

ELEXION

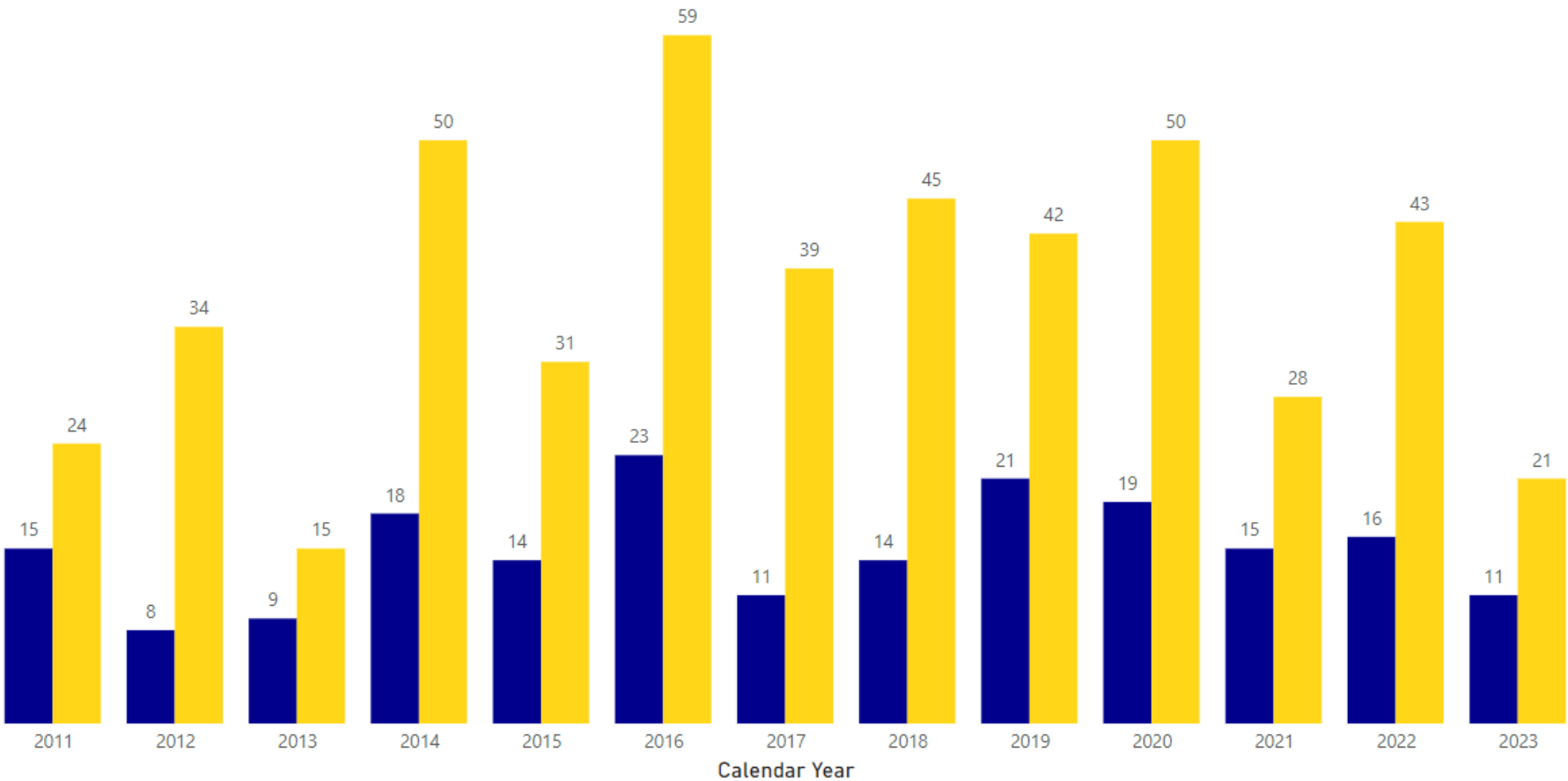
**Change Report and Progress of
Modification Proposals**

344/02 – Ivar Macsween

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	P461 (deferred)
Assessment Procedure	P412, P441, P442, P444 (Sent Back), P454, P455, P459
Report Phase	P451
Urgent	-
With Authority (decision cut-off)	P432 (+3 months after Ofgem decision)
Authority Determined (implementation date)	P443 (rejected), P457 and P460 (approved + 5WD)
Self-Gov. Determined	P456
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 101, Issue 103, Issue 106, Issue 109

BSC Modifications approved timelines

	Ext. Reqs.	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	June 24	July 24	Aug 24
P412 'Non-BM Balancing Providers pay for non-delivery imbalance'	4												
P441 'Creation of complex site classes'	3									AR	DMR		
P442 'Reporting FCL for exempt and licenced supply'	2					AR	DMR						
P451 'System Restoration'	1		AR		DMR								
P454 'Removal of obligation to provide TIBCO service'	1			AR	DMR								
P455 'On-site aggregation method'	0					AR	DMR						
P459 'Allow different Supplier Agents for Import and Export MSIDs'	0								AR	DMR			

BSC Change Release Roadmap

2023	2023	2024			Un-allocated
Ad-hoc	Nov	Feb	Jun	Nov	
P432 'HH Settlement for CT Adv. Meters' (+3 months after the Authority's approval)	P395 'Final consumption levies'	CP1578 'Enabling Embedded LDSOs to submit Site Specific LLFs'	P451 'System Restoration'	P415 'VLP access to wholesale market'	P412 'Non-BM BS providers pay non-delivery'
P454 'TIBCO retirement' (+5WDs)	P453 'Metering Dispensation improvements'	CP1584 'Allow non-BSC Parties to raise CPs'	P455 'On-site aggregation method'	P444 'Compensation for VLP actions in the BM'	P441 'Creation of complex site classes'
P456 'Enable Elexon to procure ancillary Technology Services for use by BSC Agents' (+5WDs)	CP1574 'Improving the use of the D0215'	CP1582 'Remove MA from BSCP520'		P442 'Reporting FCL for exempt and licenced supply'	P459 'Allow different Supplier Agents for Import and Export MSIDs'
P457 'Replace the EAA with LCIA' (+5WDs)	CP1575 'Permitting the use of busbar VTs within metering Codes of Practice 1 and 2'				MHHS
P458 'Update data protection rules for MHHS testing' (+5WDs)	CP1576 'New Interconnector Fuel Type Category: Viking Link'				
P460 'Amend responsibility for MHHS Migration Plan' (+5WDs)	CP1577 'Clarify use of D0151'				
	CP1579 'Allowing HHDCs to undergo Protocol Approval before completing Qualification'				<div>Key Approved With Authority Report Phase Assessment Phase Direction Urgent</div>
	CP1581 'Recommendation to update BSCP18 following Issue 105'				
	CP1583 'Rationalising publication of ETR data on Elexon Systems'				

