

ELEXION

**Potential Modification to allow more
flexibility in procurement of BSC Agents**

John Lucas / Lawrence Jones

BSC Section E

At NETA Go-Live (2001), BSC Section E ([BSC Agents](#)) provided a governance framework for the service provider who developed the NETA systems to host and operate them:

- NETA systems were greenfield developments, with few interfaces to legacy systems
- The BSC Agent contract encompassed business process operation, application maintenance and development, hosting and infrastructure
- The service was largely a ‘black box’, in that the BSC Agent agreed to deliver the business outcomes in the relevant Service Descriptions (and could choose how to do that)
- The BSC Agent was required to take contractual responsibility for delivery of the Service Description, for the benefit of BSC Parties

Evolution of the Delivery Model

The original delivery model has changed significantly over time, particularly in recent years due to major improvements in BSC systems (‘Elexon Kinnect’):

- For many years we have experimented with using third party providers to develop systems. For Elexon Kinnect the Settlement Solution and Insights Solution were developed by third parties (albeit with significant acceptance testing by the BSC Agent)
- Data and calculations have migrated to cloud infrastructure (facilitated by Modification P456 ‘Enable Elexon to procure ancillary Technology Services for use by BSC Agents’)
- Automation and customer self-service have increased (reducing the requirement for business process operations)
- Software testing is becoming more automated (allowing faster delivery of change, and reducing the need for BSC Agent testing)
- We have strengthened our service management capabilities (to manage and choreograph multiple service providers)

All these changes have reduced the scope of the traditional BSC Agent role, but contracts have not changed to reflect that, due to the Section E requirement that we contract to deliver the Service Description

Why is there an issue now?

The growing mismatch between Section E requirements and the reality of delivering BSC Services has not prevented us delivering Elexon Kinnect. But now we have a new challenge: moving the BSC Central Systems needed for Market Wide Half-Hourly Settlement (MHHS) into live operation early next year (in time for MHHS transition).

These are not greenfield developments. Delivery of the [BSC Service Description for BSC Central Services for Migrated Market-wide Half-Hourly Metering Systems](#) depends on highly complex interactions between:

- Legacy systems developed and operated by the existing BSC Agent e.g. Data and Calculations platform (DCP), legacy Supplier Volume Allocation Agent (SVAA) system; and
- New systems e.g. Load Shaping Service (LSS), Market-wide Data Service (MDS), Volume Allocation Service (VAS) and Data Acquisition Hub (DAH).

The current Section E requirements pose a number of obstacles to successful and timely achievement of MHHS transition:

- **Issue 1** – the requirement to appoint a single BSC Agent for each Service Description
- **Issue 2** – the Section E2.7 requirements for procuring BSC Agent contracts
- **Issue 3** – possible limitations on Elexon orchestrating multiple service providers
- **Issue 4** – the provisions that allow Parties to bring claims against BSC Agents

Issue 1 – Requirement to appoint a single BSC Agent for each Service

Currently BSC Section E requires a single BSC Agent to deliver each service e.g. one provider acting as Settlement Administration Agent (SAA), one provider acting as Supplier Volume Allocation Agent (SVAA)

This is not consistent with our preferred approach to delivery of MHHS, which is for each part of the [BSC Service Description for BSC Central Services for Migrated Market-wide Half-Hourly Metering Systems](#) to be delivered by the service provider with existing expertise in that area, where possible, at least during transition:

- Legacy systems should be operated by the existing BSC Agent (who operates them currently). They are also amending these legacy systems to interact with MDS, VAS and DAH.
- New systems should be operated (where possible, at least initially) by the service providers who developed and tested them (and therefore understand them). The existing BSC Agent would not be well-placed to take BSC Agent responsibility for these new systems.

BSC Section E1.5 (Reconfiguration of BSC Service Descriptions) does already allow the BSC Panel to split up a BSC Service Description into multiple different BSC Service Descriptions. We believe this approach is unsuitable here, because the interactions between new and legacy elements of the service are highly complex, and may need to change quickly as services bed down and transition progresses.

Outline of possible solution:

- Amend Section E drafting so that delivery of an agent role can be split between multiple service providers
- Probably we would still refer to each of these as a “BSC Agent” (for discussion by a Workgroup)

The primary driver of this change is MHHS and the SVAA role, but there could also be benefits elsewhere e.g. allowing the data retrieval and data processing elements of the Central Data Collection Agent (CDCA) to be split.

Issue 2 – Section E2.7 procurement requirements

The existing BSC Section E2.7 requires BSC Agents to be appointed pursuant to a process that involves pre-qualification/tenders/contract awards.

It also has restrictions around amending contracts (i.e. significant amendments to a contract would have to be re-procured)

This is highly problematic for MHHS transition, where timely delivery requires making maximum use of existing providers' expertise – NETA never would have worked if we'd tried to re-procure service providers at the same time as transitioning to live operation!

There may also be benefits to a more flexible approach in the longer term, so we can enter into framework agreements with providers, and change the services they deliver in a more agile way (without reprocurement)

Outline of possible solution:

- Replace prescriptive E2.7 requirements with something much higher level e.g. an obligation on Elexon to report to the Panel on how we are, insofar as it is practical and proportionate, procuring BSC Agent services competitively and how we are delivering value for money.

Issue 3 – Barriers to Elexon orchestrating multiple service providers

Modification P456 ‘Enable Elexon to procure ancillary Technology Services for use by BSC Agents’ means that successful delivery of a BSC Agent service requires Elexon to manage and orchestrate the activities of one BSC Agent and multiple Technology Service Providers.

In the context of MHHS transition (assuming we can solve Issue 1) there may be multiple BSC Agents and multiple Technology Service Providers.

To make this model work, we believe Elexon should be able to deliver functions that naturally need to be managed at the level of the overall service (rather than the individual components of it) e.g. Service Desk, Level 2 incident support.

Centralising service management processes in this way avoids duplication, and

- Allows for better governance and accountability
- Increases speed of response to incidents, and reduces disruption

Outline of possible solution:

- Amend or clarify any Section E drafting that could be perceived as preventing Elexon performing centralised service management processes.

Issue 4 – Provisions for Parties to bring claims against BSC Agent

BSC Section E2.4.1 (and related provisions) allow Parties to bring claims against BSC Agents.

These requirements have always been heavily caveated, and have never been used.

In the context of MHHS transition (with multiple interacting service providers) they seem more problematic than helpful, and don't reflect the reality of how these services will be delivered.

Outline of possible solution:

- Consider removing the requirement for Parties to be able to bring claims against BSC Agents
- Workgroup to consider any other mechanisms that may be needed to provide Parties with assurance.
- In the longer term, code reform (with licensing of code managers and designation of central systems) will provide alternative forms of assurance to Parties that central services are delivered correctly

Next steps

1. Elexon to continue developing proposed changes to BSC Section E
2. We plan to come to the April Panel meeting with:
 - A request for the Panel to raise a BSC Modification, in accordance with BSC Section F2.1.1(d)(i)
 - A proposed timescale for progression (which will be compressed, due to MHHS requirements)
3. Our purpose in presenting today is to request feedback on the way forward, and issues we should take into account

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**CP1592 'Upgrade of NHHDA and EAC/AA
systems from Oracle 12c to version 19.21'**

Assessment Report

Anshu Choudhary

14 March 2024

Issue and Proposed Solution

Issue

- Elexon's NHHDA & EAC/AA applications are running on Oracle 12c, which lost Oracle's support in 2022, posing risks to settlement processes
- Previous Change Request (CR) kept version 12c due to its impact on the delivery of MHHS and industry transition requirements
- With the heightened risk of unresolved Oracle defects impacting Settlement, an upgrade initiated by an NHHDA escalation is now critical

Solution

- Proposed upgrade to Oracle 19.21, assuring system compatibility with the latest Oracle Forms releases and mitigating security and operational risks
- The upgrade plan includes revisions to key documents: NHHDA and EAC/AA System Management Guides, Installation Guides, Technical Specifications, and Operations Guides, to reflect the new software environment
- Efficiencies will be sought through alignment with Elexon's updates to other BSC systems, and post-upgrade, systems will be phased out in favor of MHHS

CP1592: Assessment Consultation responses

Question	Yes	No	Neutral	Other
Do you agree with the CP1592 proposed solution?	3	-	-	-
Will CP1592 impact your organisation?	3	-	-	-
Will your organisation incur any costs in implementing CP1592?	3	-	-	-
Do you agree with the proposed implementation approach for CP1592?	3	-	-	-
Do you have any further comments on CP1592?	2	1	-	-

- Two Supplier Agents and one Supplier responded to the industry consultation, all in support of CP1592
- All respondents noted potential impacts and costs ranging between Medium and Low
- One of the respondents mentioned that they would prefer a 9 month lead time to implement CP1592 due to their involvement in SIT for MHHS

CP1592: Recommendations

We invite the BSC Panel to:

- a) **APPROVE** CP1592 for implementation on 2 December 2024 as part of a Special BSC Release.

