

Minutes

BSC Panel

Meeting number	339	Venue	Elexon Offices/Video Conference
Date of meeting	8 June 2023	Classification	Public

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

Attendees and apologies		
Attendees		
Sara Vaughan	SV	BSC Panel Chair
Phil Hare	PH	Deputy BSC Panel Chair
Amy Stackhouse	AS	Elexon
Andrew Colley	AC	Industry Panel Member
Cathy Fraser	CF	NGESO (part meeting)
Derek Bunn	DB	Independent Panel Member
Diane Dowdell	DD	Industry Panel Member
Elliott Harper	EH	Elexon Head of Governance Services & Panel Secretary
Fungai Madzivadondo	FM	Distribution Business Representative
Gavin Gardener	GG	KPMG (part meeting)
Ivar Macsween	IM	Elexon (part meeting)
Jacob Snowden	JS	Elexon (part meeting)
Jessica Davis	JD	Elexon (part meeting)
Jill Wells	JW	NGESO (part meeting)
John Lucas	JL	Elexon (part meeting)
Jonathan Coe	JC	Ofgem Representative
Karen Thompson-Lilley	KTL	NGESO Representative
Lawrence Jones	LJ	Elexon Head of Rules Management & BSC Modification Secretary

Attendees and apologies

Lisa Waters	LW	Industry Panel Member
Michael Robertson	MR	Industry Panel Member
Nathan Cain	NC	KPMG (part meeting)
Nicholas Robertson	NR	NGESO (part meeting)
Oli Meggitt	OM	Elexon (part meeting)
Paul Wheeler	PW	Elexon (part meeting)
Peter Stanley	PS	Elexon Chief Operating Officer (part meeting)
Simon McCalla	SM	Elexon CEO
Stavya Nagpal	SN	KPMG (part meeting)
Tirath Maan	TM	Elexon (part meeting)
Tom Edwards	TW	Industry Panel Member
Victoria Moxham	VM	Elexon Director of Customer and Code Management

Apologies

Fionnghuala Malone	FMa	BSC Admin Team Leader
Jon Wisdom	JW	NGESO Representative
Mark Oxby	MO	Industry Panel Member

Open Session

1. Introduction

- 1.1 The Chair noted apologies from Fionnghuala Malone, Jon Wisdom and Mark Oxby. Karen Thompson-Lilley was acting as Jon Wisdom's alternate. Phil Hare was acting as Mark Oxby's alternate.

Part I: Confidential Business (Closed Session)

Part II: Modification and Change Business (Open Session)

IWA: Initial Written Assessment | **AC:** Assessment Procedure Consultation | **AR:** Assessment Report
RC: Report Phase Consultation | **DMR:** Draft Modification Report

2. 'On-Site Aggregation as a method to facilitate Third Party Access' – Designation request & Initial Written Assessment (339/04)

- 2.1 A Panel Member queried whether the proposed assessment procedure timetable was long enough to provide sufficient time for the Proposer to include and learnings from the sandbox trial into the Modification. The Proposer noted that they already had sufficient learnings and evidence at this point to guide the Modification but could also request an extension if required. However, the Proposer confirmed that it was content with the proposed timings to make timely progress.

- 2.2 A Panel Member highlighted that this Modification would require engagement with the Distribution Connection and Use of System Agreement (DCUSA) to understand the Distribution Network Operator (DNO) charges for those consumers. The Proposer noted they had raised a sandbox application through DCUSA which began in April 2023, to test their alternative proposal for dealing with fixed charges through DCUSA.
- 2.3 A Panel Member asked that the Workgroup's Terms of Reference also include whether this Modification impacted BSC metering dispensations; whether there were any DCUSA impacts; confirm who pays Distribution Use of System (DUoS) Charges; and consider whether a cost benefit analysis is required (given the possible high level of impacts).
- 2.4 A Panel Member noted the proposed report phase consultation date falls over the Christmas/New Year holiday period and should be extended to allow sufficient time for response. Elexon agreed this point and noted that closer to the time, it will ensure respondents have sufficient time to put forward views.
- 2.5 The BSC Panel:
- a) **DESIGNATED** Emergent Energy to raise the Modification Proposal;
 - b) **AGREED** that this Modification progressed to the Assessment Procedure;
 - c) **AGREED** the proposed Assessment Procedure timetable as amended per discussion in the meeting;
 - d) **AGREED** the proposed membership for the Modification Workgroup; and
 - e) **AGREED** the Workgroup's Terms of Reference as amended per discussion in the meeting.

3. Change Report and Progress of Modification Proposals (339/02)

3.0 Elexon presented the Change Report and progress of Modification Proposals.

- 3.1 The BSC Panel:
- a) **APPROVED** a four-month extension for P441; and
 - b) **NOTED** the contents of the June 2023 Change Report.

