

ELEXION

BSC Panel 331

Public Slides

13 October 2022

An aerial photograph of a rural landscape. In the center, a white wind turbine stands in a green field. To the left, a farm with a grey-roofed building and a large group of black and white cows is visible. The landscape is divided into green fields by brown hedgerows. The right side of the image is overlaid with a solid teal color containing white text.

PART I: CONFIDENTIAL BUSINESS (CLOSED SESSION)



PART II: PUBLIC BUSINESS (OPEN SESSION)

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**Balancing Mechanism (BM) Audit delay
additional charges**

331/08 – Beth Proctor

13 October 2022

Electricity Transmission Standard License Conditions

- National Electricity Transmission System Operator (NETSO) to procure Audits in relation to the cost of Balancing Services.

Balancing and Settlement Code

- Section Q
 - The rules for submitting Balancing Mechanism (BM) data to the Balancing Mechanism Reporting Agent (BMRA) and Settlement Administration Agent (SAA);
- Section H
 - NETSO is to appoint an independent BM Auditor to review submission of BM data and compliance with Section Q; and
 - BM Audit forms part of the BSC Audit.
 - Section H, 5.7.6 states: 'The costs of carrying out any such audit by the BM Auditor shall, subject to the prior approval of such costs by the Panel, be charged to BSCCo and shall be treated as BSC Costs for the purposes of Section D '.

Additional charges

- 2021/2022 BSC year, the delivery of the BM Audit Opinion has been delayed by four months;
- NGESO statement provided in the paper for the reason for delay;
- Additional charges have been incurred to a sum of £70,069 +VAT (now confirmed by NGESO);
- NGESO wishes to recover half from BSCCo, with these treated as BSC Costs.

BSC Audit impacts

- International Standard on Assurance Engagements (ISAE (UK)) 3000 Opinion delayed which covers Central Volume Allocation (CVA) Central Settlement Systems and CVA Meter Operator Agents (CVAMOsAs).

Party impacts

- Scheduling senior management representation letters for the BSC Audit;
- Party own audits that take account the BSC Audit results.

Ellexon impacts

- The budget for the BM Audit is determined in advance and included in Ellexon's Assurance budget;
- For 2021/2022 this was set to cover the cost of £86495+VAT, therefore the overrun has not been accounted for;
- Increase in Ellexon resource to manage this delay, absorbed through existing resource within Ellexon.

Elxon actions

- The BSC Audit Assurance Approach is to be sent to NGESO upon its approval;
- Elxon will schedule regular checkpoint calls with NGESO throughout the year; and
- Elxon is considering what can be done to strengthen the governance around this process.

NGESO actions

- *Working more closely with Elxon, having regular meetings/checkpoints to discuss progress on the BM Audit;*
- *Increased resourcing for BM Audits (for the wider business); and*
- *Split off the delivery of the ITGC testing to the division holding the IT dependencies – the growth in IT applications used in managing our requirements have led to an increase in the audit scope and requirements.*

Recommendations

We invite the Panel to:

- a) **COMMENT** on the delay of the BM Audit; and
- a) **DETERMINE** whether the additional charges will be paid for by BSCCo and treated as BSC Costs.

An aerial photograph of a rural landscape. In the center, a white wind turbine stands in a green field. To the left, a small farm with a grey roof and a red chimney is visible, surrounded by a dirt road and some debris. The landscape is divided into several green fields by dark, hedged boundaries. A herd of black and white cows is grazing in one of the fields. The overall scene is bright and sunny.

PART III: CONFIDENTIAL BUSINESS (CLOSED SESSION)