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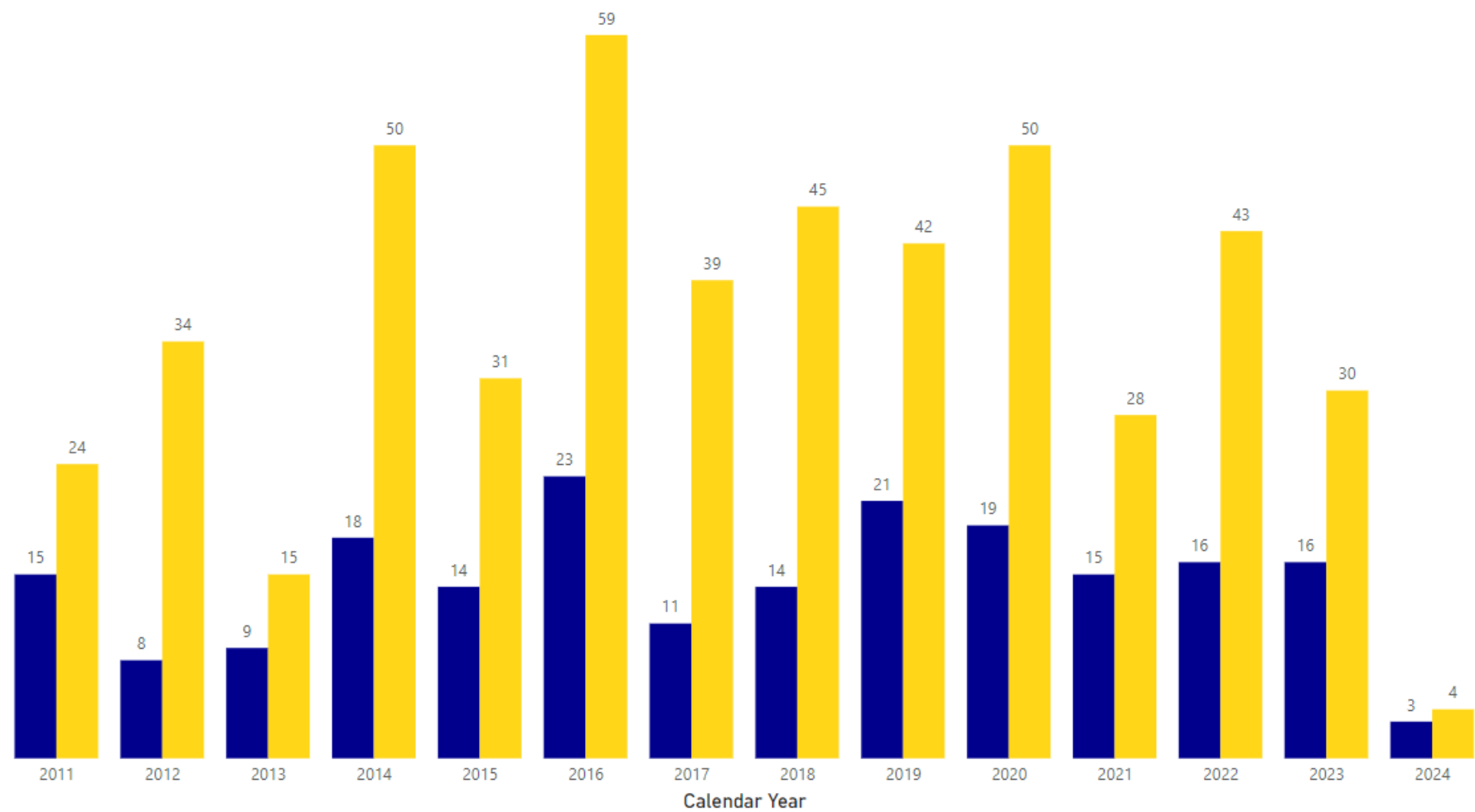
**Change Report and Progress of
Modification Proposals**

348/02 – 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	- P469, P470
Assessment Procedure	- P462, P463, P412, P441, P444 (Sent Back), P455, P459
Report Phase	- P466, P468
Urgent	-
With Authority (implementation date)	- P442 (Nov 24/Feb 25), P461 (Nov 24/Feb 25) P451 (+5 WDs after Ofgem decision)
Authority Determined (implementation date)	- P454 (4 March 2024)
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 101, Issue 103, Issue 109, Issue 110

BSC Modifications approved timelines

	Ext. Reqs.	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		
P455 'On-site aggregation method'	1					AR	RPC	DMR			
P459 'Allow different Supplier Agents for Import and Export MSIDs'	0						AR	DMR			
P462 'The removal of subsidies from Bid Prices in the Balancing Mechanism'	0	IWA									
P463 'Introduce a Standard Change Process'	1	IWA							AR	DMR	
P466 'Section N Modernisation'	0			IWA	RPC	DMR	WA				
P467 'Enduring Solution in an event of a Gas Deficit Emergency (GDE)'	0				IWA	RPC	DMR	WA			
P468 'Enabling Elexon to support the (currently in draft) Electricity Support Payments and Levy Regulations 2024'	0				IWA	DMR	WA				

BSC Change Release Roadmap

2024	2024			Un-allocated
Ad-hoc	Feb	Jun	Nov	
P432 'HH Settlement for CT Adv. Meters' (15 April 2024)	P464 'Housekeeping and updating BSC references to "Consumer Scotland", "Generation Curtailment Validation Committee" and "GCVC"	P455 'On-site aggregation methodology'	P415 'VLP access to wholesale market'	P412 'Non-BM BS providers pay non-delivery'
P454 'TIBCO retirement' (5 March 2024)	CP1578 'Enabling Embedded LDSOs to submit Site Specific LLFs'		P444 'Compensation for VLP actions in the BM'	P441 'Creation of complex site classes'
P451 'System Restoration' (+5WDs)	CP1584 'Allow non-BSC Parties to raise CPs'		P442 'Reporting FCL for exempt and licenced supply'	P459 'Allow different Supplier Agents for Import and Export MSIDs'
Nuclear RAB (29 Feb 24)	CP1582 'Remove MA from BSCP520'		P465 'Correction to P415 legal text to amend Credit Cover requirements for Virtual Trading Parties'	MHHS
	CP1586 'Defining the requirements for Minimum Burden and CT ratios		P461 'Accurate Reporting of Customers Delivered Volumes to Suppliers'	P462 'The removal of subsidies from Bid Prices in the Balancing Mechanism'
	CP1587 'Obsolete Metering Equipment'		P466 'BSC Section N Modernisation'	Future System Operator
	CP1588 'Mandating Calibration Checks for Main and Check Meters'			
	CP1590 'Enabling use of DTN agent appointments process for P434'			

Key

Approved

With Authority

Report Phase

Assessment Phase

Direction

Urgent

P459 ‘Allowing different Supplier Agents to be appointed to Import and Export MSIDs’

- P459 was raised in August 2023, the first Workgroup was held on 23 February 2024. Proposer explained he had not been available in 2023 to hold a Workgroup due to personal reasons
- The Workgroup also discussed the impacts of MHHS on the proposal. We have recommend that P459 is not issued for consultation until the MHHS code artefacts are approved (at which point they become part of the legal baseline), which is expected in November 2024
- The Proposer’s intention is to use the Code Freeze period to develop and refine the solution on the MHHS arrangements, under the premise that the drafted MHHS legal text will be approved. Further work and collaboration with P459 Workgroup, the REC and MHHS is needed to finalise a progression plan and implementation approach
- We therefore invite the Panel to approve a **ten month extension** to the P459 Assessment Procedure, returning with the Assessment Report by the **February 2025 Panel meeting**, or sooner if possible
 - This is on the assumption that the solution is developed in parallel with the REC solution between now and November 2024 and that we delay issuing the Assessment Consultation until after the MHHS code drafting is approved in November 2024

CP1589 ‘Create Additional Market Participant Role Codes’

- CP1589 aimed to allow more unique identifiers for certain Market Roles, but it was considered to impact MHHS design and therefore subject to a MHHS Change Request (CR) – CR041
- At the MHHS Design Advisory Group (DAG) on 14 February 2024 the group rejected CR041 on the grounds that it does not meet the requirements of the Change Freeze, but that it should be progressed post MHHS Milestone 10 (7 March 2025) by Elexon BAU Change process
- Elexon have withdrawn CP1589 as a result of the DAG rejecting CR041
 - No immediate impacts are expected
 - Elexon will look to re-raise post M10
- This is the first time a change has impacted MHHS design and gone through the CR process since the freeze. It was ultimately ruled against but demonstrates the new Change Freeze process in action to ensure stability

