

## BSC Change Report

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Purpose of paper **For Decision**

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Summary **The Change Report is a monthly summary of all Modifications, Change Proposals and Issues that are currently active. It shows the progress of each change in a visual ‘progress bar’, as well as containing text updates on what has changed since last month’s Change Report. This report covers updates since 31 January 2023 until 27 February 2023.**

### Summary of Open Changes

For details on the types of changes, the different phases, the types of reports and consultations please see Appendix 1.

Total changes open up until implementation:

- Modifications: 8
- Change Proposals: 4
- Issues: 7

### New changes since last month

- None

### Workgroups

- Seven Workgroup held since last month’s report: P415 – 22 February, P441 – 21 February, P442 – 15 February, P444 – 22 February, Issue 101 – 13 February, Issue 103 – 6 February, Issue 105 – 16 February, Issue 106 – 21 February
- Four Workgroups coming up: P441 – 21 March, P443 – 20 March, Issue 101 – 13 March, Issue 103 – 10 March, Issue 105 – 6 March

### Consultations

- Consultations closed since last month’s report: P415 APC: 24 January – 14 February, P444 APC: 24 January – 20 February
- Live Consultations: P443 APC: 9 February – 1 March
- Consultations coming up: None

### Extension requests

- P415 (one month extension), P444 (one month extension)

### Awaiting decision

- Authority: P432

### Decisions since last month

- Approved: None
- Rejected: None

### Awaiting Implementation

- **Jun 23:** CP1558, CP1568 CP1571, CP1572
- **Nov 23:** P395

February 2023 release successfully implemented P376, P419, P427, P428, P450, CP1569, and CP1573.

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## I. Modification Updates – up until decision

<b>P412: Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy</b>			<b>No Update</b>
<b>Date Raised:</b>	3 September 2020	<b>Proposer:</b>	NGESO
<b>Target Implementation Date:</b>	TBC	<b>Current Status:</b>	Assessment Procedure
<b>Latest Update:</b>	At its January 2023 meeting, the Panel approved a nine month extension to the Assessment Procedure in order for NGESO to conclude its work with BEIS and Ofgem on how the Clean Energy Package requirements can be best met.		
<b>Next Event:</b>	NGESO are continuing to engage with BEIS on the possibility of a derogation against Article 6(5) of the Clean Energy Package, which would remove the need to progress P412. Dependent on the outcome of the discussions with Ofgem and BEIS, further Workgroup meetings may need to be held to consider next steps in developing the P412 solution.		
<b>Issue:</b>	P412 will introduce imbalance charges for non-Balancing Mechanism (BM) Balancing Services providers, where their delivery does not match instructed volumes. This will mean the GB market more effectively meets the requirements of the Clean Energy Package.		
<b>Current Solution:</b>	P412 will introduce adjustments to Supplier's imbalance positions by non-BM Balancing Service Providers' instructed volumes, rather than delivered volumes as currently occurs under the P354 'Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level' solution.		
<b>History:</b>	<p>For full details visit the <a href="#">P412 webpage</a>.</p> <p>P412 was raised on 3 September 2020. The Initial Written Assessment was presented to the Panel on 10 September 2020 and entered into the Assessment Procedure.</p> <p>The first Workgroup meeting was held on 29 October 2020 to discuss the issue, the proposed solution, next steps and the proposed timetable.</p> <p>The second Workgroup meeting was held on 27 November 2020 to consider five possible solutions and discuss the pros and cons of each option.</p> <p>The third Workgroup meeting was held on 22 February 2021 to further consider the legal and technical issues with the five possible solutions.</p> <p>The fourth Workgroup meeting was held on 7 April 2021. The Proposer subsequently consulted the Workgroup and industry on the impacts that the solution options may have, to then present a cost benefit analysis to Ofgem to determine how P412 should proceed. This process was expected to conclude in November 2021.</p> <p>The Panel approved a six month extension to the Assessment Procedure at its meeting on 8 April 2021 for this analysis to take place. The Proposer's revised timetable for the cost benefit analysis consultation meant that it was issued in October 2021, with a view to then engage with Ofgem. Further Workgroup meetings may be required to consider the development of the solution and next steps.</p> <p>The Panel approved a nine month extension to the Assessment Procedure at its meeting on 14 October 2021. National Grid ESO's cost benefit analysis consultation was issued on 18 October 2021 and closed on 26 November 2021. The Panel approved a six month extension to the Assessment Procedure at its meeting on 14 July 2022.</p>		

