

ELEXION

BSC Panel 337

Public Slides

13 April 2023



PART I: NON-MODIFICATION BUSINESS (OPEN SESSION)

Elexon Switched-On! Annual Customer Survey - 2023

Report & debrief
BSC Panel

13th April 2023

What we are covering today

- Some context
- Key headlines
- Detailed feedback
 1. Overall feedback
 2. Feedback on specific services and touchpoints
 3. Digitalisation
- Key implications for Elexon

Project summary

A mixed-mode stakeholder survey measuring satisfaction with Elexon over the past 12 months, overall and across specific service areas.



- 10 minute online or phone survey
- N=77 completed surveys:
 - 40 online
 - 37 by phone



- Using a list of 453 contacts supplied by ELEXON
- Overall response rate of 17% (down 2.3% versus 2021)



- Survey completed annually since 2003
- No wave completed during 2022 due to a delay of survey's usual timing of September, to January 2023.
- Major overhaul and streamlining of survey introduced for the 2023 survey (but retaining continuity on a small selection of key measures)



- Fieldwork completed from 25th January to 20th February 2023.

Key headlines

Market factors, survey timing and changes to survey content could all be contributory factors in reducing response rates and shaping changes to the stakeholder profile achieved.

- **42%** SMEs (<250 FTEs), which means they remain the dominant segment
- **10%** fall in Large organisations (>1k FTEs) completing the survey
- **34%** Suppliers, the largest company type
- Fewer suppliers and supplier agents completing the survey
- **12.2** years participation in the energy industry (up by 2 years from 2021)

Despite a significant overhaul of the survey this year we are still able to see positive trends with some segments

- **CSAT score** is now 7.71 out of 10, continuing a very gradual downward trend.
 - Lowest score recorded since 2014.
 - Overall score pulled down by smaller players
 - Some recovery in the rating amongst medium players.
- However...
- **Overall sense of improvement** (NET improvement) remains at 17%
 - 93% say service either maintained or improved over the past 12 months
 - Continued to improve amongst larger players (after a sharp decline in 2020), now more in line with smaller organisations.
- **Value for money scores up 10%**, recovering from a sharp fall in 2021 and now up to 7.38 out of 10.
 - Mainly down to improvements amongst larger organisations (but also smaller players).
 - Not yet fully recovered to pre-2021 levels.

Elexon's main perceived strengths remain its helpfulness, expertise and supportiveness to the industry, but stakeholders see opportunities to improve on delivery of some aspects

Elexon maintaining or improving its core strengths

- Elexon's **helpfulness, expertise, industry support** and **reliability** are amongst its strongest points.
 - Expertise improved
 - Helpfulness and industry support have both been maintained.
- 1 in 3 identify areas where they believe Elexon has improved, and are most likely to mention:
 - **Helpfulness/ flexibility**
 - **Usability of digital touch points**

Areas for improvement

- Greatest scope for improvement on; speed/ efficiency, costs, adaptability, facilitating industry debate/ decision making and providing relevant services.
- More than half of stakeholders identify at least one area where they would like to see improvement:
 - **Website and communications** generally.
 - **Functionality** in terms of **usability, processes** and increasing use of better/ more **modern technology**.

Across its different services and touchpoints there is considerable variation in how well stakeholders rate Elexon's delivery, but also widespread support for the digitalisation programme and its various initiatives

Service areas

- Of the 13 different **services** we asked Stakeholders to rate, communication touchpoints, change and committees/working groups were of the widest relevance.
 - Four achieve an overall score above the mean satisfaction level of 7.71; Communications, Insights Solution, OSMs and Market Entry.
 - Kinect, PAF and the digital code have a relatively large cohort giving ratings below 6, pulling down their overall ratings.

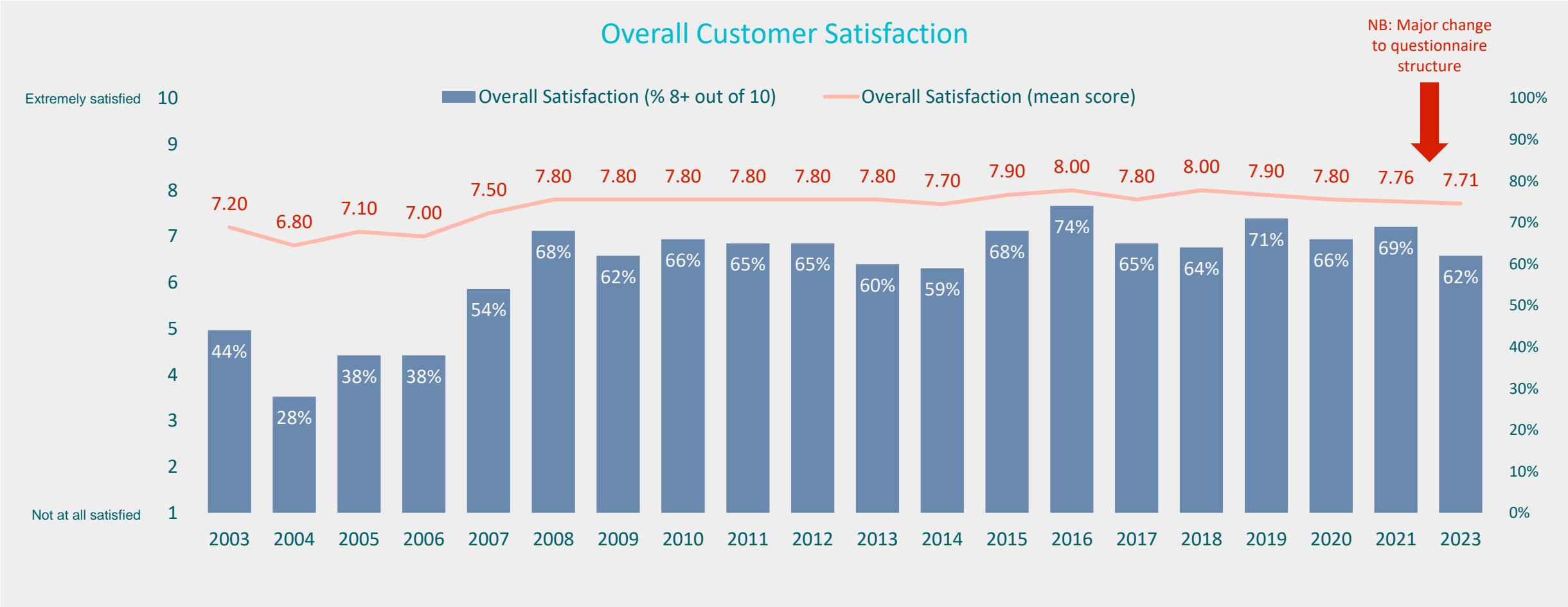
Digitalisation

- There is widespread support for the **digitalisation programme** across all segments, but most strongly felt amongst medium & small players and organisations other than suppliers and agents.
- Stakeholders place most importance on **more open data and reports**, followed by automation of settlement operations and improved self serve options.

Detailed findings

1. Overall feedback

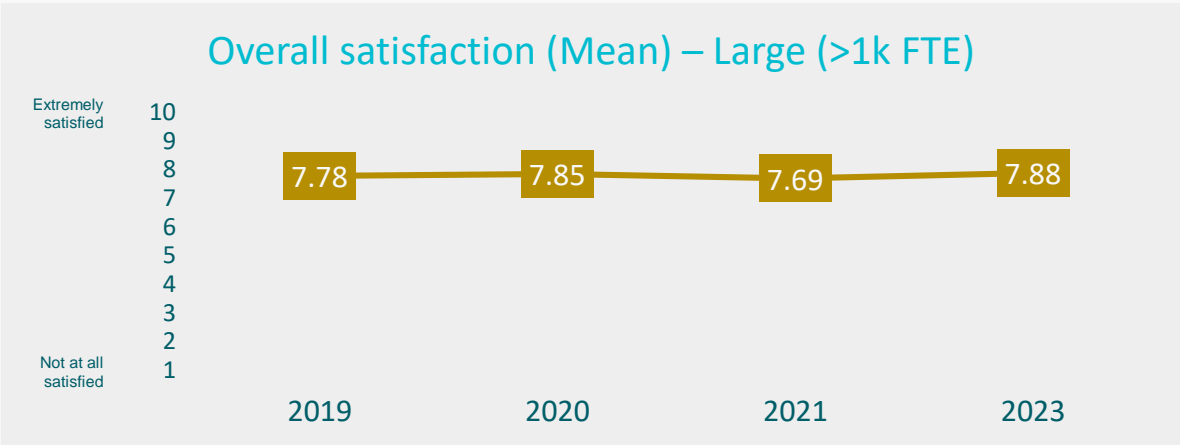
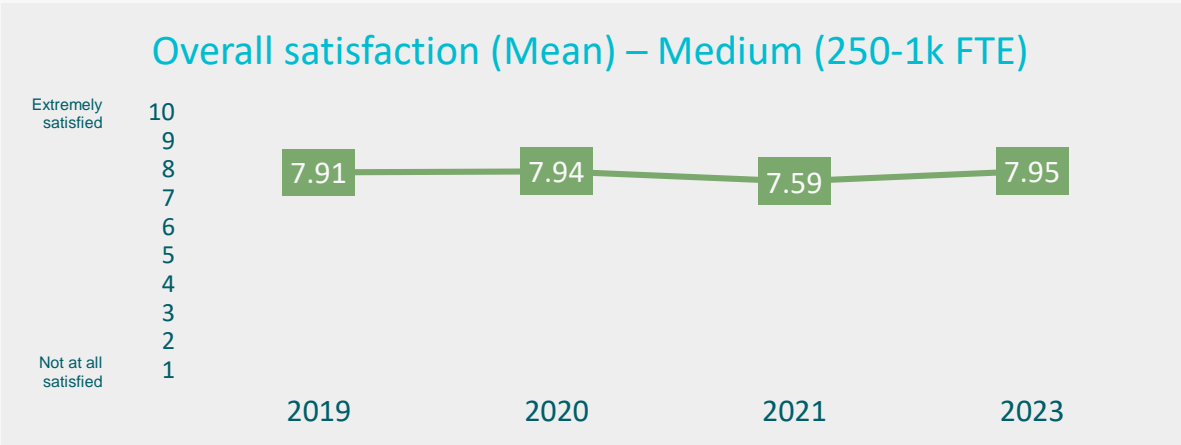
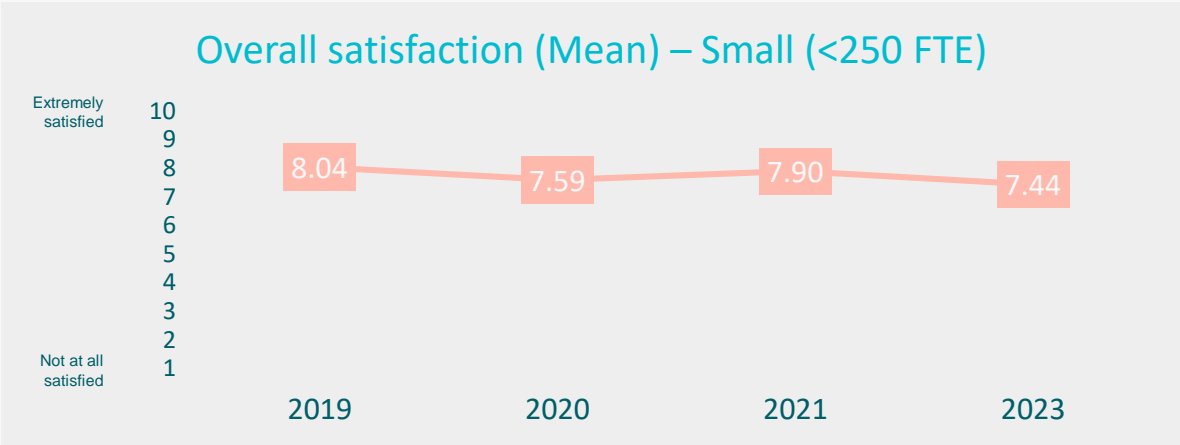
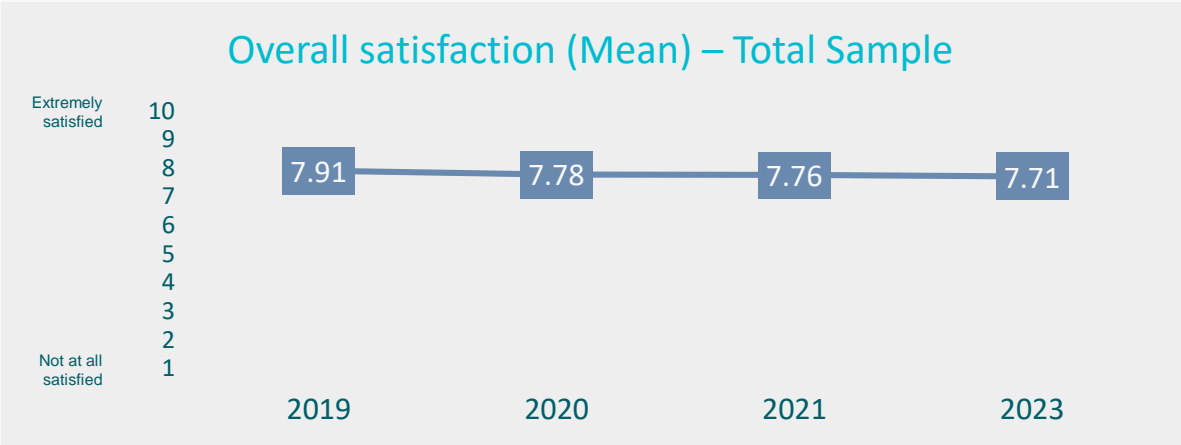
This is the first time the survey has been completed in January. Although the lower scores are not down significantly from the previous wave, they are the lowest since 2014.