Issue 102 changes in context of Energy Code Reform

- Modification Process Workgroup to begin this summer to consider existing processes and support development of an updated process, in line with code governance reform
- In context of this work, we do not believe that now is the time to propose substantial changes to the BSC Change process
- Issue 102 'BSC Change Process Review' reviewed the BSC Change process to identify improvements. The following Issue 102 outcomes have already been implemented:
 - CP1584 'Allow non-BSC Parties to raise Change Proposals, add a CP withdrawal process and remove BCA/PACA concept'
 - Establishment of Upcoming Change Forum meetings - standing session to invite industry feedback on upcoming CPs and publicise the existing backlog of BSC Change
 - "I answered the Assessment Consultation and my views haven't changed" Tick box at top of the Report Phase Consultation
- Propose to feed Issue 102 findings into Modification Process Workgroup but close upcoming Issue 102 Mods to – 'Allow more than one Alternative for BSC Modifications', 'Remove or reduce Workgroup voting duties' and 'Expand Elexon's role in cases of low Workgroup quoracy'

Upcoming Modification Proposals

- We are supporting Proposers on the following upcoming Modification Proposals:
 - Issue 106 follow on Modification:
 - New Credit Cover Calculation
 - Consequential change to BMRS to facilitate GC0156 → Summer 24
 - Modification to allow more flexibility in procurement of BSC Agents – for discussion later in the agenda
- Next month:
 - Draft Modification Report: P467 ‘Enduring Solution in an event of a Gas Deficit Emergency (GDE)’
 - “Housekeeping” type fixes to P415 to correct a calculation error in legal text

Recommendations

We invite the Panel to:

- a) **APPROVE** a 10 month extension for P459; and
- b) **NOTE** the contents of the March 2024 Change Report.

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**P468 'Enabling Elexon to support the
(currently in draft) Electricity Support
Payments and Levy Regulations 2024'**

Draft Modification Report

348/04 – Ayo Bammeke

14 March 2024

Issue and Background

- Elexon expects that it will be asked to perform separate and distinct roles as the EII Levy Administrator (collecting monies from Suppliers to support the scheme) and EII Support Payments Administrator (administering the EII Support Payment) for the ESP Scheme
- The activities Elexon or its subsidiaries are permitted to undertake are outlined in BSC Section C 'BSSCo and its Subsidiaries'

Proposed solution

- Amend the provisions in BSC Section C to to enable Elexon to deliver the ESP Scheme set out in the (currently in draft) Electricity Support Payments and Levy Regulations 2024
- Allows Elexon to undertake a new non-BSC related function - detailed rights and will be set out by the Government in the Regulation. The Secretary of State will appoint Elexon to undertake the ESP scheme functions
- Elexon already has established relationships and are a trusted payment provider within the industry. Elexon's financial systems and contacts allow for the prompt set-up of systems, and reduce costs by re-using systems developed for EMR Settlement

P468: Panel’s initial Views

Solution	Objectives	EBGL Impact	Outcome	Implementati on Date	Redlining	Self- Governance
Proposed	+(d)	✖	Approve	5 WDs	Approve	No

- The BSC Panel agreed to designate Low Carbon Contracts Company (LCCC) as the Proposer to raise P468

P468: Report Phase Consultation Responses

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that P468 should be approved?	1	-	-	-
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P468?	1	-	-	-
Do you agree with the Panel's recommended Implementation Date?	1	-	-	-
Do you agree with the Panel's initial view that P468 does not impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	1	-	-	-
Do you agree with the Panel's initial view that P468 should not be treated as a Self-Governance Modification?	1	-	-	-
Do you agree with the identified consumer benefits?	1	-	-	-
What will the ongoing cost of P468 be to your organisation?	-	1	-	-
How much will it cost your organisation to implement P468?	1	-	-	-
Will P468 impact your organisation?	1	-	-	-
Do you have any further comments on P468?	1	-	-	-

- The Respondent agreed with the P468 Solution and confirmed the implementation costs, on going costs and overall impact of P468 to their organisation would be low

P468: Recommendations

We invite the Panel to:

- a) **AGREE** that P468
 - i. **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREE** an initial view that P468 **should not** be treated as a Self-Governance Modification;
- c) **AGREE** that P468 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** an initial recommendation to the Authority that P468 should be **approved**;
- e) **APPROVE** an initial Implementation Date of:
 - i. 5 Working Days after Authority Decision
- f) **APPROVE** the draft Legal Text; and
- g) **APPROVE** the P468 Modification Report.

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P466 'BSC Section N Modernisation'

Draft Modification Report

348/05 – Samraj Gill

14 March 2024

P466: Background

- BSC Section N 'Clearing, Invoicing & Payment' was written over 20 years ago and therefore some sections within it are now deemed redundant and no longer align with modern ways of working
- With the FAA system being replaced therefore it seemed a review of Section N seemed timely to align with the updates to the system
- Issue 107 Review of BSC Section N 'Clearing, Invoicing & Payment' was raised to review BSC Section N in order to identify solutions to alleviate pain points and improve efficiency
- The Issue Group was carried out and it was agreed that a full review of Section N should be carried out by Elexon and the identified improvements recommended by the Issue Group to be included in a consequential Modification
- This Modification was brought to the Panel as a IWA on 11 January 2024
- The BSC Panel agreed with all initial recommendations

P466: Proposed Solution

- A update to Section N to allow for more efficiency and merges current information to update the processes that have been in place for 20 years
 - Remove and or/add existing text or processes where references are no longer required;
 - Move the Payment Default timescales 9.6.1 (b) from D+2 to D+1;
 - Removal of Confirmation Notices, with the Advice Note becoming the Invoice for VAT; and
 - Remove duplication such as merging all backing sheets into one singular Backing sheet for all charges
- This solution will also amend Sections H, U, V and X-1 which will be consequential changes as part of the update to terminology in Section N
- While there are updates being made to the FAA systems, this will be a document only Modification
- The Modification will better facilitate BSC Applicable Objective (d)

P466: Report Phase consultation responses

- P466 was submitted for Report Phase Consultation on Friday 19 February, with responses due Monday 19 March
- The Report Phase Consultation did not receive any responses, questions or further comments
- During the RPC Elexon updated the legal text:
 - N7.1.2 to allow for an easier way to read Section N7 for the customer.
 - N7.4 and N7.5 to provide clarity to the customer
- These are not material Changes therefore we believe this will not require further Consultation

P466: Recommendations

We invite the Panel to:

- a) **AGREE** that P466 **DOES** better facilitate Applicable BSC Objective (d)
- b) **AGREE** that P466 should not be treated as a Self-Governance Modification;
- c) **AGREE** that P466 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC; and
- d) **AGREE** that P466 is **neutral** against the EBGL objectives;
- e) **APPROVE** an initial Implementation Date for P466 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**.
 - 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**
- f) **APPROVE** the updated draft Legal Text for P466.

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**CP1592 'Upgrade of NHHDA and EAC/AA
systems from Oracle 12c to version 19.21'**

Assessment Report

Anshu Choudhary

14 March 2024

Issue and Proposed Solution

Issue

- Elexon's NHHDA & EAC/AA applications are running on Oracle 12c, which lost Oracle's support in 2022, posing risks to settlement processes
- Previous Change Request (CR) kept version 12c due to its impact on the delivery of MHHS and industry transition requirements
- With the heightened risk of unresolved Oracle defects impacting Settlement, an upgrade initiated by an NHHDA escalation is now critical

Solution

- Proposed upgrade to Oracle 19.21, assuring system compatibility with the latest Oracle Forms releases and mitigating security and operational risks
- The upgrade plan includes revisions to key documents: NHHDA and EAC/AA System Management Guides, Installation Guides, Technical Specifications, and Operations Guides, to reflect the new software environment
- Efficiencies will be sought through alignment with Elexon's updates to other BSC systems, and post-upgrade, systems will be phased out in favor of MHHS

CP1592: Assessment Consultation responses

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- Two Supplier Agents and one Supplier responded to the industry consultation, all in support of CP1592
- All respondents noted potential impacts and costs ranging between Medium and Low
- One of the respondents mentioned that they would prefer a 9 month lead time to implement CP1592 due to their involvement in SIT for MHHS

CP1592: Recommendations

We invite the BSC Panel to:


- a) **APPROVE** CP1592 for implementation on 2 December 2024 as part of a Special BSC Release.

