

ELLEXON



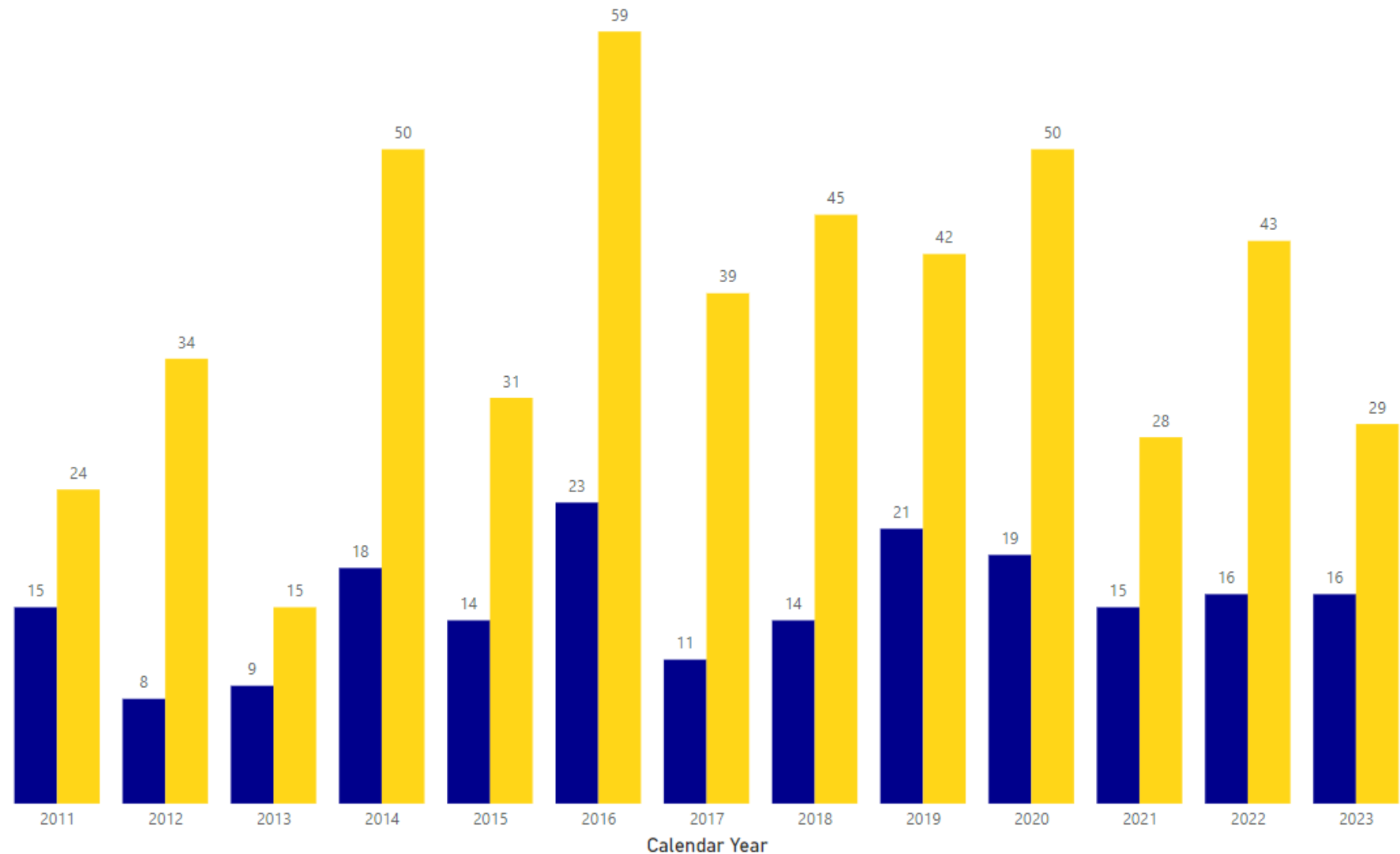
Change Report and Progress of Modification Proposals