Modification update: P444

- **‘Compensation for Virtual Lead Party actions in the Balancing Mechanism’**
- P444 ‘Compensation for Virtual Lead Party actions in the Balancing Mechanism’ was sent back to the BSC Panel on 8 September 2023, as Ofgem felt they were unable to form an opinion on whether or not P444 should be approved
- Workgroup meeting took place on 2 November 2023, to consider options and develop requirements for further analysis for P444
- Preferred approach: desk-based approach with additional engagement with VLPs, Suppliers, NGESO, ENA to assess impact of P444 on individual customers and parties (e.g. VLPs, Suppliers) participating in the BM
 - How does each P444 option assess the variable costs of VLPs bidding in to the BM (and hence the price at which they can bid in)?
 - How does each option affect competition in the BM between VLPs and Suppliers?
 - How does each option affect the risk of gaming?
 - Acknowledgment of baselining error and benefits sensitivities under each solution
 - Bidirectional analysis – consider both upwards and downwards response
 - Locational/congestion considerations
- Next steps: Elexon are still assessing the time needed to conduct and share results, but could be completed within Q1 2024. Elexon to write up requirements and share with Ofgem to confirm they are comfortable

Modification update: P455

- The P455 Workgroup are considering P455 'On-Site Aggregation as a method to facilitate Third Party Access' in accordance with its agreed terms of reference (on 8 June 2023 – paper number [399/04](#))
- P455 seeks to establish a more cost effective and efficient method for delivering Third Party Access on private networks that include domestic and small business customers. Proposed solution is to enable aggregated meter data from sub meters on private networks to be submitted into Settlement in lieu of data from Settlement meters installed at the Boundary Point.
- Elexon held the previous P455 Workgroup on 31 October 2023 and aim to issue the Assessment Consultation in early December
- In order to better aid the Workgroup in their Assessment of P455, the Proposer has suggested amending the specific Terms of Reference (ToR) for P455, building on those approved by Panel in June 2023
- This includes further definition of relevant questions the Proposer wishes to verify with the Workgroup, which will aid the solution design for P455 and ensure relevant outcomes are captured
- As per BSC Section F 2.2.3, changes to the agreed Workgroup's Terms of Reference require BSC Panel approval

P455 'On-Site Aggregation as a method of facilitate Third Party Access' Terms of Reference update

Specific ToR	Description
a)	Does the proposed on-site aggregation methodology result in accurate settlement outcomes (particularly in relation to difference metering)?
b) edited	Should the proposed on-site aggregation methodology be required to conduct unmetered load tests? What testing should be required to validate the solution is correctly implemented, and should this include an unmetered load test?
c) added	Is it right that the boundary meter HHDC and HHMOA are responsible for operations related to the sub-meters, given private network operators are responsible for these meters on a day-to-day basis, and given the move to new arrangements under MHHS?
d) added	Is it right that the sub-meters should conform to COP10 standards?
e)	Should there be a requirement for Elexon to maintain a central database of sites where on-site aggregation is applied? Do the benefits of maintaining a central register outweigh the costs of creating and maintaining his central register? Do PNOs/DNOs have all the necessary data to manage schemes?
f)	Is there an impact on BSC Metering Dispensations?
g)	Is this proposal independent from any DCUSA change?

P455 'On-Site Aggregation as a method of facilitate Third Party Access' Terms of Reference update

Specific ToR	Description
h)	Is a Cost-Benefit Analysis required?
i) added	Is it right that the scheme is limited to sub-100kW sites?
j) added	Is it right that the MSIDs of Customers of a PN should be de-energised instead of logically disconnected, in order to minimise barriers to the Customer subsequently choosing a third party supply? Are there other ways in which the need to swap customers meters when they move in and out of schemes could be reduced/avoided?
k) added	Is it right for the solution not to be captured under the complex site arrangements within BSC?
l) added	Is a physical boundary meter required to implement the solution, and should it be?
m) added	What are the arguments for and against creation of a new market role for PNOs (e.g. access to industry data access; market competition)?

Upcoming Modification Proposals

- We are supporting Proposers on the following upcoming Modification Proposals:
 - Outcome from Issue 107: Review of Section N 'Clearing, Invoicing & Payment' → targeting January Panel
 - Outcome from Issue 102: Allow more than one Alternative for BSC Modifications → early 2024
 - Outcome from Issue 105: Further considerations following implementation of BSC Modification P448 → December Panel
 - Consequential change to BMRS to facilitate GC0156 → December 23 or January 24

Recommendations

We invite the Panel to:

- a) **APPROVE** changes to the P455 Workgroup's Terms of Reference; and
- b) **NOTE** the contents of the November Change Report.

ELEXON

‘Housekeeping and updating BSC references to “Consumer Scotland”, “Generation Curtailment Validation Committee” and “GCVC”’

344/14 – Jacob Smith & Ivar Macsween
(Elexon)

09 November 2023

Issue and Proposed solution

Issue

- Elexon has identified that the references to “Citizens Advice Scotland”, “Network Gas Supply Emergency Settlement Validation Committee” and “NGSESVC” in the BSC are out of date
- Elexon has also identified housekeeping errors that need to be corrected

Proposed solution

- Panel is allowed to raise a Housekeeping Modification in accordance with BSC Section F2.1.1 (d) (iv), and we suggest that the Panel do so in order to make the following changes:
- To update the above references to “Consumer Scotland”, “Generation Curtailment Validation Committee”, and “GCVC”
- To correct the housekeeping errors

Table of Changes

Housekeeping justification	
Section B, 1.1	This is updating a name of an organisation, which falls under Fast Track Self-Governance criteria.
Section B, 2.3	This is updating a name of an organisation, which falls under Fast Track Self-Governance criteria.
Section B, 3.6	This is updating a name of a committee, which falls under Fast Track Self-Governance criteria.
Section B, 3.6.1	This is updating a name of a committee, which falls under Fast Track Self-Governance criteria.
Section B, B4.6.1(f)	This is correcting a minor spelling mistake, which falls under Fast Track Self-Governance criteria.
Section F, 2.1	This is updating a name of an organisation, which falls under Fast Track Self-Governance criteria.
Section L, 2.3.2A	This is correcting a typographical and referencing mistake, which falls under Fast Track Self-Governance criteria.
Section T, 4.3B.3	This is correcting a typographical mistake, which falls under Fast Track Self-Governance criteria.
Section X-1	This is correcting a definition, which falls under Fast Track Self-Governance criteria.
Section Z, 2.1	This is updating a name of an organisation, which falls under Fast Track Self-Governance criteria.

