

ELEXION

**On-Site Aggregation as a method to
facilitate Third Party Access**

339/04 – Kayleigh Neal and Reg Platt
(Emergent Energy)

8 June 2023

Designation Criteria

- [P370 'Allow the Panel to designate non-BSC Parties to raise Modifications'](#) was implemented in April 2019
- This is the third designation request Elexon has received
- For a Designation request to be considered by the Panel, the applicant, a “Third Party Applicant” must submit:
 - A valid (satisfies the existing requirements in Section F 2.1.2 of the BSC) Modification proposal;
 - The rationale for the request, including information on what other steps, if any, were taken by the applicant to have the Code Issue or defect addressed; and
 - The reasons why the applicant believes they have an interest in the Code
- In considering the application, the Panel may conduct such consultation with Parties and interested third parties as it considers necessary

Defect



- Where one or more customers on a private network opt for a third party supply, corrective action is required to avoid the double counting of metered volumes in Settlement
- The BSC provides ways to avoid the double counting of metered volumes on private networks via difference metering and shared SVA metering
- These options are unsatisfactory when applied to private networks that include domestic and small business (i.e. sub 100kW) customers due to the combination of:
 - a) from a licensing perspective, the requirement for customers to enter a supply agreement with a Third Party Supplier for a third party supply arrangement to be established
 - b) within the BSC, the operational requirements for facilitating third party supply being placed on Third Party Suppliers, who have little incentive to provide such bespoke arrangements for these customers, given the small volume of their supply loads
- Consequently, in practise it is extremely difficult for domestic and small business customers on private networks to enter third party supply arrangements, leading to such customers being locked into supply by private network operators, while limiting the growth of private network schemes that do not seek to force such customers to sign up

Solution



- Aggregated meter data from sub-meters on private networks (relating to customers not opting for third party supply plus any on-site generation loads) to be submitted into Settlement in lieu of data from the Settlement meter installed at the private network Boundary Point
- Responsibilities of HHDC/DAs and HHMOAs appointed to private network Boundary Point Settlement meters to be extended to cover the sub-meters, with private network operators expected to play a role in the delivery of these responsibilities as part of their day to day activities
- Customers seeking a third party supply arrangement and Third Party Suppliers will no longer need to play an active role in the delivery of third party supply arrangements beyond their business as usual operations

Views against Applicable Objectives



- **Applicable BSC Objective (c)**
 - supports increased competition between Suppliers for Customers on private networks
 - supports increased competition for Customers in general from private network operators
- **Applicable BSC Objective (d)**
 - bespoke operational requirements no longer placed on Third Party Suppliers
- **Applicable BSC Objective (e)**
 - customers on private networks no longer prevented in practice from switching Supplier, as required by the EU's Third Package of internal EU electricity market measures

Request for designation



- **Rationale for request**

- Emergent Energy has designed and developed the proposed solution, which they are trialling live in the market via the [BSC Sandbox](#)
- This Modification takes into account the successes and learnings from the Sandbox trial, as well as Emergent Energy's unique data and insights relating to its practical implementation
- The Modification envisages delivery responsibility being undertaken by private network operators, such as Emergent
- There is no strong rationale or incentive for burdening a BSC party to raise the Modification

- **Applicable BSC Objective (e)**

- Emergent is interested and motivated to address the issue in the BSC because it negatively impacts its business

Issue and Proposed solution

Issue

- Where one or more customers on a private network opt for third party supply, corrective action is required to avoid double counting of metered volumes in Settlement
- Existing BSC methodologies to avoid this (e.g. difference metering) are unsatisfactory when applied to private networks with domestic and small business (i.e. sub 100kW) customers

Proposed solution

- A new 'on-site aggregation' methodology for facilitating Third Party Access on private networks to which domestic and small business (i.e. sub 100kW) customers are connected
- Requires the BSC to allow aggregated meter data from sub-meters (of customers not opting for third party supply) on private networks to be submitted into Settlement (in lieu of data from Settlement meters installed at the Boundary Point)

Proposed Progression

- Six month Assessment Procedure
- Workgroup membership
 - Private distribution networks
 - Third Party Access
 - Complex site processes and metering operations
 - Settlement

Event	Date
Initial consideration by the Workgroup	W/B 26 June or 3 July 2023
Assessment Procedure Consultation (15WDs)	16 October 2023 – 3 November 2023
Present Assessment Report to Panel	14 December 2023
Report Phase Consultation (12WDs)	18 December 2023 – 5 January 2024
Present Draft Modification Report to Panel (late paper and subject to RC responses)	11 January 2024
Issue Final Modification Report to Authority	17 January 2024

Areas to consider

- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 - Whether the proposed on-site aggregation methodology result in accurate settlement outcomes (particularly in relation to difference metering)
 - Whether the proposed on-site aggregation methodology be required to conduct unmetered load tests
 - Whether there should be a requirement for Elexon to maintain a central database of sites where on-site aggregation is applied and whether the benefits of maintaining a central register outweigh the costs of creating and maintaining it

Recommendations

We invite the Panel to:

- a) **DESIGNATE** Emergent Energy to raise the attached Modification Proposal;
- b) **AGREE** that this Modification progresses to the Assessment Procedure;
- c) **AGREE** the proposed Assessment Procedure timetable;
- d) **AGREE** the proposed membership for the Modification Workgroup; and
- e) **AGREE** the Workgroup's Terms of Reference.