345/02 – 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	-
Assessment Procedure	P462, P412, P441, P442, P444 (Sent Back), P455, P459
Report Phase	P451, P454, P465, P461
Urgent	-
With Authority (decision cut-off)	P432 (+3 months after Ofgem decision)
Authority Determined (implementation date)	-
Self-Gov. Determined	-
Fast Track Determined	P464
Withdrawn	-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			
P461 'Accurate Reporting of Customers Delivered Volumes to Suppliers'				IWA	RPC	DMR							
P462 'The removal of subsidies from Bid Prices in the Balancing Mechanism'				IWA									
P463 'Introduce a Standard Change Process'				IWA				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 - 9 Nov 23)	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 – 8 Nov 23)	CP1575 'Permitting the use of busbar VTs within metering Codes of Practice 1 and 2'	CP1586: Defining the requirements for Minimum Burden and CT ratios		CP1589: Create Additional Market Participant Role Codes	MHHS
P458 'Update data protection rules for MHHS testing' (+5WDs – 10 Oct 23)	CP1576 'New Interconnector Fuel Type Category: Viking Link'	CP1587: Obsolete Metering Equipment			
P460 'Amend responsibility for MHHS Migration Plan' (+5WDs – 9 Nov 23)	CP1577 'Clarify use of D0151'	CP1588: Mandating Calibration Checks for Main and Check Meters			
	CP1579 'Allowing HHDCs to undergo Protocol Approval before completing Qualification'				<div>Key</div> <div>Approved</div> <div>With Authority</div> <div>Report Phase</div> <div>Assessment Phase</div> <div>Direction</div> <div>Urgent</div>
	CP1581 'Recommendation to update BSCP18 following Issue 105'				
	CP1583 'Rationalising publication of ETR data on Elexon Systems'				

P455 'On-Site Aggregation as a method to facilitate Third Party Access'

- 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 latest P455 Workgroup on 12 December 2023 to review draft Legal Text and aim to issue the Assessment Consultation shortly
- While P455 is progressing well, delivery of the P455 Assessment Report to the January 2024 Panel meeting depends on the ability to hold a consultation and final Workgroup to consider responses over a busy winter holiday period, with little contingency for delays that may emerge outside our control. Additionally, it may be suitable to extend the consultation timelines to avoid consulting over Christmas
- Therefore we think it sensible to request a **2 month extension** to the Assessment Phase to provide contingency to this timetable, to return in March. Elexon will still endeavour to deliver the Assessment Report to the Panel on 14 January

Ownership changes update

- The BSC Legal Text for Elexon's ownership changes has been updated following our informal consultation on it
 - We published the consolidated responses on 6 October 2023
 - We will shortly be publishing a consolidated version with Elexon and Department of Energy Security and Net Zero (DESNZ) commentary on the responses
 - We will also publish the consequential changes we have made to the legal text
 - Legal Text is drafted to give effect to the DESNZ policy for Elexon's ownership to move from NGESO to a federated industry ownership model
 - Updated Legal Text will be included in a statutory consultation, due to be issued in the New Year
- You can find the consultation responses on our website: <https://www.elexon.co.uk/consultation/informal-consultation-on-the-bsc-changes-needed-to-enable-elexons-ownership-change/>
 - This is also where we will publish the new version of the Legal Text and our commentary
- We understand that DESNZ will provide the Panel with an update in the New Year

FSO institutional changes update

- We have been supporting the Future System Operator Cross Code Working Group (CCWG), held every fortnight
- CCWG have agreed to:
 - Keep the term 'National Electricity Transmission System Operator' in the BSC as this term is still meaningful and will require the definition to be updated
 - Keep the NETSO's rights the same as they are today (for day 1 of FSO go-live), including for raising Modifications and voting at Panel
- We will also need to update references to the Transmission licence to the new FSO licence
- We are continuing to engage with the CCWG on the new roles for the FSO and any impact they may have for the BSC or BSC Parties
- Further updates for the BSC Panel will be brought next quarter (Jan to Mar)

Nuclear Regulated Asset Base (RAB): industry code and licence modifications

- Consultation ran 24 October 2023 to 5 December 2023, BSC Panel responded
- DESNZ plan to attend January 2024 Panel meeting for visibility of the final text, before the statutory consultation on the licence and code.

Impact of MHHS Programme Change Freeze on BSC Changes

- The Market Wide Half-Hourly Settlement (MHHS) Programme has implemented a Programme Change Freeze
- This means that any BSC Changes that require changes to the MHHS design or MHHS code drafting (via a MHHS Change Request) are likely to have their implementation postponed until at least the MHHS Programme Milestone M10, 'Central Systems Ready for Migrating MPANs,' scheduled for March 2025
- If a BSC Change affects MHHS Qualification or Migration, its implementation may be delayed beyond Milestone M10
- We are actively engaging with the MHHS Programme and anticipate receiving more detailed information soon, which we will share with stakeholders
- Further information and guidance regarding the implications of this freeze on BSC Changes will be published as it becomes available
- We are reaching out to the Proposers of any BSC Changes that are likely to be affected by this freeze
- Through our involvement with the Cross Code Advisory Group and its Horizon Scanning process, we have been deeply engaged with the MHHS Programme regarding BSC Changes that could impact MHHS, and we do not foresee any immediate impacts
- P432 (with Authority, supports migration under MHHS), P455 (drafting to be carried through), P459 (solution not defined) and CP1589 (undergoing Change Request)

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 → January Panel
 - Consequential change to BMRS to facilitate GC0156 → February 24

Recommendations

We invite the Panel to:

- a) **APPROVE** a 2 month extension for P455; and
- b) **NOTE** the contents of the December 2023 Change Report.