Applicable BSC Objectives

This Modification will better facilitate **BSC Applicable Objective (d)** ‘Promoting efficiency in the implementation of the balancing and settlement arrangements’ by:

- correcting minor errors and inconsistencies, which will make the reading and interpretation of the BSC easier
 - formatting, numbering, and other manifest errors are important enablers for the digitisation of the Code

Impacts & Costs

- No material impacts on existing Core Industry Documents, BSC Systems, BSC Parties, consumers or the environment

Organisation	Implementation (£)	On-going (£)	Area
Elexon	<£5k	£0	Documents

Proposed Progression

Elexon recommends that this Modification should progress as a **Fast Track Self-Governance Modification**

i.e., a Modification Proposal which:

- (i) If implemented would satisfy the Self-Governance Criteria; and
- (ii) Falls within the scope of Section F2.1.1(d)(iv) (without limiting the right of any person specified in paragraph 2.1.1 to propose a Fast Track Self-Governance Modification Proposal) and which is required to correct an error in the Code or as a result of a factual change, including but not limited to:
 - (a) updating names or addresses listed in the Code;
 - (b) correcting minor typographical errors;
 - (c) correcting formatting and consistency errors, such as paragraphs or numbering; or
 - (d) updating out of date references to other documents or paragraphs

Proposed Progression

Event	Date
Present IWA to Panel	09 November 2023
Panel raise Modification	09 November 2023
Publish Final Fast-Track Self Governance Modification Report	09 November 2023
Appeal Window opens	09 November 2023
Appeal Window closes	29 November 2023
Implementation	29 February 2024

Recommendations

We invite the Panel to:

- a) **RAISE** this Modification in accordance with BSC Section F2.1.1 (d) (iv);
- b) **AGREE** that this Modification should be progressed as a Fast Track Self-Governance Modification;
- c) **AGREE** that this Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (d);
- d) **AGREE** that this Modification should be **approved**;
- e) **AGREE** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- f) **AGREE** an Implementation Date of:
 - i. **29 February 2024** if no objections are notified;
- g) **APPROVE** the draft legal text; and
- h) **NOTE** that Elexon will issue the Fast Track Modification Report (including the BSC legal text), which will be subject to a 15 Working Day objection period.

ELEXION

‘Introduce a Standard Change Process’

344/03 – Lawrence Jones

9 November 2023

Issue and Solution

Issue

- All changes to the BSC and BSC Configurable Items must currently go through the Change Process, either as a Modification (Mod), or as a Change Process (CP)
- In some instances, these processes may be overly bureaucratic and burdensome for impacted stakeholders, especially where certain changes have become routine and low risk
- Furthermore, many changes to BSC standing data require public consultation and Committee approval, which may not always be proportionate or necessary

Solution

- This Modification seeks to introduce a BSC Standard Change Process which will allow certain low risk, repeatable and predictable changes to be implemented without following the existing Change Process or Modification procedures

Applicable BSC Objectives

- This Modification Proposal will better facilitate Applicable BSC Objective (d) 'efficient operation of the BSC' as it will allow certain changes to be progressed more efficiently, reducing the burden for industry and Elexon
- We therefore invite the Panel to raise this Modification Proposal (in accordance with F2.1.1(d)(i))

Proposed Progression

- Subject to the Panel agreeing to raise this Proposal, we believe it should be submitted for a four month assessment by a Workgroup
- Workgroup membership
 - We will seek Workgroup Members with expertise in Change Management and BSC code governance
 - We will invite the Issue 102 ‘BSC Change Process Review’ members to join this Workgroup
 - We invite the Panel to appoint a Proposer Representative
- If we are unable to form a Workgroup within a reasonable timeframe, we would suggest proceeding directly to the Report Phase
 - In this case, the Modification will be limited to establishing a Standard Change framework and the enabling changes needed for Fuel Type changes to be established as a Standard Change

Event	Date
Workgroup Meeting 1	W/C 4 December 2023
Assessment Procedure Consultation (15 WDs)	5 February 2024 – 23 February 2024
Present Workgroup Report to Panel	14 March 2024
Report Phase Consultation (10 WDs)	18 March 2024 – 2 April 2024
Present Draft Modification Report to Panel – may be late paper	11 April 2024
Issue Final Modification Report to Authority	17 April 2024

Areas to consider

- In addition to the standard Workgroup's Terms of Reference, we believe the Workgroup should consider:
 - What criteria should be met in order for a change to be established as a Standard Change
 - Whether there is a need for an objection or appeal mechanism within the Standard Change framework and, if so, how it should be implemented
 - Which changes could follow the Standard Change process and, of those, which should be included in the Modification Proposal
- We welcome further suggestions from the Panel

Initial Impacts & Costs

Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	1k-2k	0k	Implement changes to the BSC documents and update internal processes. We expect to save time on progressing CPs and Mods.
NGESO	0	0	
Industry	0	0	
Total	1k-2k		

- For Fuel Types, we expect to save ~5 days effort per change
- Therefore, there will be a saving of 2.5k – 3.5k per Fuel Type Change

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; and
- d) **AGREE** the Workgroup's Terms of Reference.