4. P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties' and P444 'Compensation for Virtual Lead Party actions in the Balancing Mechanism' Draft Modification Reports (339/03)

- 4.0 A Panel Member queried why Elexon asks whether a Modification was Self-Governance at the Report Phase Consultation stage. LJ noted that it formed part of the standard questions but Elexon will take this feedback under consideration.
- 4.1 A Panel Member noted that in their view, some Parties might see a commercial advantage due to this Modification but might not divulge this information within a Workgroup. IM informed Panel that a variety of Aggregators and Virtual Lead Parties (VLPs) were comfortable with P415/444 propositions developed by the Workgroup.
- 4.2 In relation to P415, the BSC Panel:
- a) **AGREED** that the P415 Proposed Modification:
 - i **DOES** better facilitate Applicable BSC Objective (b);
 - b) **AGREED** that the P415 Alternative Modification:
 - i **DOES** better facilitate Applicable BSC Objective (b); and
 - ii **DOES** better facilitate Applicable BSC Objective (c);
 - c) **AGREED** that the P415 Alternative Modification is better than the P415 Proposed Modification;
 - d) **AGREED** that P415 should not be treated as a Self-Governance Modification;
 - e) **AGREED** that P415 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC but the impact is **positive**;
 - f) **AGREED** a recommendation that the P415 Alternative Modification should be approved and that the P415 Proposed Modification should be rejected;
 - g) **APPROVED** an Implementation Date for the Proposed and Alternative Modifications 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;
- h) **APPROVED** the draft legal text for the P415 Proposed and Alternative Modifications; and
- i) **APPROVED** the P415 Modification Report.

4.3 In relation to P444, the BSC Panel:

- a) **AGREED** that the P444 Proposed Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (b);
- b) **AGREED** that the P444 Alternative Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (b); and
 - ii) **DOES** better facilitate Applicable BSC Objective (c);
- c) **AGREED** that the P444 Alternative Modification is better than the P444 Proposed Modification;
- d) **AGREED** that P444 should not be treated as a Self-Governance Modification;
- e) **AGREED** that P444 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC but the impact is **positive**;
- f) **AGREED** a recommendation that the P444 Alternative Modification should be **approved** and that the P444 Proposed Modification should be **rejected**;
- g) **APPROVED** an Implementation Date for the Proposed and Alternative Modifications 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;
 - h) **APPROVED** the draft legal text for the P415 Proposed and Alternative Modifications; and
 - i) **APPROVED** the P415 Modification Report.

5. **P443 'To Cap NGESO Interconnector Trades at the Value of Lost Load (VoLL)' - Draft Modification Report (339/06)**

- 5.1 LW declared an interest in P443 as they are the Proposer's representative for the Modification, and therefore abstained from voting.
- 5.2 The Panel Chair confirmed that a letter had been sent by the Panel to Ofgem expressing the Panel's sympathy with the issues raised by this Modification, and asked Ofgem whether they would be responding formally to the Panel's letter. The Ofgem representative reported that internal work is ongoing.
- 5.3 The BSC Panel:
 - a) **AGREED** 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) **AGREED** that P443 should not be treated as a Self-Governance Modification;
 - c) **AGREED** that P443 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
 - d) **AGREED** that P443 is neutral against the EBGL objectives;
 - e) **AGREED** a recommendation to the Authority that P443 should be rejected;
 - f) **APPROVED** an Implementation Date for P443 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) **APPROVED** the draft BSC Legal Text for P443; and
 - h) **APPROVED** the P443 Modification Report.

6. CP1576 'Creation of a new Interconnector Fuel Type Category for the Viking Link Interconnector' - Assessment Report' (339/07)

- 6.1 A Panel Member asked when Elexon intend to include other fuel type categories, noting that a comment had been made at the Transparency Forum that this data was available but incompatible with BMRS. LJ agreed to confirm this back to Panel.
- 6.2 **ACTION 339/02 – Elexon to check and confirm when it expects to add additional fuel type categories to BMRS.**
- 6.3 The BSC Panel:
- a) **APPROVED** the proposed changes to the NETA IDD Document for CP1576; and
 - b) **APPROVED** CP1576 for implementation on 2 November 2023 as part of the standard November 2023 Release.

7. 'Enable Elexon to produce ancillary Technology Services for use by BSC Agents' Internal Written Assessment' (339/08)

- 7.1 The BSC Panel:
- a) **RAISED** the Modification Proposal in accordance with Section F2.1.1(d)(i);
 - b) **AGREED** that the Modification progresses to the Assessment Procedure;
 - c) **AGREED** the proposed Assessment Procedure timetable;
 - d) **AGREED** the proposed membership for the Workgroup;
 - e) **AGREED** the Workgroup's Terms of Reference; and
 - f) **NOMINATED** Lawrence Jones as the Panel's representative.