B2 Thinking about all your dealings with Elexon, how would you rate them overall? Again use a scale of 1 to 10, this time with 1 being not at all satisfied and 10 being extremely satisfied. Again just think of the last 12 months.

Base: Total sample per wave (n=77 for 2023)

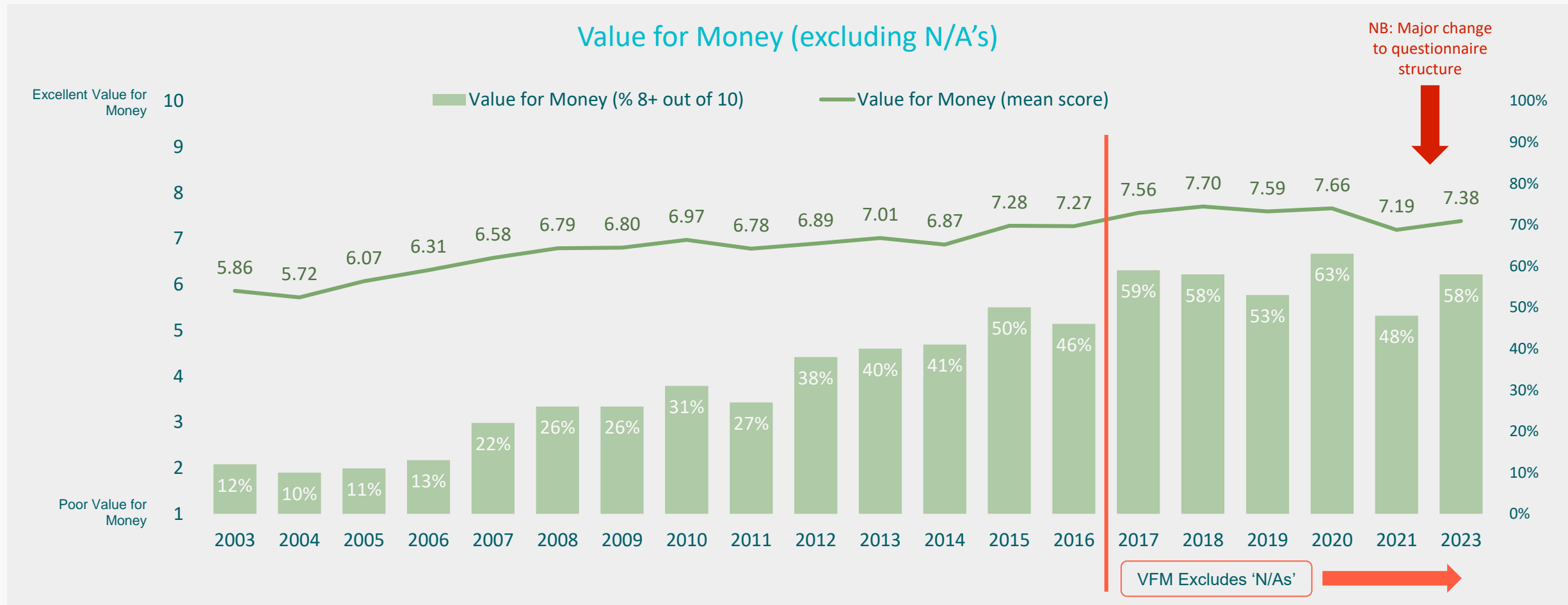
Weaker satisfaction amongst smaller organisations (down 0.46) is pulling down the overall CSAT score. Meanwhile levels have recovered from a previous decline amongst Medium sized players.



B2 Thinking about all your dealings with Elexon, how would you rate them overall? Again use a scale of 1 to 10, this time with 1 being not at all satisfied and 10 being extremely satisfied. Again just think of the last 12 months.

Base: Total sample per group (latest wave = 77/ 32/ 20/ 25)

Value for money perceptions have bounced back from the unusually low level seen in 2021, which probably suffered from the energy cost crisis at the time of the research.

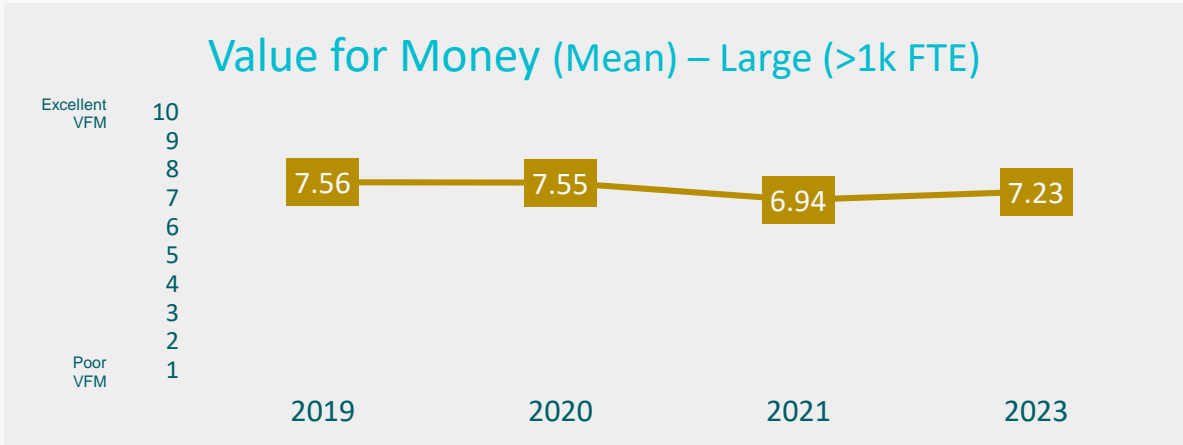
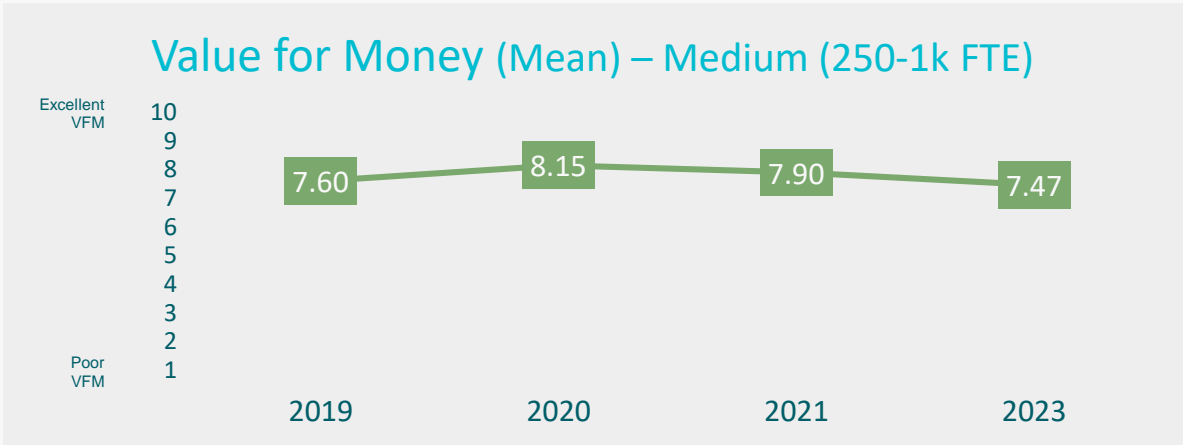
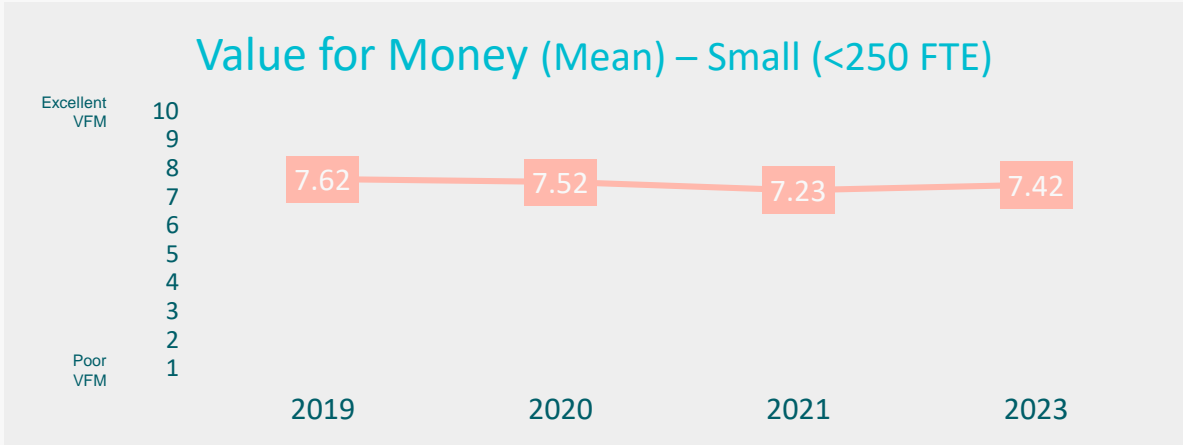
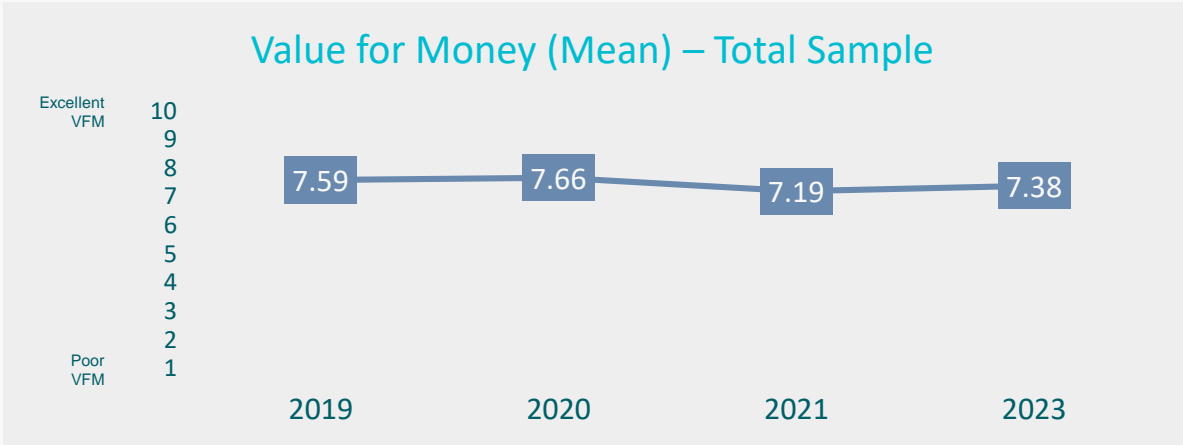


QB3 What do you feel overall about Elexon in terms of the value for money they provide? Again use a scale of 1 to 10, with 1 being poor and 10 being excellent.

Base: Total sample per wave excluding N/As (n=72 for 2023)

Elexon Switched-On! Survey 2023

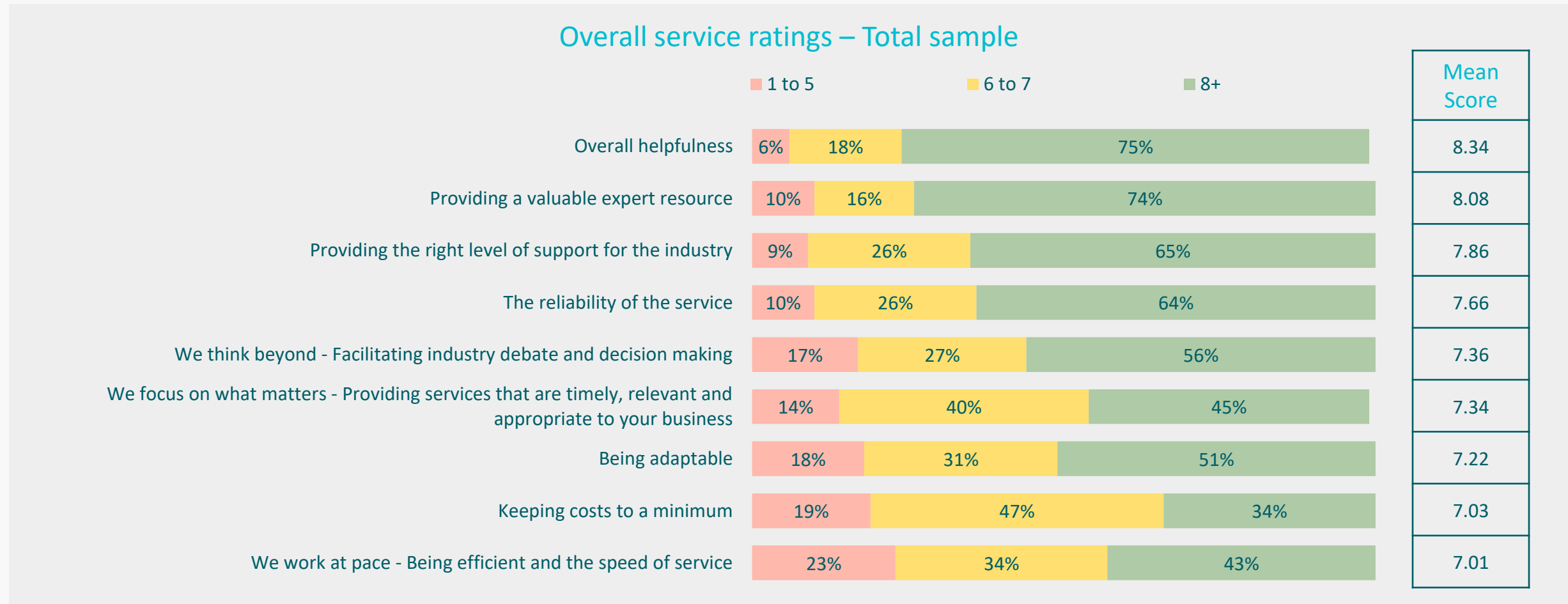
Higher VFM scores this year are down to improved perceptions amongst both smaller and larger organisations. The VFM rating actually fell by 0.43 amongst medium-sized players.