ELEXION

**P470 'Protecting the Imbalance Price from
IOLC related distortions'**

348/07 – Anshu Choudhary & Peter
Frampton (VPI Immingham LLP)

14 March 2024



BSC Modification P470 – Post IOLC Imbalance price update

P470 - Overview

The Inflexible Offers Licence Condition (IOLC) may have an unintended impact on imbalance pricing

The IOLC requires that generators with a Minimum Zero Time above 60 minutes who renominate their Physical Notifications from positive to zero within an operational day do not then price Balancing Mechanism Offers at a level that results in benefit that is not 'significantly greater than the benefit they would have obtained had they not revised their PN to 0MW' (from Ofgem's guidance on the IOLC).

In some scenarios, this may mean that the prices submitted by the generator are not reflective of prevailing market conditions.

If one of these submitted prices is the marginal Offer in a settlement period, there is an increased likelihood that the Imbalance Settlement Price is set at a level which is not reflective of the cost to balance the system. This would result in an incorrect price signal being sent to the market, and may result in inefficient dispatch and balancing signals.

P470 - Example

Consider the following scenario involving a unit breakdown

1. A Combined Cycle Gas Turbine ('the power station') is scheduled to operate baseload throughout a particular day.
2. At 0600, the power station suffers a failure and shuts down. The best estimate of the maintenance team is that it will be unavailable for the rest of the day to enact repairs, and they declare the unavailability.
 1. The traders responsible for optimising the power station renominate the power station's FPN to 0 for the rest of the day, triggering the IOLC requirements for prices in those periods.
3. At 1000 an interconnector suffers a failure, and wind outturns below forecasts, materially increasing the marginal price expectation through the rest of the day.
4. The power station is repaired sooner than expected, and becomes available at 1400, ahead of earlier expectations. As the IOLC requirements are triggered for this unit, they are restricted to Balancing Mechanism Offer pricing at levels based on conditions prevailing when the PN had been in place, rather than the real time cost of energy. National Grid ESO instructs the unit to run in the Balancing Mechanism.
 1. As the market prices have increased, the power station is now priced at a different level to other units in the market, rather than pricing in line with them.

In this scenario, should the NIV result in the power station being the marginal unit their price would be lower than it would have been absent the IOLC. This would result in an imbalance price lower than expectations, which would in turn result in a reduced incentive to balance.

P470 – Proposed solution

The proposed solution is minimum viable change to correct the impact, with no impact on the IOLC

The solution is comprised of the following components;

1. Identification and flagging of IOLC impacted Offers
 - a) National Grid ESO would need to implement a process to flag Offer prices submitted by units which have triggered IOLC requirements. This could happen pre or post acceptance.
2. Repricing of IOLC flagged Accepted Offers
 - a) Any Accepted Offers which have been IOLC flagged will then need to be repriced at a level which is reflective of the rest of the market, proposed to be the next most expensive unflagged Accepted Offer.
 - b) This would occur at a particular step of the Imbalance Settlement Price calculation, the rest of the calculation would be unchanged.

The solution should not have any effect on payments to IOLC restricted generators, which will continue to be at the (lower) submitted price level.

P470 – Suggested workgroup discussion

We believe the solution development would benefit particularly from discussion of the following points

- **Materiality** – we believe that currently only National Grid ESO has information to determine the likely materiality of the identified unintended impact that P470 seeks to correct. The workgroup should attempt to determine, qualitatively or quantitatively, whether the net benefit of the Modification is likely to outweigh the costs of implementation. It would be useful to establish this as early in the process as possible.
- **Order of actions** – some IOLC flagged Offers may also be System Flagged. The solution will need to establish the order of actions, which will establish how to deal with these interactions.
- **Further unintended impacts** – the P470 solution should not introduce any further unintended impacts or incentivise any undesired behaviour. Any such impacts should be identified and considered by the Workgroup.

P470 – Impact on BSC Objectives

We believe P470 is positive against BSC Objectives (c) and (e) and neutral against all other objectives

BSC 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.

- P470 should result in the Imbalance Settlement Price more accurately reflecting the cost of balancing the system in real time. This should overall reduce balancing costs, by better incentivizing market participants to maintain balance or contribute to the helpful balancing actions in real time.

BSC Objective (e) - Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

- Article 3 of the electricity regulation requires that ‘prices shall be formed on the basis of demand and supply’. By repricing Accepted Offers that are otherwise restricted by IOLC, P470 should result in the Imbalance Settlement Price more accurately reflecting the balance of demand and supply in real time.

P470: Issue and Proposed solution

Issue

- Current Imbalance Price does not reflect the true margin cost of the Impacted Offer actions, as Parties are submitting Offer prices that are artificially low due to concerns about breaking the Ofgem Licence Condition (IOLC)

Proposed solution

- Flag IOLC impacted Offer prices in the price stack, and to reprice them up to the next most expensive non-flagged Offer price
- The flagging of IOLC-impacted Offers would be done by NGESO with any re-pricing of impacted Offer actions being a new step in the Settlement Administration Agent (SAA)

P470: Areas to consider

- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 1. Does the IOLC create a distortion within the Imbalance price?
 2. What would the impact of P470 be on the current Imbalance Prices?
 3. Assessment and determination of Option 1 and Option 2:
 - Option 1 - The ESO could flag all electricity generators Offers received that meet the criteria, irrespective of whether these Offers are accepted; and
 - Option 2 - The ESO could flag only accepted Offers that meet the criteria.
 4. What will the indirect impact on wholesale prices be?
 5. Will P470 ensure that Offer prices are more reflective of market conditions?
 6. Are there any potential unintended consequences of P470 and are the Workgroup comfortable with the potential unintended consequences?

P470: Proposed Progression

- 7 month Assessment Procedure
 - Service provider impact assessment
- Workgroup membership
 - Generators;
 - All Trading Parties;
 - NGESO; and
 - Parties with expertise in EBGL matters.

Event	Date
Workgroup Meeting 1	W/C 15 April 2024
Workgroup Meetings	April 2024 – August 2024
Assessment Procedure Consultation (15 WDs)	1 October 2024 – 22 October 2024
Workgroup Meeting	W/C 28 October
Present Assessment Report to Panel	14 November 2024
Report Phase Consultation (1 month – EBGL impacts expected)	18 November 2024 - 18 December 2024
Present Draft Modification Report to Panel	9 January 2025

P470: Recommendation

We invite the Panel to:

- a) **AGREE** that P470 progresses to the Assessment Procedure;
- b) **AGREE** the proposed Assessment Procedure timetable;
- c) **AGREE** the proposed membership for the P470 Workgroup; and
- d) **AGREE** the Workgroup's Terms of Reference.

ELEXON

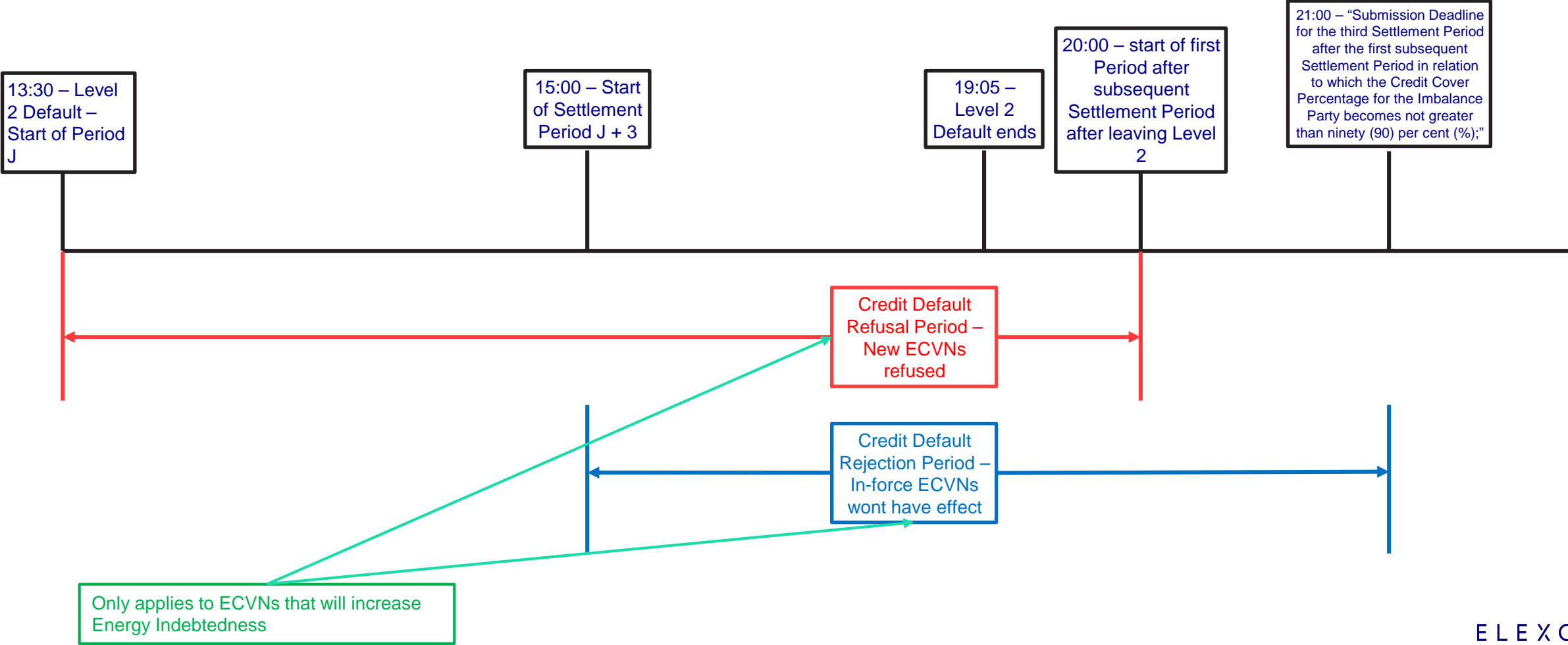
**P469 'Credit Default Refusal and Rejection
Period Modification'**