PART IV: MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

ELEXION

Change Report and Progress of Modification Proposals

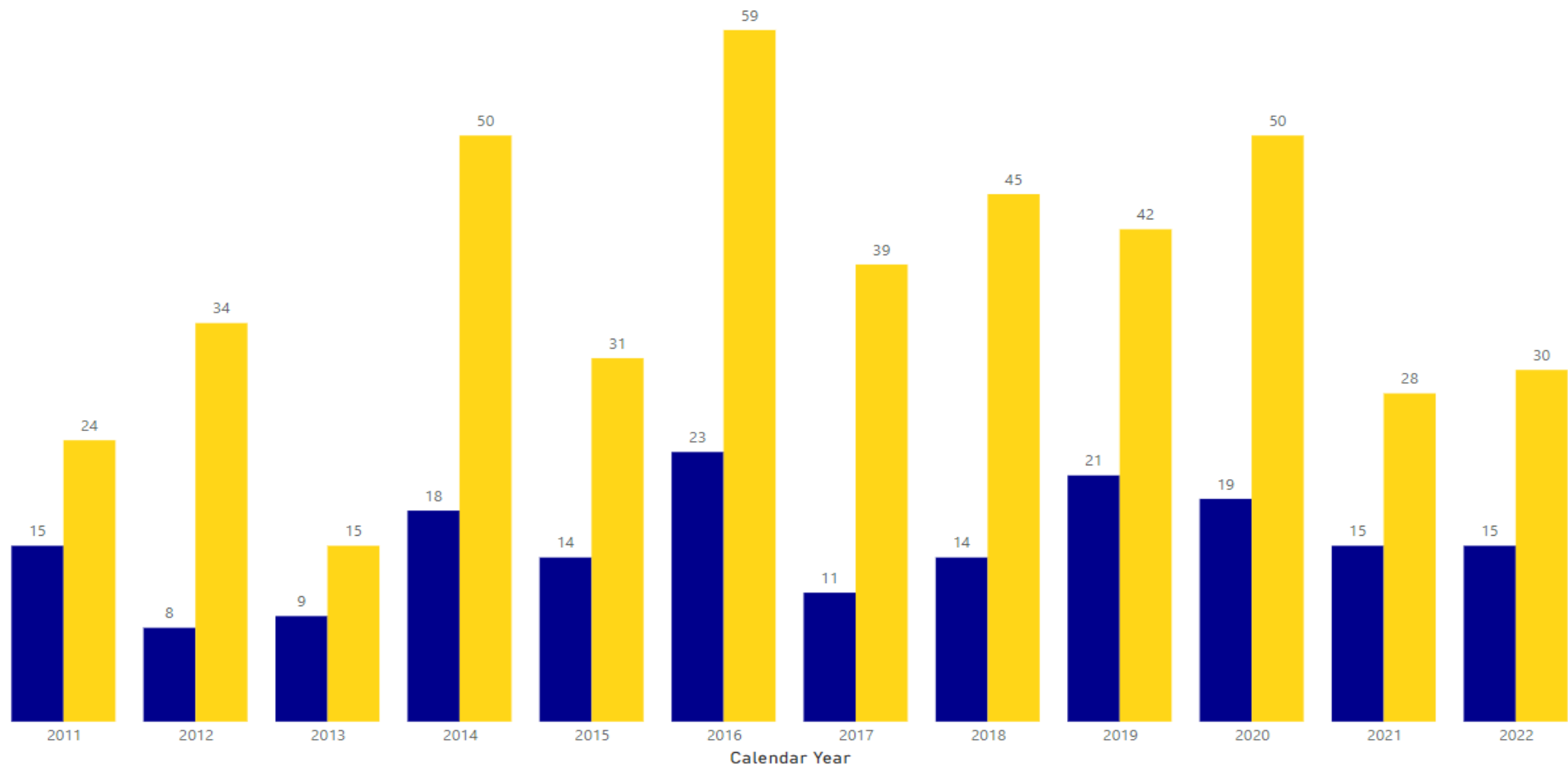
331/02 – Keren Kelly

13 October 2022

BSC Modifications raised by year and Workgroups held

How many Modifications raised and Workgroups held?

● Mods raised ● Workgroups (excl. Issues)



BSC Modifications overview

Initial Written Assessment	-
Assessment Procedure	P412, P415, P426, P434, P441, P442, P443, P444
Report Phase	P432 (Sent Back), P437, P445
Urgent	P447, P448
With Authority (decision cut-off)	P427 (2 Feb 23)
Authority Determined (implementation date)	P446 (23 Sep 22), P425 (5 Oct 22), P395 (Nov 23),
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 95, Issue 96, Issue 99, Issue 100, Issue 101, Issue 102, Issue 103

BSC Modifications approved timelines

	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23
P412 'Non-BM Balancing Providers pay for non-delivery imbalance'									AR		DMR
P415 'VLP access to wholesale market'							AR		DMR		
P426 'Combining Credit Cover for groups of related Parties'									AR	DMR	
P432 'HH Settlement for CT Advanced Meters'				Send back process		DMR					
P434 'Mandate Half Hourly Settlement for NHH UMS'					AR	DMR					
P437 'Allowing non-Parties to request Metering Dispensations'				AR	DMR						
P441 'Creation of complex site classes'		IWA							AR	DMR	
P442 'Reporting FCL for exempt and licenced supply'		IWA						AR		DMR	
P443 'Cap NGESO Interconnector Trades'			IWA				AR		DMR		
P444 'Compensation for VLP actions in the BM'			IWA						AR		DMR
P445 'Default Funding Share process improvement'				IWA	DMR						
P447 'Avoiding impact of WCS actions on cash-out'				IWA	DMR						
P448 'Mitigating Gas Supply Emergency Risks'				IWA	WGs	DMR					

BSC Change Release Roadmap

2022	2022	2023			Un-allocated
Ad-hoc	Nov	Feb	Jun	Nov	
P432 'HH Settlement for CT Adv. Meters' (+5WDs)	CP1559 'Complex Sites Process Improvements'	P376 'Baselining Methodology'	CP1558 'New Registration data items to facilitate MHHS'	P395 'Final consumption levies'	P412 'Non-BM BS providers pay non-delivery'
P434 'HH Settlement for NHH UMS' (+5WDs)	CP1560 'Demand Control Event Process Clarifications'	P419 'BSUoS data'	P441 'Creation of complex site classes'		P415 'VLP access to wholesale market'
P437 'Non-Parties to request Metering Dispensations' (+5WDs)	CP1563 'Amending Commissioning timescales for CT Meters'	P428 'Correct P376 drafting error'	CP1568 'Inclusion of new LDSO-mastered SMRS data items'		P426 'Combining Credit Cover for groups of related Parties'
P443 'Cap NGESO Interconnector Trades'	CP1565 'Updates to address Central Management System issues'	P427 'Publish Parties impact on Settlement Risks'			MHHS
P445 'Default Funding Share process improvement' (+10 WDs after the Self-Governance window closes)	CP1566 'Introducing the CVA Commissioning End to End Check process'	CP1569 'Amendments to the IDD documentation to align with SAA migration'			P442 'Reporting FCL for exempt and licenced supply'
P447 'Avoiding impact of WCS actions on cash-out' (+1WD)	CP1567 'New BSC Procedure (BSCP) for Assurance Information Requests (AIRs)'				P444 'Compensation for VLP actions in the BM'
P448 'Mitigating Gas Supply Emergency Risks' (+1WD)	CP1570 'Housekeeping amendments to include reference to 'Asset Metering Virtual Lead Party''				