ELEXION

**P451 'Updating BSC Black Start provisions
and compensation arrangements'**

Draft modification report
345/03 – Patrick Matthewson

14th December 2023

P451: Background

- NGESO is progressing [GC0156 'Facilitating the implementation of the Electricity System Restoration Standard'](#) to:
 - Update all references to “Black Start” to “System Restoration” in the Grid Code
 - Allow Distributed Energy Resources (DERs) to be to be used as Restoration Service Providers. These can be BSC or non-BSC Parties
- Currently, non-BSC Parties cannot claim BSC Black Start compensation
 - GC0156 Market and Funding Mechanisms sub group recommended P451 be raised to address this

P451: Proposed solution

- Amend BSC [Section G 'Contingencies'](#) to allow non-BSC parties who have a contract with NGESO to provide System Restoration services to claim BSC Black Start compensation
- Update references to “Black Start” to “System Restoration”
- Update cross references to relevant parts of the Grid Code that have been renumbered by GC0156

Impacts & costs

Implementation:

Organisation	Item	Implementation costs (£)
Elexon	Systems	N/A
	Documents	<£2k
	Other	N/A
NGESO	Systems	N/A
	Other	N/A
Industry	Systems & processes	N/A

On-going:

Organisation	On-going costs (£)
Elexon	Approx £1K
NGESO	N/A
Industry	Low

P451: Implementation approach

- **5 Working Days following Authority decision** in order to ensure that P451 (if approved) is implemented prior to the ESRS contracts going live in July 2025

P451: Panel's initial views

- **The P451 Assessment Report was presented to the Panel at its meeting on 12 October 2023 (343/04) and progressed to Report Phase Consultation.**
- Panel discussed the relationships between Elexon and non-BSC parties and how payments would be received. The Panel requested Ofgem to indicate that Suppliers would be expected to support non-BSC parties in making these claims at the Authority stage
- The Panel noted the low response rate to the Assessment Phase Consultation, Elexon & NGESO made efforts to reach a wider audience for the Report Phase Consultation
- **The Panel unanimously agreed with the workgroup recommendations**

P451: Report Phase consultation responses

The P451 Report Phase Consultation ran from **17 October 2023 to 17 November 2023** and received one response from the Proposer. The views remained the same as the Assessment Phase consultation and in agreement with the proposed modification.

Question	Yes	No	Neutral	Other
Do you agree with the Panel’s initial unanimous recommendation that P451 should be approved ?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P451?	1	0	0	0
Do you agree with the Panel that the draft amendments to the CSDs BSC deliver the intention of P451?	1	0	0	0
Do you agree with the Panel’s recommended Implementation Date?	1	0	0	0
Do you agree with the Panel’s initial view that P451 should not be treated as a Self-Governance Modification?	1	0	0	0
Do you agree with the Panel’s initial consideration that P451does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	1	0	0	0
Do you have any comments on the impact of P451 on the EBGL objectives?	0	1	0	0
Do you agree with the identified consumer benefits?	1	0	0	0
Do you have any further comments on P451?	0	1	0	0

P451: Recommendations

We invite the Panel to:

- a) **AGREE** that P451 Proposed Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (a);
 - ii. **DOES** better facilitate Applicable BSC Objective (c); and
 - iii. **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** that P451 **SHOULD NOT** be treated as a Self-Governance Modification;
- c) **AGREE** that P451 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** that the impact on the EBGL objectives is **neutral**;
- e) **AGREE** a recommendation to the Authority that the P451 Proposed Modification should be **approved**;
- f) **AGREE** an Implementation Date of:
 - **5 WORKING DAYS** after Authority approval;
- g) **APPROVE** the draft Legal Text;
- h) **APPROVE** the amendments to the Code Subsidiary Documents;
- i) **APPROVE** the P451 modification report.