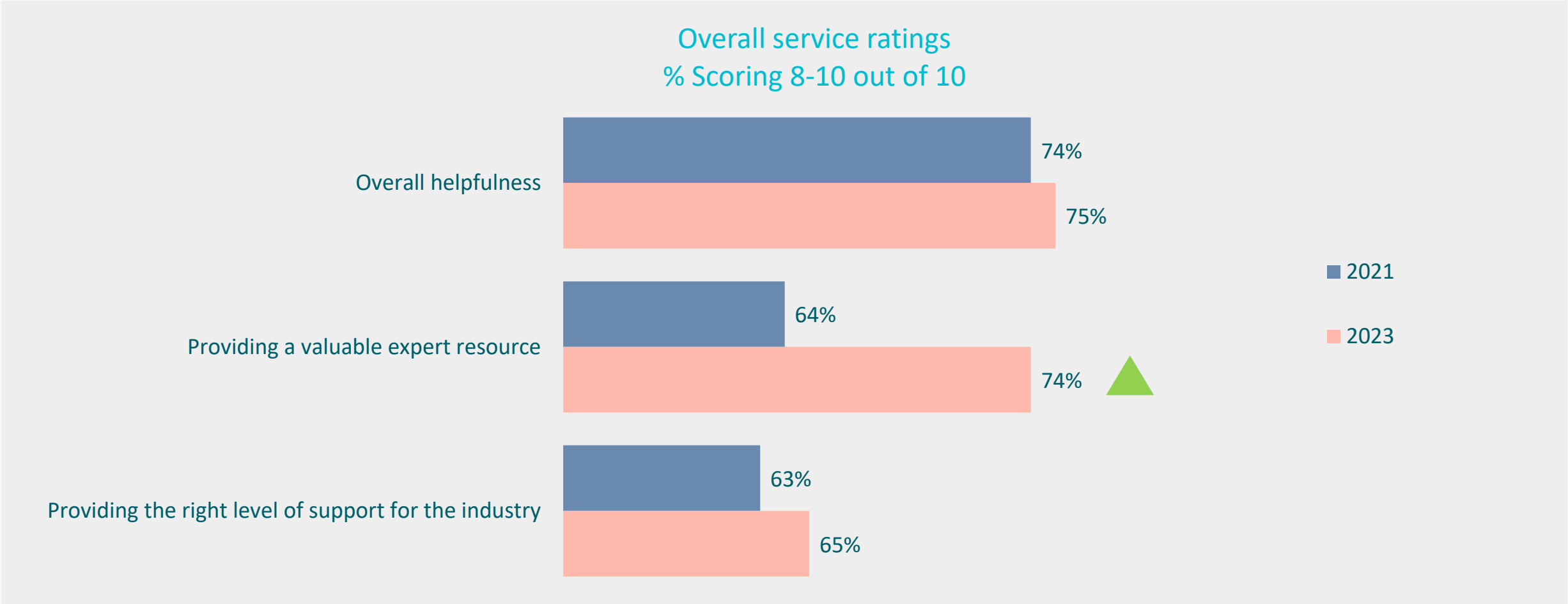
QB3 What do you feel overall about Elexon in terms of the value for money they provide? Again use a scale of 1 to 10, with 1 being poor and 10 being excellent.

Base: Total sample per group excluding N/As (latest wave = 72/ 31/ 19/ 22)

Elexon's helpfulness, expertise, industry support and reliability are amongst its strongest points. However, speed/ efficiency, costs, adaptability, facilitating industry debate/ decision making and providing relevant services have more scope for improvement.



Where comparisons can be made, perceptions of Elexon’s expertise have improved and perceived helpfulness and industry support have been maintained.

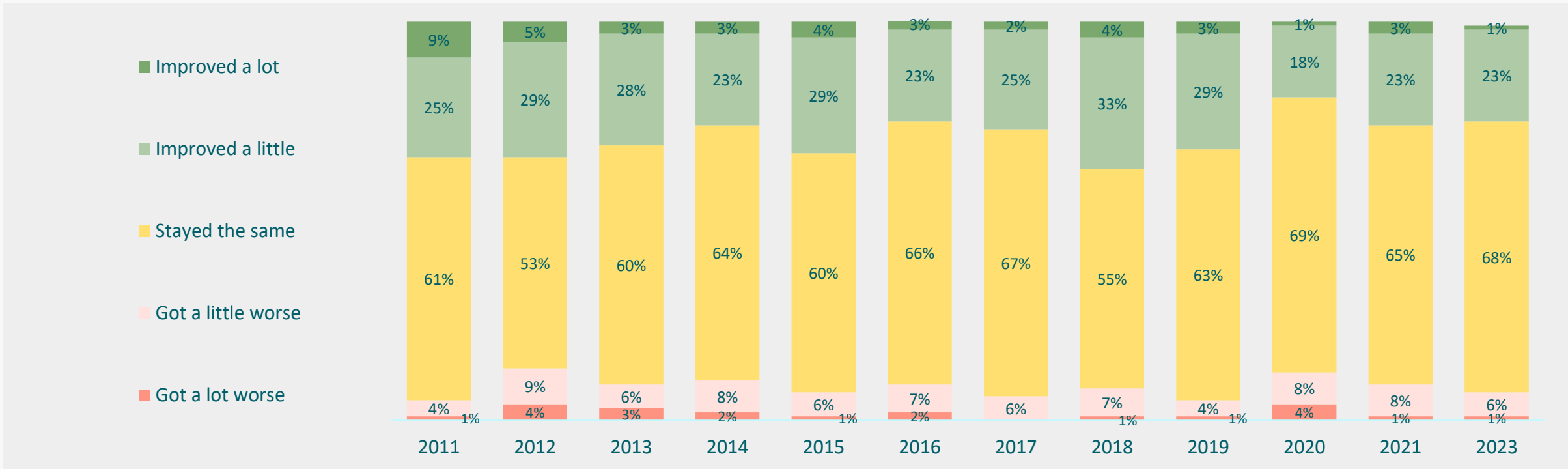


B1 We'd like you to rate Elexon on several attributes on a scale of 1 to 10, with 1 being poor and 10 being excellent.
^ Statement wording modified. Comparison with earlier waves no therefore strictly valid
Base: Total sample per wave (n=77 for 2023)

The overall sense of NET improvement is unchanged from the previous wave with 93% claiming service has either stayed the same or improved over the past 12 months.

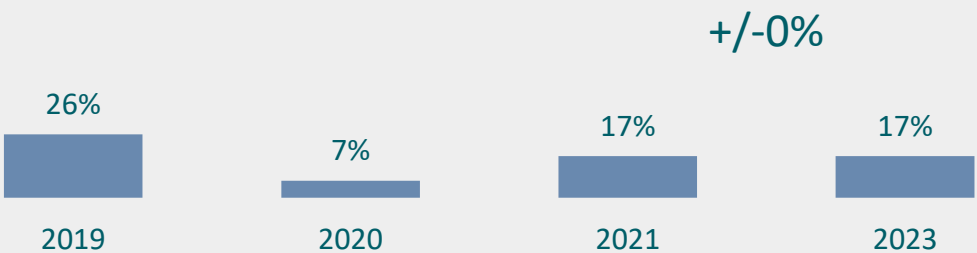
How Elexon’s service has improved over the past 12 months

NET Improvement	% Improved – % worse	+29%	+21%	+21%	+18%	+26%	+17%	+21%	+29%	+26%	+7%	+17%	+17%
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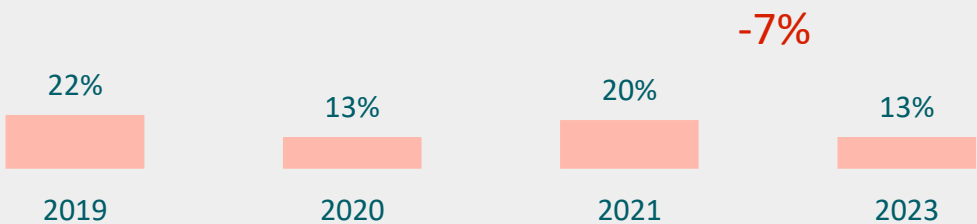


After falling particularly low in 2020, the sense of improvement has strengthened amongst larger organisations, bringing perceptions more in line with smaller players.

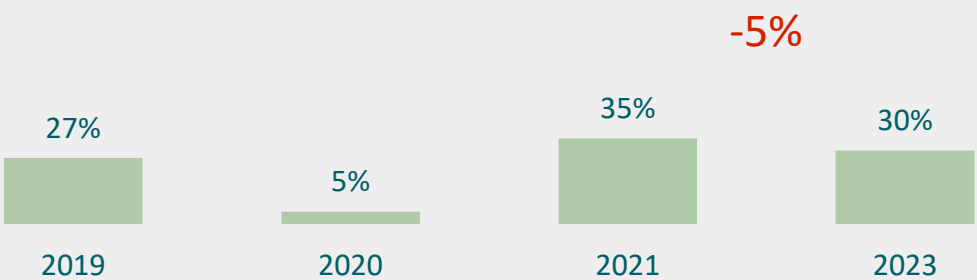
Net Improvement - Total sample



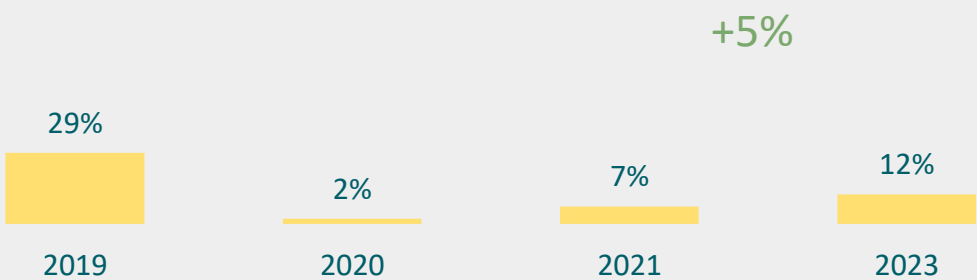
Net Improvement - Small (<250 FTE)



Net Improvement - Medium (250-1k FTE)



Net Improvement - Large (>1k FTE)

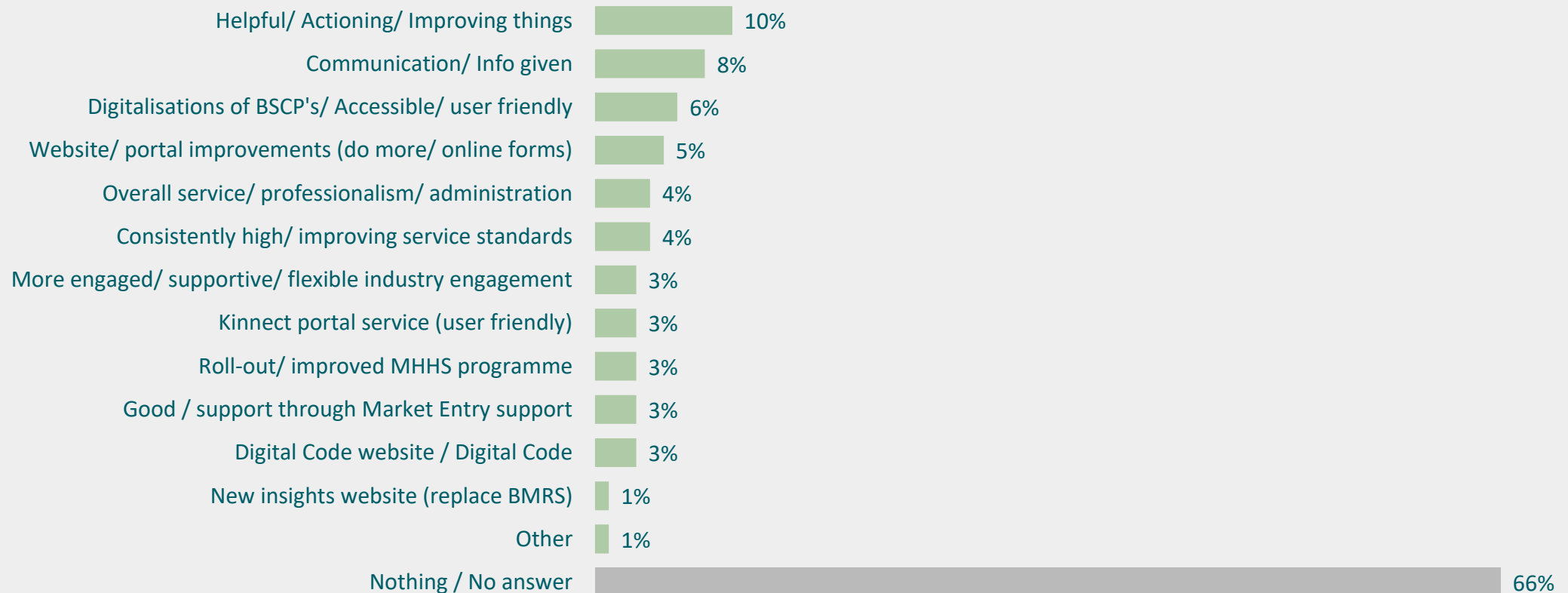


B5 Do you feel Elexon's service has improved over the past 12 months, stayed the same or got worse?