Key

Approved

With Authority

Report Phase

Assessment Phase

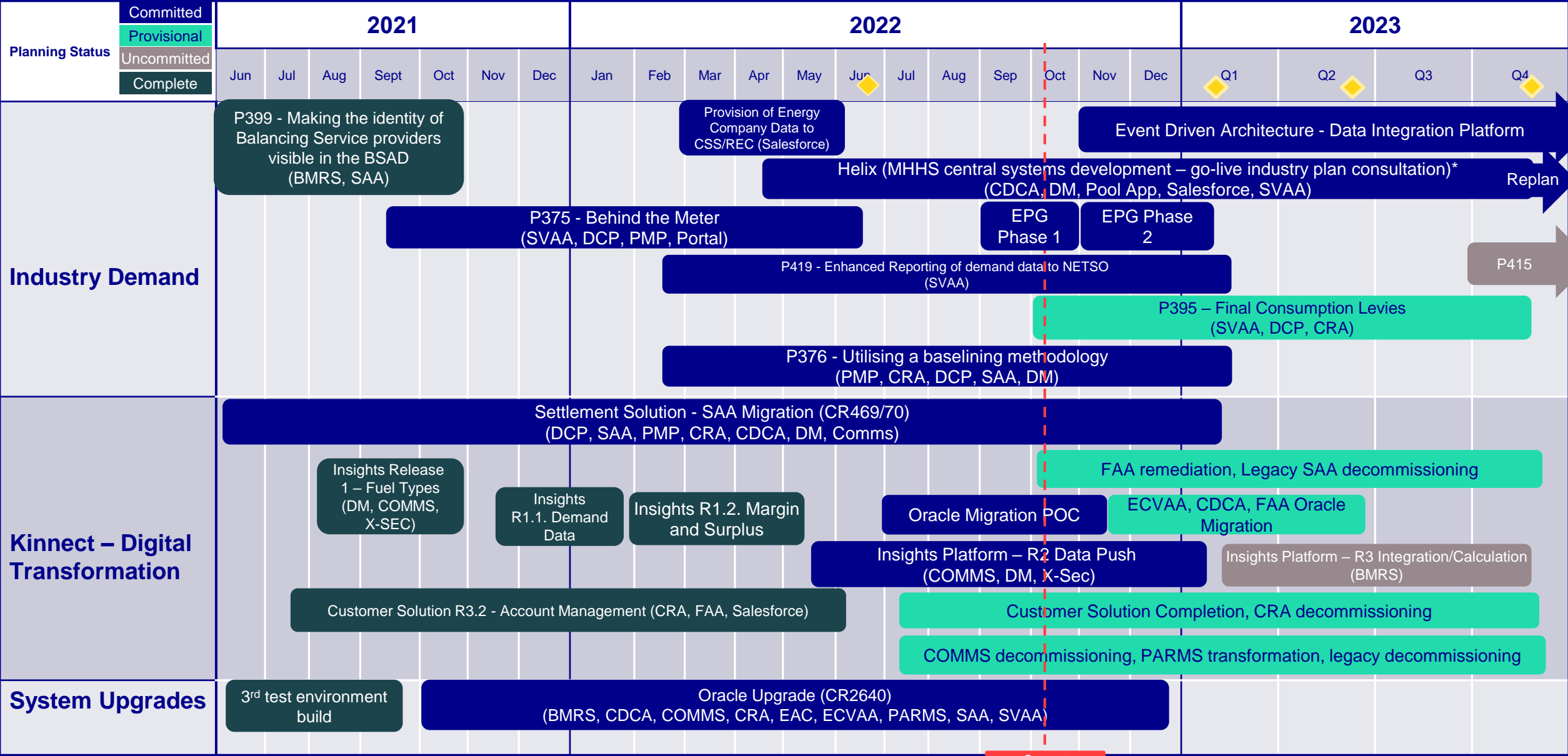
Direction

Urgent

Portfolio Pipeline and Plan

Denotes Industry release

*Helix increases in Resource and systems demand heading into 2023 reflected in the activity bars below



Current Position

Modification Update: Urgent Modification Updates

- We have received four requests for urgency since 17 Aug 22, three of which were granted urgency by Ofgem
 - 5 Urgent requests this year (so far)
- We have not received this many since 2002

P447 ‘Avoiding impact of Winter Contingency actions on cash-out prices’

- Ofgem determined no EBGL consultation required
- Issued for 5WD consultation – closed 12 Oct
- Draft Modification Report presented today (13 Oct)
- Submit to Ofgem today (13 Oct)
- Implement 1WD after Authority decision

P448 ‘Protecting Generators subject to Firm Load Shedding during a Gas Supply Emergency from excessive Imbalance Charges’

- 3 Workgroup meetings held 4 to 6 October
- Urgent-consultation issued for 3WDs – closed 12 Oct
- Workgroup meeting 14 Oct
- One-month EBGL consultation 14 Oct to 14 Nov 2022
- Workgroup meeting By 16 Nov 2022
- Draft Modification Report presented by 18 Nov
- Submit to Ofgem by 18 Nov
- Implement 1WD after Authority decision

Impact from Urgent Modifications

- No material impact from first two urgent requests this year
- P446 'Energy Price Guarantee Scheme for domestic customers'
 - Due to operational demand to operate P446 an Issue Group to review the Credit Arrangements is now scheduled to be raised in Q1 2023 instead of Q4 2022
- P447 and P448 urgency has required us to re-plan some workgroups, both for Elexon and industry resource constraints
 - Issue 102 (Review Change Process) being re-arranged from 3 Oct
 - Issue 101 (enduring DIP arrangements) being re-arranged from 11 Oct
 - P441 (Creation of Complex Site Classes) being re-arranged from 6 Oct
 - P442 (Reporting chargeable volumes for exempt and licensed supply) Workgroup to be held in November instead of October
- We have received feedback from Workgroup members supporting the re-planning of these meetings
- We do not believe the delays to these meetings will impact the Implementation Dates

Recommendations

We invite the Panel to:

a) NOTE the contents of the October Change Report.

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**P447 'Avoiding impact of winter
contingency actions on cash-out prices'**

331/03 Ivar Macsween

13 October 2022

P447: Background and Issue

- Due to the ongoing war in Ukraine and the potential for scarcity over the winter period the ESO has entered into additional bi-lateral contracts with coal generators that would otherwise not have been generating over the Winter period
 - This has been done to provide additional non-gas capability to generate significant volumes of electricity if needed
- This service must be dispatched at £0/MW to minimise the impact on cashout and restrict payments to the providers of the service which would create unnecessary cash flows between parties
- In the absence of this Modification, the cash out price could, in certain circumstances be set at £0/MWh
- The Proposer intends that the Winter Contingency service, if called upon, is fairly reflected in the cash-out calculation so that it is not distorted in any way
- An additional desired outcome is that the Generator doesn't receive an offer payment at a non-zero price

