

Minutes

BSC Panel

Meeting number	331	Venue	Elexon Offices/Video Conference
Date of meeting	13 October 2022	Classification	Public

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

Attendees and apologies

Attendees

Sara Vaughan	SV	BSC Panel Chair
Phil Hare	PH	Deputy BSC Panel Chair
Alexander Peart	AP	KPMG
Andrew Colley	AC	Industry Panel Member
Aylin Ocak	AO	Elexon
Beth Procter	BP	Elexon
Colin Down	CD	Ofgem Representative
Derek Bunn	DB	Independent Panel Member
Diane Dowdell	DD	Chair Appointed Industry Panel Member
Ed Rees	ER	Consumer Panel Member
Elliott Harper	EH	Head of Governance Services, Panel Secretary
Fionnghuala Malone	FMa	BSC Administration Team Leader
Fungai Madzivadondo	FM	Distribution System Operator Representative
Gavin Gardener	GG	KPMG
George Crabtree	GC	Elexon
Ivar Macsween	IM	Elexon
Jenny Sarsfield	JS	Elexon
John Lucas	JL	Elexon

Attendees and apologies		
Jon Wisdom	JW	NGESO Panel Member
Lisa Waters	LW	Industry Panel Member
Marianne Haslam	MH	Elexon
Mark DeSouza Wilson	MDSW	Elexon
Mark Oxby	MO	Industry Panel Member
Michael Robertson	MR	Industry Panel Member
Nathan Cain	NC	KPMG
Simon McCalla	SM	Elexon CEO
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

Open Session

1. Introduction

- 1.1 The Chair noted apologies from Andy Manning and that Ed Rees was his alternate.

Part I: Confidential Business (Closed Session)

Part II: Public Business (Open Session)

2. Balancing Mechanism (BM) Audit delay additional charges Assessment' (331/08)

- 2.1 A delay to the delivery of the BM Audit has incurred additional charges that are not included in BSCCo's pre-approved Assurance budget. The paper sought a determination from the Panel whether these charges should be paid by BSCCo and treated as BSC Costs under BSC Section D. This item was moved from confidential to public session.
- 2.2 A Panel member queried how much of the delay was down to NGESO. CF from NGESO noted that it was due to increased complexity in the way in which NGESO manages the BM which meant that further work had been necessary in order to give the right level of assurance.
- 2.3 A Panel Member queried whether NGESO could have anticipated the overrun. CF commented that the overrun was 4 months over a 12 month period.
- 2.4 Another Panel Member questioned which IT systems had changed that made this year's audit different from previous years. CF highlighted that there was not one particular system that had changed, it was down to how thorough the audit was but noted that NGESO are comfortable with level of assurance this audit gives.
- 2.5 The Chair queried whether the increased level of budget will be similar for the coming year. CF commented that there is a 3 year contract for the audit but was unable to answer and therefore took the question away.
- 2.6 In response to a question from the Ofgem Representative, it was clarified that the additional costs under discussion were half of the overrun costs +VAT, with NGESO absorbing the other half.

- 2.7 The Chair confirmed that if the Panel did not agree to the costs then they would fall back onto NGESO.
- 2.8 A Panel member expressed disagreement with half the costs being picked up under BSC costs at all, as it would not incentivise NGESO to pay in the coming years.
- 2.9 CF commented that this audit has given significant assurance on top of previous audits, as it was especially thorough having looked through all of the actions, through the eyes of the consumer. She noted that this is an important element providing assurance around the process.
- 2.10 A Panel Member noted that NGESO are obliged to do a thorough audit in any case. Another Panel Member commented that this is a matter of principle, as the BSC should only pay for what has changed within the scope of the audit.
- 2.11 The Chair suggested that the Panel should have been made aware of additional costings ahead of time, as it is subject to prior approval of costs in the Code.
- 2.12 VM noted that clarity on costings was only available recently. The Company Secretary confirmed that despite this, it doesn't remove the need for Panel approval for additional costs.
- 2.13 A Panel Member noted that in any case the Panel would expect to have seen an indication of the scale of the overrun well in advance, as it should have been highlighted formally ahead of presenting with the final figure.
- 2.14 A Panel Member expressed caution on the budget for next year. CF noted that going forward, if there are any risks that they will be flagged with Elexon, and will undertake a review to try to prevent this in the future.
- 2.15 The BSC Panel:
- a) **COMMENTED** on the delay of the BM Audit; and
 - b) **DETERMINED** that the additional charges will be NOT be paid for by BSCCo or treated as BSC Costs.