ELEXION

**P461 'Accurate Reporting of Customers
Delivered Volumes to Suppliers'**

343/03 – Patrick Matthewson

9 November 2023

Issue and Proposed solution

Issue

- The details reported to Suppliers (where customer consent is given) when a customer delivers a Bid Offer Acceptance (BOA) through a Virtual Lead Party (VLP) do not reflect any adjustments made to that data in Settlement

Proposed solution

- Values reported to Suppliers on the P0287 'Secondary Half Hourly Delivered Volumes' data flow should incorporate any adjustments made by the Settlement Administration Agent (SAA)

Proposer views on the Objectives

- This change is expected to positively impact competition (Objective (c)) in the sale and purchase of electricity, by providing Suppliers with more accurate information on the actions taken by their customers through VLPs and allowing them to charge those customers in a way that is cost-reflective and consistent with agreed contractual terms

Impacts & Costs

- Updates to Settlement Administration Agent (SAA) and Data and Calculations Platform (DCP) systems
- Document changes to BSC Section S Annex S-2, Section T, Section X-2
- Impact on EBGL Article 18 balancing terms and conditions due to updates to Section T4:
 - We do not believe this proposal has a direct or material impact on the EBGL provisions and is therefore neutral against the EBGL objectives
 - A calculation is being added into SAA to obtain an adjustment ratio as the most efficient place for this to be done. This will be sent to DCP and not used in Settlement

Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	170k – 260k	0	Cost to update DCP & SAA systems
NGESO	0	0	
Industry	L	L	The RFI was employed to clarify this potential impact: Delay in receiving P0287 data may cause billing delays for some Suppliers which could incur some costs.
Total	170k – 260k	0	

Request for Information (1 of 2)

- On 12 October 2023, the BSC Panel deferred P461 for one month to send out a Request for Information (RFI) to verify assumptions and understand the extent of potential impacts on Suppliers and VLPs that could arise from a delay in receiving P0287 data
- The RFI went out for 7 WDs (20 October 2023 to 31 October). We received responses from two organisations; one representing a Supplier and a VLP and one Supplier.

Summary of P461 RFI responses		
Question	Yes	No / None
Do you use the P0287 report and, if so, is this used to assist in billing your customers?	1	1
What would be the impact of receipt of the P0287 report being delayed by 2 days, as per the proposed Modification P461?	0	2
Do you have any further views on P461 that you believe should be considered by the BSC Panel?	1	1

- In additional comments, one respondent suggested that the proposal addresses the immediate cause of the inaccuracy, but not the underlying cause, which is the different ways that energy imbalance is calculated for VLPs and Suppliers. They suggested that this should be addressed through supporting asset metering to reduce VLP contamination and/or reconsidering FPN as the basis for VLP energy imbalance calculation

Request for Information (2 of 2)

- Elexon sought legal advice and Subject Matter Expertise during consultation and determined that the Supplier's suggestion would not address the same issue as P461
- P461 addresses reconciliation of P0287 data flows to imbalance calculations, while the Supplier's issue is that VLP volumes are not settled on the same basis as Supplier volumes
- Elexon therefore concludes that the Supplier's proposal cannot be considered an alternative to P461
- Further consideration may be necessary on whether to raise a separate Modification to address the issue that VLP volumes are not settled on the same basis as Supplier volumes, however this will need to occur outside of progression and discussions of this P461 BSC Modification

P461: Proposed Progression

- Straight to Report Phase
- One calendar month consultation period due to the impact on the EBGL Article 18 terms and conditions held within the BSC:
 - Updates required to Section T4
 - Not a candidate for Self-Governance due to EBGL impacts

Event	Date
Present Initial Written Assessment to Panel	12 October 2023
Present responses to Request for Information to Panel	9 November 2023
Report Phase Consultation (1 month EBGL consultation)	16 November 2023 – 18 December 2023
Present Draft Modification Report to Panel	11 January 2024
Issue Final Modification Report to Authority	18 January 2024

P461: Implementation

- Suggested Implementation Dates:
 - **7 November 2024** if an Authority decision is received on or before 7 May 2024; or
 - **27 February 2025** if an Authority decision is received after 7 May 2024 but on or before 27 August 2024

P461: Recommendations

We invite the Panel to:

- a) **AGREE** that P461 progresses directly to the Report Phase;
- b) **AGREE** that P461:
 - i. **DOES** better facilitate Applicable BSC Objective (c);
- c) **AGREE** an initial view that P461 **should not** be treated as a Self-Governance Modification;
- d) **AGREE** that P461 **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 recommendation to the Authority that P461 should be **approved**;
- g) **AGREE** an initial Implementation Date of:
 - i. **7 November 2024** if an Authority decision is received on or before 7 May 2024; or
 - ii. **27 February 2025** if an Authority decision is received after 7 May 2024 but on or before 27 August 2024;
- h) **AGREE** the draft Legal Text; and
- i) **NOTE** that Elexon will issue the P461 Draft Modification Report (including the draft Legal Text) for a one month consultation and will present the results to the Panel at its meeting on 11 January 2024.

ELEXON

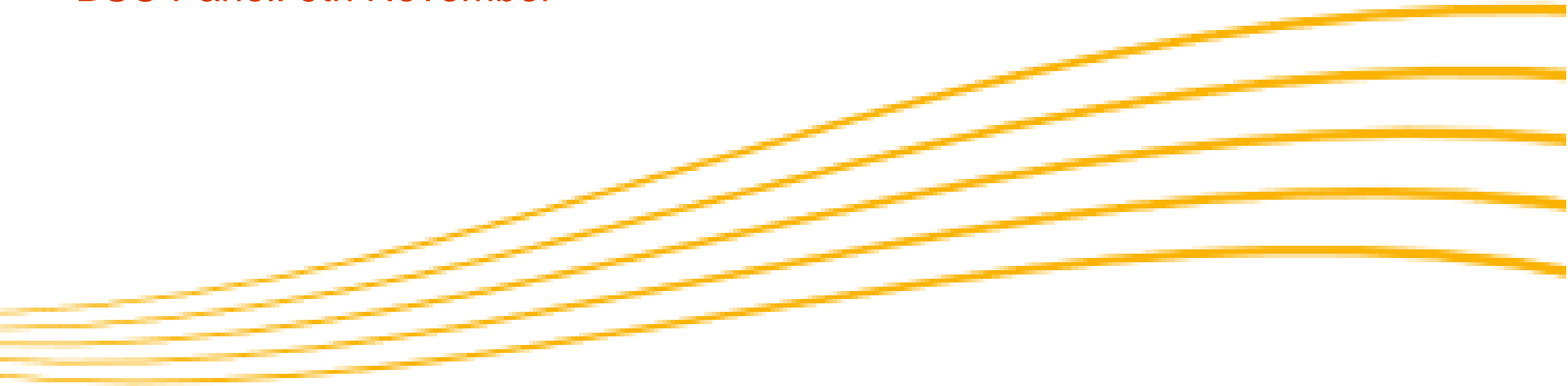
P462 'The removal of subsidies from Bid Prices in the Balancing Mechanism'

344/05 - Jacob Snowden (Elexon) & Neil Dewar (NGESO)

9 November 2023

P462: The removal of subsidies from Bid Prices in the Balancing Mechanism.

