

## Minutes

### BSC Panel

Meeting number	<b>346</b>	Venue	<b>Elexon Offices – Ice Blue Room/Video Conference</b>
Date of meeting	<b>11 January 2024</b>	Classification	<b>Confidential</b>

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

Attendees and apologies		
Attendees		
Sara Vaughan	SV	BSC Panel Chair
Phil Hare	PH	Deputy BSC Panel Chair
Adam Jessop	AJ	Elexon (part meeting)
Alina Bakhareva	AB	Elexon (part meeting)
Andrew Colley	AC	Industry Panel Member
Camille Gilsenan	CG	ESO Panel Member
Chris Wood	CW	Elexon (part meeting)
Derek Bunn	DB	Independent Panel Member
Diane Dowdell	DD	Industry Panel Member
Euan Graham	EG	Citizens Advice Representative
Fionnghuala Malone	FM	Elexon BSC Admin Team Leader
Fungai Madzivadondo	FMa	ENA
Ivar Macsween	IM	Modification Secretary (part meeting)
James Nixon	JN	Industry Panel Alternate
James Stokes	JS	Elexon (part meeting)
Jonathan Coe	JC	Ofgem Representative
Lisa Waters	LW	Industry Panel Member
Loretta Bolah	LB	Elexon (part meeting)

Attendees and apologies		
Mark Oxby	MO	Industry Panel Member
Michael Robertson	MT	Industry Panel Member
Peter Stanley	PS	Elexon CEO
Serena Tilbury	ST	Elexon (part meeting)
Samraj Gill	SG	Elexon (part-meeting)
Tom Edwards	TW	Industry Panel Member
Victoria Moxham	VM	Panel Secretary
Yinka Afolabi	YA	Elexon (part meeting)
Apologies		
Andy Manning	FM	Citizens Advice representative

## Open Session

### 1. Introduction

- 1.1 The Chair noted apologies from Andy Manning whose alternate was Euan Graham.

## Part I: Modification and Change Business (Open Session)

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

### 2. Change Report and Progress of Modification Proposals (346/02)

- 2.1 The Modification Secretary (IM) presented the contents of the January Change Report.
- 2.2 IM clarified the meaning of ‘unallocated’ in relation to Release pots, explaining that this meant that there was no view at present in relation to which Release might be suitable for the Change in question, e.g. for Nuclear RAB or FSO directions.
- 2.3 The BSC Panel:
- a) **NOTED** the contents of the January 2024 Change Report.

### 3. P461 ‘Accurate Reporting of Customers Delivered Volumes to Suppliers’ (346/03)

- 3.1 Graham Wilcox (GW) from EndeCo joined the meeting.
- 3.2 A Panel Member queried whether Elexon tracked the proportion of Modifications that are sent to Ofgem which are approved by the earliest implementation date stated. IM agreed to investigate.
- ACTION 346(01): IM to do an analysis from the past two years to see how many Modifications that are sent to Ofgem are implemented by their earliest date.**
- 3.3 The BSC Panel:
- a) **AGREED** that P461
- i **DOES** better facilitate Applicable BSC Objective (c)
- b) **AGREED** that P461 **should not** be treated as a Self-Governance Modification;

- c) **AGREED** that P451 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREED** that P461 is NEUTRAL against the EBGL Article 18 terms and conditions;
- e) **AGREED** a recommendation to the Authority that P461 should be approved;
- f) **AGREED** an Implementation Date of:
  - i **7 November 2024** as part of the standard November 2024 BSC Release if an Authority decision is received on or before 7 May 2024; or
  - ii **27 February 2025** as part of the standard February 2025 BSC Release if an Authority decision is received after 7 May 2024.
- g) **APPROVED** the draft Legal Text for P461;
- h) **APPROVED** the P651 Modification Report.