Part III: Confidential Business (Closed Session)

Part IV: 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

3. Change Report and Progress of Modification Proposals (331/02)

- 3.1 KK presented the Change Report and progress of Modification Proposals.
- 3.2 The BSC Panel:
- a) **NOTED** the contents of the October 2022 Change Report.

4. P447 'Avoiding impact of Winter Contingency actions on cash-out prices' Urgent Modification Report (331/03)

- 4.1 A Panel Member noted that there were potential alternate ways to deal with this issue. They queried whether there were learnings that NGESO could take on board, and highlighted that there is a risk that unforeseen consequences may be missed.
- 4.2 John Lucas (JL) confirmed Elexon would publish which BM units are in the definition of winter contingency units and this will be published on the BSC website.
- 4.3 A Panel Member noted that NGESO said they would provide an information sheet on dynamic parameters and questioned whether GB would support France in a System Operator to System Operator trade which would then offset the costs to UK consumers?
- 4.4 The BSC Panel:
- a) **AGREED** that P447
 - i **DOES** better facilitate Applicable BSC Objective (b);
 - ii **DOES** better facilitate Applicable BSC Objective (c); and
 - iii **DOES** by majority better facilitate Applicable BSC Objective (d);

- b) **AGREED** that P447 does not impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **AGREED** a recommendation that P447 should be **Approved**;
- d) **APPROVED** an Implementation Date [for the Proposed Modification] of:
 - i 1 Working Day following Ofgem decision;
- e) **APPROVED** the draft legal text for P447;
- f) **APPROVED** the amendments to the Code Subsidiary Documents; and
- g) **APPROVED** the P447 Modification Report.

5. **P437 'Allowing non-BSC Parties to request Metering Dispensations' Draft Modification Report (331/04)**

5.1 The BSC Panel:

- a) **AGREED** that P437
 - i **DOES** better facilitate Applicable BSC Objective (c); and
 - ii **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREED** that P437 does not impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **DETERMINED** (in the absence of any Authority direction) that P437 is a Self-Governance Modification Proposal;
- d) **APPROVED** P437;
- e) **APPROVED** an Implementation Date of:
 - i **10 Working Days** after the Self Governance Objection window closes;
- f) **APPROVED** the draft legal text;
- g) **APPROVED** the amendments to the Code Subsidiary Documents; and
- h) **APPROVED** the P437 Modification Report.

6. **P445 'Improving efficiency of Default Funding Share process and Energy Supply Company Administration' Draft Modification Report (331/05)**

6.1 The BSC Panel:

- a) **AGREED** that P445
 - i **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREED** that P445 does not impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **DETERMINED** (in the absence of any Authority direction) that P445 is a Self-Governance Modification Proposal;
- d) **APPROVED** P445;
- e) **APPROVED** an Implementation Date of:
 - i **10 Working Days** after Self Governance Appeals Window closes;
- f) **APPROVED** the draft legal text;
- g) **APPROVED** the amendments to the Code Subsidiary Documents; and
- h) **APPROVED** the P445 Modification Report.

7. **P434 'Mandate to Half Hourly Settle the Non-Half Hourly Unmetered Supplies Metering Systems' Assessment Report (331/06)**

7.1 The BSC Panel:

- a) **AGREED** that P434
 - i **DOES** by majority better facilitate Applicable BSC Objective (c);

- ii **DOES** by majority better facilitate Applicable BSC Objective (d); and
- b) **AGREED** by majority an initial recommendation that P434 should be **Approved**;
- c) **AGREED** that P434 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREED** an initial Implementation Date of:
 - i 5 WDs after Authority decision, so long as the decision is received at least 18 months and 5 Working Days before the UMS Mandate Go-Live Date;
- e) **APPROVED** the amendments to the Code Subsidiary Documents;
- f) **AGREED** the draft legal text;
- g) **AGREED** an initial view that P434 should not be treated as a Self-Governance Modification;
- h) **AGREED** that P434 is submitted to the Report Phase; and
- i) **NOTED** that Elexon will issue the P434 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 10 November 2022.