BSC Panel: 9th November



The Issue

- Due to current market arrangements, generation units which hold support mechanisms through Contracts for Difference (CfD) or Renewable Obligation Certificates (ROC), need to price recover an expected subsidy in their Bid Prices.
- This does not allow them to price on equal terms with merchant units and means that their Bid Price is not reflective of the consumer cost or savings of this transaction.
- This is a structural issue with the interaction between the Balancing Mechanism (BM) and support mechanism arrangements because all subsidies are currently based upon metered output recovery, whilst a BM Bid Acceptance will reduce output and thus lead to the subsidies being lost.
- This means transactions taken in Bid Price order are not in line with consumer cost order leading to potentially more expensive actions being taken.
- Under current market structures, the direct consumer cost of accepting a Bid for a unit holding a support mechanism corresponds only to any marginal cost added to this price beyond the expected subsidy revenue itself.

Options reviewed

Option	Summary of views to date	Impact	Ease of delivery
BSC code modification to explicitly pay for any lost subsidy values outside of the direct bid price, separation of lost/gained CfD revenues & other subsidies for cashflow purposes	This requires changes to the settlement process but would not require redesign of operational systems, it would also make the interactions completely transparent. Allows for a greater scope than just covering for this CfD issue.		
CfD contract change to explicitly take account of any BM bid volume within the payment/repayment mechanism in addition to metered output	A CfD contract change is likely only possible forward looking to future contracts, this is unlikely to fit.		
Take account of the subsidy payment/repayment in addition to the submitted BM price when accepting bids	This cannot be manually accounted for and does not sit in scope of current balancing programme upgrades. Automatic adjustment requires new interfaces with Critical National Infrastructure IT systems. Time to resolution is unlikely to be acceptable. This also risks changes in the commercial data submitted by participants.		
Any Other solutions?	For discussion		

Optimal



Viable



Blocker



Proposed Solution

- The proposed solution is to amend BSC T3.11 BMU cashflow formula to pay the lost support mechanism explicitly to remove the need for BMU Bid Prices to include it.

Current BMU Cashflow formula:

$$CBM_{ij} = \sum^n CO_{ij}^n + \sum^n CB_{ij}^n$$



Proposed change to formula:

$$CBM_{ij} = \sum^n CO_{ij}^n + \sum^n CB_{ij}^n + [NQB_{ij}] * [SRP_{ij}]$$

NQB is the bid volume net of unwind offers, i.e., the sum of bids and offers for pairs where $n < 0$. NQB is zero or negative.

SRP is the support mechanism replacement price, as appropriate:

- RO: buy-out price * banding rate (e.g. 0.9)
- CFD: difference between Market Reference Price and Strike Price

What is solution in simple terms

- The intention is to amend the BSC to make a BMU whole for any lost subsidy value by changing the formula for the BM Unit Cashflow.
- Currently the subsidy is included implicitly within the Bid Price however the proposal is to pay the lost subsidy explicitly to remove the need for BMU Bid Prices to include it.

Reasoning

- It will be able to be applied to all subsidies including CfD holders and ROC's units and be able to include any future subsidy types.
- Possible deliverable timeline of 1 year from submission of the BSC proposal but this would be confirmed during modification discussion.

Impact

- Using worst case modelling of persistently high Day Ahead Prices, low CfD Strike Prices and the leading the way FES scenario data, up to £16bn of consumer costs may be incurred by 2030 under a do-nothing scenario.
- Indirect benefit of upward bid price pressure from competition.

BSC Objectives

BSC Objective	Impact	Rationale
Objective (b) - The efficient, economic and co-ordinated operation of the National Electricity Transmission System	Positive	<ul style="list-style-type: none">• Identified as a positive impact as if this issue is resolved, it would lead to more efficient Balancing Mechanism actions by ESO, reducing costs to end consumers.
Objective (c) - Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity	Positive	<ul style="list-style-type: none">• Facilitates fairer competition by allowing subsidised and unsubsidised units to compete against each other based on consumer cost.• The units marginal price can be reflected in their Bid Price without the distortion of the subsidies and thus levelling the playing field between units with a support mechanism regime and those units who do not.

P462: Issue and Proposed solution

Issue

- Due to current market arrangements, generation units which hold support mechanisms through Contracts for Difference (CfD) or Renewable Obligation Certificates (ROC), need to price recover an expected subsidy in their Bid Prices
- This means transactions taken in Bid Price order are not in line with consumer cost order leading to potentially more expensive actions being taken

Proposed solution

- The proposed solution for consideration by an industry Workgroup is to modify the equation BSC Section T 'Settlement and Trading Charges' paragraph 3.11 to pay the lost support mechanism

P462: Areas to consider

- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 - What are the impacts of P462 on existing CfD contracts?
 - Should the distribution of subsidy replacement costs go to intended cost centres? (E.g., not BSUoS?)
 - What data should be reported on BMRS/IO14 to support this Modification?
 - Is a CBA proportionate and appropriate?
 - Are the Workgroup comfortable that there will be no unintended consequences from implementing this Modification?

P462: Proposed Progression

6 month Assessment Procedure

- This could be extended if a Cost-Benefits Analysis is requested by the Workgroup
- Workgroup membership
 - Generators
 - Suppliers
 - LCCC and DESNZ

Event	Date
Workgroup Meeting 1	W/C 12 December 2023
Additional Workgroup meetings	December 2023 to April 2024
Assessment Procedure Consultation (15 WDs)	7 May – 29 May 2024
Workgroup meeting	W/C 10 June 2024
Present Assessment Report to Panel	11 July 2024
Report Phase Consultation 1 Month	One month Report Phase consultation (EBGL)
Present Draft Modification Report to Panel	12 September 2024

P462: Recommendations

We invite the Panel to:

- a) **AGREE** that P462 progresses to the Assessment Procedure;
- b) **AGREE** the proposed Assessment Procedure timetable;
- c) **AGREE** the proposed membership for the P462 Workgroup; and
- d) **AGREE** the Workgroup's Terms of Reference.