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**P465 ‘Correction to P415 legal text to amend
Credit Cover requirements for Virtual Trading
Parties’**

Draft Modification Report

345/05 – Samraj Gill

14 December 2023

P465: Background

- Approved Modification P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties (VLP)' 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
- P415 legal text does not include the necessary drafting to include CADQE values in the Metered Energy Indebtedness (MEI) calculation, meaning the MEI calculation does not take into account any Deviation Volumes delivered by the VTP
- The Panel noted that the solution for P465 seemed clear and straightforward and **unanimously agreed with all recommendations**

P465: 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

- In the absence of this Modification VTPs could potentially be exposed to erroneous Credit Cover requirements that other parties are not

P465: Report Phase Consultation responses

- P465 was submitted for Report Phase Consultation on Tuesday 14 November, with responses due by 5pm Tuesday 28 November
- The Report Phase Consultation did not receive any responses, questions or further comments

Self Governance Rationale

- Elexon had initially recommended that P465 proceed as a non-Self Governance Modification
- During the Report Phase Consultation period Elexon engaged with Ofgem to explain the change and this rationale. The Authority confirmed that they did not see any need to make a decision on P465
- We have amended the recommendation to ask that they BSC Panel make a decision on whether to treat P465 as a Self-Governance Modification

P465: Recommendations (1 of 1)

We invite the Panel to:

- a) **AGREE** that P465
 - i. **DOES** better facilitate Applicable BSC Objective (c); and
 - ii. **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** that P465 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- c) **DETERMINE** (in the absence of any Authority direction) that P465 is a Self-Governance Modification Proposal;
- d) **APPROVE** P465;
- e) **APPROVE** an Implementation Date of:
 - i. **7 November 2024** as part of the standard November 2024 BSC Release;
- f) **APPROVE** the draft P465 Legal Text; and
- g) **APPROVE** the P465 Modification Report

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THANK YOU

14 December 2023

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

Assessment Report

345/06 – Jenny Sarsfield

14 December 2023

P442: Background

- Licensed Suppliers are required to pay Electricity Market Reform (EMR) charges on the electricity they supply
- Energy supplied by an exempt supplier should not be subject to these charges
- Metering Systems registered by a licensed Supplier may include both licensed and exempt supply
- A licensed Supplier should therefore be charged based on its total supply minus any exempt supply
- BSCCo is required by Section V to provide EMRS with the Metered Volumes needed to accurately calculate these charges
- There is currently no process that allows for the correct allocation of appropriate chargeable volumes for Metering Systems where a portion should be exempt and another portion should be licensable
- There is a limited interim solution in place where Metering Systems can be treated as recording exempt supply which is only applicable where the entire volume is exempt