Part V: Non-Modification Business (Open Session)

8. Elexon Report Minutes of previous meetings and Actions arising

- 8.1 The BSC Panel approved the draft minutes for BSC Panel meeting 330A and 330B. Elexon presented the actions and associated updates for the October 2022 Panel meetings. It was agreed that the 330 minutes would be recirculated for approval at the 332 Meeting.

9. Chair Report

- 9.1 The Chair acknowledged the great service done by Michael Gibbons as previous Chair of Elexon and the BSC Panel. The Chair reported on a number of market issues.
- 9.2 The BSC Panel:
 - a) **NOTED** the update

10. Elexon Report (331/01)

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

11. Distribution Report

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

12. National Grid Report

- 12.1 The NGESO Representative provided an update on the ESO Markets Forum, and Winter Outlook report.
- 12.2 He noted that NGESO had published consultations on the [C16 statements](#).
- 12.3 The BSC Panel:
 - a) **NOTED** the update

13. Ofgem Report

- 13.1 The Ofgem Representative noted that the Energy Security Bill was being reviewed by government and that Ofgem were therefore looking at key policy areas and reviewing their publication timelines. The Ofgem Representative also noted that Ofgem had issued a paper on Data Best practice Guidelines and was considering expanding who these applied to.
- 13.2 The BSC Panel:

a) **NOTED** the update

14. AOB

- 14.1 A Panel Member raised the topic of Independent Panel Members and whether or not the Panel has the right mix of expertise in regard to how the market is changing. The Chair noted that Elexon could map the current Panel's skills and expertise. Another Panel Member suggested that, in the same way as Panel Members are appointed for a certain period of time, the same might apply to Independent Panel Members.

15. Panel Discussion on Ways of Working

- 15.1 EH invited the Panel to discuss meeting attendance (in person/virtual), panel paper distribution methods, alternates, emergency contact details, headline reports and Panel sub-Committee sponsors.
- 15.2 The Panel noted that they were open to setting 3-4 dates per year where Panel members were encouraged to attend in person where possible, on condition that this is not mandatory.
- 15.3 Elexon sought feedback from the Panel on alternative methods for distributing Panel papers. The Panel noted that key benefits would be removing the need for zip files (and thus not needing c.3 emails for each paper day), and having all papers in a single location, ordered in a logical manner,
- 15.4 Elexon highlighted that further review of Section B 'The Panel' of the BSC suggested that any Panel decisions made ex-committee would need a response from **all** Panel Members or their alternates. This could prove challenging if a Panel member is uncontactable (for example, on holiday) and may delay Panel decisions or mean a meeting needs to be called as Elexon does not hold a list of standing alternates that could be used specifically in the ex-committee decision scenario. Elexon requested that Panel Members provide a first and second standing alternate preference. Note that Panel Members are still expected to appoint an alternate on a meeting-by-meeting basis if they are unable to attend, and that the standing alternate provisions will only be used in urgent (where required), or ex-committee circumstances.
- 15.5 Elexon noted that it would be seeking Panel members out of hours contact details in support of its winter preparedness activities. These details will only be used in exceptional circumstances, were Panel required to take action out of hours.
- 15.6 The Panel discussed the production of Committee Headline reports, given they only receive a handful of views by Parties per month. The Panel noted that Elexon resource could be better utilised in other areas and supported Elexon's notion to further investigate whether it should cease producing headline reports.
- 15.7 Elexon noted that with the forming of the new Panel, it would shortly review the Panel Sponsors appointed to attend the sub-Committees as a representative of the Panel, and would communicate the outcome of this work at a future Panel meeting.
- 15.8 The BSC Panel:
a) **NOTED** the update

16. Next meeting

- 16.1 The next scheduled meeting of the BSC Panel will be held in the Elexon Offices on Thursday 10 November 2022.