

ELEXON

332/01 Elexon Report

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

10 November 2022

Digital Code – NEW FEATURES

Two new features have recently been added to the [digital code](#):

Defined Terms

Defined terms are specific definitions for roles, concepts or activities in the BSC. On the digital code site you can now click on defined terms and see the definition in the right-hand column.

- You can toggle this feature on and off.
- You can toggle superscript/subscript meanings on and off for any algebraic terms.

Cross-references

You can now click on cross-references (such as ‘in accordance with paragraph 3.2.1’) and have them presented in a box on the right-hand side of the page.

- You can click up to five cross-references to keep key references on the screen, or create a thread of cross-references. This is useful as each new cross-referenced paragraph references yet another paragraph.
- You can maximise the box for a cross-reference to more easily read it and see images and tables, or click ‘Read More’ to open the entire section in a new tab
- You can minimise, close and adjust the width and height of the cross-reference boxes.

We’d love your feedback. Let us know what you think of the new features by filling out this [three-minute survey](#).

Exelon news: Our response to the BEIS Net Zero Review and the Review of Electricity Market Arrangements

We've recently responded to the BEIS Net Zero Review and the Review of Electricity Market Arrangements (REMA).

In our response to the Net Zero Review we explain why Exelon believes that innovation across the market needs to accelerate. We recognise the importance of the Net Zero Review and share our comments from the perspective of more than 20 years' experience working with Ofgem, government and industry.

The UK has made strong progress in decarbonising the electricity system over the last 30 years and we believe this momentum can be maintained through effective policy and market design. We want government to increase incentives for energy efficiency of homes and develop policy to aid the development of a market for electricity demand reduction.

We have suggested reforms to the Capacity Market in order to better balance maintaining security of supply with Net Zero goals. We continue to work with industry, NGESO, and Ofgem to enable DSR (Demand Side Response) participation. Our consultations response highlights several of the modifications to the balancing and settlement rules that we've already undertaken to support this aim.

We have limited our response to areas where we feel we can add value. Our full response is available to view on the [Exelon.com website](#).

In our REMA response we provided our views on the REMAs key market design areas. A summary of our response is available on the [Exelon.com website](#); we have also published our [response in full](#).

Settlement Solution

The data migration is being progressed for the Settlement Solution, however, this continues to be slower than originally planned. Due to the delay the project is reporting a RED status as the February cutover date is not going to be possible.

Actions are in place that are increasing the pace of data migration, but this a complex process because we need to assure the Settlement data quality as its calculated for historic Settlement days. The full cutover to the new Settlement Solution as the sole system of record is no longer coincident with the February release as we have decoupled P376 and the February Release, meaning that this remains on plan.

The Funds Administration Agent services continue to be reviewed (discovery phase) to determine the calculation and finance system requirements. This will be used to price the solution for investment decision. 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. Let us know if you'd be interested in joining our [FAA User Group](#) to provide your views on the future FAA.

Insights Solution

Iteration 1.3 of Insight Solution includes critical reports with price sensitive parameters including Physical Notifications, Bid-offer data and Balancing Services Adjustment Data and the launch of a new real time messaging service to serve as replacement for TIBCO.

Elexon has trialled the service with four Participants who are starting to provide feedback on the service which will be factored ahead of Industry launch around 21 November 2022. Initial feedback on both the Insights Solution, website and the real time service has focussed on the much improved stability of the service compared to legacy BMRS. Elexon has started user research for the next iteration and several one-one sessions have taken place with customers for REMIT reporting.

Customer Solution

Work continues on the changes to support Modification P376 and P419. System testing is complete and integration testing is taking place in November. Work on P395 has started and will be moving onto the analysis and design stage shortly. Additionally, a number of changes relating to P375, and the Account Management and the Central Switching Service have been progressing which provide enhancements and resolution to deferred defects. Functional enrichment for customers managing their asset data has been tested and deployed on 18 October.

We have held initial discussions and agreed the approach with our SIs on the Kinnect Programme to decommission the legacy Central Registration Agent (CRA). Work has progressed in defining the overall scope of the system to ensure a low risk decommission.

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 £29.2 m 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
29.2	1.2	16.4	7.1	53.9	53.9	0

Key KPIs: September 2022

KPI	Target	Status
Performance against budget	Percentage (Under)/Over Spend Full Year Forecast vs. Budget complete >(5)%	0% - ON TARGET
Core system availability (BSC Agent Services)	99.50%	99.41% - BELOW TARGET
Service Desk performance against SLAs	99.99%	100% - ON TARGET
Settlement Accuracy (total change in Trading Charges across all run types as a percentage of total trading charges)	<5%	5.3% - BELOW TARGET

Recommendation



We invite the Panel to:

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