P442: Proposed and Alternative Solutions

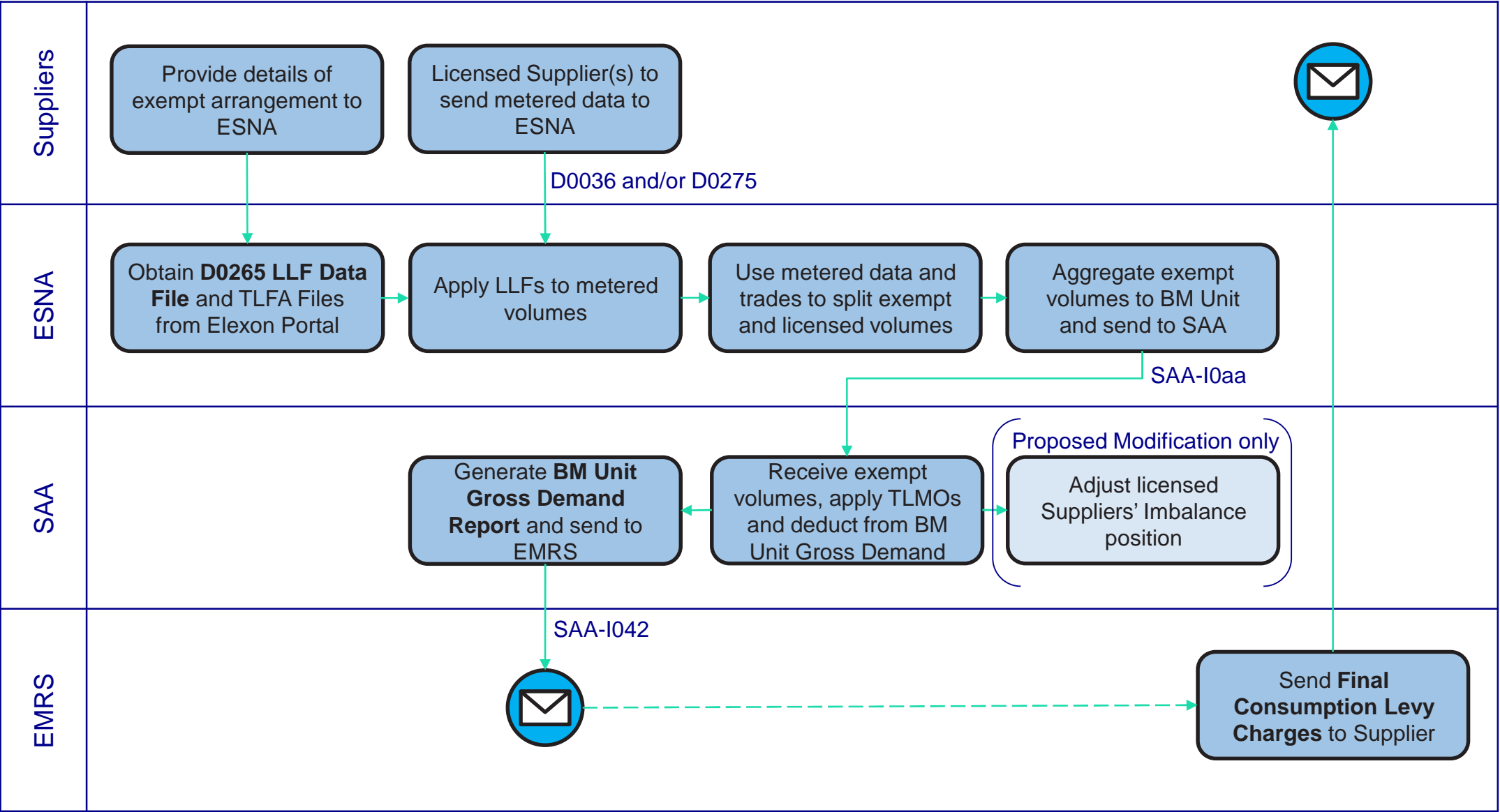
Proposed solution

- New Party Agent – Exempt Supply Notification Agent (ESNA)
 - Receive metered volumes from Supplier or HHDC
 - Apply Distribution and Seasonal Zonal Transmission Losses
 - Calculate volumes of licensed and exempt supply
 - Send data aggregated to BM Unit to Settlement Administration Agent (SAA)
- Suppliers responsible for appointing an ESNA
- ESNAs will undergo Qualification and be considered for inclusion in the BSC compliance Audit
- SAA will apply Variable Transmission Losses and report the chargeable volumes to EMRS
- SAA will also use ESNA data to adjust the Energy Imbalance positions of licenced Suppliers

Alternative solution

- The same as the Proposed solution, except that it excludes the adjustments to the Energy Imbalance positions

P442: Proposed and Alternative Solutions



P442: Energy Imbalance adjustment

- Where the same licensed Supplier has registered both the customer's Import Metering System and the exempt supplier's Export Metering System there will be no impact on Imbalance
 - Both sides of the exempt supply are on the same Supplier Energy Account and so cancel out
- If different Suppliers have registered the two Metering Systems, they both risk exposure to Imbalance Charges as a result of facilitating the exempt supply
 - Exempt generator's Supplier will be long, and the customer's Supplier will be short
- There are no specific arrangements for adjusting the Energy Imbalance positions of licensed Suppliers who have facilitated exempt supplies
- Possible to address the risk using Energy Contract Volume Notification (ECVN) or Metered Volume Reallocation Notification (MVRN)
- Proposed Modification includes an adjustment to the Account Energy Imbalance Volume calculation to include a new term – the Account New Exempt Supply Volume, $QAES_{aj}$

$$QAEI_{aj} = QACE_{aj} - QABS_{aj} - QABC_{aj} - QAES_{aj}$$

$$QAES_{aj} = (1 + TLMO_j^-) \times \left(\sum_{i2 \in a} QBES_{i1i2j} - \sum_{i1 \in a} QBES_{i1i2j} \right)$$

P442: Impacts and costs

P442 Cost Estimates			
Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	M: 250k – 450k (30k-50k more for Proposed)	L	System, process and document updates 6-8 months (SAA, Customer Solution, Insights Solution, Qualification)
Industry	M	M	No mandated development, costs only for those facilitating exempt supply

- P442 is expected to impact:
 - Licensed Suppliers who facilitate exempt supply arrangements
 - Exempt suppliers
 - Half Hourly Data Collectors (HHDCs)
 - Exempt Supply Notification Agent (ESNA)
 - EMR Settlement Services Provider (SSP)
- The Proposed Modification is expected to impact the EBGL Article 18 terms and conditions as specified in Section F Annex F-2 due to the Energy Imbalance adjustment
- The Alternative Modification is not expected to impact the EBGL terms and conditions