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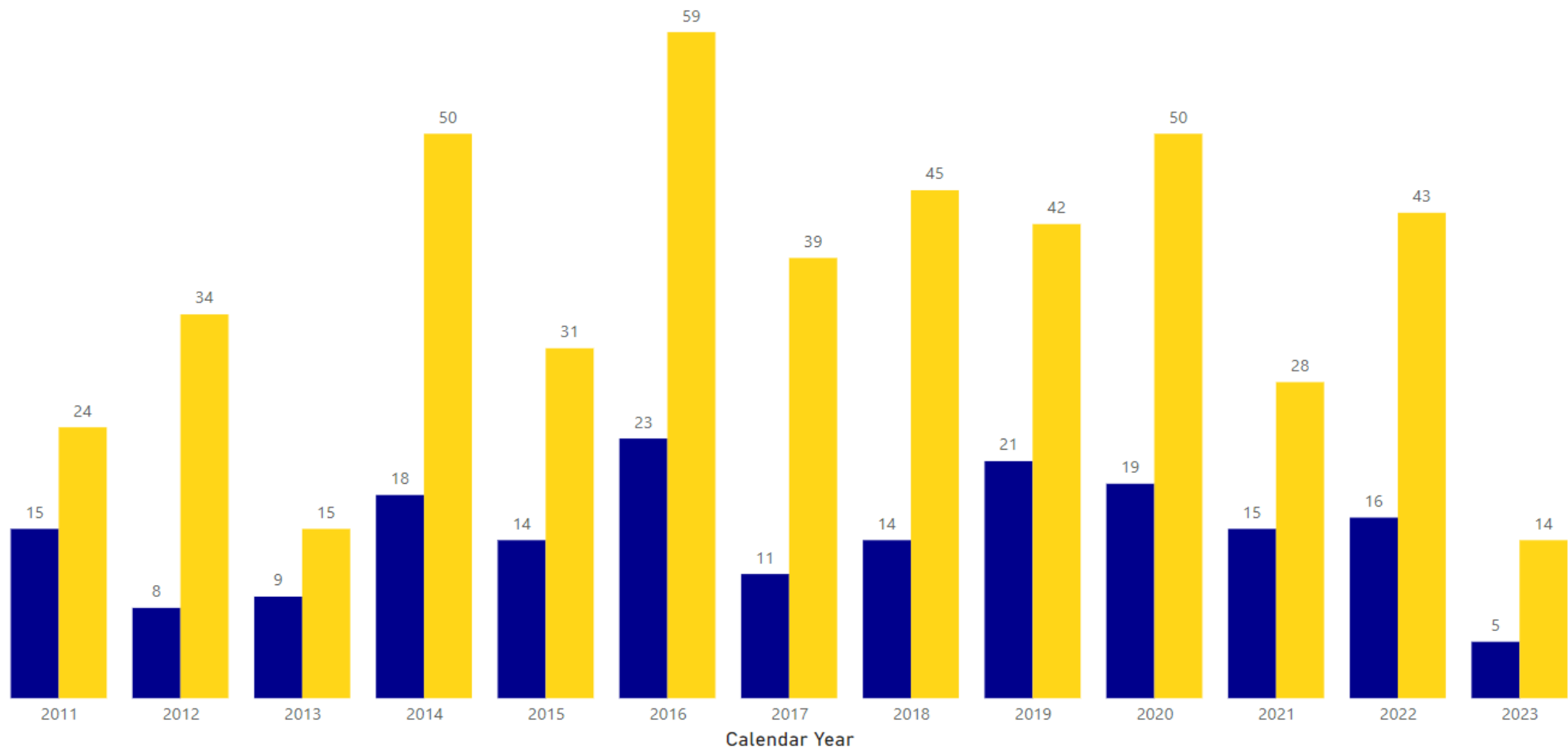
**Change Report and Progress of
Modification Proposals**

339/02 – 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	-
Assessment Procedure	P412, P441, P442, P451, P454
Report Phase	P415, P443, P444
Urgent	-
With Authority (decision cut-off)	P432 (+3 months after Ofgem decision)
Authority Determined (implementation date)	-
Self-Gov. Determined	P453 (2 Nov 23)
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 101, Issue 103, Issue 105, Issue 106, Issue 107