P447: Proposed Solution

- The proposed solution would require changes to BSC Sections T, X and BSCP18 to allow Offers from certain BM Units (“Winter Contingency BM Units”) to be treated (for purposes of calculating Imbalance Prices only) as having a very high price (£99,999/MWh)
- These BOAs should also be System Flagged, to ensure that the price of £99,999/MWh (which does not reflect actual balancing costs) cannot set the Imbalance Price
- Given sufficient time, Elexon would deliver a system change to the Imbalance Price calculation but delivery would not be possible in time for this Winter
- Therefore National Grid and Elexon propose to operate a workaround process to deliver the effect of the BSC Modification, without requiring these system changes:
 - NG to use existing process for ex post amendments to BOA data in BSCP18 so that the BOA is removed from the calculation of Trading Charges
 - NG to include the energy volumes associated with the Offer in the BSAD and ABSVD submitted to Settlement. The BSAD item would be System Flagged and have a price of £99,999/MWh, as required by this Modification, so that the cashout price is not set by the Winter Contingency Service
 - Elexon to publish notifications on the BSC Website

P447: Approved Urgent Timetable and Procedure

- The Proposer requested P447 be treated urgently and the Panel agreed. We asked Ofgem to make a decision on P447, summarising the key requests and rationale
- Ofgem granted P447 ‘urgent status’ on 4 October 2022, satisfied that progressing P447 is related to an imminent or current issue that may cause a significant commercial impact on stakeholders

Event	Date
Modification presented to Panel	29 September 2022
Submitted to Authority for decision on urgency and decision to approve/reject, based on Proposal Form and this IWA	29 September 2022, following Panel meeting
Urgent Modification Consultation (5WD)	Issued on 5 October 2022, closing 5pm on 12 October 2022
Urgent Modification Report	Presented to the BSC Panel on 13 October 2022, where the Panel will consider responses and provide their final recommendations on P447.
Final Urgent Modification Report submitted to Authority	The Final Modification Report, containing the Panel’s discussions and final recommendations, will be sent to Ofgem on 13 October, following the Panel meeting.
Modification implemented	1WD after Authority approval

P447: Implementation and Impact

- Implementation approach: +1 WD after the Ofgem decision to approve
- National Grid will submit the BSCP18 form to remove the Winter Contingency BOAs from Settlement and include the corresponding volumes in their BSAD and ABSVD files when required
- Elexon will publish affected Winter Contingency BMUs on the BSC Website. Challenging to assess how often the P447 process would be used, but the impact on Elexon is limited to the effect from a potential increased volume of BSCP18 forms
- Document changes to Section T & Annex T-2:
 - Section T1.15 added, allowing NETSO to identify BM Units as “Winter Contingency BM Units” and Elexon to publish notifications on BSC Website
 - Changes to Annex T-1 paragraph 1.2(e) to price Offers from Winter Contingency BM Units at £99,999/MWh (for purposes of the Imbalance Price calculation only)
- Section X Annex X-1 to Define “Winter Contingency BM Unit”
- BSCP18 to reference new Winter Contingency Process

P447: Urgent Modification consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel’s unanimous recommendation that P447 should be approved?	3	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P447?	3	0	0	0
Do you agree with the Panel that the redlined changes to the Code Subsidiary Documents deliver the intention of P447?	3	0	0	0
Do you agree with the Panel’s recommended Implementation Date?	3	0	0	0
Do you agree with the Panel’s initial view that P447 should not be treated as a Self-Governance Modification?	3	0	0	0
Do you agree with the Panel’s initial view that P447 does not impact the EBGL Article 18 Terms and Conditions related to balancing held within the BSC?	3	0	0	0

- 3 responses received to the P447 Urgent Modification Consultation by Generators and Suppliers and including parties contracted to provide the Winter Contingency service
- All respondents agreed that P447 should be approved and agreed with the Panel’s initial recommendations
- The scope of P447 is limited to finding a solution under which Winter Contingency contracts are dispatched at £0/MWh Offer prices, and changes to the BMRS would not be possible in the needed timeframes to implement P447

P447: Urgent Modification consultation responses

Question	Yes	No	Neutral	Other
Will P447 impact your organisation?	2	1	0	0
How much will it cost your organisation to implement P447?	Minimal			
What will the ongoing cost of P447 be to your organisation?	Minimal			
Do you agree, subject to Ofgem approving P447, that a consultation or Workgroup following the implementation of P447 is no longer required as Ofgem directed this consultation be issued?	3	0	0	0

- Low to no impacts identified
- Respondents unanimously agreed that a further consultation or Workgroup following the implementation of P447 is no longer required as Ofgem directed a consultation period

Recommendations

We invite the Panel to:

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

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**P437 'Allowing non-BSC Parties to request
Metering Dispensations'**

331/04 – George Crabtree

13 October 2022

P437: Background

- BSC Section L 'Metering' outlines and governs the requirements, roles and responsibilities for the Metering Dispensation Application
 - The process steps are detailed in Balancing and Settlement Code Procedure (BSCP32) 'Metering Dispensation'
- When a Registrant submits the Metering Dispensation application to the BSCCo (Elexon), Elexon completes a sequence of actions as detailed in BSCP32
 - Elexon recommends at least 14 weeks before the Energisation of the applicable Metering site
- The Metering Dispensation Application is assessed by the relevant BSC Committee (i.e. ISG, SVG, MDRG, etc.) before a decision to approve or reject the Application is made
- However, the requirement in Section L, which permits only the Registrant to submit the Metering Dispensation Application, adds delay to the process of submitting a Metering Dispensation application

P437: Proposed Solution

Proposed solution prior to the Workgroup Assessment

- Introduce a requirement in Section L that permits Meter Operator Agents (SVA or CVA) to submit a Metering Dispensation on behalf of a non-BSC Party
 - The Metering Dispensation process in BSCP32 will also be updated to reflect the requirements in Section L

Proposed solution agreed by the Workgroup

- Introduce a requirement in Section L that permits the BSCCo (Elexon) to submit a Metering Dispensation application on request from a party, other than the Registrant of the applicable Metering System
 - The process in BSCP32 will be updated to reflect the new requirement in Section L
 - BSCP502 and the metering Codes of Practice (CoPs) 1, 2, 3, 5 and 10 will be amended to reflect the changes to who is permitted to submit a Metering Dispensation application