348/08 – Cecilia Portabales (Elexon) &
Francois Gonsior (European Commodity
Clearing)

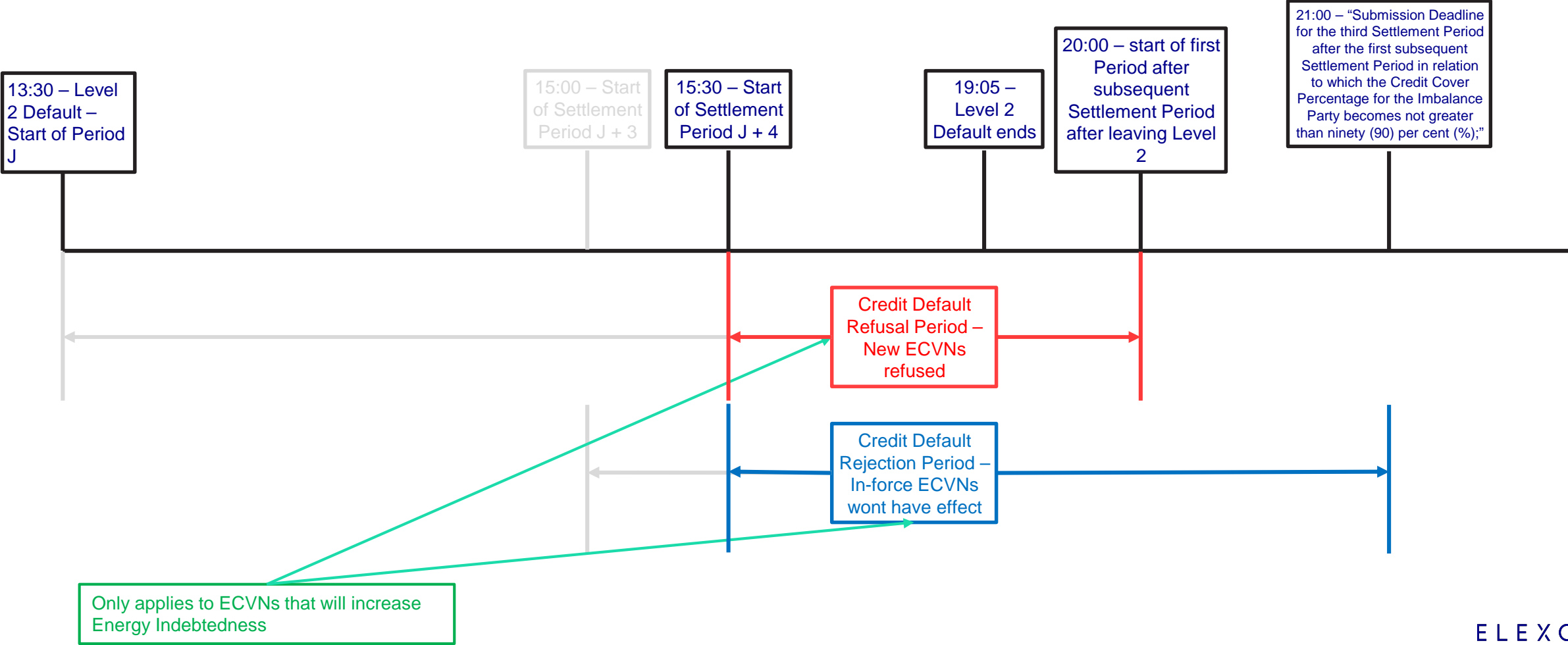
14 March 2024

- At the moment, Energy Contract Volume Notifications (ECVNs) and Metered Volume Reallocation Notifications (MVRNs), including those previously submitted and accepted, can be refused and rejected without prior notice to counter-parties involved in the trade
- The risk of the defaulting party is packed onto the counterparty of the defaulting party unable to use market mechanisms to get rid of this risk
- This Modification follows on from discussions held as part of [Issue 106 'Review of BSC Credit Cover Arrangements'](#) which made a recommendation that a Modification be raised to modify the Credit Default process by delaying the rejection/refusal of any ECVNs & MVRNs after a Party has entered authorised Level 2 Default
- Alongside this modification, Elexon has raised [Issue 110 'Modernising ECVN/MVRN submission and acknowledgement processes'](#) on 11 January 2024 to review how ECVN are currently submitted and to find potential ways to improve the system

Existing Arrangements (ECVNs also = MVRNs)



Existing Arrangements (ECVNs also = MVRNs)



Solution

- The proposed solution is to delay the Refusal and Rejection of ECVNs both to four Settlement Periods (ECVNs refused at the start of Settlement Period J+4 instead of Period J, and rejected at J+4 instead of J+3)
- This change would give parties a two-hour window from the Level 2 Credit Default notification until the time when any ECVNs related to the defaulting party are rejected
- Implementation of this solution would require changes to [BSC Section M, 3.3.3 a \(i\) & BSC Section M, 3.3.3 a \(ii\)](#)

Justification against BSC Objectives

- The Proposer expects this Modification to have a positive impact on BSC Applicable Objective (c) and (d)
- Due to risk mitigation obligations for European regulated Clearing Houses, the risk mentioned in the issue has to be covered by margins and limits and thus dampening trading and by that also competition among the trading parties
- The current setup does not allow for a proper reaction time to the event of a default for the non-defaulting counterparty, the additional given time is after the analysis of Elexon very small additional risk (if any) for a huge operational gain, meaning a strong increase of operational effectiveness of the BSC

P469: Areas to consider and Workgroup membership

- In addition to the standard Workgroup's Terms of Reference, we aim to verify with the Workgroup:
 - Does P469 overlap with Issue 110 in terms of implementations regarding changes to ECVAA?
 - Does P469 give advantage to one class of BSC Party i.e the Panel Objectives?
 - Whether there needs to be a caveat for Parties entering a Supplier of Last Resort procedure?
 - Should the end of the Refusal and Rejection period be amended too?
- Elexon suggests that the assessment of this Modification Proposal requires knowledge in:
 - Electricity Trading arrangements;
 - ECVN and MVRN submission processes and industry practices; and
 - Issue 106

P469: Proposed Progression

- As the solution was initially discussed during Issue 106, we believe that this modification can be progressed with a truncated timeline:

Event	Date
Workgroup Meeting 1	W/C 15 April 2024
Workgroup Meeting 2 (if required)	W/C 13 May 2024
Assessment Procedure Consultation (10 WDs)	28 May 2024 – 11 June 2024
Workgroup Meeting 3	W/C 24 June 2024
Present Assessment Report to Panel	11 July 2024
Report Phase Consultation (15WDs)	15 July 2024 – 30 July 2024
Present Draft Modification Report to Panel	08 August 2024

P469: Impacts & Costs

Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	Low	None	• Potential change to Section M
BSC Agents	Low	None	• EVAA - parameter change and testing
Trading Parties	Low	None	• L – implementation impacts are minimal
Generators	Low	None	• L – implementation impacts are minimal
Total	Low		

No impacts anticipated on:

- NETSO
- Settlement Risks
- MHHS
- EBGL
- Configurable items
- SCR – Ofgem granted the SCR exemption on 7 March 2024

P469: Recommendations

We invite the Panel to:

- a) **AGREE** that P469 progresses to the Assessment Procedure;
- b) **AGREE** the proposed Assessment Procedure timetable;
- c) **AGREE** the proposed membership for the P469 Workgroup; and
- d) **AGREE** the Workgroup's Terms of Reference.