BSC Modifications approved timelines

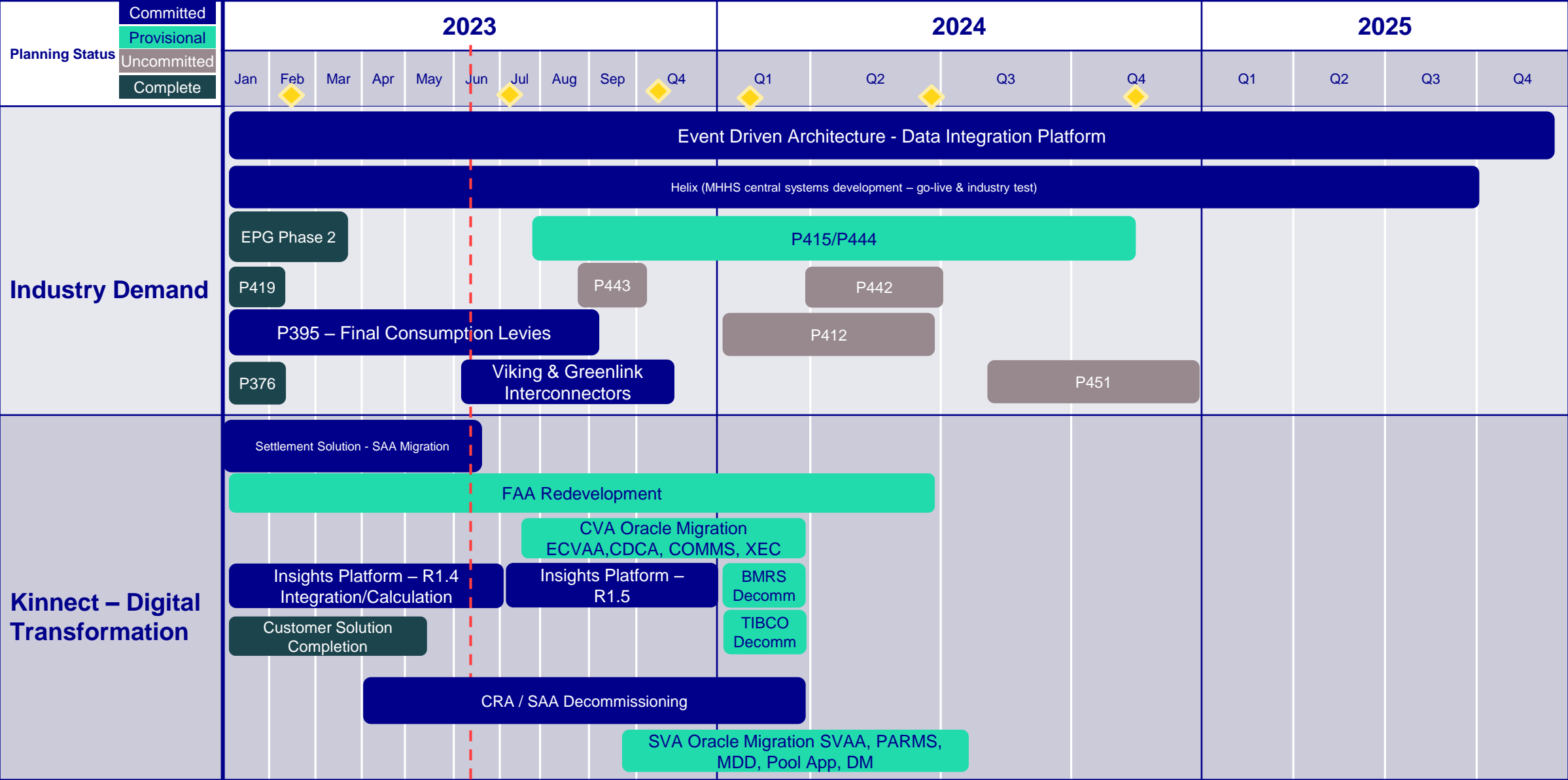
	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24
P412 'Non-BM Balancing Providers pay for non-delivery imbalance'									AR		DMR	
P415 'VLP access to wholesale market'		AR		DMR								
P441 'Creation of complex site classes'					AR	DMR						
P442 'Reporting FCL for 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			
P454 'Removal of obligation to provide TIBCO service'		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'
	CP1568 'Inclusion of new LDSO-mastered SMRS data items'	P443 'Cap NGESO Interconnector Trades' (+2WDs)			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'	P453 'Metering Dispensation improvements'				MHHS
	CP1572 'Specifying the requirements to provide SLDs for HV and EHV sites'	CP1574 'Improving the use of the D0215'				P451 'System Restoration'
	CP1580 'Making the Code Subsidiary Documents (CSDs) gender neutral and Housekeeping'	CP1575 'Permitting the use of busbar VTs within metering Codes of Practice 1 and 2'				P454 'TIBCO retirement'
		CP1576 'New Interconnector Fuel Type Category: Viking Link'				P441 'Creation of complex site classes'
		CP1577 'Clarify use of D0151'				<div>Key Approved With Authority Report Phase Assessment Phase Direction Urgent</div>
		CP1578 'Enabling Embedded LDSOs to submit Site Specific LLFs'				
		CP1579 'Allowing HHDCs to undergo Protocol Approval before completing Qualification'				

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

Denotes Industry release



P441 Extension Request

‘Creation of Complex Site Classes’

- 6th Workgroup was held on 2 May
 - Considered the remaining Terms of Reference for P441 and confirmed that parallel changes will need to be raised to both REC and DCUSA
- 7th Workgroup meeting in July to review the legal text and gather Workgroup initial views
- We will issue the P441 Consultation at the same time as the consequential DCUSA ([DCP-424](#)) and REC (yet to be raised) changes, likely in August 2023
- We have agreed a provisional cross code change package timeline with REC and DCUSA
- We therefore request a four month extension to the P441 Assessment Procedure to enable the DCUSA and REC changes to be developed
 - We will return to the Panel with the P441 Assessment Report by November 2023, or sooner if possible

Issue 101 Update: summary (1 of 3)

'Ongoing Governance, Funding and Operation of the MHHS Data Integration Platform (DIP) by BSCCo'

- Established to define the enduring DIP arrangements, including funding, change and governance
- Raised as a consequence of Ofgem's decision in April 2022 to require BSCCo to govern the DIP through the BSC
- Key Issue 101 deliverables are:
 - principles, business requirements and code drafting
- Ofgem intend to raise a SCR Modification to implement the enduring DIP arrangements
 - The Issue 101 deliverables will be the main input into the SCR Mod
- To date, we have held 8 meetings
- The DIP arrangements have been divided into six key areas
- Development of the solution has been guided by Ofgem's decision document from April 2022, such as to take a code manager approach
 - Have engaged with Ofgem throughout
- Assumption: the Modification should be implemented before M10 'Central systems ready for migrating MPANs ' (tied to M8), when Elexon take on 'operate and run' DIP Manager responsibility
 - Subject to MHHS Change Request 13, this will be March 2025
- Participants qualification and preparations for the DIP are being led by MHHS
 - Issue 101 will establish enduring on-boarding arrangements
 - Issue 101 team are however, working with MHHS to ensure consistency between enduring arrangements, qualification and transition
 - Issue 101 team is also working with MHHS team to ensure DIP design and enduring requirements 'dovetail'

Issue 101: High Level Plan to Deliver DIP Solution (2 of 3)

	Activity	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
BRs	Draft and Review Business Requirements												
	Interim Report Consultation												
Legal text and DIP Subsidiary Docs	On-boarding and Off-boarding												
	Data Management and Information Security												
	Funding and Budget												
	Change Management and Doc Management												
	Assurance and Reporting												
	Governance and Operations Management												
Consult	Industry Consultation												
Report	Publish Final Issue Report												

Issue 101: Role of the BSC Panel (3 of 3)