P442: 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	Positive
2) Lower bills than would otherwise be the case	Neutral
3) Reduced environmental damage	Positive
4) Improved quality of service	Positive
5) Benefits for society as a whole	Positive

P442: Implementation approach

- The Workgroup recommends an Implementation Date for P442 of:
 - **7 November 2024** (standard November 2024 BSC Release) if Authority decision by or on 8 March 2024
 - **27 February 2025** (standard February 2025 BSC Release) if Authority decision after 8 March 2024 but on or before 10 May 2024

P442: Workgroup views

- There was significant discussion around the Energy Imbalance position adjustment, and the potential for two Suppliers being involved in one exempt supply arrangement
- Proposer felt that an Energy Imbalance adjustment should be included as it would:
 - Enable Import and Export Metering Systems to be registered by different Suppliers without need for ECVA or MVRN
 - Improve competition as customers would be able to change Suppliers without impacting the exempt supply arrangement
 - Integrate exempt supply into existing systems and processes
- Majority of the Workgroup were opposed, as the Imbalance Adjustment would:
 - Not be required for the correct reporting of licensed supply to EMRS
 - Only be required where the two Metering Systems are registered with different Suppliers, which can be avoided
 - Add additional system development costs and complexity for SAA and ESNAs
 - Create potential consumer impacts by encouraging exempt arrangements involving two Suppliers

P442: Assessment consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's initial unanimous view that P442 does better facilitate the Applicable BSC Objectives than the current baseline?	4	0	0	0
Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of P442?	3	0	1	0
Do you agree with the Workgroup that the draft amendments to the CSDs in Attachment C delivers the intention of P442?	3	0	1	0
Do you agree with the Workgroup's recommended Implementation Date?	4	0	0	0
Do you agree with the Workgroup that there are no other Alternative Modifications within scope which would better facilitate the Applicable BSC Objectives?	4	0	0	0
Do you agree with the Workgroup's initial view that the P442 solution should not facilitate exempt supply arrangements in which customers can have a different licensed Supplier to that used by the exempt supplier?	3	1	0	0
Do you agree with the Workgroup's initial view on the benefits of P442?	4	0	0	0

- Four responses were received, all in support of the Modification
- No formal Alternative had been raised at this time, and the current Alternative Modification was presented as the Proposed

P442: Workgroup views against BSC Objectives

- The Workgroup believe that the P442 Alternative Modification would better facilitate the Applicable BSC Objectives than both the existing baseline and the Proposed Modification

Does the P442 Proposed Solution better facilitate the Applicable BSC Objectives?				
Applicable BSC Objective	(b)	(c)	(d)	(f)
Proposer Views	Positive	Positive	Positive	Positive
Workgroup Views	Neutral (majority) Positive (minority)	Positive (majority) Neutral (minority)	Neutral (majority) Negative (minority) Positive (minority)	Positive (unanimous)

Does the P442 Alternative Solution better facilitate the Applicable BSC Objectives?				
Applicable BSC Objective	(b)	(c)	(d)	(f)
Proposer Views	Positive	Neutral	Neutral	Positive
Workgroup Views	Neutral (majority) Positive (minority)	Positive (majority) Neutral (minority)	Positive (majority) Neutral (minority)	Positive (unanimous)

P442: Recommendations (1 of 2)

The P442 Workgroup invites the Panel to:

- a) **AGREE** that the P442 Proposed Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (c); and
 - ii. **DOES** better facilitate Applicable BSC Objective (f);
- b) **AGREE** that P442 Alternative Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (c);
 - ii. **DOES** better facilitate Applicable BSC Objective (d); and
 - iii. **DOES** better facilitate Applicable BSC Objective (f);
- c) **AGREE** that the P442 Alternative Modification is better than the P442 Proposed Modification;
- d) **AGREE** an initial view that P442 **SHOULD NOT** be treated as a Self-Governance Modification;
- e) **AGREE** that the P442 Proposed Modification **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- f) **AGREE** that P442 is neutral against the EBGL objectives;
- g) **AGREE** that the P442 Alternative Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- h) **AGREE** an initial recommendation to the Authority that the P442 Alternative Modification should be **approved** and that the P442 Proposed Modification should be **rejected**;

P442: Recommendations (2 of 2)

The P442 Workgroup invites the Panel to:

- i) **AGREE** an initial Implementation Date of:
 - i. **7 November 2024** if an Authority decision is received on or before 8 March 2024; or
 - ii. **27 February 2025** if an Authority decision is received after 8 March 2024 but on or before 10 May 2024;
- j) **AGREE** the draft Legal Text for the Proposed Modification;
- k) **AGREE** the draft Legal Text for the Alternative Modification;
- l) **AGREE** the draft amendments to the Code Subsidiary Documents for the Proposed and Alternative Modification;
- m) **AGREE** that P442 is submitted to the Report Phase; and
- n) **NOTE** that Elexon will issue the P442 Draft Modification Report (including the draft Legal Text) for a one month consultation that will also constitute an EBGL Consultation and will present the results to the Panel at its meeting on 8 February 2024.