<b>P415: Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties</b>			<b>Update</b>
<b>Date Raised:</b>	30 September 2020	<b>Proposer:</b>	Enel X UK Ltd
<b>Target Implementation Date:</b>	7 November 2024	<b>Current Status:</b>	Assessment Procedure
<b>Latest Update:</b>	<p>The Assessment Procedure consultation was issued on 24 January 2023 and closed on 14 February. Elexon issued a small extension to NGESO who provided a response on 16 February that highlighted several concerns over data transparency and potential barriers to entry caused by the addition of Supplier Compensation, which was new information for the Workgroup to consider. Both Elexon and the P415 Proposer responded to NGESO to better understand their concerns and explain why they felt a misunderstanding of the P415 solution may have taken place. They felt that NGESO's concerns could potentially be allayed by additional engagement, however it was not possible to meet ahead of the scheduled Workgroup due to tight timescales and existing commitments. The Workgroup met on 22 February, with NGESO reps in attendance, but were unable to provide enough information in the available time for NGESO to feel that they could provide a full and accurate answer to the points raised by their response. It was agreed that Elexon, the Proposer and NGESO would meet separately to workshop the identified impacts and aid understanding, so that NGESO can provide an updated response.</p>		
<b>Next Event:</b>	<p>Elexon, the P415 Proposer and NGESO will meet as soon as possible to workshop the P415 solution and aid understanding. Following this, it will be necessary for the P415 Workgroup to meet again to provide final views on the Modification and consider any updated response from NGESO. Elexon aim to deliver the Assessment Report to the April Panel meeting.</p>		
<b>Extension request:</b>	<p>We request a one month extension to the Assessment Procedure for P415. Elexon are due to bring the Assessment Report for P415 to the April Panel meeting, but had hoped to deliver this ahead of schedule in March. In the event that further engagement with the ESO results in changes to the P415 Solution, which will become clear following additional workshops, Elexon's ability to deliver to April will be impacted. We think it sensible to ask for a one month contingency extension to cover this risk.</p>		
<b>Issue:</b>	<p>Consumers of electricity who are able to be flexible about their consumption cannot currently obtain any value from that flexibility from the Wholesale Energy Market, except if they work with their Supplier to do so. This contrasts with Balancing Services, the Balancing Mechanism, and the Capacity Market, all of which allow a customer's flexibility to be offered by an aggregator without the involvement of the Supplier.</p>		
<b>Current Solution:</b>	<p>This Modification seeks to allow Virtual Lead Parties to obtain value from flexibility within the Wholesale Energy Market.</p>		
<b>History:</b>	<p>For full details visit <a href="#">P415 webpage</a>.            Raised by Enel X UK Ltd on 30 September 2020.            Presented on 8 October 2020, where the Panel agreed to progress P415 to the Assessment Phase.            Workgroup 1 – held on 11 December and discussed the principles behind the Modification.            Workgroup 2 – held on 9 February and discussed more complex worked examples.            Workgroup 3 – held 25 March where the group considered how best to incorporate P376 functionality and considered network charging.            Workgroup 4 – held on 27 May 2021 where the Workgroup discussed current network charging arrangements, VLP's role in the market and imbalance settlement.            Workgroup 5 – CEPA prepared a CBA options paper on behalf of the Workgroup. The paper can be found on the P415 webpage.            Workgroup 6 – held on 3 September 2021 where the Workgroup reviewed the approach to Supplier Compensation within the Cost Benefit Analysis piece.            Workgroup 7 – held on 28 October 2021 where the Workgroup continued to assess credit and reporting requirements.</p>		

Workgroup 8 – held on 10 December 2021, where the Workgroup noted updates related to the P415 CBA outcome and determined the method for separating wholesale market and balancing market volumes.

Workgroup 9 – held on 1 February 2022, where the Workgroup conducted an end-to-end solution review, noting the Proposer’s preferred solution and capturing any alternative views

Workgroup 10 - held on 22 February, where CEPA presented and verified the cost-benefit analysis (CBA) methodology and assumptions with the Workgroup members.