Base: Total sample (112/90/100/77)/ Small (45/32/41/32)/ Medium (22/18/17/20)/ Large (45/40/42/25)

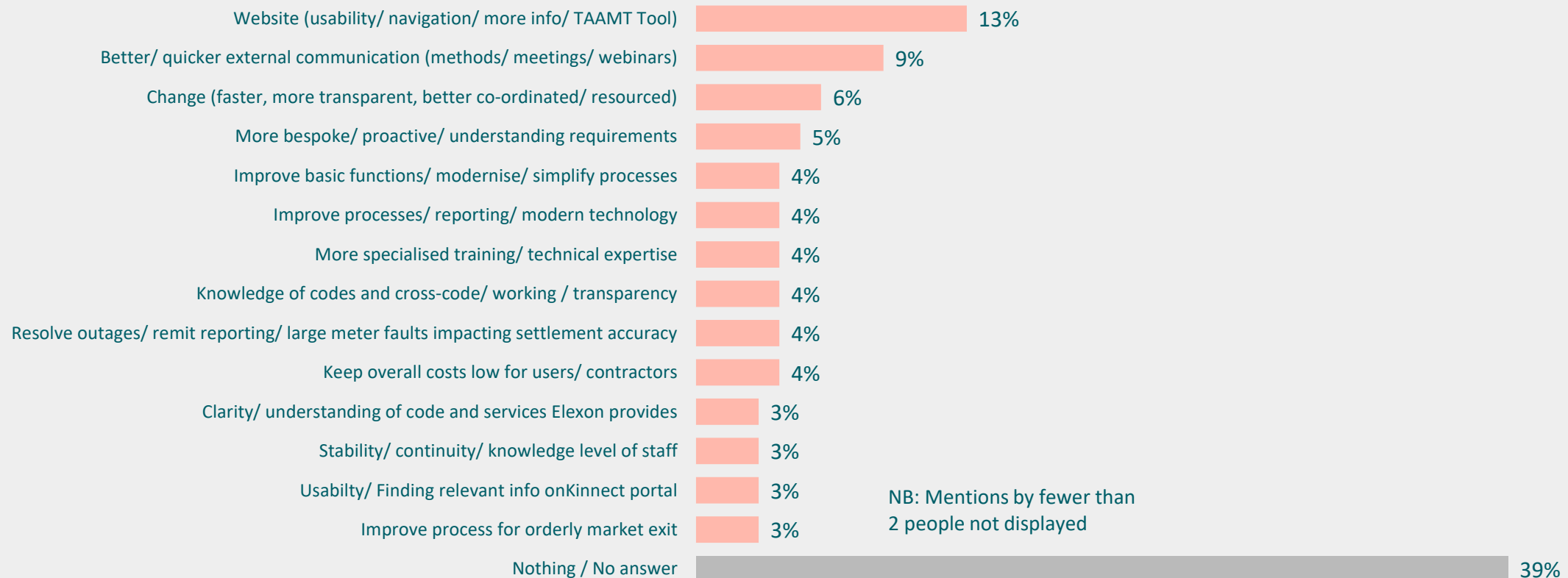
1 in 3 stakeholders identified improvements over the past 12 months, often around greater helpfulness/ flexibility and usability improvements of digital touchpoints

Improvements in Past 12 months



More than half of stakeholders identify at least one area where they would like to see improvement. Often these relate to functionality in terms of usability, processes and increasing use of better/ more modern technology.

Improvements most desired in next 12 months

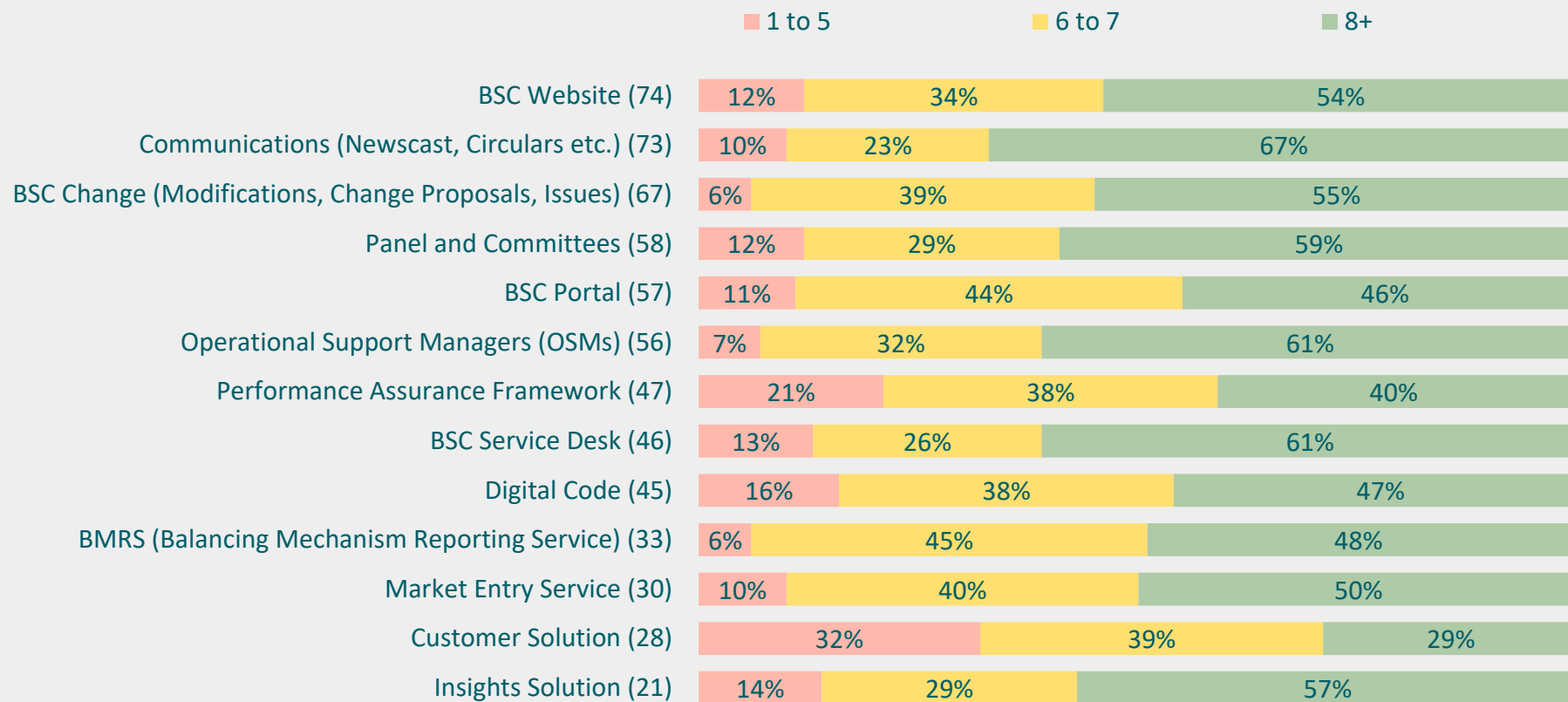


Detailed findings

2. Feedback on specific services and touchpoints

4 services are rated above the mean satisfaction level of 7.71; Communications, Insights Solution, OSMs and Market Entry. Customer Solution, PAF and the digital code have a relatively large cohort giving ratings below 6, pulling down their overall rating.

Rating of specific service areas – Excluding N/As



Mean Score	% Applies
7.57	96%
7.90	95%
7.51	87%
7.45	75%
7.33	74%
7.77	73%
7.17	61%
7.54	60%
7.36	58%
7.45	43%
7.77	39%
6.36	36%
7.81	27%

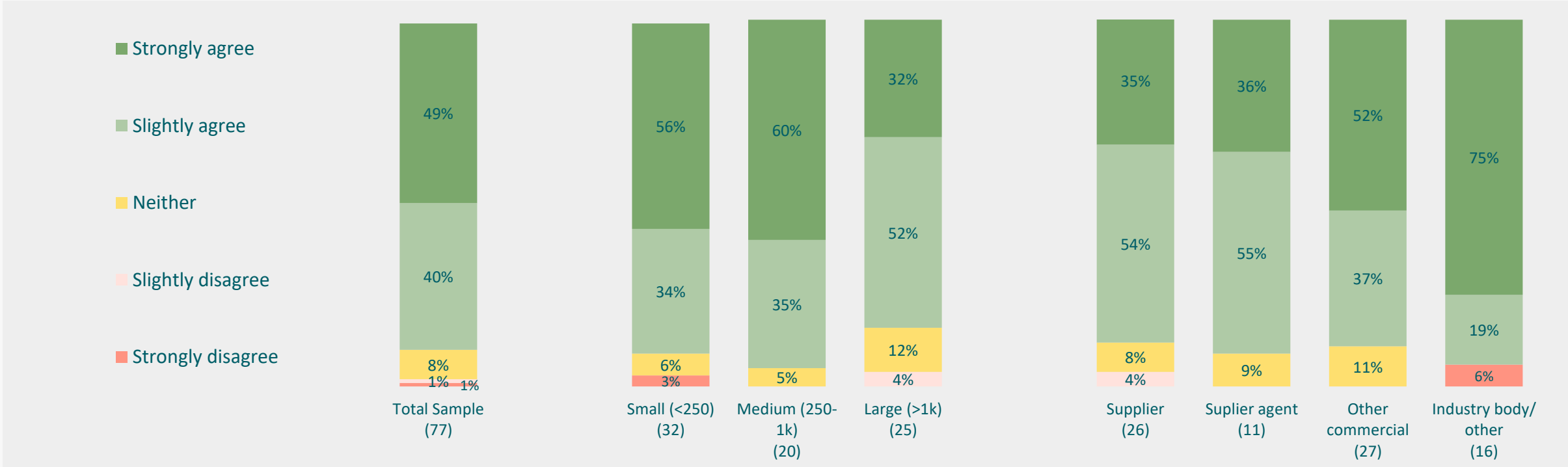
Detailed findings

3. Digitalisation

There is widespread support for the digitalisation programme across all segments, but most strongly felt amongst medium & small players and organisations other than suppliers and agents.

How strongly agree that...
‘I support Elexon’s continued work to digitalise its products and services with the aim of improving customer experience, pace, and efficiency.’

NET Agree	% Agree – % Disagree	+87%		+88%	+95%	+80%		+84%	+91%	+89%	+88%
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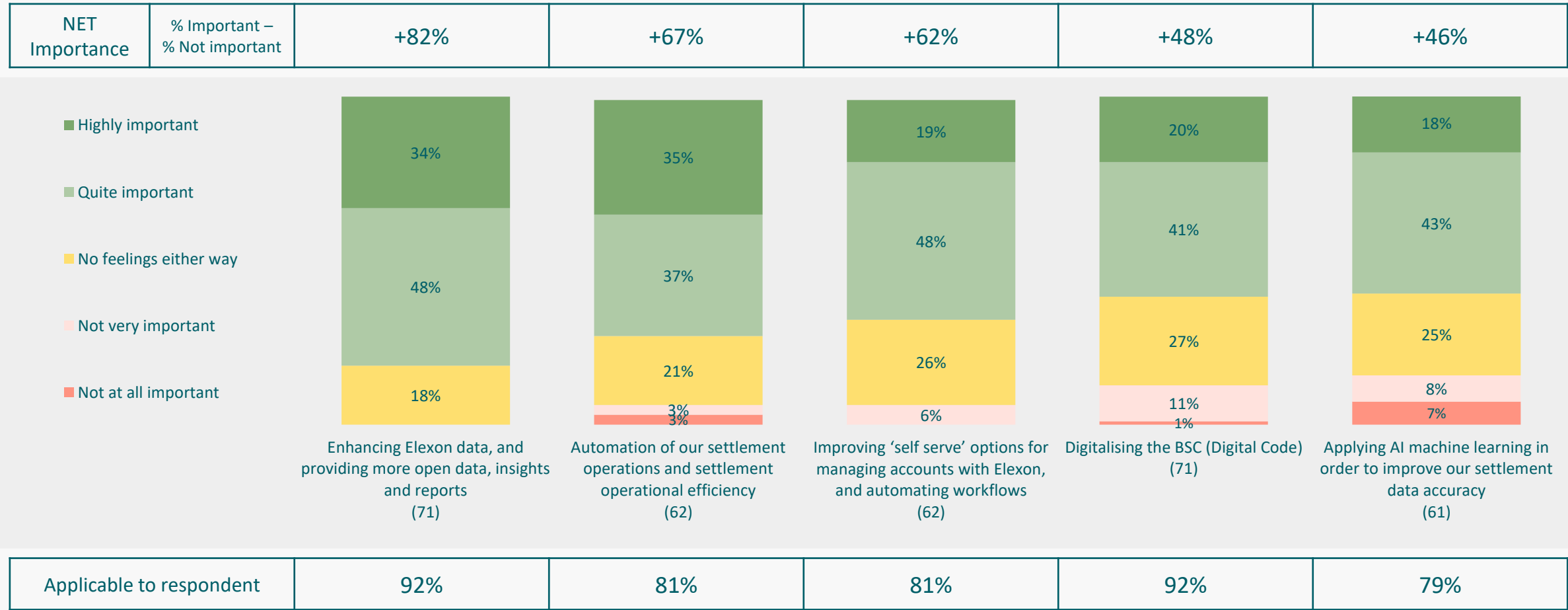


C2 How strongly do you agree or disagree with the following statement; ‘I support Elexon’s continued work to digitalise its products and services with the aim of improving customer experience, pace, and efficiency.’