#### 4. 'Section N Modernisation' Initial Impact Assessment (346/04)

- 4.1 A Panel Member queried the legal text redlining that was submitted in paragraphs 4.7 and 4.8 as it referred to banking details. SG agreed to check but the Panel Member agreed that this would not prevent them voting on the Proposal to raise the Modification, assuming that this point was checked by SG.  
**ACTION 346(02): SG to review the Section N redlining to ensure the redlining is correct.**
- 4.2 A Panel Member queried whether the process was as streamlined as possible. IM noted that the recommendations from Issue 107 would be brought forward in relation to efficiency, and these Changes will be implemented in line with the go-live of the Funds Administration Agent (FAA) system and solution.
- 4.3 The BSC Panel:
  - a) **RAISED** this Modification Proposal in accordance with BSC Section F2.1.1 (d) (iv);
  - b) **AGREED** that this Modification Progresses directly to the Report Phase;
  - c) **AGREED** that this Modification:
    - i **DOES** better facilitate Applicable BSC Objective (d);
  - d) **AGREED** an initial view that this Modification **SHOULD NOT** be treated as a Self-Governance Modification;
  - e) **AGREED** that this Modification **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
  - f) **AGREED** the impact on the EBGL objectives;
  - g) **AGREED** an initial recommendation to the Authority that this Modification should be **APPROVED**
  - h) **AGREED** an initial Implementation Date of:
    - i **7 November 2024** as part of the Standard November 2024 BSC Release if an Authority decision is received on or before 9 September 2024; or
    - ii **14 November 2024** if an Authority decision is received after 9 September 2024 but on or before 7 November 2024; or
    - iii **5 Working Days** after an Authority decision if that Authority decision is received after 7 November 2024
  - i) **AGREED** the draft Legal Text;
  - j) **NOTED** that Elexon will issue the 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 14 March 2024.

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## Part II: Non-Modification Business (Open Session)

#### 5. Elexon Report Minutes of previous meetings and Actions arising

- 5.1 The Chair requested that Elexon create a log of issues that Panel Members are facing with Nasdaq Boardvantage (NBV).  
**ACTION 346(03): FMa to create and maintain the issue log to feedback to NBV.**
- 5.2 In relation to the MHHS Change Freeze Governance, a Panel Member queried how Urgent Modifications would be progressed. Chris Welby (CW) from MHHS Programme noted that they would undergo an impact assessment and, if it is believed to be classed as Urgent, Ofgem would be required to make the final call.

- 5.3 CW noted that the requirement for a Change freeze had come from industry through the PSG and that, as Ofgem are the project sponsor, they had the authority and made the decision and then that it had been imposed by Helen Adey as the SRO. Ofgem has the authority as the Project Sponsor to overrule it. .
- 5.4 The ESO Panel Member highlighted that this messaging has been consistent, as it was given in the same form at CCAG.
- 5.5 In relation to the ESO's action (345-05) regarding dynamic parameters, a Panel Member noted that 2027 is quite a long time away and therefore expressed their concern that this may take too long.
- 5.6 A Panel Member suggested that ESO 'spread out' their meetings as the majority take place on Tuesdays, Wednesdays and Thursdays with few on Fridays. Another Panel Member agreed with this sentiment and suggested that ESO looked at moving away from traditional meeting timings as many stakeholders work more flexibly/remotely and can attend meetings at 9am.
- 5.7 The BSC Panel approved the draft minutes for BSC Panel meeting 345 and reviewed the Actions arising.

## 6. Chair Report (Open)

- 6.1 The Chair :
- Noted that Ofgem have granted permission to three supply companies to re-start pre-payment disconnections, and highlighted that this was not industry-wide. Ofgem had put in place safeguards around this.
  - Reported the ESO Announcement on Generation in 2023, highlighting the lowest generation share of gas since 2015. Further, she noted that 14% of generation was nuclear, which has indicated a steep downward trend. The Chair also noted the announcement re two new potential large nuclear generating stations and that the Viking interconnector Link had gone live and was currently the longest interconnector, with 2 more multipurpose interconnectors planned.
  - Announced that the Annual BSC Meeting will be held on Thursday 11 July, following the July Panel. The Annual BSC Board/Panel dinner will be held on Wednesday 10 July.
  - Noted that Chris Stark had stepped down as CEO of the Climate Change Committee, and Mary Starks has joined OVO as Vice President of regulation.
  - Observed that 2024 is an election year for the UK government , noting that Energy Policy may change as a result of possible change in government. [2024 is also an election year for the BSC Panel]
  - Thanked James Nixon who will be attending PAB meetings in January and February as Panel representative.
- 6.2 The BSC Panel:
- a) **NOTED** the update.