Elxon issued the Call for Evidence for P415 to inform cost-benefit analysis (CBA) which closed on 9 May, receiving 9 responses from Suppliers, VLPs and NGESO.

Workgroup 11 – held on 30 May, where the P415 Workgroup met to consider methodologies for calculating the Supplier Compensation Reference Price.

Workgroup 12 - held on 1 July, where CEPA presented provisional CBA findings.

Workgroup 13 - held on 22 August, where CEPA presented CBA findings.

The final Cost Benefit Analysis Report, conducted by CEPA, was published on 22 September 2022.

Workgroup 14 – held on 7 October, where the Workgroup considered the final CBA findings.

The Panel approved a 4 month extension to P415’s Assessment Phase so that Elxon can return with the P415 Assessment Report to the Panel at its standard meeting in April 2023. This is because the completion of the CBA took longer than expected due to availability over summer, and P444 has been raised (which P415 now needs to dovetail with). The recent urgent Modifications also meant ability to work on P415 was constrained in October.

Workgroup meeting 15 was held on 7 December, where the Workgroup reviewed the legal text and prepared for the Assessment Consultation.

Workgroup meeting 16 was held on 22 February to consider consultation responses.

The Assessment Procedure consultation was issued on 24 January 2023 with responses invited by 14 February.

<b>P432: Half Hourly Settlement for CT Advanced Metering Systems</b>		<b>No Update</b>	
<b>Date Raised:</b>	2 December 2021	<b>Proposer:</b>	Npower Commercial Gas Limited
<b>Target Implementation Date:</b>	29 June 2023	<b>Current Status:</b>	Awaiting Decision
<b>Latest Update:</b>	The second P432 Final Modification Report was sent to the Authority for decision on 16 November 2022 with a recommendation to approve P432.		
<b>Next Event:</b>	P432 is currently with Authority for decision. A decision is required by 29 March 2023, in order to meet the scheduled June 2023 Release. If this is not possible, the Implementation Date will default to three month's after Ofgem approval.		
<b>Issue:</b>	Market-wide Half-Hourly Settlement (MHHS) requires that all Metering System Identifiers (MSIDs) are settled on a Half Hourly (HH) basis. The Code Change and Development Group (CCDG) has recommended moving CT Advanced Meters to settle HH by October 2023. If this recommendation is not implemented the risk that there will be insufficient time for Customers, Suppliers and their Agents to address issues that may arise will be increased, especially against the backdrop of the larger MHHS migration activities that will be needed for smart Meters.		
<b>Current Solution:</b>	This Modification seeks to align the BSC definition of an Advanced Meter with that in the Standard License Conditions (SLC) and to set explicit HH Settlement obligations for CT Advanced Meters ahead of the migration to MHHS. Existing CT Advanced Meters settling NHH are expected to migrate using the Change of Measurement Class (CoMC) process to settle HH by October 2023 and all new connections for CT Advanced Meters will be expected to settle HH from October 2022.		
<b>History:</b>	<p>P432 was raised by Npower Commercial Gas Limited on 2 December 2021. The Initial Written Assessment was presented to the BSC Panel at its meeting on 9 December 2021, where it was progressed to the Assessment Procedure.</p> <p>The first Workgroup meeting for P432 was held on 24 January 2022. Elexon presented the background, issue and proposed solution for P432. The Workgroup considered the ToR and the next steps.</p> <p>The second P432 Workgroup meeting took place on 23 February 2022. The Workgroup agreed on a solution for the Assessment Consultation, the draft legal text and the Assessment Consultation questions. The Workgroup initially recommend by majority that P432 should be approved.</p> <p>The Panel granted P432 a one month extension at its March 2022 meeting due to quoracy issues holding the first meeting. Following the extension, the Assessment Report was scheduled to be presented to the Panel at its meeting on 12 May 2022, however a further extension request will be made at the April Panel meeting.</p> <p>The Panel granted P432 a two month extension at its April 2022, as the consultation was issued later than planned due to delays with the review activities from Workgroup Members. We have planned for a fourth contingency Workgroup. Should this not be needed, we will present the Assessment Report to Panel at its June Meeting, otherwise at its July meeting.</p> <p>The Assessment Procedure Consultation for P432 was issued on 30 March 2022 with responses invited by 22 April 2022. There were 10 responses with the majority disagreeing with the Workgroup that P432 should be approved. Concerns were also raised with the proposed implementation approach, driven by MHHS causing capacity issues.</p> <p>The Workgroup considered the responses to the Consultation and by majority provided its final recommendation that P432 should be approved.</p> <p>P432 Assessment Report was presented to the Panel on 9 June 2022. The majority of the Panel initially recommend P432 is rejected. The P432 Report Phase Consultation was issued on 15 June 2022, with responses due 1 July 2022.</p> <p>The P432 Draft Modification Report was presented to the Panel on 14 July 2022. By majority the Panel's final recommendation to Ofgem was to reject P432. The P432 Final Modification Report was submitted for Ofgem decision on 20 July 2022.</p>		