Base: Total sample (n=77)

Stakeholders place most importance on more open data and reports, followed by automation of settlement operations and improved self serve options. Applying machine learning is seen as less widely relevant and important, but still important to more than half.

Importance of initiatives to Elexon digitalisation programme



C1 How important is each of the following in Elexon’s work to digitalise our systems and processes, providing the most value to you and that we should therefore prioritise: Digitalising the BSC (Digital Code)

Base: Total sample (excluding N/As)

Key implications for Elexon

Some specific priorities worth addressing

Demonstrate value for money

- With VFM still below 2021 levels and relatively low ratings for 'Keeping costs to a minimum', Elexon needs to demonstrate to the industry how it is striving to avoid unnecessary cost and deliver value.

Continue to modernise

- There is widespread support for the digitalisation programme and making more use of modern technology generally. Pushing ahead with this will help address some of the priorities for improvement highlighted by the findings:
 - Functionality and usability of digital touch points (including website/ portal)
 - Modernisation and simplification of processes
 - Keeping services more timely and relevant
 - Delivery of Customer Solution, PAF and digital code
- Prioritise what they see as most important - more open data and reporting

Some other points to consider

Remember your most valued qualities

- Helpfulness, reliability, expertise and supportiveness to the industry are what your stakeholders value most about Elexon. Keep these at the heart of all you do.
- This is partly built on good all round communications, the OSM service and good market entry processes so maintaining quality of service here should be a given.

Explore why some key segments show signs of becoming less engaged

- Investigate why ratings have declined for smaller players. Better VFM ratings suggest this is not down to cost pressures, so are there other factors at play?
- Suppliers and Supplier Agents appear to have been less engaged with the survey this time round. Is this a quirk of survey timing or is this an early warning sign that they are becoming less engaged with Elexon's activities in some way?

Consider how to optimise consistency and level of survey response

- Endeavour to keep consistency of timing to eliminate 'radio interference' and allow more time for phone fieldwork to improve response rates and inclusivity of all stakeholder segments.

Thank you



PART II: MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

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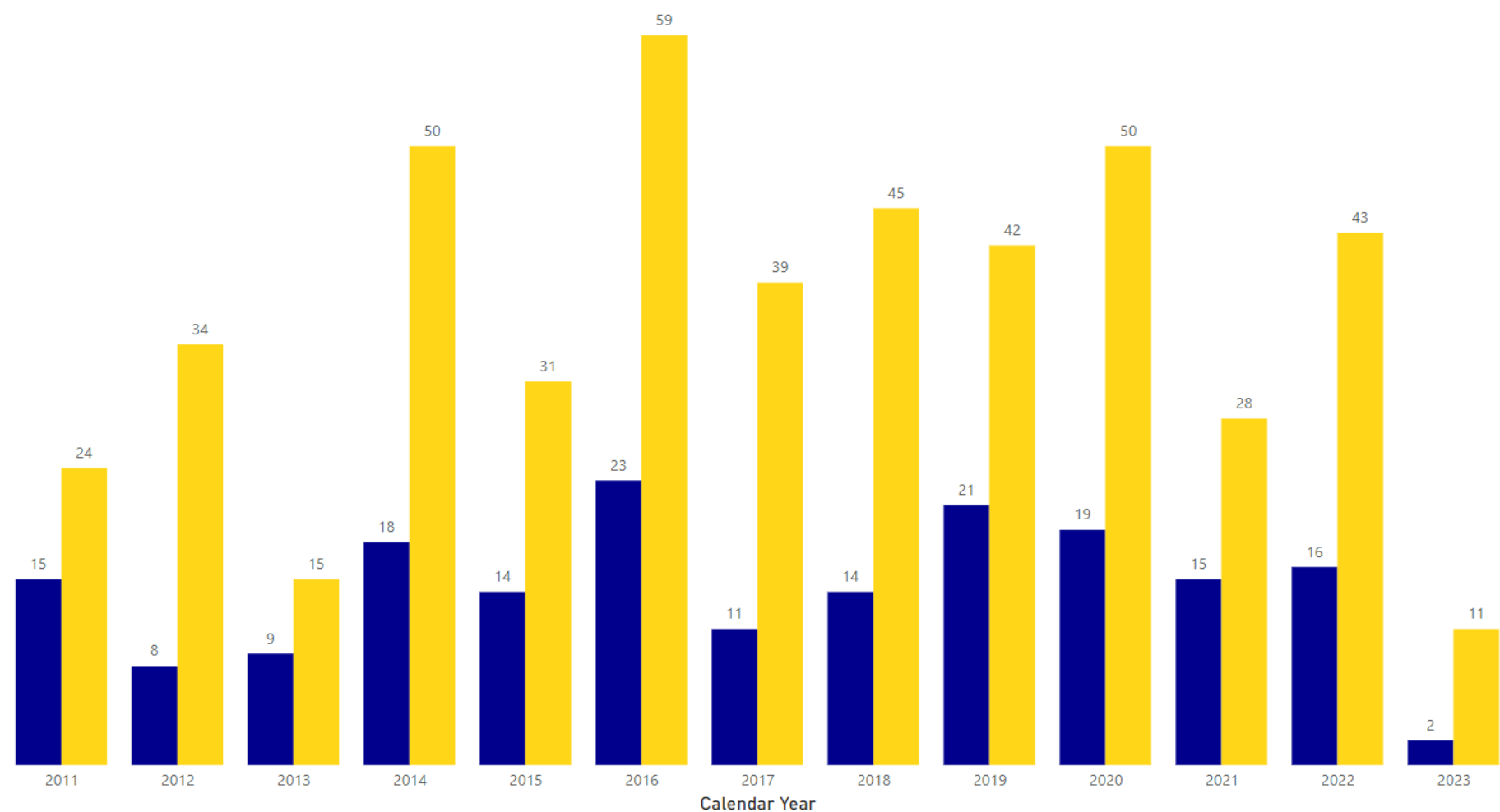
**Change Report and Progress of
Modification Proposals**

337/02 – Lawrence Jones

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	P453
Assessment Procedure	P412, P415, P441, P442, P443, P444, P451
Report Phase	-
Urgent	P452
With Authority (decision cut-off)	P432 (+3 months after Ofgem decision)
Authority Determined (implementation date)	-
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 100, Issue 101, Issue 102, Issue 103, Issue 105, Issue 106

BSC Modifications approved timelines

	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep23	Oct 23	Nov 23	Dec 23	
P412 'Non-BM Balancing Providers pay for non-delivery imbalance'							AR		DMR			
P415 'VLP access to wholesale market'			←	AR		DMR						
P441 'Creation of complex site classes'						AR	DMR					
P442 'Reporting FCL for exempt and licenced supply'				AR		DMR						
P443 'Cap NGESO Interconnector Trades'			←		AR		DMR					
P444 'Compensation for VLP actions in the BM'			←	AR		DMR						
P451 'System Restoration'		IWA						AR		DMR		

BSC Change Release Roadmap

2023	2023		2024			Un-allocated
Ad-hoc	Jun	Nov	Feb	Jun	Nov	
P432 'HH Settlement for CT Adv. Meters' (+3 months after the Authority's approval)	CP1558 'New Registration data items to facilitate MHHS'	P395 'Final consumption levies'	-	-	P415 'VLP access to wholesale market' (Q4 2024)	P412 'Non-BM BS providers pay non-delivery'
P452 'EBD Scheme' (+1WD after Authority approval)	CP1568 'Inclusion of new LDSO-mastered SMRS data items'	P441 'Creation of complex site classes'			P444 'Compensation for VLP actions in the BM' (Q4 2024)	P442 'Reporting FCL for exempt and licenced supply'
	CP1571 'Clarify the number of Meter measuring elements and measurement transformers'	P443 'Cap NGESO Interconnector Trades' (+2WDs)				MHHS
	CP1572 'Specifying the requirements to provide SLDs for HV and EHV sites'					P451 'System Restoration'

Key

Approved

With Authority

Report Phase

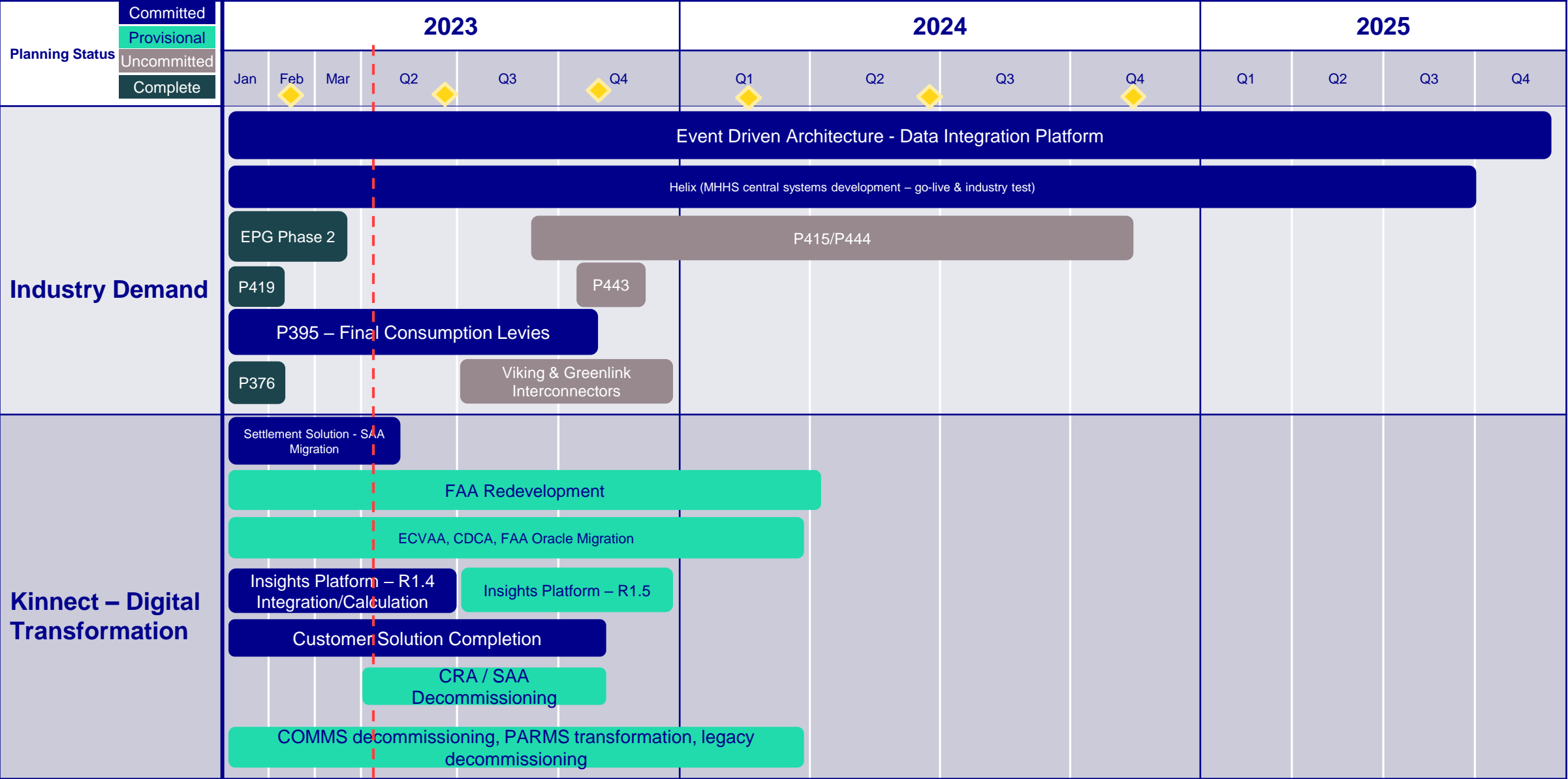
Assessment Phase

Direction

Urgent

Portfolio Pipeline and Plan (Systems impacting change excludes Doc only)

Denotes Industry release



Current Position

Modification update: P442

P442 'Reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply'

- The first meeting was held in February 2023, instead of August 2022 as originally planned
- The reason for this long delay was:
 - Liaising with DESNZ about potential impacts from their review into exempt supply;
 - Focusing on Urgent Modifications; and
 - Proposer availability.
- The next meeting is planned for April 2023, where the Workgroup will explore the proposed solution in more detail, including worked examples for the proposed imbalance adjustment methodology and the Elexon impact assessments
- We therefore request a six month extension request, returning with the Assessment Report by the November Panel meeting, or sooner if possible

New Issue: Review of Section N 'Clearing, Invoicing & Payment'

- As part of our new strategy and Kinnect Programme we have been looking at the way we provide clearing, invoice and payment services, as prescribed by the BSC
- These practices in the BSC are over 20 years old and no longer align to modern ways of working for billing and we believe they can be made more efficient
- We believe the Code needs to be modernized to bring it in line with modern ways of working, as currently it is too prescriptive using outdated methods
 - E.g. moving to a single invoice process rather than separate advice notes and confirmation notes. This will streamline the financial operations of Parties and Elexon
 - These arrangements are mostly detailed in Section N
- We propose to raise an Issue to review these rules with interested participants
 - We propose to raise changes as they are identified by the group
 - Where applicable, if already fully assessed by an Issue Group any Modifications could go straight to the Report Phase, as we have done for other Issue Group recommendations (e.g. Issue 93, PAF Review)

Recommendations

We invite the Panel to:

- a) **APPROVE** a six-month extension to the P442 Assessment Procedure; and
- b) **NOTE** the contents of the April Change Report.