ELEXION

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

348/09 – Cecilia Portabales

14 March 2024

P455: Background

- When customers on a private network (PN) opt for a third party supply, corrective action is required to avoid the double counting of metered volumes in Settlement
- The BSC provides such corrective actions, but they do not work properly for domestic or small business (sub 100kW) customers
- Prior to this Modification Proposal, Emergent Energy submitted a Derogation Request to use the BSC Sandbox to trial their proposed solution to the issue outlined above
- The request was approved by Ofgem on 26 May 2021 in line with the BSC Panel's recommendation. The Derogation commenced on 27 September 2021 and will end no later than 26 September 2024

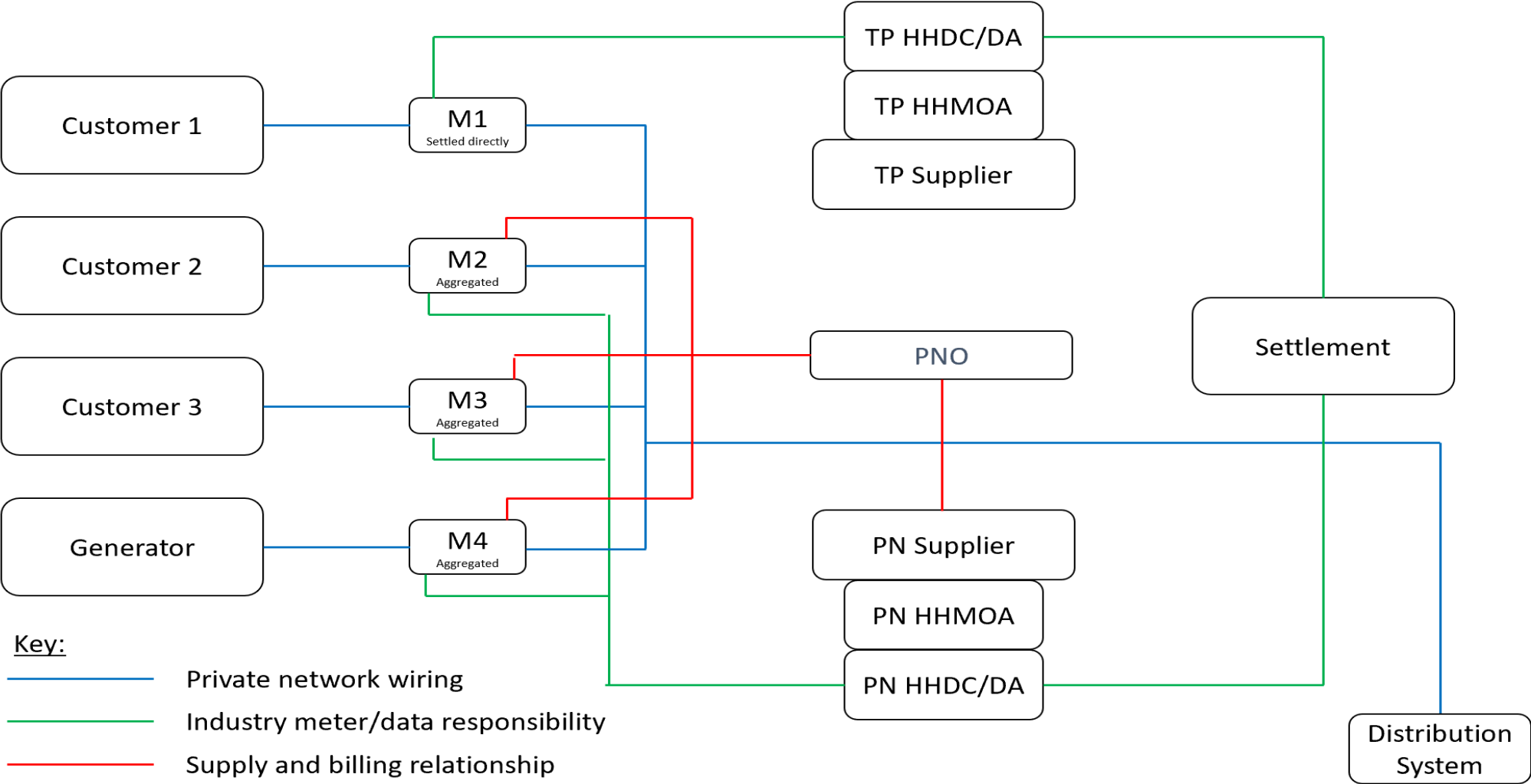
P455: Proposed Solution

Proposed solution

- Each customer supplied by the PNO will have their own Settlement standard meter, managed by the usual Supplier Agents (i.e. HHMOA and HHDC), with HH data available
 - This data would be used by the PNO for billing customers, aggregated and submitted into Settlement in lieu of a reading from a site's Boundary Point Meter
 - This volume will not include the volumes supplied by the third party suppliers (TPSs).
 - Volumes for third party supplied customers on the PN will be settled directly by the TPS (HH or Non-HH as per the discretion of the TPS), avoiding any double counting of Settlement volumes
- It will also account for on-site generation, as per the following diagram

P455: Proposed Solution

Proposed solution



P455: Impacts and costs

BSCCo	Party Impacts	BSC Agent/service provider	Other Codes
BSC Section K BSCP502	<ul style="list-style-type: none">• Suppliers will need to be able to support the scheme if they choose to partner with PNOs who implement it• Generators may partner with a PNO offering On-Site Aggregation. This impact relates primarily to non-BSC (independent) Generators• LDSOs will need to be aware if an On-Site Aggregation methodology is being used on a particular site as this may impact operational processes, such as responding to power cuts and issuance of MPANs	<ul style="list-style-type: none">• HHMOAs appointed by PNS will be responsible for identifying and fixing faults on Settlement standard meters installed on private networks; and to produce and submit the On-Site Aggregation Form to the HHDC. They will need to work with HHDCs to establish the data integrity of the individual meters involved and the overall aggregation methodology that is being applied to these meters• HHDCs appointed by PNS will be responsible for retrieving, aggregating and submitting the necessary metered data into Settlement for PNO supplied customers and on-site generation sources	<ul style="list-style-type: none">• REC - This Modification proposes a requirement on the SVA MOA appointed by the Boundary Point Supplier to rectify any faults found with the sub meters used in the On-Site Aggregation methodology• A REC Change R0150 has been raised

The Workgroup did not identify impacts on:

- **EBGL**
 - The Workgroup did not identify any EBGL impacts.
 - However, after Elexon legal review, we have concluded that, despite the belief that P455 does not amend the requirements for becoming a balance responsible party, Section K2 (which P455 amends) is called out in Article 18.6.b, listed in BSC Section F Annex F-2, and therefore a one month Consultation would be the safest route to adopt to avoid any grey areas or future challenge
- **Settlement Risks**
- **MHHS design or Target Operating Model (TOM).** Any code drafting impact will be dealt with via baselining activity post MHHS milestone M6 (delivery of legal text and code)

P455: 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	Positive
3) Reduced environmental damage	Positive
4) Improved quality of service	Positive
5) Benefits for society as a whole	Positive

P455: Implementation approach

The Workgroup and Elexon recommend an Implementation Date of:

- **29 June 2024** as part of the **standard June 2024 BSC Release** if an Authority decision is received on or before 6 June 2024; or
- **5 working days after Authority decision** (though no earlier than 4 July 2024), as part of a special BSC Release if an Authority decision is received after 6 June 2024.
- This Modification needs to be implemented prior to the end of the Sandbox trial and the Derogation Period which ends no later than 25 September 2024.