P437: Costs

Implementation Costs:

Organisation	Area	Costs (£k)
Elexon	Systems	0
	Documents	<3
	Other	0
Industry	Systems and processes	0
Total		<3

Ongoing Costs:

- Elexon:** We estimate that the effort required to progress Metering Dispensations may increase by **1 day per application (~33% increase)**, for each application submitted by a non BSC Party. If we presume **50 – 75% applications** are submitted by non parties, of a total of around 15 applications per year, the annual cost increase for Elexon will be £5k

P437: Report Phase Consultation Responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel’s initial unanimous recommendation that P437 should be approved?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P437?	1	0	0	0
Do you agree with the Panel’s recommended Implementation Date?	1	0	0	0
Do you agree with the Panel’s initial view that P437 does not impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	1	0	0	0
Do you agree with the Panel’s initial view that P437 should be treated as a Self-Governance Modification?	1	0	0	0
Do you have any further comments on P437?	0	1	0	0

- The one respondent was in support of the P437 solution, redlining and Implementation Date
- They also agreed that P437 should be a Self-Governance Modification and that it does not impact EBGL

P437: Recommendations

We invite the Panel to:

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

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**P445 'Improving efficiency of Default
Funding Share process and Energy Supply
Company Administration'**

331/05 – Aylin Ocak

13 October 2022

P445: Background and Issue

Background

- The Default Funding Share (DFS) process is performed in the event of non-payment of Trading Charges by a BSC Party with insufficient Credit Cover to clear the unpaid amount. This typically requires nine Working Days (WD) from generating the Advice Note to receiving funds. The unpaid amount is mutualised and invoiced to all other BSC Parties pro rata after six working days.
- These timings are a result of legacy procedures which involved manual operation and printing of notices by postal arrangements.

Issue

- This then leaves the Funds Administration Agent (FAA) with insufficient funds to balance payments to zero until the non-payment is recovered. The FAA must therefore use a borrowing facility to cover the debt with debt interest paid by all customers.
- If there are insufficient funds to cover payments out, the FAA will operate a shortfall process. This results in payments out to BSC Parties being scaled back until the funds can be recovered via the DFS.
- In the event of an Energy Supply Company Administration (ESCA), the full application of the Section N restrictions to payments out may not be appropriate.

P445: Proposed Solution

The proposed solution is based on a change to FAA system, BSC Section N and Code Subsidiary Documents to allow Trading Charges for a Defaulting Party (BSC Parties in Section H Default) to be mutualised from the Advice Note/Notification date (ND) onwards without delay, reducing the duration of outstanding payments from 6 WD (ND+9) to 0 WD (ND+3).

The Diagram demonstrates the current payment scenarios and the proposed solution.

Scenario	Notification Date (ND)	ND+1WD	ND+2	ND+3	ND+4	ND+5	ND+6	ND+7	ND+8	ND+9
Normal Operation	Advice Note (Invoice)			Payment Received						
Payment Default with Credit Cover	Advice Note (Invoice)			Payment Not Received		Credit Cover Used				
Payment Default no Credit Cover	Advice Note (Invoice)			Payment Not Received			Default Funding Share Advice Notes			Mutualised Payments Received
Payment Default (Section H Default)	Advice Note (Invoice)			Payment Not Received	Default Funding Share Advice Notes			Mutualised Payments Received		
Proposed Solution (Section H Default)	Default Funding Share Immediately – Default Funding Share Advice Note			Payment Received						

Impacts & Costs

Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	11k-13k	0	Implementation costs driven by the system changes to the FAA system. Also minor costs from changes to the BSC documents.
NGESO	0	0	No impact
Industry	0	0	No impact
Total	11k-13k	0	

P445: Report Phase Consultation responses

- P445 was approved to progress to the report phase by the BSC Panel on 8 September 2022. The consultation for P445 was issued on 12 September and responses were invited until 27 September 2022. A reminder email was issued on 20 September 2022
 - No responses were received to the Report Phase Consultation

P445: Recommendations

We invite the Panel to:

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

ELEXION

**P434 'Mandate to Half Hourly Settle the
Non-Half Hourly Unmetered Supplies
Metering Systems'**

331/06 – Aylin Ocak

13 October 2022

P434: Background

- The CCDG has recommended moving Non-Half Hourly (NHH) Unmetered Supplies (UMS) Metering System Identifiers (MSIDs) to settle Half Hourly (HH) between October 2023 and October 2024 (based on the MHHS Timetable at the time) to mitigate the risk of not meeting the Transition Timetable set out by Ofgem in its Full Business Case
- If the Change of Measurement Class (CoMC) of NHH UMS MSIDs are not done in advance of the transition to the Target Operating Model (TOM), combined with the workload from other MHHS migration activities, it will significantly increase the risk that there will be insufficient time for Customers, Suppliers and UMSOs to address any issues that may arise during the transition to the MHHS TOM

P434: Solution

- P434 will require a period of mandatory Change of Measurement Class (CoMC) activity for all NHH UMS Metering Systems to complete before the MHHS migration to the TOM (Milestone 11 (M11) in the MHHS Timetable), referred to as the UMS Mandate Go-Live Date

Activity	Compliance Deadline	Current Date
New UMS connections to be Settled HH	12 months prior to UMS Mandate Go-Live Date (Milestone M11)	October 2023
Coordinated data cleanse activity	18 months prior to the UMS Mandate Go-Live Date	April 2023
Existing UMS connections to be Settled HH	UMS Mandate Go-Live Date	October 2024

Impacted Parties:

- Suppliers
- Licensed Distribution System Operators (LDSOs)
- Unmetered Supplies Operator (UMSOs)
- Meter Administrators (MAs)
- Non-Half Hourly Data Collectors (NHHDCs)
- Half Hourly Data Collectors (HHDCs)
- Non-Half Hourly Data Aggregators (NHHDA)
- Half Hourly Data Aggregators (HHDA)