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**‘Removal of BSC obligations to provide
BMRS Data via TIBCO and the High Grade
Service’**

337/03 – Ivar Macsween (Elxon)

13 April 2023

Issue and Proposed solution

Issue

- Cost to provide the TIBCO service has become disproportionate compared to modern alternative methods. While Elexon has continued to maintain TIBCO for the current subscribers, the service can no longer be sustained efficiently and economically
- Elexon is currently modernising its technology and building a cloud based solution for its BSC Agents' systems as part of Elexon Kinnect and believe the time is right to remove this obligation, to reduce costs for Parties and provide them with a modern, resilient, and cost-effective real-time data service
- [Issue 95 'Assessing the continued use of TIBCO service as a source of data for market participants'](#) recommended a Modification be raised to explore the removal of this obligation on Elexon

Proposed solution

- Remove the existing requirement within BSC Section V 'Reporting' for the Balancing Mechanism Reporting Agent (BMRA) to provide BMR Service (BMRS) data via the legacy High Grade Service, otherwise referred to as the TIBCO service
- This Modification (document only) would effectively cease onboarding of new subscribers to the TIBCO service and enable Elexon to work with existing users to transition to alternative methods

Areas to consider

- While the necessary changes could be made via a relatively simple and non-impactful change to the BSC, a Workgroup should be formed to consider the wider impacts that retirement of TIBCO would have and consider feedback from existing TIBCO users, the Issue 95 group and the BSC Panel
- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 - Are the Workgroup comfortable with the removal of BSC obligations to provide BMRS Data via TIBCO and the High Grade Service?
 - Should this Modification be approved, is it appropriate for Elexon to retire the TIBCO service? If so, what criteria should be met first?

Proposed Progression

- 6 month Assessment Procedure
- The Panel are also invited to nominate a Proposer’s representative to represent them in the Workgroup. We recommend the Elexon Product Owner (Zaahir Ghanty) for BMRS as the Panel’s representative
- Workgroup membership
 - TIBCO and High Grade Service operations and processes;
 - BMRA arrangements; and
 - BMRS reporting.

Event	Date
Workgroup Meeting 1	W/C 2 May 2023
Workgroup Meeting 2	W/C 19 June 2023
Assessment Procedure Consultation (15WDs)	7 August– 29 August 2023
Workgroup Meeting 3	W/C 11 September 2023
Present Assessment Report to Panel	12 October 2023
Report Phase Consultation (10WDs)	16 October – 27 October 2023
Present Draft Modification Report to Panel	9 November 2023

Recommendations

We invite the Panel to:

- a) **RAISE** this Modification Proposal in accordance with Section F2.1.1(d)(i);
- b) **AGREE** that this progresses to the Assessment Procedure;
- c) **AGREE** the proposed Assessment Procedure timetable;
- d) **AGREE** the proposed membership for the Modification Workgroup;
- e) **AGREE** the Workgroup's Terms of Reference; and
- f) **NOMINATE** Zaahir Ghanty as the Panel's representative.

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P415 ‘Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties’

P444 ‘Compensation for Virtual Lead Party actions in the Balancing Mechanism’

337/04 337/05 – Ivar Macsween

13 April 2023

Background and Issue

P415

- Issue: Customers (consumers of electricity) cannot currently obtain any value from flexibility in the wholesale market, except if they work with their Supplier to do so
- Therefore, customers can only obtain value from flexibility from working with their Supplier, and not from Virtual Lead Parties (VLPs) who may also be able to support flexibility services
- Balancing Services and Capacity Market (CM) allow a customer's flexibility to be offered by an aggregator without involvement of Supplier
- This presents a barrier to customers offering flexibility and P415 should increase participation and effective competition

P444

- Issue: No mechanism for compensation of Parties who have been affected by VLPs in the Balancing Mechanism (BM)
- As a result, Suppliers are commercially impacted and left with a cost from the BM that they cannot recover through the central arrangements
- Using the P415 Supplier Compensation mechanism within the BM would ensure a level playing field and enable correct incentives for flexibility
- Efficiencies to an aligned implementation with P415 but no hard dependency between the two. Where P415 is not approved, the Proposer and Workgroup believe there is still a strong case for P444.

Proposed / Alternative Solutions

- P415 will enable a VLP to trade Deviation Volumes on the wholesale market on behalf of their customer
- Deviation Volumes are a measurable commodity that represent an import/export MWh deviation to the Total System as a result of independent aggregation activity by a VLP
- Neither the counterparty nor registered Supplier shall bear any liability for delivery of the trade. Suppliers will be compensated for volumes that have been adjusted by a VLP
- The P444 Solution introduces compensation for Suppliers and VLPs in the Balancing Mechanism

Proposed solution

- Compensation costs are mutualised, with compensation paid at a price that approximates the Supplier's expected sourcing costs, obtained by using Ofgem's published Price Cap Methodology (PCM) – also referred to as Compensation 3

Alternative solution

- VLPs are liable to pay compensation costs for volumes adjusted by that VLP, with compensation paid at a price that approximates the Supplier's expected sourcing costs, obtained by using Ofgem's published PCM – also referred to as Compensation 1

P415/P444: Impacts and costs

	Party Impacts	System impacts	Document impacts	EGBL
P415	Suppliers and VLPs – submit DV and pay and receive compensation NGESO - receive info relating to VLPs' intended DV	SAA, DCP, Kinnect, FAA, ECVAA, Portal	Redlined: A, D, J, K, M, N, P, S, S-2, T , X-1 & X-2 Implementation: BSCP01, 15, 65, 70, 507, 508, 537, 602 New Cat 3 doc containing Ofgem PCM	Sections A, J, N, P, S, T Positive against (a) 'competition' and (f) 'DSR'
P444	Suppliers and VLPs - pay and receive compensation	SAA, Kinnect	Difference (delta) from P415: N, S-2, T	Section S

- P415/P444 is expected to cost between £2.3 – 3.3 Million to amend BSC Systems and BSC operations
- If P415 is not approved, P444 would need to develop the functionality to introduce the relevant compensation cashflows and reporting for SBMU actions in the BM. Under Proposed Supplier Final Demand needs to be calculated, whereas the Alternate Solution would be paid for by the VLP at a set price based on a sourcing cost.

- On request of the BSC Panel and P415 Workgroup, CEPA performed a Cost Benefit Analysis (CBA) of P415 to provide information to the BSC Panel, P415 Proposer and P415 Workgroup on the potential benefits, costs and other impacts of implementing P415
- Further detail can be found in the CBA Final Report, but in summary:
 1. The volume of additional flex that would be deployed as a result of P415 is highly uncertain
 2. The magnitude of benefits could be significant
 3. Costs of implementation are likely to be small relative to potential upside for benefits
 4. Some potential risks exist but are likely to be relatively low materiality with possible mitigations
- Assuming P415 does deliver additional volumes of flexibility, the CBA modelling suggests benefits could be material with the potential for £100s millions of consumer welfare benefit per year, considered across a range of scenarios

Consumer and environment impacts

Impact of the Modification on the environment and consumer benefit areas:		
Consumer benefit area	P415 Impact	P444 Impact
1) Improved safety and reliability	Positive	Positive
2) Lower bills than would otherwise be the case	Positive	Positive
3) Reduced environmental damage	Positive	Neutral
4) Improved quality of service	Neutral	Neutral
5) Benefits for society as a whole	Positive	Neutral

- P415 would enable wider customer access and participation in the wholesale market. The unlocking of flexibility is expected to lead to benefits for society as a whole.
- P444’s greater competitive pressure in the BM will lead to lower BM prices. Fairer and more transparent pricing will improve reliability

P415/P444: Implementation approach

- The Workgroups recommend an Implementation Date for P415 and P444 of:
 - 7 November 2024 (Nov 24 Release) if Authority decision by or on 6 October 2023;
- Workgroups strongly recommend to Ofgem that an aligned decision be made between P415 and P444 to unlock the benefits and to avoid a situation where the markets are mismatched in their approach

P415: Workgroup views

- Workgroup developed and consulted on 3 variants:

Compensation 1

- VLPs are liable for compensation costs
- Compensation paid at a price that represents the average Supplier sourcing costs

Compensation 2

- Compensation costs are mutualised across all Suppliers
- Compensation paid at a price that represents the GB spot market price

Compensation 3

- Compensation costs are mutualised across all Suppliers
- Compensation paid at a price that represents the average Supplier sourcing costs

- Ofgem's preference for multiple variants of the P415 Solution to be passed through to allow a full picture and the lack of alternative options could increase the risk of Send Back or rejection, which would ultimately risk delivering to desired timescales
- However only a Workgroup minority agreed that SC3 would be better than SC1 and therefore this Alternative was not raised
- Consequently, the Proposed and Alternative solutions have been flipped, such that the P415 Proposer does not believe that the Proposed solution is a better option than the Alternative, but does believe that it is better than the current BSC arrangements

P415: Workgroup views

- The CBA had identified a potential gaming risk associated with Compensation 2 (mutualised at Spot price). The Workgroup did not reach a consensus as to whether they agree with this assessment, but note that this option was ultimately not taken forward
- Following the Assessment Consultation, NGESO identified a gap: currently all info goes to ESO in form of a Physical Notification (PN). If VLP changes behaviour, ESO will be notified of that behaviour via the PN but they will not know part of the PN is moving and so won't know what part of the PN to offset against the Supplier data to include in their national forecast
- In order to make sure the ESO doesn't have information problems from these Mods, they want to know from VLPs in advance what their anticipated DV are
- Workgroup agreed to adjust the P415 solution so VLPs to send forecasted deviation volumes to ESO

P415: Assessment Consultation responses (1 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's initial unanimous view that P415 does better facilitate the Applicable BSC Objectives than the current baseline?	8	2	1	1
Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P415?	8	1	3	0
Do you agree with the Workgroup's recommended Implementation Date?	4	7	1	0
Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?	4	0	8	0
Do you agree with the Workgroup's assessment that P415 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	5	0	7	0
Do you have any comments on the impact of P415 on the EBGL objectives?	Several responses highlighted positive impacts on EBGL objectives			

P415: Assessment Consultation responses (2 of 4)

Question	High	Medium	Low	Other	None
Will P415 impact your organisation?	5	1	2	0	4
How much will it cost your organisation to implement P415?	3	4	1	0	3
What will the ongoing cost of P415 be to your organisation?	0	0	5	4	2
How long (from the point of approval) would you need to implement P415?	Responses range from a few months – 1 year				

- P415 will allow us to return significant revenues to end users to mitigate the increase of their energy bills while maximizing usage of renewable energy
- Impacts on VLPs -development and ongoing operational effort to integrate wholesale market access into offerings to customers. Compared to the broader Wider Access reforms (P344/P375/P376), expected to be a relatively small incremental effort
- The eventual chosen compensation mechanism would effect the impact and ultimately the business case for activity and investment in the UK market
- Impacts on Suppliers - £100k-£500k to make the necessary changes to systems to monitor and validate charges and revenues

P415: Assessment Consultation responses (3 of 4)

Question	Yes	No	Neutral	Other
Do you support Supplier Compensation Method 1 under P415?	5	5	1	0
Do you support Supplier Compensation Method 2 under P415?	4	6	1	0
Do you support Supplier Compensation Method 3 under P415?	4	3	3	1
Do you consider there to be a material gaming risk under Supplier Compensation Method 2?	6	5	1	0

Question	Compensation 1	Compensation 2	Compensation 3	Other/No Comment
Do you have a preference for Supplier Compensation Method 1, 2 or 3?	5	4	1	1

P415: Assessment Consultation responses (4 of 4)

Question	Yes	No	Neutral	Other
The Workgroup believe that Ofgem’s Price Cap Methodology should be used to calculate the Supplier Compensation Reference Price representing the average Supplier’s sourcing costs, do you agree? Is there another method that you believe may be more appropriate?	5	5	1	1
Having considered the findings of the P415 Final CBA Report in Attachment C, do you believe the benefits of implementing P415 will outweigh the costs?	5	1	2	4

P444: Assessment Consultation responses (1 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup’s initial unanimous view that P444 does better facilitate the Applicable BSC Objectives than the current baseline?	3	1	0	0
Do you agree with the Workgroup that the draft legal text delivers the intention of P444?	3	0	0	0
Do you agree with the Workgroup’s recommended Implementation Date?	3	0	0	0
Do you agree with the Workgroup’s assessment of the impact on the BSC Settlement Risks?	2	0	1	0

- Removing a distortion, it will further objectives (b) and (c)
- Aligning this compensation mechanism with P415 would be efficient

P444: Assessment Consultation responses (2 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup’s assessment that P444 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	3	0	0	0
Do you have any comments on the impact of P444 on the EBGL objectives?	P444 better supports objectives: (a) because it supports a level playing field in the BM (b) because greater levels of competition and volumes in the BM would lead to greater market efficiency (e) because it would lead to lower barriers of entry and increase liquidity in the BM (f) because it would support demand side and aggregated capacity in particular			

P444: Assessment Consultation responses (3 of 4)

Question	High	Medium	Low	Other	None
Will P444 impact your organisation?	0	1	1	1	0
How much will it cost your organisation to implement P444?	0	0	1	1	1
What will the ongoing cost of P444 be to your organisation?	0	0	1	1	1
How long (from the point of approval) would you need to implement P444?	1-4 months				

- So long as P415 is implemented, the additional work for P444 will be minimal. In fact, having the settlement of different types of dispatch settled on the same basis will simplify some processes)
- Positive impact as it will allow better participation in the BM.
- So long as P415 is also implemented, P444 will reduce, rather than increase the administrative burden on VLPs. Ongoing FTE to support wholesale trading and operational activities.