P455: Workgroup views

- The Workgroup developed and consulted on 11 specific Terms of Reference
- BSCP502 was reviewed, with particular emphasis on the Difference Metering methodology, and how On-Site Aggregation achieves the same outcomes mathematically while making it easier for customers to choose Third Party Suppliers
- The potential need for a DCUSA code change has been explored extensively with DCUSA and various DNOs. It has been confirmed that as there are no provisions for managing third party access (TPA) sites in DCUSA there is nothing to be changed as a result of the On-Site Aggregation modification

P455: Assessment Consultation responses (1 of 4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's initial unanimous view that P455 does better facilitate the Applicable BSC Objectives than the current baseline?	6	1	0	0
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P455 which would better facilitate the Applicable BSC Objectives?	6	1	0	0
Do you agree with the Workgroup that the draft legal text delivers the intention of P455?	6	0	1	0
Do you agree with the Workgroup's recommended Implementation Date?	6	1	0	0
Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?	6	1	0	0
Do you agree with the Workgroup's assessment that P455 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	6	0	1	0
Do you agree with the Workgroup's assessment of the consumer benefits?	7	0	0	0

P455: Assessment Consultation responses (2 of 4)

Question	High	Medium	Low	Other	None
Will P455 impact your organisation?	0	2	5	0	0
How much will it cost your organisation to implement P455?	0	0	4	1	2
What will the ongoing cost of P455 be to your organisation?	0	1	3	3	1
How long (from the point of approval) would you need to implement P45?	Responses range from a few months – 1 year				

- The new On-Site aggregation methodology will allow Parties to facilitate a microgrid private network customer to switch to an alternative supplier
- Impacts on HHDC-HHMOA - minor process adjustments to distinguish between the new and existing validation test

P455: Assessment consultation responses (3 of 4)

Question	Yes	No	Neutral	Other
Does the proposed On-Site Aggregation methodology result in accurate settlement outcomes (particularly in relation to difference metering)?	6	1	0	0
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?	6	1	0	0
Is it right that the sub-meters should conform to CoP10 standards?	7	0	0	0
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?	6	0	1	0
Is there an impact on BSC Metering Dispensations?	1	5	1	0
Is a Cost-Benefit Analysis required?	2	5	0	0
Is it right that the scheme is limited to sub-100kW sites?	5	2	0	0
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?	1	4	1	1

P455: Assessment consultation responses (4 of 4)

Question	Yes	No	Neutral	Other
Is it right for the solution not to be captured under the complex site arrangements within BSC?	6	1	0	0
Is a physical boundary meter required to implement the solution, and should it be?	2	5	0	0

What are the arguments for and against creation of a new market role for PNOs (e.g. access to industry data access; market competition)?

- The Workgroup discussed how P455 was proposed to be delivered by existing accredited industry parties (i.e. HHDC/HHMOA). These parties may choose to work with another party/ies, including a PNO

P455: Workgroup views against BSC Objectives

Does the P455 Proposed Solution better facilitate the Applicable BSC Objectives?		
Applicable BSC Objective	(c)	(d)
Proposer Views	Positive	Positive
Workgroup Views	Positive (Majority)	Positive (Unanimous)

P455: Recommendations

The P455 Workgroup invites the Panel to:

- a) **AGREE** that P455 Proposed Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (c); and
 - ii. **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREE** an initial view that P455 **should not** be treated as a Self-Governance Modification;
- c) **AGREE** that P455 **DOES** impact the EBGL Article 18 terms and conditions held within the BSC;
- d) **AGREE** an initial recommendation to the Authority that P455 Proposed Modification should be **approved**;
- e) **AGREE** an initial Implementation Date of:
 - i. **29 June 2024** if an Authority decision is received on or before 6 June 2024; or
 - ii. **5 working days after Authority decision** (though no earlier than 4 July 2024), as part of a special BSC Release if an Authority decision is received after 06 June 2024;
- f) **AGREE** the draft Legal Text for the Proposed Modification;
- g) **AGREE** the draft amendments to the Code Subsidiary Documents;
- h) **AGREE** that P455 is submitted to the Report Phase; and
- i) **NOTE** that Elexon will issue the P455 Draft Modification Report (including the draft Legal Text) for one month consultation and will present the results to the Panel at its meeting on 9 May 2023.

ELEXION

**Issue 101 ‘Ongoing Governance, Funding
and Operation of the DIP’**

Issue Report

348/10 – Jenny Sarsfield

14 March 2024

Issue 101: Background

- The Data Integration Platform (DIP) is a vital component of the transition to Market-wide Half Hourly Settlement (MHHS)
- It will provide a platform for users to share data including Half-Hourly consumption information, meter technical details and registration information
- The DIP was designed, built and tested as part of the MHHS Programme with the DIP Service Provider
- Responsibility for the DIP sits with the MHHS Programme until M10, at which point it will transfer to the DIP Manager
- Ofgem appointed Elexon as the DIP Manager and asked Elexon to develop the DIP code drafting in collaboration with industry
- Issue 101 has been used to seek industry input to develop the proposed DIP arrangements and code drafting including:
 - 8 Issue Group meetings where the proposed framework was developed
 - Interim consultation on proposed framework and business requirements – 12 responses (supportive with constructive comments)
 - 6 Issue Group meetings where the code drafting was developed and reviewed
 - Consultation on proposed arrangements and code drafting

Issue 101: Proposed Arrangements

- The DIP legal text will be a supplement to the BSC, and will form the DIP Rules with the subsidiary documents
- The DIP Manager will make all decisions about DIP, other than where the decision sits with the DIP Change and Advisory Board (DCAB) - a specialist user group to advise the DIP Manager
- The DIP Manager will:
 - Administer the DIP connection processes (on-boarding and off-boarding)
 - Arrange risk-based assurance of DIP Participants
 - Determine DIP change progression routes and timetables, and whether changes should be implemented (other than where the decision sits with the DCAB)
 - Have an open data model for sharing DIP data and make determinations regarding data requests
- DCAB will determine whether to implement changes with material impact, and hear appeals against the DIP Manager's determinations
- Core services will be funded by Suppliers based on MPAN share with a Standing Charge, and non-core services will be paid for by the beneficiaries at the DIP Manager's discretion

Issue 101: Issue consultation responses (1 of 2)

- Nine responses were received to the consultation on the proposed arrangements and code drafting
- The majority were in agreement with the proposed arrangements, draft legal text, and draft subsidiary documents
- Roles represented include Distributor, Supplier, Data Collector, Meter Operator Agent, and Code Body

Question	Yes	No	Neutral
Do you agree with the proposed general DIP arrangements?	8	0	1
Do you agree with the proposed DIP governance arrangements?	8	1	0
Do you agree with the proposed DIP connection arrangements?	7	1	1
Do you agree with the proposed DIP assurance arrangements?	7	1	1
Do you agree with the proposed DIP change management arrangements?	6	2	1
Do you agree with the proposed DIP funding and budget arrangements?	6	2	1
Do you agree with the proposed DIP information security and data management arrangements?	7	0	2
Do you agree with the proposed Transmission License changes?	5	1	3
Do you agree with the proposed implementation and transition approach?	7	1	1

Issue 101: Issue consultation responses (2 of 2)

Question	Legal text			Subsidiary document		
	Yes	No	Neutral	Yes	No	Neutral
Do you agree the drafting delivers the intention of the proposed general DIP arrangements?	8	0	1	-	-	-
Do you agree the drafting delivers the intention of the proposed DIP governance arrangements?	8	0	1	7	1	1
Do you agree the drafting delivers the intention of the proposed DIP connection arrangements?	6	2	1	5	3	1
Do you agree the drafting delivers the intention of the proposed DIP assurance arrangements?	7	1	1	6	2	1
Do you agree the drafting delivers the intention of the proposed DIP change management arrangements?	6	2	1	6	2	1
Do you agree the drafting delivers the intention of the proposed DIP funding and budget arrangements?	7	1	1	6	2	1
Do you agree the drafting delivers the intention of the proposed DIP information security and data management arrangements?	7	0	2	6	1	2
Do you agree that the draft amendments to BSC Sections deliver the intention of the proposed DIP arrangements?	8	0	1	-	-	-

Issue 101: Updates following the consultation

- Typographical and grammatical errors have been corrected, and minor clarifications have been made as a result of consultation responses
- Information Security Management System (ISMS) requirements have been moved into DSD002 'DIP Connection and Operation'
- DIP Glossary has been moved into a new subsidiary document – DSD007 'DIP Glossary'
- Read-only Users have now been removed from the drafting - the inclusion of read-only DIP Users was considered but have not been included in the DIP design and there will be other means of organisations accessing DIP messages
- Changes to the DCAB and DIP Manager terms of reference will go to Ofgem for approval, other than Housekeeping changes
- Industry consultation on DIP CRs will be at least 15WD unless urgency dictates otherwise, and the time between completing a DIP CR Final Assessment and decision has been increased to 10WDs – this is because some changes will be quite technical in nature and require time to discuss implications with multiple internal stakeholders
- The criteria for materiality have been included in a subsidiary document

Issue 101: Next steps

- Issue 101 Report and code drafting will be shared with Ofgem
- Ofgem will raise an Authority-led Significant Code Review (SCR) Modification to implement the DIP arrangements
- Authority-led SCR Modification expected timelines:

Activity	Estimated Date
Authority-led SCR Modification raised	2 May
Initial Authority-led SCR Modification Report presented to Panel	9 May
Consultation (one month EBGL consultation)	13 May – 13 June
Draft Authority-led SCR Modification Report presented to Panel	11 July
Final Authority-led SCR Modification Report submitted to Authority	17 July
Authority-led SCR Modification Implemented	1 October

Issue 101: Recommendations

We invite the Panel to:

- a) **NOTE** the contents of the Issue 101 Issue Report.