ELEXON

**P454 'Removal of BSC obligations to
provide BMRS Data via TIBCO and the
High Grade Service' – Assessment Report**

344/06 – Jacob Snowden (Elexon) & Zaahir
Ghanty (Elexon)

9 November 2023

P454: Background and Issue

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
- BSC Section V 'Reporting' prescribes the provision of BMRS data via the High Grade Service currently underpinned by TIBCO software
- [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

P454: Solution (1 of 2)

P454 is a document-only change, which will:

- Remove the obligation of providing the “High Grade Service” from
 - BSC Section V ‘BSC Reporting’
 - BSC Section D ‘BSC Cost Recovery and Participation Charges’
- Clarify in the ‘Balancing Mechanism Reporting Agent Service Description’ that after the “BMRS Transition Date” there will be a single grade of service
- Split the Communication Requirements Document into two documents, A and B
 - Communication Requirements Document A: The existing document with references to the BMRA and different grades of service removed
 - Communication Requirements Document B: A new document specifically covering BMRA, the current grades of service, plus recognition of the BMRS Transition Date

“BMRS Transition Date”

- The BMRS Transition date is the date the BSC is no longer obligated to provide the BMRS via the High Grade Service
- Once the Insights solution has met the Acceptance Criteria, Elexon will present the findings to the BSC Panel to agree the BMRS Transition Date
- The BMRS Transition date shall be inputted into BSC Section V ‘Reporting’ as part of the P454 Modification

P454: Impacts and costs

- P454 is a Document only change with no BSC System impacts identified
 - BSC section V 'Reporting' and BSC Section D 'Cost Recovery and Participation Charges'
 - 2 CSDs: BMRA Service Description and Communication Requirements Document
 - Costs: <£1k
- All BSC Parties (TIBCO users) impacted
- Respondents to the APC highlighted impacts of transition from the High Grade Service/TIBCO to the Insights solution. P454 is a document only change that would not cause the immediate switch off of the High Grade Service/TIBCO
- There are **no** EBGL impacts or impacts on EBGL objectives

P454: Acceptance Criteria and BMRS Transition date (1 of 2)

#	Criteria	Description	Priority
1	Data coverage	Data available from legacy endpoints accessible on Insights platform	Must have
2	Latency	Minimal delay from receipt of data from upstream source to making data accessible on all endpoints	Must have
3	Availability	Uninterrupted service with minimum availability of service of 99.9% but target to meet vendor availability of 99.99%	Must have
4	Data accuracy	Indicative Settlement calculations correctly publish imbalance Settlement data for a Settlement Period based on parameters available shortly after effective that Settlement Period	Must have
5	Data integrity	No error or corruption of records while processing upstream data from source, e.g., NGESO data or REMIT data	Must have
6	Performance	Functional and responsive to users e.g., average response of APIs (95th percentile) within 4 seconds	Must have
7	Service support 24/7	Full-service model with Application supported 24/7	Must have
8	Information Security	Application and policies in line with enterprise information security standards	Must have
9	Incidents	No outstanding high severity incidents (P1 or P2)	Must have
10	Documentations	Documentations available for users to access the endpoints including Schema definitions, implementation guide and developer Portal updated	Should have
11	Functionality	Core Functionality of the legacy platform and additional related functionality made available via the replacement service.	Should have
12	Product backlog roadmap	Future enhancements and capabilities post go live published and updated	Could have
13	Service Status Notification	Automated alerting and outage notification capability built in	Could have

P454: Acceptance Criteria and BMRS Transition date (2 of 2)

- As part of P454, once the Insights solution has met the Acceptance Criteria, Elexon will present the findings to the BSC Panel to agree the BMRS Transition Date
- The Acceptance Criteria are Service Standards expected for the new platform to become the Service of Record
- Proposed progression of Acceptance Criteria and BMRS Transition date provided below

Event	Date
Acceptance Criteria presented to the Panel	9 November 2023
Final Modification Report submitted to the Authority	15 December 2023
P454 implemented	Q1 2024
Elexon to present performance level of the Insights Platform against the Acceptance Criteria for the BSC Panel to provide their view/agree on the BMRS Transition Date	Q1 2024

P454: 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 <ul style="list-style-type: none">Any new BMR service will be free to users and not require a license fee (unlike the status quo) which will reduce the costs that are ultimately borne by the end consumer	Positive
3) Reduced environmental damage	Neutral
4) Improved quality of service <ul style="list-style-type: none">This change is expected to facilitate the introduction of a replacement for TIBCO as a method for receiving BMRS data	Positive
5) Benefits for society as a whole	Neutral

P454: Implementation approach

The Workgroup agree P454 to be document-only change and is not a suitable for Self-Governance

They therefore recommend submitting to the Authority for approval and to be implemented as part of a special release

- The Workgroup recommend an implementation date of **5 Working Days** after Authority approval

P454: Workgroup views against specific ToR

ToR Specific areas set by the BSC Panel in the P454 Terms of Reference		
a)	Are the Workgroup comfortable with the removal of BSC obligations to provide BMRS Data via TIBCO and the High Grade Service?	<p>The Workgroup are in favour of the removal of BSC obligation to provide BMRS Data via TIBCO and the High Grade Service.</p> <p>Some Workgroup members requested that Service Standards are included in the BSC. However, the Workgroup are comfortable that Service Standards will be provided via the subsequent contractual arrangements between Elexon and the Technology Service Provider.</p>
b)	Should this Modification be approved, is it appropriate for Elexon to retire the TIBCO service? If so, what criteria should be met first?	<p>The Workgroup agreed that if this Modification is approved then it is appropriate for Elexon to retire the TIBCO service.</p> <p>However, this is subject to the Acceptance Criteria being met. User readiness was also discussed as part of allowing TIBCO to be retired. Elexon have taken this on board as an action to find ways to report and support user readiness.</p>

P454: Workgroup views against standard ToR

ToR	Specific areas set by the BSC Panel in the P454 Terms of Reference	
c)	How will P454 impact the BSC Settlement Risks?	The Workgroup agree that P454 would not impact BSC Settlement.
d)	What changes are needed to BSC documents, systems and processes to support P454 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on	The Workgroup agreed that P454 is a document only change, costing Elexon <£1k to implement. Documents impacted will be BSC Sections V and D. BMRA service description and Communication Requirements Document. The Workgroup agreed with the implementation date of 5 WD after Authority decision.
e)	Are there any Alternative Modifications?	None raised by the Workgroup.
f)	Should P454 be progressed as a Self-Governance Modification?	The Workgroup agreed that P454 should not be progressed as a Self-Governance modification.
g)	Does P454 better facilitate the Applicable BSC Objectives than the current baseline?	The Workgroup's unanimously agreed that P454 better achieves BSC Objective (d).
h)	Does P454 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	The Workgroup agree that the redlining does not impact the EBGL Article 18 Terms and Conditions.