P444: Assessment Consultation responses (4 of 4)

Question	Yes	No	Neutral	Other
If you are a VLP, what volumes of flexibility have you delivered and how this might change over the next 10 years? This information will help establish the impact on Suppliers.	“So far, we have delivered very little in the balancing mechanism, because we have been waiting for the implementation of P376. We expect to grow our participation substantially. For context, our capacity market portfolio is in the hundreds of MW; we would expect a fair proportion of our capacity market customers to also be interested in balancing mechanism participation.”			
Would the addition of Supplier compensation into the BM under P444 change your organisation’s investment plans or otherwise induce a change to your business model?	1	1	0	1
Do you agree with the Workgroup that there would still be value in progressing P444 even if P415 is not approved?	1	1	1	0

P415: Workgroup views against BSC Objectives

- **Majority** of the Workgroup believes that P415 **Alternative** Modification would better facilitate the Objectives compared with both the existing baseline and Proposed Modification and so should be **approved**. P415 Proposer aligns to this view and prefers the Alternative Solution.

Does the P415 Proposed Solution better facilitate the Applicable BSC Objectives?		
Applicable BSC Objective	(b)	(c)
Proposer Views	Positive	Positive
Workgroup Views	Positive (Majority)	Negative (Majority)

- Majority of Workgroup members believe that P415 Proposed Solution is positive against objective (c) but detrimental against (d) and overall detrimental against the BSC baseline.

Does the P415 Alternative Solution better facilitate the Applicable BSC Objectives?		
Applicable BSC Objective	(b)	(c)
Proposer Views	Positive	Positive
Workgroup Views	Positive (Unanimous)	Positive (Majority)

- Majority of the Workgroup believe that the Alternative Solution better facilitates BSC Objectives (b) and (c) and is better against the overall BSC baseline.

P444: Workgroup views against BSC Objectives

- Majority of the Workgroup believes that P444 Alternative Modification better facilitates the Objectives compared with both the existing baseline and Proposed Modification and so should be **approved**. The P444 Proposer aligns to this view and prefers the Alternative Solution.

Does the P444 Proposed Solution better facilitate the Applicable BSC Objectives?

Applicable BSC Objective	(b)	(c)
Proposer Views	Positive	Positive
Workgroup Views	Neutral (Majority)	Neutral/Negative (Split)

- Majority of Workgroup believed the P444 Proposed is neutral on (b) - VLPs already have access to the BM market under current arrangements
- Split views on (c) – no significant benefit that Proposed would bring to the baseline (Neutral) vs concerns over impact the Proposed could have on Supply side competition (Negative)

Does the P444 Alternative Solution better facilitate the Applicable BSC Objectives?

Applicable BSC Objective	(b)	(c)
Proposer Views	Positive	Positive
Workgroup Views	Positive (Majority)	Positive (Majority)

- (b) and (c) – better supports this than the Proposed by more fairly allocating costs and clarifying who is responsible for paying them

P415: Recommendations

We invite the Panel to:

- a) **AGREE** that P415 Proposed Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (b); and
 - ii. **DOES NOT** better facilitate Applicable BSC Objective (c);
- b) **AGREE** that P415 Alternative Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (b); and
 - ii. **DOES** better facilitate Applicable BSC Objective (c);
- c) **AGREE** an initial view that P415 should not be treated as a Self-Governance Modification;
- d) **AGREE** that the P415 Alternative Modification is better than the P415 Proposed Modification;
- e) **AGREE** an initial recommendation that the P415 Alternative Modification should be **approved** and that the P415 Proposed Modification should be rejected;

P415: Recommendations

We invite the Panel to:

- f) **AGREE** that P415 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- g) **AGREE** the impact on the EBGL objectives;
- h) **AGREE** an initial Implementation Date of:
 - i. **7 November 2024** and part of the Standard November 2024 BSC Release if a decision is received on or before 6 October 2023; or
- i) **AGREE** the draft legal text for the Proposed Modification;
- j) **AGREE** the draft legal text for the Alternative Modification;
- k) **AGREE** that P415 is submitted to the Report Phase; and
- l) **NOTE** that Elexon will issue the P415 Draft Modification Report (including the draft BSC legal text) for a one month consultation and will present the results to the Panel at its meeting on 8 June 2023.

P444: Recommendations

We invite the Panel to:

- a) **DETERMINE** whether the P444 Proposed Modification:
 - i. better facilitates Applicable BSC Objective (b); and
 - ii. better facilitates Applicable BSC Objective (c);
- b) **AGREE** that P444 Alternative Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (b); and
 - ii. **DOES** better facilitate Applicable BSC Objective (c);
- c) **AGREE** an initial view that P444 should not be treated as a Self-Governance Modification;
- d) **AGREE** that the P444 Alternative Modification is better than the P444 Proposed Modification;
- e) **AGREE** an initial recommendation that the P444 Alternative Modification should be **approved** and that the P444 Proposed Modification should be rejected;

P444: Recommendations

We invite the Panel to:

- f) **AGREE** that P444 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- g) **AGREE** the impact on the EBGL objectives;
- h) **AGREE** an initial Implementation Date of:
 - i. **7 November 2024** and part of the Standard November 2024 BSC Release if a decision is received on or before 6 October 2023; or
- i) **AGREE** the draft legal text for the Proposed Modification;
- j) **AGREE** the draft legal text for the Alternative Modification;
- k) **AGREE** an initial view that P444 should not be treated as a Self-Governance Modification;
- l) **AGREE** that P444 is submitted to the Report Phase; and
- m) **NOTE** that Elexon will issue the P444 Draft Modification Report (including the draft BSC legal text) for a one month consultation and will present the results to the Panel at its meeting on 8 June 2023.

ELEXION

P453 'Amending Metering Dispensation Process, Updating AMP/DMP in the CoPs and Clarifying the Relevant CoP'

337/07 – Stanley Dikeocha & Anne Themistocleous (UK Power Network)

13 April 2023

Issue

- The issue was initially discussed at the Issue 93 'Review of the Metering Codes of Practice (CoPs)'
- Firstly, there is lack of clarity on how to determine the relevant CoP for circuits that are embedded behind the Boundary Point Metering System or the Defined Metering Point (DMP)
 - This existing requirement is specified in Appendix A of the CoPs
- Secondly, Metering Dispensations may be sought when there is mismatch between the Actual Metering Point (AMP) and DMP, but the administrative efforts of processing the applications outweighs the benefits in most cases and where an application is required the process could be made more efficient
 - If the error from the mismatch does not exceed overall accuracy limits, then a Metering Dispensation is not needed
 - If the application is only based on location and compensations need to be applied then the Metering Dispensation process can be more efficient

P453: Proposed solution

- Amendments to paragraph 4.3.3 in the CoPs clarifying situations where a Metering Dispensation is not required
- Addition of requirements in BSC Section L 'Metering' and BSCP32 'Metering Dispensations' amending the Metering Dispensation process
- Clarifications on handling embedded circuits in Foreword and Appendix A to address discrepancies between AMP and DMP added into the CoPs

P453: Impacts, Costs and Progression (1 of 2)

- Document only updates to
 - BSC Section L 'Metering';
 - CoPs 1, 2, 3, 5 and 10; and
 - BSCP32 'Metering Dispensations'
- BSC Parties and Party Agents:
 - Elexon (BSCCo);
 - National Electricity Transmission System Operator (NETSO);
 - Licensed Distribution System Operator (LDSO);
 - Central Volume Allocation (CVA) Meter Operator Agent (MOA); and
 - Supplier Volume Allocation (SVA) MOA.
- The Proposer recommends that this Modification is progressed to Report Phase:
 - The solution is self-evident. It is only seeking to add clarity to the existing principles
 - Industry experts shaped the solution via the Issue 93 review

P453: Impacts, Costs and Progression (2 of 2)

EBGL Impact

- We have not identified any impacts on the EBGL provisions.

Self-Governance

- The Proposer recommends and we agree that P453 **should be** progressed as Self-Governance because it does not materially impact on any of the Self-Governance criteria.

Event	Date
Report Phase Consultation (10WDs)	17 April 2023 – 28 April 2023
Present Draft Modification Report to Panel	11 May 2023
Issue Final Modification Report to Authority	12 May 2023
Self-Governance Objection window (15WDs)	12 May 2023 – 5 June 2023
Implement P453	2 November 2023 (standard November 2023 BSC Release)

P453: View against Applicable BSC Objectives

- The Proposer believes that this Modification is **Positive** against Objectives:
- **(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission License**
 - The NETSO (a stakeholder in the Metering Dispensation process), is likely to receive less Metering Dispensations to review thus, creating more capacity for them to efficiently discharge their obligations
- **(d) Promoting efficiency in the implementation of the balancing and settlement arrangements**
 - The scenarios where a Metering Dispensation is required will be better clarified through this Modification thus, reducing the instances of unnecessary Metering Dispensations from being requested. This improvement streamlines the Metering Dispensation process, allowing BSCCo to efficiently utilise its resources elsewhere
- The Proposer believes that this Modification is **Neutral** against all other Objectives

P453: Recommendations

We invite the Panel to:

- a) **AGREE** that P453 progresses directly to the Report Phase;
- b) **AGREE** that P453:
 - i. **DOES** better facilitate Applicable BSC Objective (a); and
 - ii. **DOES** better facilitate Applicable BSC Objective (d)
- c) **AGREE** an initial view that P453 **should be** treated as a Self-Governance Modification;
- d) **AGREE** that P453 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- e) **AGREE** an initial recommendation that P453 should be **approved**;
- f) **AGREE** an initial Implementation Date of:
 - i. **2 November 2023** (standard November 2023 BSC Release);
- g) **AGREE** the draft legal text; and
- h) **NOTE** that Elexon will issue the P453 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 11 May 2023.

ELEXION

P452 ‘Replacement of the Energy Bill Relief Scheme for non-domestic customer with the Energy Bill Discount Scheme’

337/08 – Stanley Dikeocha

13 April 2023

P452: Background and Issue

- As a result of the high energy prices, the Government introduced the Energy Bill Relief (EBR) Scheme for non-domestic customers to run between 1 October 2022 and 31 March 2023
- Modification P449 'Non-domestic Energy Bill Relief Scheme' was then implemented on 11 November 2023 to enable Elexon to act as the EBRS electricity payment provider
- Since the economic challenges continue, the Government announced the programme to run for another 12 months from 1 April 2023 to 31 March 2024, but under a replacement scheme, the Energy Bill Discount (EBD) Scheme
- The Department of Energy Security and Net Zero (DESNZ) is to keep Elexon as the electricity payment provider

Issue

- To enable Elexon (BSCCo) to act as the payment provider for the Government's Energy Bill Discount Scheme for non-domestic electricity customer

P452: Proposed Solution

Proposed solution

- As in P449, the solution for P452 is to allow Elexon to undertake a role for EBD Scheme, as delegated by DESNZ
- This role would involve BSCCo continuing to process Supplier requested payments approved by DESNZ and providing necessary consumption data reporting for the assurance of the scheme
- Calculations and validation of the claims for the EBDS will continue to be carried out by DESNZ
- BSC Panel and Panel Committees will not have any responsibilities in respect of Elexon's functions as Scheme Administrator
- Scheme payments will be accounted for separately from other BSC Costs and Trading Charges

P452: Panel’s initial views

Solution	Objectives	EBGL Impact	Outcome	Implementati on Date	Redlining	Self- Governance
Proposed	+(c), Equal split(d)	No	Approve	+1WD	Approve	No

Document impact

- As in P449, BSC Section H ‘General’ was also redlined and issued in the P452 Urgent Modification Consultation

P452: Urgent Modification Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that the P452 should be approved?	2	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P452?	2	0	0	0
Do you agree with the Panel's recommended Implementation Date?	2	0	0	0
Do you agree with the Panel's assessment of the impact on the BSC Settlement Risks?	2	0	0	0
Do you agree with the Panel's initial view that P452 should not be treated as a Self-Governance Modification?	2	0	0	0
Do you agree with the Panel's initial recommendation that P452 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	1	0	1	0
Will P452 impact your organisation?	2	0	0	0
Do you have any further comments on P452?	0	2	0	0

- We received two responses, both were Suppliers. Both respondents were in favour of implementing P452 and in line with the Panel's initial views and assessments of BSC Risks, the Applicable BSC Objectives and recommended progression route
- One respondent noted a high impact albeit not related to their operational processes.

P452: Recommendations

We invite the Panel to:

- a) **AGREE** that P452:
 - i. **DOES** better facilitate Applicable BSC Objective (c); and
 - ii. **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** that this Modification **should not be** treated as a Self-Governance Modification;
- c) **AGREE** a recommendation that P452 should be **approved**;
- d) **AGREE** that P452 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- e) **AGREE** an Implementation Date for P452 of **+1WD** after Authority Decision;
- f) **APPROVE** the draft Legal Text for P452; and
- g) **APPROVE** the P452 Modification Report.