On 26 August 2022 Ofgem sent P432 back to the Panel for further work as per BSC Section F, 2.7A.1(a) on the basis that they did not think sufficient evidence was provided that consumers will not be negatively impacted by increasing costs if migration is delivered on the existing timeframes or that the timeframe specified is necessary to deliver the required de-risking of MHHS implementation. Ofgem also requested a related DCUSA modification be raised and implemented before the P432 migration starts.

A Workgroup meeting was held on 29 September 2022, where the Workgroup members agreed on a new Implementation approach for P432 to address the Ofgem Send Back. The majority of the Workgroup believe P432 should still be approved. P432 was issued for a 10WD Send Back consultation with responses invited by 25 October. 17 responses to the consultation were received. The majority believed P432 should be approved. However, all Suppliers but one believed it should be rejected. The Workgroup considered the responses at a meeting on 27 October, where the Workgroup were split on whether P432 should be approved or rejected.

<b>P441: Creation of Complex Site Classes</b>			<b>Update</b>
<b>Date Raised:</b>	7 July 2022	<b>Proposer:</b>	Green Energy
<b>Target Implementation Date:</b>	2 November 2023	<b>Current Status:</b>	Assessment Procedure
<b>Latest Update:</b>	The fourth Workgroup meeting was held on 21 February 2023. The Workgroup discussed the requirements for DUoS charges, what should be classed as “Local” in the Complex Site arrangements, if the proposed Complex Site arrangements should be forward looking only or retrospective as well, and noted the update on P441’s interaction with the MHHS programme.		
<b>Next Event:</b>	The fifth Workgroup is scheduled for 21 March. At this meeting, the Workgroup aims to finalise the requirements for the DUoS charging requirements for the Complex Site arrangements, discuss the impacts of P441 on the BSC documents, systems and processes, and aim to confirm whether or not P441 impacts on the EBGL article 18 Terms and Conditions.		
<b>Issue:</b>	<p>In recent years a number of queries have been raised to Elexon and in wider industry forums related to the scope of the Complex Site arrangements under the BSC. More specifically, when the BSC and its Code Subsidiary Documents (CSDs) permit the netting of Imports from Exports through a Complex Site arrangement and the scenarios in which this netting is permissible.</p> <p>During conversations under Issue 88 ‘Clarification of BSC Arrangements relating to Complex Sites’ it was identified that certain arrangements have been allowed under the BSC although not clearly defined to facilitate consistency across the market. As so called “Local Energy Schemes” become more popular, it is essential that the rules for when netting should be permitted are clearly defined going forward.</p>		
<b>Current Solution:</b>	<p>P441 seeks to create six categories of Complex Site, each with clearly defined criteria. Classes 1 - 5 are intended to formalise the criteria for those “types” of Complex Site which are currently recognised as such and are already in use within the industry. In particular, a Class 5 Complex Site would set out the criteria in which netting across Boundary Points is permitted (for example, in order to facilitate the establishment of a Local Energy Scheme).</p> <p>A Class 6 Complex Site would be a ‘non-standard’ arrangement that has aspects of a complex site but does not clearly fit in any of the other five classes. This would be akin to the current process of assigning Central Volume Allocation (CVA) Metering System Identifiers (MSIDs) to a “standard” or “non-standard” BM Unit.</p>		
<b>History:</b>	<p>P441 was raised on 7 July 2022 by Green Energy. The Panel sent P441 to the Assessment Procedure Phase at its meeting on the 14 July 2022.</p> <p>The first Workgroup meeting took place on Wednesday 31 August 2022. At this meeting, the Workgroup considered the P441 background and issue, explored the Workgroup Terms of Reference, and discussed the potential solutions for P441.</p> <p>The second P441 Workgroup meeting was due to be held on 6 October but had to be cancelled due to the constraints caused by the progression timetable of urgent Modification P448.</p> <p>The second P441 Workgroup meeting took place on 6 December 2022, where the Workgroup determined that a central register should be maintained for Class 5 Complex Sites, and that a notification should be sent by Supplier Volume Allocation (SVA) Meter Operator Agents (MOAs) to Elexon with information about a Class 5 Complex Site.</p> <p>The second P441 Workgroup meeting was held on Tuesday 6 December 2022. The Workgroup considered the impact of P441 on Network Charges, possible solution options for the registration of metering systems for Complex Sites and the need for a central register and associated notification process.</p> <p>The Panel agreed to a five month extension to the Assessment Procedure at its meeting on 14 July 2022.</p>		