ELEXION

**BMRS Change Board (BCB) Chair
appointment
348/11**

Public

Zaahir Ghanty

14 March 2024

Context

- The previously appointed chair left Elexon
- The BCB Terms of Reference require that this appointment is made by the BSC Panel
- As well as approving Open Data requests, with new data capability, the BCB will continue to be a gatekeeper with exposing future datasets (outside of BSC Governance)

New BCB Chair

- Kim the lead BA on Insights Platform build and worked extensively with BMRS users and Product team over 2 years

Recommendations

We invite you to:

a) **APPROVE** the appointment of Kim Balmer as the new permanent Chair of the BCB, with immediate effect.

ELEXION

BMRS Transition Date
348/12

Public

Zaahir Ghanty

14 March 2024

- P454 - Removal of BSC obligations to provide BMRS Data via TIBCO and the High-Grade Service - was approved by Ofgem on 27 February 2024
- P454 end-dated the requirement (to the BMRS Transition Date to be selected by the Panel). It allows the Panel to select a date when the obligation will cease.
- IRIS is the modern equivalent of the TIBCO service and has been in place since November 2022 with 372 users having already transitioned.
- Update on Service Acceptance Criteria and readiness of parties to transition to the new service.
- Proposed transition date as 31 March 2024

Service Acceptance Criteria

Elexon is satisfied most of the Service Acceptance Criteria have been met or are planned to complete by the recommended transition date as detailed in Appendix 1.

Availability: Over the last 6 months IRIS is close to 100% uptime and TIBCO had 99.8%.

Latency: On average IRIS takes 23 seconds from ingest to publish and further optimisation upstream data pipeline will be carried out on 19 March 2024 to improve file transfer between National Grid Electricity System Operator (ESO) to the cloud infrastructure.

Accuracy: the Insights Solution triggers the calculations eight minutes earlier and retriggers a calculation refresh on D+1 to account for late actions or acceptances and improve the accuracy of indicative Imbalance Settlement calculations.

Functionality: All functionality have been released into production including creation of a data archive which was requested by TIBCO users.

Service Model: All contracts agreed with expectations to be in effect from week commencing 25 March 2024.

The P454 workgroup members requested Elexon to report on user readiness to help the BSC Panel make a decision on the Transition Date.

As part of the licence agreement with TIBCO, Elexon has written to TIBCO users who procure their license under BSC arrangements to inform of the decision not to renew TIBCO licenses from 1 April 2024 and requirement to remove software on their estate.

To date all parties acknowledged the letters and 95% have signed and returned the letters. Direct contact has continued

Elexon has worked with all TIBCO users in order to ensure that they can switch to the new IRIS service and have not seen any evidence of 31 March 2024 being problematic, including from those TIBCO users who had previously flagged concerns regarding our proposed transition timescales.

Elexon proposes a Transition Date of 31 March based:

- User readiness
- Service acceptance criteria
- Cost avoidance (Circ. £300k pa)

Recommendations

We invite you to:

- a) **AGREE** to set the BMRS Transition Date as 31 March 2024

ELEXON

THANK YOU

ELEXION

**Amending Baseline Methodology
Document for P415
348/13**

Public

Iain Nicoll

14 March 2024

- BSC Modification P376 introduced the concept of baselining.
- BSC Panel established a Baselining Methodology Document that contains the approved methodologies and the process for changes/additions.
- The only approved methodology is BL01, the focus of which is on the Balancing Mechanism.
- BSC Modification P415 relies on Deviation Volumes to identify actions taken by a Virtual Trading Party and these Deviation Volumes are determined via baselining
- Both the P376 and P415 workgroups envisaged that additional methodologies may be required

Following discussions with the P415 Proposer and internal assessment, Elexon proposed at the BSC Panel in February ([347/06](#)) that it would be beneficial to amend the Baselining Methodology Document for P415 and proposed:

1. Amend BL01 to clarify that a Wholesale Market Activity Notification does not trigger an In Day Adjustment to remove the risk of gaming;
2. Clarify that, in the absence of Acceptances, any baseline used in Settlement won't have an In Day Adjustment applied (required because (in the absence of Acceptances) the Baseline is currently not used in Settlement at all).
3. Add Virtual Trading to the Event Day list of circumstances in Appendix A to align with the P415 version of BSC Section S.
4. Make general amendments to the wording in the Baselining Methodology Document to make it relevant to P415.

Consultation Responses

- Elexon published the consultation on Tuesday 13 February 2024 and it closed on Monday 4 March 2024.
- We received one response.
- The respondent is a company that specialises in operating and optimising onsite renewable energy systems. They are potentially going to become a Virtual Trading Party.
- They did not comment on the proposed changes to the Baseline Methodology Document.
- They commented on the issue of high numbers of Event Days and concluded that
 - run the site in a non-optimised manner every few days to ensure that enough data is present to allow for the calculation; or
 - the site optimiser could submit a calculated time series showcasing how the site would operate if no flexibility is present. They believe that the calculation should be feasible since the optimiser should already have all the data available but do acknowledge the policing of this methodology will be more difficult.

- NGESO consulted on baselining for the DFS 2023/24 delivery year:
 - Remove In Day Adjustment; or
 - Extend In Day Adjustment period.
- Focus was on domestic customers as the In Day Adjustment wasn't allowed for I&C in DFS Procurement Rules for 2022/23 (used P376 BL01 methodology).
- Conclusion was in general, respondents favoured the consulted position of removing the In Day Adjustment period;
 - Analysis showed only small differences on accuracy between changing the reference period or removing it
 - Acknowledged, especially on cold days, difficult for consumers to reduce demand below baseline
- NGESO concluded that they would retain the proposal to remove the In Day adjustment period for domestic customers.

- Elexon has amended the Baselining Methodology Document for some minor clarifications and corrections that are not material to the BL01 methodology.
- Elexon believes that the In Day Adjustment should not be applied in relation to Deviation Volumes, based on:
 - the number of responses to the NGESO DFS 2023/24 consultation on the same topic, and the conclusion reached by NGESO; and
 - the exclusion by NGESO of In Day Adjustments for I&C customers in DFS 2022/23.

Recommendations

We invite the Panel to:

- a) **APPROVE** version 1.2 of the BSC Configurable Item 'Baselining Methodology Document' to become effective as version 2.0 on 7 November 2024 as part of the November 2024 BSC Release.

ELEXON

THANK YOU

ELEXION

Review of BSC Specified Charges

348/14 – Kathy Ferrari

14 March 2024

Review of BSC Specified Charges Recommendations

- New SVA Specified Charge of £0.01318/SVA MSID per month

SVA Specified Charge Calculations		
	23-24 Budget	24-25 Budget
Number of Metering Systems	32,242,407	32,481,081
SVA Costs calculation		
DTS	2,764,075	2,722,357
Profiling	261,883	340,292
Teleswitch	5,100,000	3,999,996
Performance Assurance	1,791,522	1,996,203
Shared agent costs	1,054,178	1,213,068
TOTAL SVA	10,971,658	10,271,916
50% of annual costs	5,485,829	5,135,958
Monthly	457,152	427,997
Specified charge calculation	0.01418	0.01318

- New MHHS Monthly Implementation Charge of £0.06049/SVA MSID per month

MHHS Implementation Management Monthly Charge		
	23-24 Budget	24-25 Budget
Number of Metering Systems	32,242,407	32,481,081
Annual MHHS Budget	19,904,656	23,578,767
Monthly	1,658,721	1,964,897
Specified Charge Calculation	0.05145	0.06049

- New Notified Volume charge of £0.0005 MWh per month

Notified Volume Charge Calculations		
	23-24 Budget	24-25 Budget
Notified Volumes	1,564,000,000	1,534,895,398
Total ECVAA Costs	887,974	784,516
Notified Volume charge	0.0006	0.0005

Recommendations

We invite the Panel to:

- a) **APPROVE** the new SVA Specified Charge of £0.01318/SVA MSID per month.
- b) **APPROVE** the new MHHS Monthly Implementation Charge of £0.06049/SVA MSID per month
- c) **APPROVE** the new Notified Volume charge of £0.0005 MWh per month

ELEXON

THANK YOU

Kathy Ferrari