Part III: Non-Modification Business (Open Session)

8. Elexon Report Minutes of previous meetings and Actions arising

- 8.1 The BSC Panel approved the draft minutes for BSC Panel meeting 338. Elexon presented the actions and associated updates for the June 2023 Panel meeting. Updates are summarised in the table appended to this set of minutes.

9. Chair Report

- 9.1 The Panel Chair reported that a meeting had taken place with the Low Carbon Contracts Company (LCCC) Chair and Executives, to discuss the relationship with Elexon, which is going well and was a positive meeting.
- 9.2 The Panel Chair further noted that a meeting had taken place with the Retail Energy Code Company (RECCo) Chair and CEO to discuss Ofgem's code reform. Elexon and RECCo were aligned in a number of areas.
- 9.3 The Panel Chair highlighted the Annual BSC Meeting taking place on the afternoon of the next BSC Panel meeting, noting there will be speakers from Ofgem and DESNZ. The Chair encouraged participation in-person where possible.
- 9.4 The BSC Panel:
- a) **NOTED** the update.

10. Elexon Report – (339/01)

- 10.1 PS informed the Panel that Elexon had previously targeted 10 May for the retirement of legacy Settlement Administration Agent (SAA). However despite a protracted period of performing without error, there was an incident of data duplication in an SAA report just before that date. The expected go-live date has now been postponed to mid- late June 2023.
- 10.2 PS noted it was Elexon's intent to establish a period of stable operation, and that the issues found had been embedded in its service management approach as well. Elexon had seen a big stabilisation in this regard.

10.3 SM reported that Elexon had been approached by Ofgem and DESNZ about it potentially running new industry support schemes. SM added that for any such initiative Elexon would need to ensure that it was a good fit and Elexon the right administrator before taking them on.

10.4 The BSC Panel:

a) **NOTED** the contents of this paper.

11. Distribution Report

11.1 FM noted there was no additional update this month.

12. ESO Report

12.1 KTL noted that the question of the previous day's unplanned outage had already been dealt with earlier in the meeting. KTL further noted that the ESO PR statement issued on 2 June had raised some queries regarding connections queue management, with the potential inference that ESO were trying to kick people out of the queue and implement things before its Modification. KTL confirmed this was not the case, and ESO had addressed these queries.

12.2 KTL noted that the Energy Bill was continuing to progress through Parliament and that the timescale for FSO implementation was mid-2024.

12.3 The BSC Panel

a) **NOTED** the update.

13. Ofgem Report

13.1 SV welcomed JC to his first Panel meeting.

13.2 JC noted Ofgem had made a decision on the price cap to remove the end date from Supplier Licence Conditions in line with the Energy Prices Act, so any termination of the price cap will be determined by the Secretary of State.

13.3 JC drew the Panel's attention to the ongoing workgroups around Energy Code Reform.

13.4 JC informed Panel that Ofgem has opened an investigation into Drax to determine whether it was in breach of its annual reporting requirements under the Renewables Obligations. JC clarified that the opening of this investigation does not constitute any findings of non-compliance at this stage.

13.5 The BSC Panel

a) **NOTED** the update.

14. Tabled Reports

14.1 The BSC Panel noted the tabled reports from the ISG, SVG, PAB and TDC.

15. Update to P427 Data Publication Process (339/11)

15.1 The BSC Panel

a) **AGREED** that P427 performance data will no longer be shared with PAPs before being published on the Elexon website.

16. Network Gas Supply Emergency Settlement Validation Data Committee Update (339/09)

16.1 Jessica Davis (JD) updated the Panel on Elexon's progress to readiness for forming the Committee when needed. She also noted that from now it will be called the Generation Curtailment Validation Committee (GCVC). BSC documentation will be updated accordingly at an appropriate time.

16.2 ACTION:

16.3 A Panel Member noted that it was quite complicated to determine what is an avoidable cost, particularly in the case of companies who purchased gas as part of a total portfolio, rather than individually for a station, as this can be very opaque.

- 16.4 JD noted that Generators would not have advanced notice of curtailment so risks of 'gaming' the provisions enabled by the Modification were low, NGESO and the Gas Operator can discuss which Generators to curtail but do not need to communicate this individually in advance.
- 16.5 A Panel Member highlighted that, during the last winter period, many Parties deliberately traded their positions out so that they were covered in the event of a gas supply emergency.
- 16.6 The BSC Panel
- a) **NOTED** the update.

17. Non Confidential AOB

- 17.1 EH informed Panel that ISG membership continues to be a challenge – the ISG meeting on 6 June was only quorate for a period of 40 minutes. There is one new ISG Membership application in the pipeline, but unfortunately the other potential applicant pulled out due to work constraints. Elexon is also aware of another member due to retire soon, and so re-asked the Panel to send forward any recommendations for Members. Elexon will also begin to think of contingency options for ISG.

18. Next meeting

- 18.1 The next scheduled meeting of the BSC Panel will be held in the Elexon Offices on Thursday 13 July 2023, on the morning of the Annual BSC Meeting.