P454: Assessment consultation responses (1 of 3)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's initial view that P454 does better facilitate the Applicable BSC Objectives than the current baseline?	7	0	0	0
Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of P454?	6	0	0	0
Do you agree with the Workgroup that the draft amendments to the Code Subsidiary Documents in Attachment C delivers the intention of P454?	5	0	1	0
Do you agree with the Workgroup's recommended Implementation Date?	5	1	0	1
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P454 which would better facilitate the Applicable BSC Objectives?	6	1	0	0
Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?	6	0	0	0
Do you agree with the Workgroup's assessment that P454 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	6	0	0	0

- All 7 respondents agreed that P454 better facilitates BSC Objective (d)
- All agreed to the draft legal text
- All but one neutral, agreed to the redlined CSDs
- An Alternative Modification was suggested by a respondent. This was put to the Workgroup who agreed it was not a feasible option and would require a different Modification to be raised
- All agreed that there are no BSC Settlement Risks or EBGL impacts from P454

P454: Assessment consultation responses (2 of 3)

Question	High	Medium	Low	None	Other
Will P454 impact your organisation?	0	2	2	2	0
How much will it cost your organisation to implement P454?	0	2	1	3	0
What will the ongoing cost of P454 be to your organisation?	0	0	3	3	0

Question	0 months	End of March 2024	Other
How long (from the point of approval) would you need to implement P454?	3	2	1

- Most respondents focused on costs and impacts for the decommissioning of TIBCO and the transition to the Insights solution
- Similarly, respondents provided the date for which they would be able to implement the Insights solution Implementation from the point of approval
- P454 is a document-only change which would not cause the immediate switch off of the High Grade Service/TIBCO

P454: Assessment consultation responses (3 of 3)

Additional Consultation Question	Impacts	No Impacts
How would the retirement of the BMRS High Grade Service/TIBCO impact your organisation?	5	2

Additional Consultation Question	Yes	No	Neutral	Other
Once the BSC Panel (or delegated authority) is satisfied the Insights Solution conforms to the Acceptance Criteria currently expected by January 2024, Elexon will support a minimum transition period of 4 weeks before sunsetting the legacy application. Do you have any challenges in achieving the timescales and if so please provide further details and expected timescales?	2	4	0	1

- Additional feedback was sought as part of the APC regarding the retirement of the BMRS High Grade Service/TIBCO as per the above

P454: Workgroup views against BSC Objectives

Does the P454 Proposed Solution better facilitate the Applicable BSC Objectives?	
Applicable BSC Objective	(d)
Workgroup Views	Positive (Unanimous)

- The Workgroup agreed unanimously that P454 would better facilitate BSC Objective (d) as removing the TIBCO obligation from the BSC facilitates the transition to services that are more accessible, reliable and cost efficient
- There were no changes suggested to the Legal text and redlining as part of the APC and from the Workgroup

P454: Recommendations

The P454 Workgroup invites the Panel to:

- a) **AGREE** that P454 **does** better facilitate Applicable BSC Objective (d);
- b) **AGREE** an initial view that P454 **should not** be treated as a Self-Governance Modification;
- c) **AGREE** that P454 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** an initial recommendation to the Authority that P454 should be **approved**;
- e) **AGREE** an initial Implementation Date of 5 Working Days after Authority decision;
- f) **AGREE** the draft Legal Text;
- g) **AGREE** the draft amendments to the Code Subsidiary Documents;
- h) **AGREE** that P454 is submitted to the Report Phase; and
- i) **NOTE** that Elexon will issue the P454 Draft Modification Report (including the draft Legal Text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 14 December 2023.

ELEXION

**‘Correction to P415 legal text to amend
Credit Cover requirements for Virtual
Trading Parties’**

344/07 – Ivar Macsween

9 November 2023

Background

- Approved Modification P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties' requires changes to BSC registration, qualification and communication processes to facilitate wholesale market access for independent aggregators
- Workgroup developed P415 Principle 5 - VLPs shall have no advantage over existing Trading Parties and be subject to same BSC rules and requirements (where appropriate)
- P415 creates a new Trading Party category of Virtual Trading Party (VTP) to facilitate access to the wholesale market but the approved P415 legal text does not correctly describe the intended solution for calculating VTP's Credit Cover requirements

Issue

- P415 legal text (drafted in the mistaken belief that Metered Energy Indebtedness (MEI) is not relevant to non-Credit Qualifying BM Units) does not include the necessary drafting to include Credit Assessment Credited Deviation Volume values in the MEI calculation
- In the absence of this Modification, implementation of the approved P415 solution in the November 2024 release would incur:
 - Inaccuracies in the calculation of Credit Cover requirements for VTPs; and
 - Additional and unnecessary expense for Elexon (and by extension BSC Parties) in amending systems to calculate MEI for Secondary BM Units in a different way to other non-Credit Qualifying Balancing Mechanism (BM) Units

Proposed solution

Proposed solution

- Clarify that CAQDE values calculated for Secondary BM Units should be included in the calculation of MEI as well as CEI in BSC Section M

Justification against proposed BSC Objectives

d. promoting efficiency in the implementation and administration of the balancing and settlement arrangements	Positive
<ul style="list-style-type: none">Avoids the inefficiency of Elexon having to procure changes to the ECVAA system against P415 Workgroup intentions and avoid inaccuracies in calculation of Credit arrangements	
c. promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity	Positive
<ul style="list-style-type: none">In the absence of this Modification VTPs could potentially be exposed to erroneous Credit Cover requirements that other parties are not	

Proposed Progression

- Request for Panel to raise Modification in accordance with Section F2.1.1(d) (i)
- Straight to Report Phase
- No EBGL impact
- 10 Working Day Consultation period
- Not Self-Governance

Event	Date
Report Phase Consultation	13 November 2023 – 27 November 2023
Present Draft Modification Report to Panel	14 December 2023
Issue Final Modification Report to Authority	21 December 2023

Impacts & Costs

- Document only change to BSC Section M with an Implementation cost of <£1k
- No implementation or on-going costs are anticipated for any Parties
- No impact on EBGL Article 18 Terms and Conditions

Implementation approach

- Elexon recommends an Implementation Date of 7 November 2024 as part of the Standard November 2024 BSC Release
- This aligns with the approved implementation date for P415

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 directly to the Report Phase;
- c) **AGREE** that this Modification:
 - i. **DOES** better facilitate Applicable BSC Objectives (c); and
 - ii. **DOES** better facilitate Applicable BSC Objective (d);
- d) **AGREE** an initial view that this Modification **SHOULD NOT** be treated as a Self-Governance Modification;
- e) **AGREE** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- f) **AGREE** an initial recommendation to the Authority that this Modification should be **APPROVED**;
- g) **AGREE** an initial Implementation Date of:
 - i. **7 November 2024** as part of the Standard November 2024 BSC Release if a decision from Ofgem is received by 7 September 2024;
- h) **AGREE** the draft Legal Text; and
- i) **NOTE** that Elexon will issue the Draft Modification Report (including the draft Legal Text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 14 December 2023.