Impacted Documents:

- BSC Section S 'Supplier Volume Allocation'
- BSCP501 'Supplier Meter Registration Service'
- BSCP502 'Half Hourly Data Collection For SVA Metering Systems Registered in SMRS'
- BSCP520 'Unmetered Supplies Registered in SMRS'
- Operational Information Document

Implementation costs:

Organisation	Item	Costs (£k)
Elexon	Systems	0
	Documents	< 2
	Other	0
Industry	Systems and processes	Low (<100) to High (>1M)
Total		Medium

On-going costs:

- **Elexon:** £75k-£111k
- **Industry:** Low (<100k)

P434: Consumer and environment impacts

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability	Neutral
2) Lower bills than would otherwise be the case	Neutral
3) Reduced environmental damage	Positive
4) Improved quality of service	Positive
5) Benefits for society as a whole	Positive

P434: Implementation approach

If the Proposed Modification is approved, the Workgroup recommends an Implementation Date of:

- **5 WDs** after the Authority's decision is received, so long as the decision is received at least 18 months and 5WDs before the UMS Mandate Go-Live Date

P434: Workgroup views

The Workgroup and Proposer were in agreement:

- With the Proposed Solution
- There are no Alternative Solutions
- P434 **does not impact** EBGL Article 18 balancing terms and conditions
- P434 should be submitted to Ofgem for decision (not self-governance)

P434 Assessment Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup’s initial view that P434 does better facilitate the Applicable BSC Objectives than the current baseline?	9	4	2	0
Do you agree with the Workgroup that the draft legal text delivers the intention of P434?	11	1	3	0
Do you agree with the Workgroup that the amendments to the Code Subsidiary Documents in Attachment A delivers the intention of P434?	9	3	3	0
Do you agree with the Workgroup’s recommended Implementation Date?	10	4	1	0

- Majority of the respondents agreed with the Workgroup’s view that P434 better facilitates the Applicable BSC Objectives than the current baseline
- Majority agreed with the legal text and CSDs, one respondent disagreed with the legal text and CSDs as they did not agree with the implementation date of October 2023
- The majority of the respondents agreed with the Implementation Date. The respondents that disagreed didn’t agree with implementing P434. One respondent recommended the changes proposed should be optional instead, and if Market Participants are able to transition early then it should be possible but not mandated

P434: Assessment consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P434 which would better facilitate the Applicable BSC Objectives?	13	0	1	1
Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?	12	1	2	0
Do you agree with the Workgroup's assessment that P434 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	13	0	1	1

Question	High	Medium	Low	None	Other
What would be the total cost to your organisation if CoMC option 1 is used?	3	3	4	3	2
What would be the total cost to your organisation if CoMC option 2 is used?	3	3	5	3	1

CoMC option one:

- Approximate costs – LDSOs: £62K-£120K, Suppliers: £15K-£1M+
- Costs mostly associated with the manual effort required for creating the new MSIDs and cleansing data

CoMC option two:

- Approximate costs – LDSOs: £11K-£65K, Suppliers: £180K-£1M
- Costs associated with automating the CoMC process for UMS and cleansing data

P434: Assessment consultation responses

Question	Yes	No	Neutral	Other
What is the best mechanism for bulk appointments? Would the benefits of using the DTN outweigh the costs?	7	2	6	0
Do you agree Meter Administrators should receive D0139 data flows via the DTN? Would the benefits of this outweigh the costs?	10	1	4	0

Question	High	Medium	Low	None	Other
What impact will sending/receiving the D0379 and D0380 flows be for HHDCs, HHDA's and Suppliers?	0	4	3	1	7

- Majority of the respondents stated that using the DTN would be the most appropriate method for bulk appointments, it will reduce manual work. Respondents said other alternatives could also be used e.g. email
- Most respondents supported MAs receiving the D0139 data flows via the DTN. An MA didn't see the need to introduce this as a new process for a temporary period
- The DAs/DCs that responded said this change would be a low impact as they already have the ability to receive the D0379 and use the D0380. The four respondents that stated it will be a medium impact were all Suppliers.

P434: Assessment consultation responses

Question	High	Medium	Low	None	Other
Will P434 impact your organisation?	3	5	3	1	3
How much will it cost your organisation to implement P434?	3	2	6	1	3
What will the ongoing cost of P434 be to your organisation?	0	0	7	4	4

- Majority stated they will be impacted – P434 will bring forward the effort required to conduct CoMC activity, increase customer engagement, system changes may be required to facilitate the CoMC process or to change the use of HH consumption dataflows to 3 decimal places, contracts will need to be put in place between Suppliers and MAs
- Besides the costs for the CoMC process, majority of the implementation costs will be for the data cleanse activity, system changes and external engagement
- Many respondents didn't envisage high ongoing costs – mostly confined to the increased use of DTN and the management of the MA/UMSDS role in the Supplier hub

P434: Assessment consultation responses

Question	Yes	No	Neutral	Other
Do you agree that P434 will decrease the risks associated with transition to the MHHS TOM and to what extent will it decrease the risks?	8	4	1	2
Will your organisation incur additional costs as a result of P434 that you would not have incurred under MHHS? Alternatively, would there be any cost savings from migrating NHH UMS Metering Systems before the MHHS migration?	5	5	1	4
Do you agree with the Workgroup's assessment of the impact on the consumer benefit areas?	10	3	2	0
Do you agree with the data items included in the mandated data cleanse template?	9	2	4	0

Question	0-6 month s	6-12 months	>12 months	Other
How long (from the point of approval) would you need to implement P434?	6	1	0	8

- Majority agreed P434 reduces the risks associated with the transition to the MHHS TOM, early migration will allow Parties to address any risks or issues that may arise. Respondents that disagreed stated that P434 can divert resources required to support the main Programme
- Majority agreed with the data items included in the data cleanse template however some respondents asked for further clarification on some of the data items included

P434: Workgroup views against BSC Objectives

Does the P434 Proposed Solution better facilitate the Applicable BSC Objectives?		
Applicable BSC Objective	(c)	(d)
Proposer Views	Positive	Positive
Workgroup Views	Majority neutral (minority positive)	Positive (unanimous)