The third P441 Workgroup was held on 17 January 2023. The Workgroup discussed the requirements for Network Charges and discussed P441's interactions with the Market Wide Half Hourly (MHHS) Programme.

<b>P442: Reporting chargeable volumes for exempt and licensed supply</b>		<b>Update</b>	
<b>Date Raised:</b>	7 July 2022	<b>Proposer:</b>	UC Energy Ltd
<b>Target Implementation Date:</b>	TBC	<b>Current Status:</b>	Assessment Procedure
<b>Latest Update:</b>	<p>The first Workgroup meeting was held on 15 February 2023. At this meeting, the Workgroup considered the P442 Terms of Reference (ToR), as agreed by the Panel, and identified further topics that should be covered. The Workgroup also discussed the proposed solution and the current view against some aspects of the ToR. Given the delays to holding the first meeting, caused by a combination of focussing on urgent Modifications and Proposer availability, it is likely we will request an extension to the Assessment Procedure at next month's Panel meeting.</p>		
<b>Next Event:</b>	<p>Elexon and the Proposer will work to deliver the actions from the first meeting. The next Workgroup meeting will be scheduled for March 2023. The Workgroup will explore the proposed solution in more detail, including worked examples for the proposed imbalance adjustment methodology.</p>		
<b>Issue:</b>	<p>Licensed Suppliers are required to pay charges on the electricity they supply, but energy supplied by an exempt Supplier should not be subject to these charges. Licence exempt suppliers are not able to sign up to all the industry codes that a licensed Supplier can, and are therefore required to obtain certain services (including registration of their customers' Metering Systems) from a licensed Supplier. As a result, the portfolio of Metering Systems registered by a licensed Supplier may include both licenced and exempt supply. A Licensed Supplier should therefore be charged based on its total supply minus any exempt supply.</p> <p>There is currently no process that allows for correct allocation of appropriate chargeable volumes for Supplier Volume Allocation (SVA) Metering Systems where a portion should be exempt, and another portion should be licensable.</p>		
<b>Current Solution:</b>	<p>The proposed solution is for a new third party role, the "Exempt Supply Calculation Agent" (ESCA), to be defined. The ESCA would calculate the volumes of licensed and exempt supply, and submit them to central BSC Systems, based on metered data provided by the HHDC or Supplier. The ESCA would be required to undergo a qualification process to ensure compliance with Settlement requirements.</p>		
<b>History:</b>	<p>P442 was raised on 7 July 2022 by UC Energy Ltd. The Panel sent P442 to the Assessment Procedure Phase at its meeting on the 14 July 2022.</p> <p>Following comments made by the Panel, Elexon liaised with BEIS about their review into exempt supply and considered how the timings may impact this Modification.</p>		