- Operation of the DIP will be a discrete function within Elexon, to facilitate the ask from Ofgem that the DIP arrangements should allow for a 'lift and shift' of the DIP owner
- Current high-level proposal:
 - Core DIP rights and obligations drafted into a new BSC supplemental document
 - [8] new subsidiary documents to be established
 - DIP changes expected to be mostly of a technical nature and low volume
 - Changes to new BSC supplemental document will be overseen by a DIP Change Advisory Board (DCAB) with the BSC Panel informed. Appeals can be made to Ofgem
 - DCAB will be a standalone group with constituency membership. Members will be from across different DIP User types
 - Changes to subsidiary documents to be decided by DIP Manager (Elexon), with appeals to DCAB
 - DIP Message Formats will be recorded in the Energy Market Architecture Repository (EMAR), and will be changed through the standard EMAR change process, i.e. via the change process of the Message owner
 - Suppliers to fund core Settlement DIP services, based on MPAN share and option to have a fixed charge
 - Non-cores services to be based on 'user-pays' model on a case-by-case basis
 - DIP costs will be recovered using BSC's existing cost recovery mechanism (to exploit synergies within Elexon) and will not form part of BSC Funding Share calculations
- Will share the consultation once issued next week
- Happy to provide more detail at the next Panel meeting?

Background

- The EAA has not been used by a Market Participant since its inception in 1993
- Elexon reviewed the EAA service in Q4 2019 finding (at the time):
 - EAA are paid £5833.33 every month for Arbitration Services;
 - Energy UK are paid £10k per year (in a lump sum) for secretarial costs for EEA;
 - The EAA website is not maintained and details are inaccurate and out of date;
 - Legal advice was sought from Dentons who advised:
 - References to the EAA is rarely made in commercial agreements; and
 - Could not find any reference to that effect in any recent contracts they have been involved in.
- The BSC Panel instructed Elexon to stop paying the EAA in early 2020

Proposed Modification: Removal of the Electricity Arbitration Association (EAA) (2 of 3)

Proposed Solution

- Replace Electricity Arbitration Association with London Court of International Arbitration (LCIA) in Section H
- Remove Elexon obligations to fund EAA overheads

Why LCIA?

- Global Reputation
 - Payment required only if there was a dispute that required arbitration
 - Experience in Energy Code arbitration as LCIA used in Retail Energy Code
-
- We welcome feedback from the Panel on this proposal
 - Subject to feedback, we will invite the Panel to raise the proposal next month

Proposed Modification: Removal of the Electricity Arbitration Association (EAA) (3 of 3)

Justification against proposed BSC Objectives

- The modification would facilitate improved value for money and is likely to offer more effective and efficient services than the EAA

Proposed Modification Route

- Straight to Report Phase – as solution fully developed and of a minor nature
- Self Governance – as not materially impacting Self-Governance Criteria – it is only substituting one arbitration body for another
- Modification will impact the EBGL Article 18 terms and conditions held within the BSC due to updates required to Section H 4.2 – requires 1 calendar month consultation period

Proposed Modification: MHHS GDPR Requirements

- The BSC GDPR and data protection provisions were not designed to accommodate the sharing of personal information as historically this has not been necessary
- It was always envisaged that the BSC would need to be updated to reflect the handling of personal data before MHHS go-lives, as meter level data will be transferred and stored
- However, the transfer of personal information is now required for MHHS testing, due to start Q4 2023
- We therefore believe a Modification proposal is required to introduce data processor and data controller obligations (comparable to what is in the REC) much sooner than anticipated
- We believe the Modification Proposal would better facilitate Objective (d) as it would:
 - Provide clarity and protection for BSC Parties and Elexon to comply with legal obligations and avoid the need for MHHS to agree data sharing agreements with all relevant MHHS Participants (which would not be practicable)
- If the Panel agree, we plan to invite the Panel to raise a Modification Proposal at its July meeting to introduce data sharing arrangements

‘Standard Changes’

- ITIL has a concept of standard changes: “A pre-authorised change that is low risk, relatively common and follows a procedure or work instruction”
- Could this approach be applied to specific BSC Changes?
- We simplified certain BMRS changes by removing the requirements from Section V to the BMRS Data Catalogue (see P372, implemented Jun 2019)
 - Any changes to these reporting requirements now require a CP instead of a Modification
- Historically, changes related to Fuel Type data took months to implement
 - With the new Insights solution we can implement in days and at significantly lower cost
 - We started work on Viking Link in January 2023 and it will be implemented in November 2023 (11 months)
 - We have three new Fuel Types on the horizon (Green Link, Battery and Solar)
- Fuel Type changes are well understood, low risk and low impact, as evidenced by consultation responses
 - The last four have had 1 to 2 responses, with all but one from either NGESO or the impacted Interconnector
- The characteristics of this type of change
 - Frequent (same change average once a year)
 - Repeatable (similar schema change at ingestion and reporting)
 - Low risk (minimal impact on customer systems and data not used in Settlement)
 - Low cost (with Elexon Kinnect)
 - No feedback opposing the change from all previous consultations
 - Historically, the Panel or Panel committee have never rejected the change
- The CP process now feels disproportionate for these types of changes
- Is there a better way to progress these types of changes?
- Could additional Fuel Type categories to BMRS be a new ‘Standard’, pre-authorised change?
 - Repeatable / relatively frequent
 - Low risk
 - Low cost
- This approach would enable us to bring these changes to market more quickly (e.g. battery categories) and at reduced cost
 - We would continue to work with NGESO to align testing and implementation
- We note that NGESO can already make changes to some of their data flows immediately, enabling iterative change, rather than traditional ‘big bang’

Recommendations

We invite the Panel to:

- a) **APPROVE** a four month extension to the P441 Assessment Procedure; and
- b) **NOTE** the contents of the June Change Report.