Objective (c)

The Modification enables a smooth transition to the MHHS TOM for Unmetered Supplies. The Modification will promote effective competition in the generation and supply of electricity because the data will be more accurate and granular which will enable more accurate purchasing and promote innovation and competition

Objective (d)

The HH Settlement of UMS is more accurate, efficient and robust than the NHH processes which currently require Material Error Monitoring processes to be undertaken on a regular basis. This Modification will therefore better facilitate Applicable BSC Objective (d) as it will introduce more efficient and effective processing of UMS data for Settlement

P434: Recommendations

We invite the Panel to:

- a) **AGREE** that P434:
 - i. **DOES** better facilitate Applicable BSC Objective (c);
 - ii. **DOES** better facilitate Applicable BSC Objective (d); and
- b) **AGREE** an initial recommendation that P434 should be **Approved**;
- c) **AGREE** that P434 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** 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) **APPROVE** the amendments to the Code Subsidiary Documents;
- f) **AGREE** the draft legal text;
- g) **AGREE** an initial view that P434 should not be treated as a Self-Governance Modification;
- h) **AGREE** that P434 is submitted to the Report Phase; and
- i) **NOTE** 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)

E L E X O N

Minutes of previous meetings and Actions arising

Fionnghuala Malone

13 October 2022

ELEXION

Chair's Report

Sara Vaughan

13 October 2022

ELEXON

331/01 Elexon Report Simon McCalla

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

13 October 2022

Energy Price Guarantee (EPG) Scheme

Urgent Modification P446 'Domestic Energy Price Guarantee Scheme' was raised by NGESO, enabling Elexon to implement and administer the payment scheme for Suppliers as part of the Government's Energy Price Guarantee Scheme for domestic electricity customers. The Modification was progressed under an urgent timetable approved by Ofgem, which saw Ofgem approve the Modification on the same day that the Panel made its final recommendation to Ofgem. It was implemented the following day on 23 September 2022.

Under the scheme, Elexon will manage payments to Suppliers for the Government's EPG Scheme. The EPG will reduce the unit cost of electricity and gas so that a typical household in Great Britain pays on average around £2,500 a year on their energy bill for the next 2 years, from 1 October 2022.

A multi-party contract has been signed by BEIS, Elexon and participating Suppliers. Payments will be made to Suppliers starting from later in October. To manage the electricity related payments for the EPG, we are using estimates of the volume of electricity that Suppliers' customers have consumed, using data from our Supplier Volume Allocation Agent (SVAA) system.

In a similar way to the electricity Settlement process, when we receive actual metered data from Suppliers, we will carry out reconciliation of the subsidy payments over a 14-month period. During this period Elexon payments will be netted against movements in consumption based on actual meter reads.

We are using the data to apply a pence/kWh rate against each Supplier's total household consumption, and working out the payments owed to each Supplier. We pass this information to HM Treasury which will transfer the sums required for subsidy payments to Elexon. A similar scheme is being operated for household gas tariffs.

Elxon responds to the Government and Ofgem's consultation on ownership of Elxon

We have published our response to the consultation by BEIS and Ofgem on the ownership of Elxon, stating our preference for industry ownership through a 'federated model'.

National Grid ESO will move away from National Grid plc to become an independent, publicly-owned Future System Operator (FSO), which we fully support as an essential step towards Net Zero. The change of ownership structure will impact on Elxon, as we are wholly owned by National Grid ESO. The consultation by BEIS and Ofgem was published in July 2022.

BEIS and Ofgem's preference is for Elxon to be owned by BSC Licensed Parties under a federated model. We agree with this view because it allows us to retain our independence, which has always been valued by the industry.

We also believe that industry ownership will:

- Strengthen our accountability, by having BSC Parties as owners Elxon;
- Ensure least disruption to critical programmes that we are leading, including the facilitation of Market-wide Half Hourly Settlement (MHHS) and administering the Government's new Energy Price Guarantee; and
- Allow us to continue to provide impartial advice on electricity policy development to Government, Ofgem and the industry.

The full consultation response is available to view on the [elxon.com website](#).

The BSC Panel's letter in response to the same consultation is also available on the [Elxon website](#).

Monitoring the Meter stock shortage , driven by global materials availability and supply chain challenges

Due to a global shortage of materials and the impact of COVID-19 on global supply chains, there is a shortage of semi-conductors among other crucial components, which impacts the ability of Meter manufacturers to produce and supply electricity Meters, including those required for Settlement under the BSC.

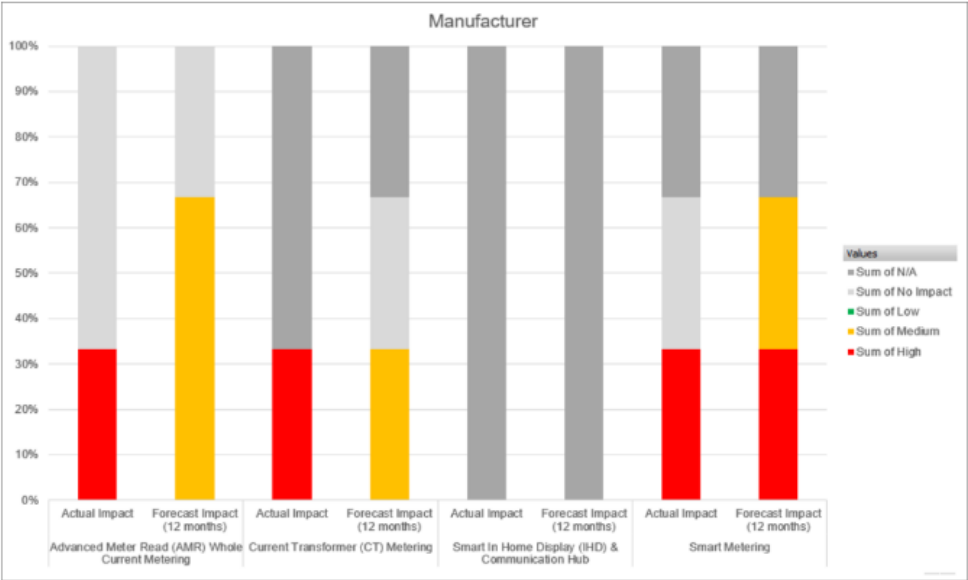
This shortage of Settlement Meters impacts on new connections and fault resolution in both the Supplier Volume Allocation (SVA) and Central Volume Allocation (CVA) markets, and consequently impacts the integrity and accuracy of Settlement.