<b>P443: To Cap NGESO Interconnector Trades at the Value of Lost Load (VoLL)</b>			<b>Update</b>
<b>Date Raised:</b>	17 August 2022	<b>Proposer:</b>	Saltend Cogeneration Company Ltd
<b>Target Implementation Date:</b>	2 November 2023	<b>Current Status:</b>	Assessment Procedure
<b>Latest Update:</b>	The Assessment Procedure Consultation was issued for a 15 working days consultation period on 9 February 2023 with responses requested by 1 March 2023. The Panel approved a three month extension to the Assessment Procedure at its meeting on 9 February 2023.		
<b>Next Event:</b>	The sixth Workgroup meeting will be held on 20 March 2023 to consider responses to the Assessment Procedure Consultation.		
<b>Issue:</b>	At the current time National Grid Electricity System Operator (NGESO) can trade at prices above the Value of Lost Load (VoLL – as defined in BSC Section T 1.12). This adds to customers' costs and sends a signal to the markets that customers are willing to buy power at any price. In a cost of living crisis the Proposer does not believe that the British public are prepared to buy energy at any price.		
<b>Current Solution:</b>	The solution will require NGESO to cap its offers to Interconnector Users to no more than VoLL, as defined in the BSC. These trades are included in the Balancing Services Adjustment Data (BSAD) file, which is sent from NGESO to Elexon. Elexon process the BSAD file for the purposes of Settlement and reporting.		
<b>History</b>	<p>P443 was raised by Saltend Cogeneration Company Ltd on 17 August 2022. The Proposer requested that the Modification be treated as Urgent. The Panel considered the request at an Urgent Panel meeting on 18 August 2022 and voted by majority to recommend to the Authority that P443 should be treated as an Urgent Modification Proposal.</p> <p>The Urgency letter was sent to the Authority on 19 August 2022 with a response requested by 25 August 2022.</p> <p>The Authority decided on 25 August 2022 that P443 should not be progressed on an urgent basis and P443 will now follow a standard Assessment Procedure.</p> <p>The first Workgroup meeting was held on 15 September 2022, to consider the issue, the proposed solution, and the Terms of Reference.</p> <p>The Panel approved a three month extension to the Assessment Procedure at its meeting on 13 October 2022.</p> <p>The second Workgroup meeting was held on 22 November 2022 to further develop and refine the proposed solution and further consider the Terms of Reference.</p> <p>The third Workgroup meeting was held on 7 December 2022 to discuss whether to raise an Alternative solution and further consider the solution(s). The Workgroup are minded to consult on three solution options.</p> <p>The fourth Workgroup meeting was held on 16 January 2023. The Workgroup provided their initial views on the Proposed solution.</p> <p>The fifth Workgroup meeting was held on 20 January 2023. The Workgroup provided their initial views on the two possible alternative solutions.</p>		

<b>P444: Compensation for Suppliers and Virtual Lead Parties for Virtual Lead Party actions in the Balancing Mechanism</b>			<b>Update</b>
<b>Date Raised:</b>	1 September 2022	<b>Proposer:</b>	Flexitricity
<b>Target Implementation Date:</b>	7 November 2024	<b>Current Status:</b>	Assessment Procedure
<b>Latest Update:</b>	<p>The Assessment Procedure consultation was issued on 24 January 2023 with responses invited by 14 February. Due to low engagement, Elexon extended the deadline until 20 February, and received several further replies. As with P415, NGESO provided a response that highlighted several concerns over the addition of Supplier Compensation in P444. The Workgroup met on 22 February, with NGESO reps in attendance, but were unable to provide enough information in the available time for NGESO to feel that they could provide a full and accurate answer to the points raised by their response. It was agreed that Elexon and NGESO would meet separately to workshop the identified impacts and aid understanding, so that NGESO can provide an updated response.</p>		
<b>Next Event:</b>	<p>Elexon and NGESO will meet as soon as possible to workshop the P444 solution and aid understanding. Following this, it will be necessary for the P444 Workgroup to meet again to provide final views on the Modification and consider any updated response from NGESO. Elexon aim to deliver the Assessment Report to the April Panel meeting.</p>		
<b>Extension request:</b>	<p>We request a one month extension to the Assessment Procedure for P444. Elexon are due to bring the Assessment Report for P444 to the April Panel meeting, but had hoped to deliver this ahead of schedule in March. In the event that further engagement with the ESO results in changes to the P444 Solution, which will become clear following additional workshops, Elexon's ability to deliver to April will be impacted. We think it sensible to ask for a one month contingency extension to cover this risk.</p>		
<b>Issue:</b>	<p>Under BSC arrangements introduced by P344 'Project TERRE implementation into GB market arrangements' there is no mechanism for compensation of Parties who have been affected by Virtual Lead Party (VLP) activity in the Balancing Mechanism (BM). As a result, Suppliers are commercially impacted and left with a cost from the Balancing Mechanism that they cannot recover.</p>		
<b>Current Solution:</b>	<p>This Modification would amend BSC systems and processes to introduce a compensation mechanism for Suppliers and VLPs when a VLP takes a Bid or Offer in the BM, to ensure a level playing field and enable correct incentivisation of flexibility. As part of P444 assessment, the Proposer and Workgroup will consider whether to incorporate the compensation mechanism being developed for P415.</p>		
<b>History:</b>	<p>P444 was raised by Flexitricity on 1 September 2022.  The Initial Written Assessment was presented to the BSC Panel at their meeting on 8 September 2022. The Panel submitted P444 to the Assessment Procedure for assessment by a Workgroup. The first P444 Workgroup meeting was held on 7 October 2022, in conjunction with a P415 Workgroup meeting.  Workgroup meeting 2 was held on 7 December, where the Workgroup reviewed the legal text and prepared for the Assessment Consultation.</p>		

