduction of more flexibility into the electricity market and, while uncertain, could accelerate the benefits from increased aggregator participation in the wholesale market as proposed by P415.
- 10.4 The BSC Panel:
- a) **NOTED** the contents of this paper.

Part II: Non-Modification Business (Open Session)

11. Minutes of previous meetings & actions arising

- 11.1 The BSC Panel approved the draft minutes for BSC Panel meeting 329 and 329A. Elexon presented the actions and associated updates for the August 2022 Panel meetings.

12. Chair's Report

- 12.1 The Chair noted that the bi-annual Board circular has been issued.
- 12.2 The Chair highlighted that productive discussions have been had with various Parties on the future ownership of Elexon consultation, where the great majority expressed support for the preferred federated industry option.
- 12.3 Elliott Harper noted that the new BSC Panel 2022-2024 will be in place from 1 October 2022. The newly elected industry BSC Panel consists of Lisa waters, Andy Colley, Mark Oxby, Michael Robertson, and Thomas Edwards.
- 12.4 The Chair thanked outgoing members Rhys Kealley and Mark Bellman for their engagement and support over their respective Panel member terms both as full members and acting as alternates and wished them well for the future.
- 12.5 The BSC Panel:
- a) **NOTED** the update

13. Elexon Report (330/01)

- 13.1 The BSC Panel:
- a) **NOTED** the contents of this paper.

14. Distribution Report

- 14.1 The DNO Representative noted that the WPD issue on GSP metering issues has been formally raised and the first workgroup is at the end of September
- 14.2 The BSC Panel:
- a) **NOTED** the update

15. National Grid Report

- 15.1 The NGESO Panel Member noted that the [C16 Consultation](#) which is regarding Demand Flexibility Service: BSAD & Balancing Principles has closed.

15.2 JW highlighted that NGESO are discussing Winter preparedness with BEIS, as there is the potential for a need for a Modification to insulate in the event of a gas deficit emergency. Therefore, he noted that if there is a Modification it will be progressed as urgent.

15.3 The BSC Panel:

a) **NOTED** the update

16. Ofgem Report

16.1 The BSC Panel:

a) **NOTED** the update

17. Approval of BSC Panel Representative for Grid Code Review Panel (GCRP) (330/09)

17.1 A Panel Member noted that the Panel have been supportive of in the various situations in which BSC Modifications are primarily facilitating benefits that arise in the Grid Code and therefore would like to see a stronger connection between this role and the Panel, perhaps with timely updates. However it was also recognised that the NGESO Panel Member's updates of Grid Code activities, are very welcome and useful.

17.2 The BSC Panel:

a) **APPOINTED** Rashmi Radhakrishnan to be the BSC Panel's representative on the Grid Code Review Panel; and

b) **NOTED** Rashmi will appoint Chris Day as her alternate.

18. Good Energy Sandbox Application (330/10)

18.1 A Panel Member queried the number of MSIDs that Good Energy were proposing to include in their final scope for the Sandbox trial. Elexon noted that 100,000 appears to be a much larger scope than has previously been proposed under previous Sandbox trials.

18.2 Good Energy stated that the proposed scope was necessary to maximise the opportunity for trigger events (Meter exchanges, fault rectification etc) to take place. A Panel Member noted that Good Energy may not need to continue to scale up the trial scope throughout the two years if there is a sufficient number of trigger events prior to reaching the full scope.

18.3 The Ofgem representative questioned if the Modification is raised a year into the trial period it gives enough time for implementation. SV queried why this cannot be applied to others, and therefore queried whether Elexon will find themselves with more sandbox applications.

18.4 A Panel Member queried whether Elexon could be specific as to number of trigger events that will be needed to prove the trial is a success.

18.5 The NGESO Panel Member suggested that Good Energy should simply raise a Modification, especially if there are concerns about meter exchange points which is driving sample size, so therefore suggested to why not create artificial Meter exchanges. CDa noted that those meters are owned/leased by the Import agents and Good Energy may not have vires to instigate these exchanges

18.6 The NGESO Representative queried why the sample size needed to prove the trial a success has not been considered and why it has been progressed as a sandbox proposal instead of straight to Modification.

18.7 The Panel expressed concerns around the approach which could be resolved around recommendation A.

18.8 A Panel Member noted that the nature of the Sandbox process means that it closes out opportunity to other Parties wanting to progress the same idea during a trial.

18.9 Another Panel Member commented that this is a good idea and that the Panel agree with it, however they would like to see it progressed as a Modification.

18.10 JM noted that as this is a dual Code sandbox, Ofgem will consider across both Codes so therefore they will bring two updates on the live Sandboxes to the next Panel.

18.11 The Panel recommended to Ofgem:

a) That BSC Sandbox Application BSB003 is **rejected**;

However, if Ofgem were to approve the Application the Panel recommended:

- b) That the BSC Derogation applies to the following provision;
 - i BSC Section J4.1.5;
 - ii BSC Section J4.1.6;
- c) That if the Proposed BSC Derogation is granted to Good Energy, it has the following condition;
 - i That Good Energy must demonstrate to Elexon, on a quarterly basis, that success criteria have been met before it progresses to the next milestone in scaling up the number of MSIDs in its trial;
- d) A Trial Period duration of **2 years** beginning on the Derogation Period Commencement Date set by Ofgem;
- e) A Transition Period duration of **1 year**;
- f) Approval of the Transition Plan described in this report; and
- g) That, throughout the Derogation Period, Good Energy should provide Elexon and the BSC Panel with quarterly report on risks and progress.

Part III: Confidential Business (Closed Session)

19. Next meeting

- 19.1 The next scheduled meeting of the BSC Panel will be held in the Elexon Offices on Thursday 13 October 2022.