A BSC Workgroup (Issue 97 Workgroup) was established to consider the risk presented by the wide scale shortage of semi-conductors and electronic components required to manufacture Meters and the disruption to the associated supply chains. The Workgroup recommended that Elexon collects feedback from industry using a Request for Information (RFI) to understand if participants are currently experiencing a shortage of Meters, as well as requesting them to forecast their Meter availability for future months. It was also agreed that this feedback would be shared with the wider industry via the Elexon Website.

Elexon has been provided with feedback on the availability of various Meter types and activities from:

- Meter manufacturers
- SVA Meter Operator Agents (MOAs) / Metering Equipment Managers (MEMs)
- CVA MOAs

A full analysis of the latest view of these participants on the impact of the Meter stock shortage is presented on the [Elexon website](#).



Elxon Kinnect: Parallel runs of new and legacy Settlement systems completed

Settlement Solution

The Settlement Solution has successfully completed a pre-production parallel run in August. However, the complexity being encountered with the data migration is putting the date for completion of full data migration to the production environment (end of November 2022) at risk and the project is now reporting a RED status.

Steps have been taken to keep the data migration on track despite this complexity. The full cutover to the new Settlement Solution as the sole system of record is still targeting February 2023 although there is now an increased risk to this go-live. Contingency plans are in place to avoid any consequential impact from SAA, delaying the February Release, through the dependency of Modification P376.

The Funds Administration Agent services are under review (discovery phase) to determine calculation and finance system requirements. A further review of how the requirements interact with BSC Section N Clearing, Invoicing and Payment will determine the scope for a potential BSC Modification to gain efficiency and reflect modern banking practices.

Insights Solution

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.

During the last sprint, we released a prototype for a messaging service to provide real-time data to participants. Elxon has trialed the service with four Participants to provide feedback on critical success factors including latency, stability, scalability and ease of on-boarding. The aim is to provide an improved, free alternative to legacy proprietary endpoints, e.g. TIBCO. We continued to add new datasets on both the website and APIs. Iteration 1.3 remains on track to be delivered in November 2022.

Elxon Kinnect: Changes to BSC Systems to incorporate Sandbox trial

Customer Solution

We have deployed changes into the BSC systems to including Non-Half Hourly (NHH) Metering System Identifiers (MSIDs) in Secondary BM Units for Centrica's Sandbox trial. The trial aims to demonstrate that Non-Half Hourly sites can participate in the BM without impacting Settlement, and that storage heaters can be aggregated as a Demand Side Response (DSR) asset. Centrica is expected to add the Secondary BM Units for the trial at the end of November 2022.

We have 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 £30.4m of investment in progress, of which £29m has been spent to date. The remaining £16.4m is forecast for future work to conclude migration of the legacy systems to the digital platform in 2023/24 and we have £7.1m remaining contingency.

These figures are also shown in the table below:

CTD (£m)	Committed	FTC	Contingency	Forecast Outturn	Budget	Variance
29	1.4	16.4	7.1	53.9	53.9	0

Key KPIs: August 2022



Recommendation



We invite the Panel to:

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

ELEXION

Distribution Report

Fungai Madzivadondo

13 October 2022

ELEXION

National Grid Report

Jon Wisdom

13 October 2022

ELEXION

Ofgem Report

Colin Down

13 October 2022

ELEXION

**BSC Panel Ways of Working – New
Panel Discussion**

Public – Elliott Harper

13 October 2022

Ways of Working (1/3)

Remote Meetings

- Use of camera while contributing

Attendance

- We expect hybrid meetings to continue
- We could consider whether there are some set meetings to be attended in-person?
 - End of year meal (December 2022 & 2023)
 - Annual BSC Meeting (July 2023)
 - Should there be one or two more set dates per year?
- Please let us know if you can/can't attend meetings, whether your attendance will be in-person, and if you wish to appoint an alternate
 - Is there anything we can do to make this process easier?

Panel paper distribution

- We are considering alternative options to distributing Panel papers i.e. not emails/zip folders
 - What would Panel like to see different?

Standing alternates

- Section B 'The Panel' 4.4.6:
 - *"A resolution in writing signed by or on behalf of all of the Panel Members entitled to vote in respect of the matter the subject of the resolution shall be valid and effectual as if it had been passed at a duly convened and quorate meeting of the Panel; and such a resolution may consist of several instruments in like form each signed by or on behalf of one or more Panel Members."*

Ways of Working (1/3)

Panel Member Emergency Contact Details

- One of the Panel's roles (re. winter preparedness) regards total or partial blackouts
- We need to be able to make contact with Panel members outside of working hours
- We will send email for you to confirm your details: out-of-hours email & mobile
- Would the Panel like further information/training on its role in total/partial blackouts?

Headline Reports

- Looking into whether these add value (all committees) – welcome initial feedback

Training

- Credit and BSC Change training – let us know if you'd like to attend

Ways of Working (1/3)

Panel Sponsors at sub-committees

Committee	Panel Sponsor
Performance Assurance Board (PAB)	Vacant
Imbalance Settlement Group (ISG)	Lisa Waters
Supplier Volume Allocation Group (SVG)	Tom Edwards
Trading Disputes Committee (TDC) (by extension Q8)	Andy Colley
Credit Committee (CC)	TBC

Panel Sponsors Role

- Opportunity to create a stronger link between the Panel and the sub-committees through the role of Panel Sponsors
- Welcome further thoughts from Panel Members

MEETING CLOSE

ELEXON

THANK YOU