ELEXION

**Market Index Definition Statement (MIDS)
Review 2023**

344/08 – Ban Mac

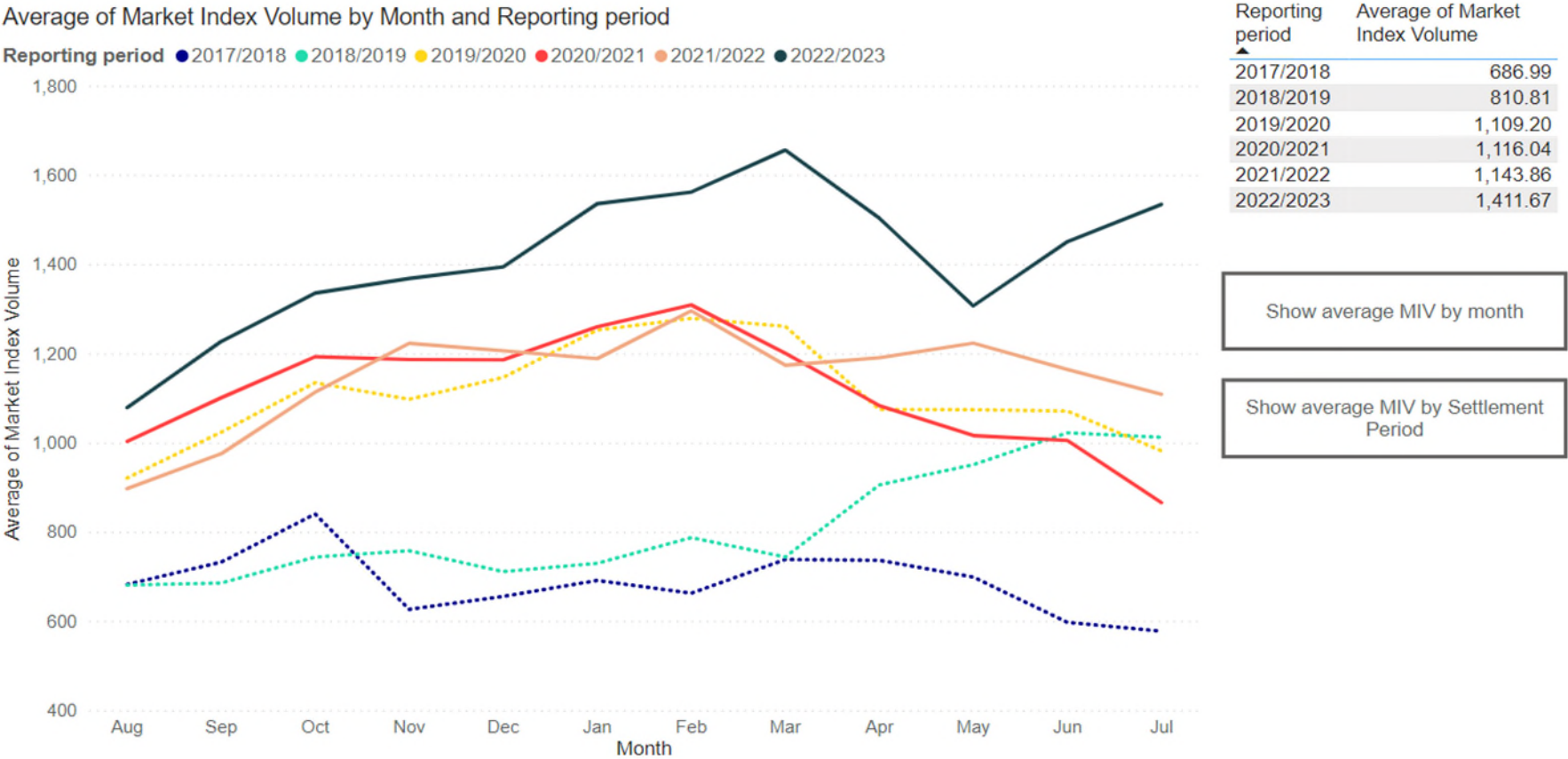
9 November 2023

What is the MIDS?

- The Market Index Definition Statement (MIDS) defines a set of parameters that determine how the Market Index Price (MIP) is calculated
- The MIP reflects the short term electricity price on the wholesale market
- Elexon (on behalf of the BSC Panel) reviews the MIDS and consult at least annually as required by the BSC

Average Market Index Volume (MIV)

The MIV shows how much volume was traded in the two power exchanges used to calculate the MIP. A higher MIV indicates a greater volume of traded energy being included in the MIP Calculation. The average MIV was 1,412MWh in the 2022/23 review period, 268MWh higher than the previous review period.



Summary of Review Findings

- The following MIDS parameters **remain suitable** for the principles set out in BSC Section T:
 - Individual Liquidity Threshold (ILT), set at 25MWh
 - Product weightings- currently Half Hour, 1 Hour, 2 Hour and 4 Hour products
 - Timeband weightings- currently trades made eight hours prior to the start of a Settlement Period.

Industry Consultation and ISG Recommendation

- Elexon issued a two-week industry consultation on the [Market Index Definition Statement Review 2023](#)
- Following a two-week industry consultation, no responses were received.
- This is not unexpected, as in the previous two MIDS Reviews no responses were received. In 2020, just one response was received.
- This was shared with the ISG who recommended no change is made to the MIDS.

Recommendations

We invite you to:

- a) **NOTE** the ISG's recommendation; and
- b) **AGREE** that no change is made to the Market Index Definition Statement (MIDS).