ELEXION

**P443 ‘To Cap NGESO Interconnector
Trades at the Value of Lost Load (VoLL)’**

337/09 – Paul Wheeler

13 April 2023

P443: Background

- At the current time, National Grid Electricity System Operator (NGESO) can trade at prices above the Value of Lost Load (VoLL) – currently £6,000/MWh in the BSC
- This adds to customers' costs and sends a signal to the markets that customers are willing to buy power at any price
- VoLL represents the value to customers of unsupplied energy
- In a cost of living crisis the Proposer does not believe that the British public are prepared to buy energy at any price and therefore a price cap before emergency actions seems a sensible safety net
- The Proposer's view is that NGESO should seek to use other actions (Capacity Market, Electricity Margin Notices, Demand Side Response) rather than buy energy at any price

P443: Proposed Solution

- For Interconnector actions only - cap the price that enters the Imbalance Price calculation at VoLL
- The value of the Interconnector action above VoLL would be capped in the Balancing Services Adjustment Data (BSAD) file to VoLL by Elexon on receipt from NGESO, for use in the Imbalance Price calculation
- NGESO would still be able to take Interconnector actions it deems necessary, but these would be capped in the Imbalance Price calculation where the relevant actions exceed VoLL
- The original trade value will be reported for transparency

P443: Impacts

- Generators
- Suppliers
- Interconnector Users, Operators and Owners
- Non Physical Traders
- Customers
- NGESO
- Balancing and Settlement Code Company (BSCCo)

- BSC impacts
 - Interim workaround solution – manually amend BSAD file and pass through to BMRA/SAA
 - Enduring solution – BSAD file automatically amended
 - BSC Section T ‘Settlement and Trading Charges’ and BSC Section X-2 ‘Technical Glossary’

- EBGL impacts and impact on EBGL objectives
 - BSC Section T4
 - Mixed Workgroup views as to whether P443 is consistent or inconsistent with the EBGL objectives

P443: 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	Positive
3) Reduced environmental damage	Neutral
4) Improved quality of service	Neutral
5) Benefits for society as a whole	Positive

- Costs of actions above VoLL would still be recovered through Balancing Services Use of System (BSUoS), but lower Imbalance Prices could lead to lower bills than would otherwise be the case

P443: Implementation approach

- **2 November 2023** (November 2023 BSC Release) if Authority decision by or on 31 July 2023; or
- **Three months** following decision if Authority decision after 31 July 2023

P443: Workgroup views

- The Workgroup considered two Potential Alternative Solutions and consulted upon both to determine whether to formally raise an Alternative Modification

Solution	Description
Proposed	cap Interconnector actions to VoLL in the Imbalance price calculation
Potential Alternative Solution 1	cap all actions to VoLL in the Imbalance price calculation
Potential Alternative Solution 2	prevent Interconnector trades above VoLL

- The Workgroup did not raise an Alternative Modification

P443: Assessment Procedure Consultation responses (1 of 8)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup’s initial majority view that the P443 Proposed Solution (cap Interconnector actions to VoLL in the Imbalance price calculation) does not better facilitate the Applicable BSC Objectives and is not better than the current baseline?	7	1	0	0
Do you agree with the Workgroup’s initial majority view that the P443 Potential Alternative Solution 1 (cap all actions to VoLL in the Imbalance price calculation) does not better facilitate the Applicable BSC Objectives and is not better than the current baseline?	7	1	0	0
Do you agree with the Workgroup’s initial majority view that the P443 Potential Alternative Solution 2 (prevent NGESO taking actions with Interconnector Users above VoLL) does not better facilitate the Applicable BSC Objectives and is not better than the current baseline?	7	1	0	0

- The majority of respondents did agree with the Workgroup’s initial majority view that the P443 Proposed and two Potential Alternative Solutions do not better facilitate the Applicable BSC Objectives and are not better than the current baseline

P443: Assessment Procedure Consultation responses (2 of 8)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P443 Proposed 1a and 1b?	5	0	3	0
Do you agree with the Workgroup’s recommended Implementation Date (whether or not you agree with P443)?	3	1	3	1
Given that an enduring solution cannot be put in place until summer 2024, do you agree that it is better to implement an interim workaround solution for winter 2023/24, even if this means the workaround will not be able to apply the cap until Settlement timescales (but an enduring solution will)?	1	4	3	1

- The majority of respondents agreed with that the draft legal text delivers the intent of the Proposed solution, even though they did not agree with the Proposed solution
- The were mixed views on the proposed Implementation Date
- The majority of respondents did not agree with the Modification, so did not want an interim solution implemented for this winter 2023/24

P443: Assessment Procedure Consultation responses (3 of 8)

Question	Yes	No	Neutral	Other
Do you believe Potential Alternative Solution 1 (cap all actions to VoLL in the Imbalance price calculation) or Potential Alternative Solution 2 (prevent Interconnector trades above VoLL), or a potential other Alternative Modification is better than the Proposed (cap Interconnector actions to VoLL in the Imbalance price calculation)?	2	5	0	1
Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?	5	0	3	0
Do you agree with the Workgroup's assessment that P443 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	7	0	1	0
Do you have any comments on the impact of P443 on the EBGL objectives?	4	3	1	0

- The majority of respondents did not believe that the two Potential Alternative Solutions, or any other Alternative Modification would be better than the current baseline
- There were mixed views as to whether P443 would be consistent with EBGL objectives on non-discrimination and ensuring that procurement of balancing services is fair

P443: Assessment Procedure Consultation responses (4 of 8)

Question	H	M	L	None	Other
Will P443 impact your organisation?					
Proposed	1	1	5	1	0
Potential Alternative 1	2	1	4	1	0
Potential Alternative 2	4	1	2	1	0
How much will it cost your organisation to implement P443?					
Proposed	0	1	2	3	2
Potential Alternative 1	0	1	2	3	2
Potential Alternative 2	0	0	0	5	3
What will the ongoing cost of P443 be to your organisation?					
Proposed	0	0	2	2	4
Potential Alternative 1	0	0	2	2	4
Potential Alternative 2	0	0	1	2	5

- Proposed – greatest impact on Elexon and NGESO in terms of documents, systems and processes. Low impact on market participants

P443: Assessment Procedure Consultation responses (5 of 8)

Question	0-6 months	6-12 months	>12 months	Other
How long (from the point of approval) would you need to implement P443?	1	0	1	6

- Low impact from Proposed Solution
- 0-6 months – if there was a change to local systems to receive updated SAA-I014 (Settlement Report) file with both uncapped and capped trade value (however, Workgroup since decided this should not be in the solution)
- >12 months – NGESO stated that if Potential Alternative Solution 2 is taken forward they would need to further consider impacts on document, system and processes
- Other – no impact or no response

P443: Assessment Procedure Consultation responses (6 of 8)

Question	Yes	No	Neutral	Other
Would you want to see both the capped and uncapped trade value in the SAA-I014 (Settlement Report) file, taking into consideration the additional costs and impacts this will have?	5	1	2	0
Do you agree with the Proposer's views on the impacts P443 will have on the environment and consumers?				
Proposed	2	4	2	0
Potential Alternative 1	1	4	2	0
Potential Alternative 2	1	4	2	0

- The majority of respondents did want to see both capped and uncapped trade values reported, but this will be delivered via the Insights solution, not in the Settlement Report

P443: Assessment Procedure Consultation responses (7 of 8)

Question	Yes	No	Neutral	Other
Should the solution only apply to Interconnector Users?	2	5	1	0
Do you agree with the principle of using VoLL as a parameter to set the cap?	3	4	1	0
Should the solution include Emergency Actions within scope of any cap?	3	2	2	1
Do you believe there are any unintended consequences of the Proposed Solution (cap Interconnector actions to VoLL in the Imbalance price calculation), Potential Alternative Solution 1 (cap all actions to VoLL in the Imbalance price calculation) and Potential Alternative Solution 2 (prevent Interconnector trades above VoLL)	6	1	1	0

- The majority of respondents felt it was fairer not to discriminate
- There were mixed views on the principle of using VoLL – noting VoLL in the BSC had not been revised since 2018 and is different for different customers
- There were mixed view on whether Emergency Actions should be in scope, as given their nature they are only in emergencies and there could be system security impacts

P443: Assessment Procedure Consultation responses (8 of 8)

Question	Yes	No
Do you have any further comments on P443?	2	6

- One respondent had concerns that although the Proposed and Potential Alternative 1 would not prevent NGESO taking actions above VoLL, they had concerns that both do not comply with the retained legislation
- One respondent had concerns that any form of price cap could disincentivise the market to make investments

P443: Workgroup views against BSC Objectives

- Overall, the Proposer believes P443 is better than the current baseline, whereas the majority of the Workgroup believe it is neutral, so not better than the current baseline. The P443 Workgroup therefore recommend P443 is **rejected**
- The Workgroup views remained broadly the same between their initial and final views

Does the P443 Proposed Solution better facilitate the Applicable BSC Objectives?			
Applicable BSC Objective	(c)	(d)	(e)
Proposer Views	Positive	Positive	Neutral
Workgroup Views	Neutral (Majority)	Neutral (Majority)	Neutral (Majority)

P443: Recommendations

We invite the Panel to:

- a) **AGREE** that P443:
 - i. **DOES NOT** better facilitate Applicable BSC Objective (c);
 - ii. **DOES NOT** better facilitate Applicable BSC Objective (d); and
 - iii. **DOES NOT** better facilitate Applicable BSC Objective (e);
- b) **AGREE** an initial view that P443 should not be treated as a Self-Governance Modification;
- c) **AGREE** an initial recommendation to the Authority that P443 should be **Rejected**
- d) **AGREE** that P443 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- e) **AGREE** the impact on the EBGL objectives;
- f) **AGREE** an initial Implementation Date of:
 - i. **2 November 2023** if an Authority decision is received on or before 31 July 2023; or
 - ii. **Three months after the Authority's decision**, if the Authority's decision is received after 31 July 2023;
- g) **AGREE** the draft legal text;
- h) **AGREE** that P443 is submitted to the Report Phase; and
- i) **NOTE** that Elexon will issue the P443 Draft Modification Report (including the draft BSC legal text) for a one month consultation and will present the results to the Panel at its meeting on 8 June 2023.



PART III NON- MODIFICATION BUSINESS (OPEN SESSION)

E L E X O N

**Minutes of previous meetings
and Actions arising**

Fionnghuala Malone

ELEXION

Chair's Report

Sara Vaughan

ELEXON

Elexon Report

337/01

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

Elxon Kinnect: Migration and reconciliation of Settlement solution data complete with good progress on Production testing and service transition preparation

Settlement Solution

The project is entering a Full Service Production parallel run to test out all facets of service in order to complete Go-Live, which is now planned for 10 May (10 days later than the original plan).

Funds Administration Agent

The Funds Administration Agent service continues in its discovery phase to determine the calculation and finance system requirements in order to begin full mobilisation of a replacement project in April 2023. The review of BSC Section N Clearing, Invoicing and Payment has started and will determine the scope for a potential BSC Modification to gain efficiency and reflect modern banking practices.

Insights Solution

Development of Iteration 4 of 5 of the Insights solution to replace BMRS started in first week of January 2023 with a plan for completion by end June 2023. This will include development of the REMIT portal. Full completion of the Insights Solution is expected by end December 2023 with cutover to Production in Q1 2024 and decommissioning of legacy BMRS functionality in Q2 2024.

Customer Solution

Modifications P376 and P419 were successfully cutover to Production in February 2023. Analysis and design work on P395 is continuing. Additional functionality will be built into Customer Solution to allow the CRA system to be decommissioned without reduction of functionality across the estate as part of the Oracle Migration project. Design and requirements capture for this work has begun now that P376 and P419 are complete.

Migration of Legacy Agents to Oracle Cloud Infrastructure

Initial planning for the migration of all On-Premise hosted enduring legacy Agents to Oracle Cloud Infrastructure has been drawn up. Initial shaping, development of environment, and application build scripting will be completed by May 2023 with a full migration project targeting completion in mid-2024 to be mobilised.

Elexon Kinnect: Budget update

Overall, the Kinnect Programme remains on budget with £32.5m of investment in progress, of which £31.4 m has been spent to date. The remaining £15.4m is forecast for future work to conclude migration of the legacy systems to the digital platform in 2023/24 and we have £6.0m remaining contingency.

These figures are also shown in the table below:

CTD (£m)	Committed	FTC	Contingency	Forecast Outturn	Budget	Variance
31.4	1.1	15.4	6.0	53.9	53.9	0

Elxon Helix: Current project status

Development continues to make good progress.

The Helix team continues to work with several constraints that are impacting certainty of the forward plan:

- The transition design has yet to be issued by the MHHS Programme, which means that the Helix team is prioritising development work based on the information available, to minimise the assumptions being made. The impact of this will be analysed when the transition design is issued.
- The Helix development is working towards the end of October for completion with a stretch target for the end of September. This date was included in the Round 3 re-plan issued by the MHHS Programme as the end of DBT.
- The Helix team is working with the MHHS programme to clarify the requirements for the end of DBT and the commencement of CIT. This will allow the Helix to confirm if the dates are achievable.

Elexon Helix: Budget update

Overall, the Helix Programme remains on budget with £28.4m of investment in progress, of which £21.4m has been spent to date. The remaining £14.6m is forecast for future programme increments to deliver the remainder of the Helix programme. There is also £3.1m and £3.3m held separately for the Performance Assurance impact and programme contingency, respectively.

These figures are also shown in the table below:

CTD (£m)	Committed	FTC	Performance Assurance Contingency	Programme Contingency	Forecast Outturn	Budget	Variance
21.4	7.1	14.6	3.1	3.3	49.5	49.5	0

Key KPIs: February 2023

KPI	Target	Status
Performance against budget	Percentage (Under)/Over Spend Full Year Forecast vs. Budget complete >(5)%	(2.46%) - ON TARGET
Core system availability (BSC Agent Services)	99.50%	99.96% - ON 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%	4.3% - ON TARGET
Modifications: number of Ofgem send backs	<=2 in a rolling 12 month period	2 – ON TARGET
Code Admin: % of Panel and Committee papers delivered on time	90%	91% - ON TARGET

Recommendation



We invite the Panel to:

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

MEETING CLOSE

ELEXON

THANK YOU