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

345/07 – Jacob Snowden (Elexon)

Draft Modification Report

14 December 2023

P454: Background and 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

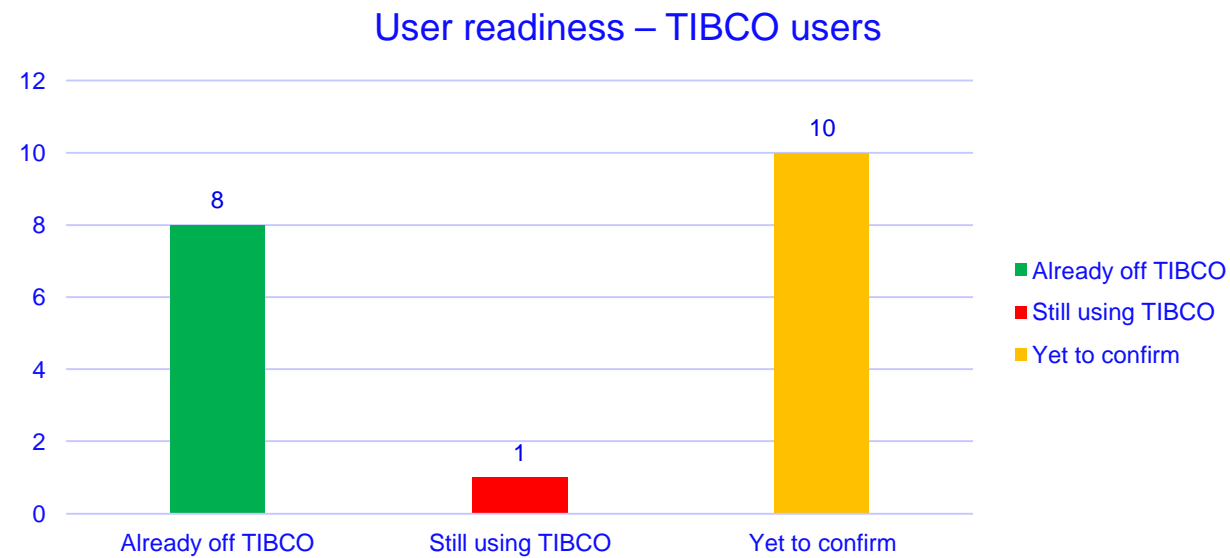
P454: Impacts and costs

- 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
- TIBCO users (all BSC Parties) 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

User Readiness – BMRS Transition Date

TIBCO user engagement

All TIBCO known parties 19 were contacted in March 2023 and September 2023 plus ongoing engagement with parties



User readiness

- 8 confirmed they are already off TIBCO
- 10 are yet to confirm (ongoing work to confirm with these TIBCO users)
- 1 indicating they need 6 months to transition. Ongoing work with this Party to ensure they are ready for the BMRS Transition

P454: Report Phase consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that P454 should be approved?	3	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P454?	3	0	0	0
Do you agree with the Panel that the draft amendments to the CSDs BSC deliver the intention of P454?	3	0	0	0
Do you agree with the Panel's recommended Implementation Date?	3	0	0	0
Do you agree with the Panel's initial view that P454 should not be treated as a Self-Governance Modification?	3	0	0	0
Do you agree with the Panel's initial recommendation that P454 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	3	0	0	0
Do you agree with the identified consumer benefits?	3	0	0	0

- All respondents agreed with the Panel's initial view that P454 should be approved
- One stated
 - Agreement to P454 as long as a service as good as (or better) is maintained until the transition is completed
 - Minimum of 6 months to implement for them to implement the new BMRS service

P454: Recommendations

We invite the Panel to:

- a) **AGREE** that P454:
 - **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** 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** a recommendation to the Authority that P454 should be **approved**;
- e) **APPROVE** an Implementation Date of:
 - 5 Working days after Authority decision;
- f) **APPROVE** the draft Legal Text;
- g) **APPROVE** the draft amendments to the Code Subsidiary Documents; and
- h) **APPROVE** the P454 Modification Report.