## 7. Elexon Report – (346/01)

- 7.1 PS highlighted that the Annual ResearchCraft survey will be circulated for Elexon's customers in mid-January. He noted that this has been reviewed to gain additional insight and therefore will highlight what Elexon should continue to do and where Elexon may need to improve.
- 7.2 PS highlighted Elexon's new Customer Service Management (CSM) platform which is called Elexon Support. A Panel Member queried what messaging users will receive if they contact the service. It was noted that the nature of the particular issue will determine what message the user receives. PS highlighted that anyone is able to have access to Elexon Support and therefore Elexon are looking at implementing Single-Sign On (SSO) for users across all of Elexon's portals. The ESO Panel Member noted that they would like to explore this with Elexon to see what else NGESO could do to enhance the user experience of their systems. A Panel Member suggested this would be extremely beneficial as at present they have needed over 150 different email addresses in order to be able to use NGESO's online portals.
- 7.3 PS highlighted that the FAA go live was pencilled in for July 2024.
- 7.4 The BSC Panel:
- a) **NOTED** the contents of this paper.

## 8. Standing and Tabled Reports

8.1 The BSC Panel noted the reports from the SVG, TDC and PAB.

## 9. DNO Report

9.1 The DNO Representative stated that they had no updates.

9.2 A Panel Member highlighted that the NGESO DNO and UKPNS DNO are working together sharing ideas on system build to accommodate curtailment actions for embedded generators.

9.3 The BSC Panel:

a) **NOTED** that there was no update.

## 10. ESO Report

10.1 The ESO Panel Member highlighted:

- TIBCO Transfer: CG noted that ESO did use TIBCO and were working on this with the market requirements team and Elexon. There was one issue which had been raised in regard to legacy API and ESO would work with Elexon to rectify this.
- The previous day's [Operational Transparency Forum \(OTF\)](#) had presented the [ENCC transparency roadmap 2023-2024](#).
- An additional online Markets forum will be held in March where questions can be asked. The ESO Member noted that a live question and answer session will follow this, and the following forum will be held in person.
- In regard to the demand flexibility service (DFS) presented at the OTF, a Panel Member highlighted that the performance had been poor, with less than 50% of what had been contracted being delivered, and voiced concerns that there was no penalty for non-delivery. The ESO Panel Member noted there would be a deep dive into DFS at the [OTF](#) on 24 January.

10.2 The BSC Panel:

a) **NOTED** the update.

## 11. Ofgem Report

11.1 The Ofgem Representative highlighted:

- The consultation for the 2024-25 forward work programme had been published in December 2023 and was open until 31 March 2024, and encouraged Panel Members' comments during this time.
- As mentioned in the Chair report, three Suppliers will be installing pre-payment meters to recover debt as they are able to demonstrate their compliance with the new Code of Practice to meet the strict conditions of the licence.
- Ofgem will be publishing two consultations on the Energy Code Reform topic and would state the preferred policy positions for Code Manager selection and in respect of licence conditions. This was likely to be published in late January - early February 2024.
- Gavin Bailey, formerly of SSEN, had been appointed to the role of leading the industry code governance team at Ofgem.
- A Panel Member agreed to send around the updated Ofgem organigram.

11.2 The BSC Panel:

a) **NOTED** the update.

## 12. BSC Panel Response to Elexon's Draft Business Plan (346/09)

12.1 The Deputy Chair noted that the BSC Panel response had been submitted, reflecting the discussion from the December 2023 BSC Panel meeting.

12.2 The BSC Panel:

a) **NOTED** the response.