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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’

339/03– Ivar Macsween

8 June 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 VLPs who could 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
- 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: Implementation approach

- Panel initially agreed 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 and P444: Panel’s initial views

P415 Solution	Objectives	EBGL Impact	Outcome	Implementation Date	Redlining	Self-Governance
Proposed	+(b)	✓	Reject	Nov 23 Release	Approve	No
Alternative	+(b) +(c)	✓	Approve (Majority)	Nov 23 Release	Approve	No

P444 Solution	Objectives	EBGL Impact	Outcome	Implementation Date	Redlining	Self-Governance
Proposed	+(b)	✓	Reject	Nov 23 Release	Approve	No
Alternative	+(b) +(c)	✓	Approve (Unanimous)	Nov 23 Release	Approve	No

P415: Report Phase Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial majority recommendation that the P415 Alternative solution should be approved?	2	3	1	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P415 for the Proposed and Alternative Modifications?	3	1	2	0
Do you agree with the Panel's recommended Implementation Date?	1	4	1	0
Do you agree with the Panel's initial view that P415 should not be treated as a Self-Governance Modification?	1	0	5	0
Do you agree with the Panel's initial consideration that P415 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions related to balancing held within the BSC?	3	0	3	0
Do you have any comments on the impact of P415 on the EBGL objectives?	None			
Do you have any further comments on P415?	None			

P444: Report Phase Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that the P444 Alternative solution should be approved?	2	1	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P444 for the Proposed and Alternative Modifications?	2	1	0	0
Do you agree with the Panel's recommended Implementation Date?	2	1	0	0
Do you agree with the Panel's initial view that P444 should not be treated as a Self-Governance Modification?	3	0	0	0
Do you agree with the Panel's initial consideration that P444 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions related to balancing held within the BSC?	3	0	0	0
Do you have any comments on the impact of P444 on the EBGL objectives?	None			
Do you have any further comments on P444?	None			

P415: Recommendations

We invite the Panel to:

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

P444: Recommendations

We invite the Panel to:

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

ELEXION

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

339/06 – Paul Wheeler

8 June 2023

P443: Background and Issue

- 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
- The original trade value will be reported for transparency
- 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

P443: Report Phase consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial majority recommendation that P443 should be rejected?	1	1	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P443?	1	0	1	0
Do you agree with the Panel's recommended Implementation Date?	2	0	0	0
Do you agree with the Panel's initial view that P443 should not be treated as a Self-Governance Modification?	1	0	1	0
Do you agree with the Panel's initial consideration that P443 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	1	0	1	0
Do you have any comments on the impact of P443 on the EBGL objectives?	1	0	1	0
Do you have any further comments on P443?	0	2	0	0

- Two responses – from Proposer (Generator) and Generator/Supplier
- No new arguments or changes proposed to the solution

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** that P443 **should not** be treated as a Self-Governance Modification;
- c) **AGREE** that P443 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** that P443 is neutral against the EBGL objectives;
- e) **AGREE** a recommendation to the Authority that P443 should be **rejected**;
- f) **APPROVE** 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) **APPROVE** the draft BSC Legal Text for P443; and
- h) **APPROVE** the P443 Modification Report.

ELEXION

**CP1576 'Creation of a new Interconnector
Fuel Type Category for the Viking Link
Interconnector'**

Assessment Report

Paul Wheeler
8 June 2023

- The Viking Link Interconnector is currently under construction and due to be commissioned in October 2023 and commercially operational by the end of 2023
- The BSC requires a separate 'Fuel Type Category' to be defined for each Interconnector for reporting purposes and It also requires the Panel to approve all new fuel type categories
- Changes are needed to the Balancing Mechanism Reporting Service (BMRS) to ensure data relating to the new Viking Link Interconnector is provided to market participants
- Elexon and National Grid Electricity System Operator (NGESO) aim to complete the system changes in the November 2023 BSC Release to ensure reporting of the data to the market

- The solution requires the new Fuel Type Category to be recognised within BSC and the Code Subsidiary Documents (CSDs) and the data reported through the BMRS service
- The service is currently fulfilled by the existing BMRS application and the replacement BMRS application labelled the 'Insights Solution'

CP1576: Change Proposal Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the CP1576 proposed solution?	1	0	0	0
Do you agree that the draft redlining delivers the CP1576 proposed solution?	1	0	0	0
Will CP1576 impact your organisation?	Low	0	0	0
Will your organisation incur any costs in implementing CP1576?	Low	0	0	0
Do you agree with the proposed implementation approach for CP1576?	1	0	0	0
Do you have any further comments on CP1576?	0	1	0	0

- One response was received from National Grid Electricity System Operator (the Proposer organisation) representing the role of National Electricity Transmission System Operator (NETSO)
- They agreed with the proposed solution, the draft redlining and the proposed implementation approach
- There will be a low impact on their organisation including changes to systems and reports, which are mainly ‘business as usual’ (BAU) costs

CP1576: Recommendations

We invite the Panel to:

- a) **APPROVE** the proposed changes to the NETA IDD Document for CP1576; and
- b) **APPROVE** CP1576 for implementation on 2 November 2023 as part of the standard November 2023 Release.

ELEXON

**‘Enable Elexon to procure ancillary
Technology Services for use by BSC
Agents’**

339/08 – Jacob Snowden (Elexon)

8 June 2023

Issue and Proposed solution

Issue

- Elexon will roll out the cloud-based platform Kinect within the next 18 months. This is to ensure Elexon can support the changing needs of its customers and replace ageing systems which are increasingly unsuitable
- Requiring a BSC Agent to procure Technology Services, such as cloud services, on its behalf, may be significantly more expensive than Elexon procuring these services itself – so called ancillary Technology Services
- Therefore, Elexon requires flexibility to enter contracts with these types of arrangements and relieve relevant BSC Agents of related responsibility for the ancillary Technology Services

Proposed solution

- Modify Section E 'Role of BSC Agents'. Adding in new definitions and making clear that Technology Service Providers would not be BSC Agents
- It is anticipated there will be on-going cost savings for Elexon and BSC Parties, if Elexon is enabled to contract directly with Technology Service Providers

Request to raise Modification

- We believe this modification is in line with Objective (d) because:
 - Allowing Elexon to procure Technology Services directly on behalf of BSC Agents maximises value for money
- We therefore ask the Panel to raise this modification proposal in accordance with Section F2.1.1(d)(i)