ELEXON

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

345/08 - Jacob Snowden (Elexon) & Neil
Dewar (NGESO)

Updated Terms of Reference

14 December 2023

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: Updated areas to consider

- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:

Original

- 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?

Amended

- What is the scope for the CBA to ensure that wider impacts to industry and end consumers are considered? Is it appropriate that these wider impacts are considered in the CBA?
- What are the wider impacts of this Modification? Are the Workgroup comfortable with the wider consequences from implementing this Modification?

New

- Consider actions already in place when cash-out goes negative. What happens when there are negative BM prices?
- Which subsidies are in scope of this Modification? What would be the appropriate pricing for each type of subsidy (assuming interaction with subsidy calculated on metered output)?
- Consider interaction with REMA.
- Consider the process and governance required for additional data requirements for settlement.
- Would the solution have the desired effect on bidding behaviour?
- How would this solution interact/deal with supplier BMUs?

P462: Proposed Progression

12 month Assessment Procedure due to the recommendation of a Cost-Benefit Analysis

- Workgroup membership
 - Generators
 - Suppliers
 - LCCC and DESNZ

Event	Date
Present Initial Written Assessment to Panel	9 November 2023
Updated ToR presented to the Panel	14 December 2023
Workgroup Meeting	W/C 8 or 15 January 2024
Assessment Procedure Consultation	15 December 2024 – 03 January 2025
Present Assessment Report to Panel	13 February 2025
Report Phase Consultation	17 February – 17 March 2025
Present Draft Modification Report to Panel	10 April 2025
Issue Final Modification Report to Authority	14 April 2025

P462: Recommendations (Assessment Phase)

We invite the Panel to:

- a) **AGREE** the Workgroup's Terms of Reference.

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Issue 106 'Review of BSC Credit Cover Arrangements'

345/09 – Cecilia Portabales (Elexon)

14 December 2023

Issue 106 'Review of BSC Credit Cover Arrangements' Summary

Background

- The Credit Committee proposed a substantial revision to Credit arrangements, due to exceptional circumstances resulting in many Parties defaulting on their obligations

Aims

- Elexon initiated [Issue 106 'Review of BSC Credit Cover Arrangements'](#) on January 13, 2023, with the goal of re-evaluating the objectives of Credit Cover arrangements and assessing their effectiveness
- The review aimed to identify areas for improvement through a comprehensive end-to-end evaluation, including compliance and its implications

Issue Group Outcomes

The Issue 106 Group recommend that the following changes are made to the BSC to reflect improvements identified during the course of assessment:

- The development of a new Credit Cover Calculation (to be implemented after the go-live date of the Market Half-Hourly Settlement Programme) – subject to a BSC Party raising the Modification, we would expect this to be raised in the second half of 2024;
- To modify the Credit Default process by delaying the rejection/refusal of any ECVNs & MVRNs after a Party has entered authorised Level 2 Default – subject to a BSC Party raising the Modification, we would expect this to be raised in the first quarter of 2024; and
- The formation of an internal workgroup aimed at enhancing coordination between Elexon and Ofgem – this has been established. The results of the workgroup will be shared with the Distribution List and the BSC Panel

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Revision of MHHS Implementation Monthly Charge

345/10 – Kathy Ferrari

14 December 2023

Revision of MHHS Implementation Monthly Charge

- As communicated to Panel in November 2023 meeting, it was established that the initial 2023/24 budget is not sufficient to meet the MHHS Program needs
- A new budget amount has been set at £22,045,898.00
- From April 2023 to December 2023 the MHHS Implementation Monthly Charge rate has been set and collected at a rate of £0.05145 /SVA MSID per month
- To collect to budget for the remainder of the financial year January 2024- March 2024 we recommend collecting at a new increased rate of £0.07570 /SVA MSID per month from January 2024.

Remaining Amount /3/Number of Metering Systems

Revised Budget	Amount Collected Apr - Dec 23	Remaining Amount	Monthly Recovery	Number of Metering Systems	Specified Charge Calculation
£ 22,045,898.00	£ 14,701,190.03	£ 7,344,707.97	£ 2,448,235.99	32,339,196	£ 0.07570

Recommendations

We invite the Panel to:

- a) **APPROVE** the new MHHS Monthly Implementation Charge of £0.07570 /SVA MSID per month
- b) **APPROVE** the new MHHS Monthly Implementation Charge to be applied from January 2024

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THANK YOU

Kathy Ferrari