### **13. Market Facilitator Role (346/Verbal)**

- 13.1 The Deputy Chair thanked Panel Members who contributed to the Market Facilitator Role Draft document so far and led a further discussion between Panel Members on the Panel's submission to this consultation.
- 13.2 The ESO Panel Member expressed their concerns as they found it challenging due to the differing views of ESO and the BSC Panel. She requested that a caveat be added to the document that it was not representative of the ESO Panel Member's views. The Chair noted that, given the consultation was comparing the ESO's suitability to carry out the MF role with that of Elexon, it was clear that the ESO Panel Member had a conflict of interest, and therefore noted it would be wrong to seek to represent the views of ESO. It was decided that at the beginning of each question, it would be stated that the response is not the views of ESO.
- 13.3 A Panel Member noted that their position as Citizens Advice was rather more neutral than the BSC Panel consultation response and therefore supported general language as long as it recognised diversity of views on the Panel.
- 13.4 A Panel Member suggested that it may be more favourable to have an organisation acting as Market Facilitator with less going on to deliver the work. They were concerned at the risk of ESO taking on too much.
- 13.5 The ESO Panel Member noted that significant work will be completed between now and 2027 to increase efficiency in their systems. She noted that if there are strong views against ESO in relation to the Market Facilitator, then these should be individual responses instead of BSC Panel responses. The Chair noted that responses should reference clear examples and facts instead of focusing on opinion.
- 13.6 A Panel Member queried whether some questions were intended to elicit opinion and therefore suggested that the response was clear with positions depending on the proportion of Panel members that agree
- 13.7 A Panel Member highlighted that both Elexon and ESO could fulfil the role despite the ambiguity in defining what this set out to do, with considerable space for innovation. Another Panel Member disagreed with this view.
- 13.8 The Chair noted that she would assume the Panel were comfortable with the discussion unless individuals had stated otherwise.
- 13.9 The Deputy Chair noted these points made in the discussion and requested that any further substantial comments are submitted to them by 16 January for further revision of the current draft. Derek Bunn and Lisa Waters volunteered to proofread the document on behalf of the Panel. The deadline for submission is 7<sup>th</sup> February.
- 13.10 The BSC Panel:  
a) **NOTED** the update.

### **14. BSC Party Applicant Suitability Checks (346/05)**

- 14.1 The Chair asked whether Ofgem did any retrospective checks on applicants.
- 14.2 A Panel Member queried whether either Ofgem or Elexon had the expertise to investigate individual person's suitability. The Chair queried whether the duty of care had been met in relying on Ofgem or if Elexon would be duplicating process. It was explained that Ofgem would only be checking this in the case of persons seeking licences from Ofgem and that Elexon had a potentially wider pool of candidates to consider, e.g. VLPs.
- 14.3 A Panel Member noted they believed the onus to be with Ofgem in terms of checking Parties, especially in the rise of Virtual Lead Parties (VLPs) and queried whether the people running those companies were suitable.
- 14.4 The Chair queried whether Elexon is prepared for challenge if it were to refuse an approval. Another Panel Member queried what happened if someone had been considered unsuitable but then bought another party which had already acceded to the BSC.
- 14.5 A Panel Member raised a question about materiality and what Ofgem had done in taking supply licences and introducing control over material assets. Another Panel Member highlighted that a healthy market allows both entry and exit for Parties and efficient processes should allow this.
- 14.6 A Panel Member expressed their concern that Ofgem may be taking too long to remove Parties and added that, in their opinion and experience, some Parties may not be educated enough to operate in the market.

- 14.7 The Chair expressed their gratitude that Elexon has progressed this work, however noted that, in light of the points that had come out on the discussion, it appeared that this was a more appropriate task for the regulator to complete, as opposed to Elexon. This view received support from Panel Members.
- 14.8 Another Panel Member queried whether Elexon ask participants to report on their risk management capabilities, noting that Ofgem have onerous RFIs in relation to this.
- 14.9 Adam Jessop (AJ) noted that this was a grey area and that he would investigate what should be in scope to raise a Modification. Further, he noted that Elexon were looking ahead to what the process could look like for a post-MHHS qualification for risk management.
- 14.10 In the light of the discussion, the Panel concluded it was not in favour of Elexon conducting such checks and therefore did not think a Modification should be raised. Despite this, they were in favour of exploring other measures to protect Parties and their funds. AJ agreed to follow up after considering the implications of P415.
- 14.11 The BSC Panel:
- a) **COMMENTED** on the appropriateness of Elexon conducting director suitability checks; and
  - b) **DETERMINED** that a Modification to the BSC **SHOULD NOT** be raised to allow imposing checks on the directors of new Parties, and therefore that the Panel **WOULD NOT** act as the Proposer for this Modification.

## 15. Next meeting

- 15.1 The next scheduled meeting of the BSC Panel will be held on Thursday 8 February 2024.