Proposed Progression

- 4 month Assessment Procedure
- The Panel are also invited to nominate a Proposer’s representative to represent them in the Workgroup. At this time we recommend Lawrence Jones as the Panel’s representative, but we invite the Panel to nominate a Panel representative
- Workgroup membership
 - BSC Agent (Section E) knowledge
 - Contract and Commercial Risk Management
 - Service Management

Event	Date
Workgroup Meeting 1	W/C 10 July 23
Assessment Procedure Consultation (15 WDs)	29 August 23 – 18 September 23
Workgroup Meeting 2	W/C 25 September 23
Present Assessment Report to Panel	12 October 23
Report Phase Consultation (10 WDs)	16 October 23 – 27 October 23
Present Draft Modification Report to Panel	9 November 23

Areas to consider

- While the necessary changes could be made via a relatively straightforward change to the BSC, a Workgroup should be formed to consider the wider impacts of amending BSC Section E
- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 - What conditions or controls are needed for Elexon to procure Technology Services?
 - What impacts there are, if any, on Elexon's liabilities and liability exclusions?

Recommendations

We invite the Panel to:

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

ELEXON

339/01 Elexon Report

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

8 June 2023

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

Settlement Solution

The project has entered a Full-Service Production parallel run to test out all facets of service prior to cutover to Go-Live. The originally scheduled Go-Live date of 10 May was postponed as a system incident occurred on the day of planned cutover which blocked production of some reports and this breached the Go Live criteria that had been established in a Go/No Go meeting. This was because there was a risk that some market participants would have encountered service delays if the cutover had been completed before the issue was fully resolved. The system is now functioning cleanly with no open incidents and cutover is now scheduled for 14/15 June.

Funds Administration Agent

The Funds Administration Agent service has completed its discovery phase to determine the calculation and finance system requirements and is completing Delivery Partner selection by end-June 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 the 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 January 2024 and decommissioning of legacy BMRS functionality in Q1 2024.

Customer Solution

Delivery of P395 'Aligning BSC Reporting with EMR Regulations – an enduring solution' is ongoing and on track for delivery in November. Additional functionality will be built into the 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 will be completed in early June and development is now starting with a formal estimated end date to be produced in June based on the fully captured scope.

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 is complete and we have mobilised the migration project targeting completion in mid-2024.

Elexon Kinnect: Budget update

Overall, the Kinnect Programme remains on budget with £50.28 m of investment in progress, of which £36.1 m has been spent to date and we have £3.8m remaining contingency.

These figures are also shown in the table below:

CTD (£m)	Committed	FTC	Contingency	Forecast Outturn	Budget	Variance
36.1	14.1		3.8	53.9	53.9	0

Elxon Helix: Current project status

Development continues to make good progress with PI 6 completing all of its objectives.

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

- The transition design has partially been issued by the MHHS Programme, which means that the Helix team is still prioritising development work based on the information available to avoid, so far as possible, developing from design assumptions. It has been confirmed by the MHHSP that the transition functionality does not need to be delivered for the start of SIT and so will be delivered later.
- The Helix development is prioritising work required for the end of August to commence CIT at the end of October.
- With the delays in confirmation of design items and the need to prioritise the development for CIT Helix has proposed two code drops relating to different testing phases. The Helix team is working with the MHHSP team to confirm this approach and the requirements for CIT.

Elexon Helix: Budget update

Overall, the Helix Programme remains on budget with £35.9m of investment in progress, of which £26m has been spent to date. The remaining £7.6m is forecast for future programme increments to deliver the remainder of the Helix programme. There is also £3.1m and £2.9m 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
26.0	9.9	7.6	3.1	2.9	49.5	49.5	0

Key KPIs: April 2023

KPI	Target	Status
Performance against budget	Percentage (Under)/Over Spend Full Year Forecast vs. Budget complete >(5)%	0% - ON TARGET
Critical System SLA Performance (BSC Agent System)	No more than 3 SLA failures	1 - ON TARGET ECVAA failure as a result of credit checks not running. Restart of the DB restored service.
Core System SLA Performance (BSC Agent System)	No more than 2 SLA failures	0 - ON TARGET
Settlement Accuracy (total change in Trading Charges across all run types as a percentage of total trading charges)	<5%	3.90% - 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	90.0%	97.7% - ON TARGET



We invite the Panel to:

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

ELEXION

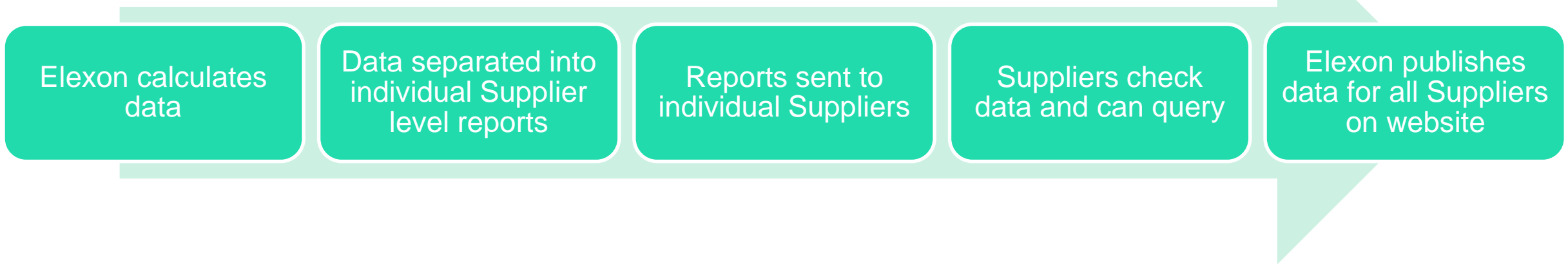
Update to P427 data publication process

339/11 – Oli Meggitt

08 June 2023

Current vs Proposed Process

Current Process:



Proposed Process:



Rationale, Benefits and Mitigations

- No queries received in first two rounds of publication
- Effort required includes data calculation/manipulation (Assurance Team), sending to individual Suppliers (OSM Team)
- Approx. total of 5-6 days FTE effort per month – can be reduced to less than 1 day
- Same data used for all Settlement calculations – Suppliers have sight through data flows and weekly OSM reports
- Would allow data to be published ~3 weeks earlier – more relevant and up-to-date

Recommendations

We invite you to:

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

ELEXION

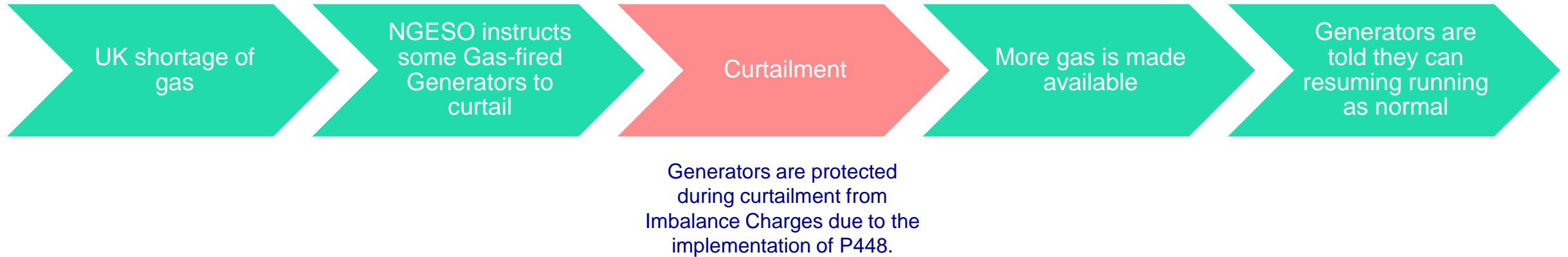
Network Gas Supply Emergency Settlement Validation Committee (NGSESVC) Update

Jessica Davis

Risk & Technique Analyst

8 June 2023

Network Gas Supply Emergency (NGSE)



Change P448 was introduced to protect Generators from excessive Imbalance Charges when they can't meet their contracted electricity production.

- This is done by setting the Load Shedding instruction as a Bid through the normal Settlement process using data submitted by the Generator and NGENSO.
- P448 also introduces the NGSESVC to validate the Bid Price applied to the period of the Load Shed to ensure no party profits from a curtailment.

Avoidable Costs

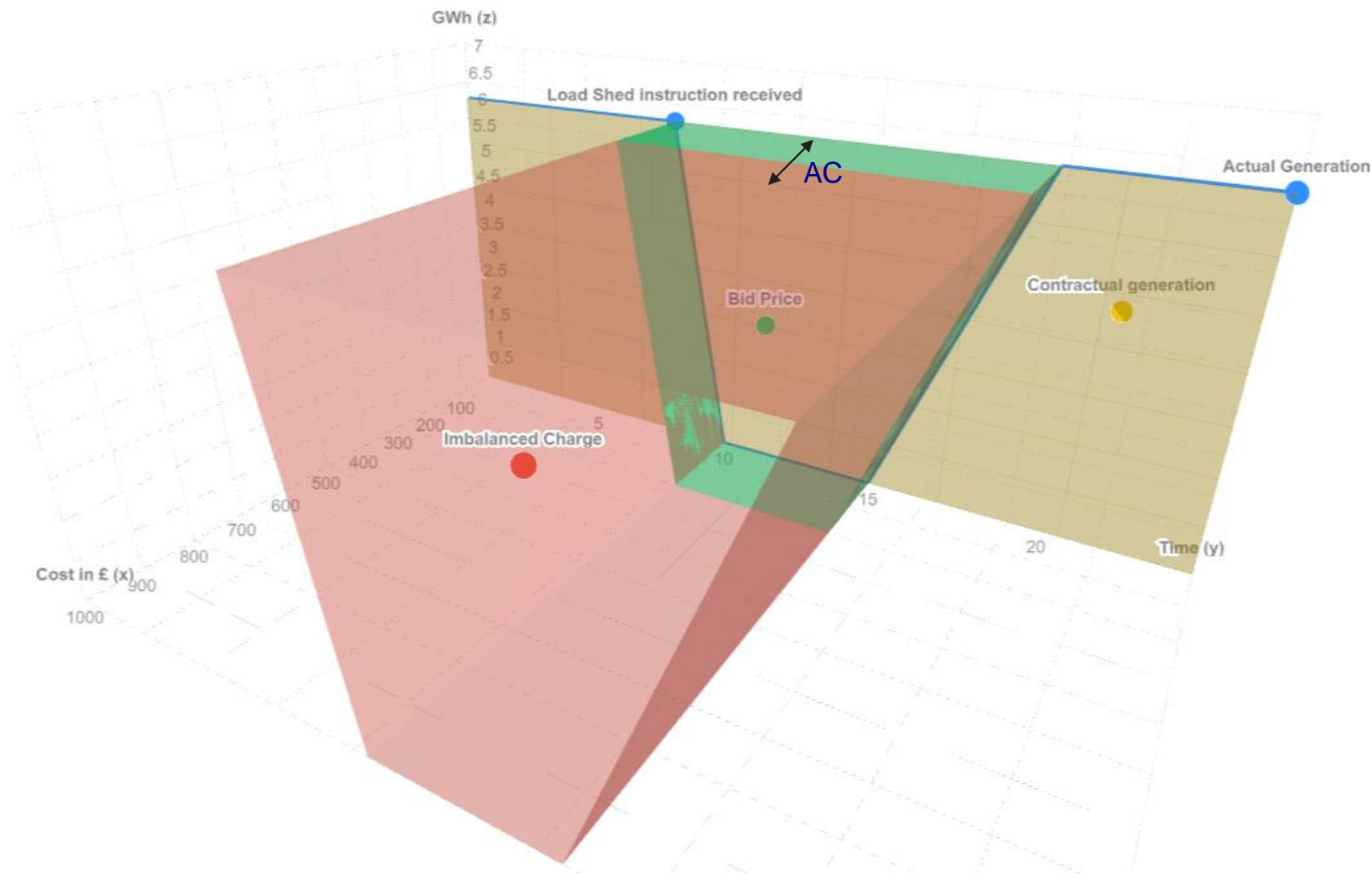
Avoidable costs are the savings that can be accrued when a business does not run.

Avoidable Cost (AC) examples:

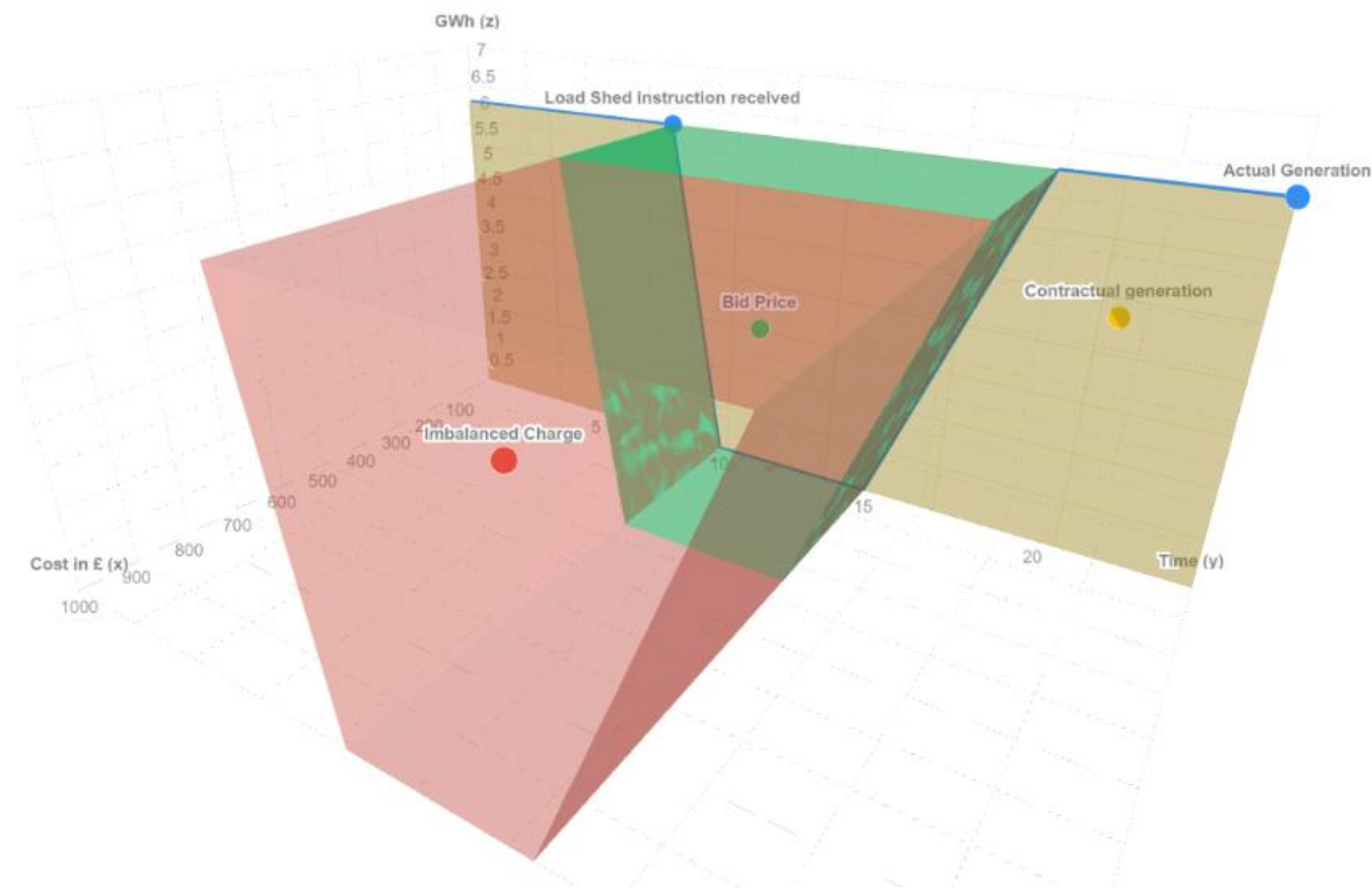
- Fuel costs
- Network Charges
- 0 hour contract staff
- Electrical bill to run any buildings

Avoidable Costs are totalled to determine a Bid Price per MWh and Generators must pay this for the time they were not running. This ensures that no Generator is profiting from a Load Shed event.

NGSE diagram (indicative numbers)



Example of greater Avoidable Costs being discovered after investigation



Work completed to date and next steps

Work completed:

- Expression of Interest
- Cost recovery
- Framework agreements

Next steps:

- Second stage Expression of Interest
- Business Plan – September Panel meeting
- Draft Terms of Reference (ToR)
- Guidance document for Avoidable Costs

Recommendations

We invite you to:

- a) **NOTE** the NGSESVC update.

ELEXON

THANK YOU

Jessica Davis

Jessica.Davis@Elexon.co.uk

8 June 2023

ELEXION

**Supplier Volume Allocation Group update
to the BSC Panel**

Verbal Update – Victoria Moxham

8 June 2023

What's gone well? What are the challenges?

Currently

- Good attendance
- Alignment with ISG
- Relatively 'predictable' business

No significant challenges

What is coming in the future?

- Scope for strengthening ISG/SVG alignment?
- Impacts of MHHS
- Opportunities for streamlining processes and introducing efficiencies

Recommendation

We invite the Panel to:

- a) **NOTE and COMMENT** on the SVG update.

ELEXON

THANK YOU

victoria.moxham@elexon.co.uk

10 November 2022