**P450: Housekeeping and making the BSC gender neutral****Update**

<b>Date Raised:</b>	12 January 2023	<b>Proposer:</b>	BSC Panel
<b>Target Implementation Date:</b>	23 February 2023	<b>Current Status:</b>	Implemented
<b>Latest Update:</b>	BSC Parties had 15 Working Days from 13 January 2023 to object to the Panel's decision to treat P450 as a Fast Track Self-Governance Modification. This objection period closed on 03 February 2023. No objections were received.		
<b>Next Event:</b>	P450 was implemented on 23 February 2023 as part of the February 2023 standard BSC Release.		
<b>Issue:</b>	Elexon has identified a total of 52 minor errors and inconsistencies across 31 Sections of the BSC (including 9 Annexes). These cause a lack of clarity and quality within the BSC legal text. In addition, the BSC uses gender specific references and terminology, which represents an inconsistency between the Code and currently accepted practice for legal text which uses gender neutral references and terminology.		
<b>Current Solution:</b>	This Modification proposes a total of 52 non-material housekeeping changes to the Code. It also proposes that all gender-specific references are amended to be gender neutral.		
<b>History:</b>	P450 was raised by the BSC Panel at its meeting on 12 January 2023. The Panel unanimously agreed that P450 should be raised, progressed and approved as a Fast Track Self-Governance Modification (a 'house-keeping Modification') for implementation on 23 February 2023.		

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## II. Change Proposal Updates – up until decision

No open pre-decision Change Proposals. We are working on a [number of Change Proposals](#), which we expect to be raised over the coming months.

### III. Issue Updates

<b>Issue 96: Assessing the reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply</b>		<b>Update</b>
<b>Date Raised:</b>	6 August 2021	<b>Proposer:</b> UC Energy Ltd
<b>Latest Update:</b>	The Issue Report was sent for review by the Workgroup in February. The Workgroup recommended that a Modification should be raised to allow a third party to calculate the volumes of licensed and exempt supply, and submit them to central BSC Systems. This has been raised as <a href="#">P442</a> .	
<b>Next Event:</b>	The Issue Report will be tabled at the March 2023 BSC Panel meeting.	
<b>Issue:</b>	The Balancing and Settlement Code Company (BSCCo) is required to provide to the Electricity Market Reform Settlement company (EMRS) the BSC Metered Volumes it requires to accurately calculate Capacity Market (CM) and Contracts for Difference (CFD) charges. This Issue seeks to explore enduring solutions which allow correct reporting to EMRS of chargeable volumes for Supplier Volume Allocation (SVA) Metering Systems that record both exempt supply and licensed supply. There is currently no process that allows for allocation of appropriate volumes where a portion should be exempt and another portion should be licensable.	

<b>Issue 100: Assessing BSC Black Start processes to support NGESO's Distributed ReStart project</b>		<b>No Update</b>
<b>Date Raised:</b>	5 April 2022	<b>Proposer:</b> NGESO
<b>Latest Update:</b>	The subgroup met for the final time on 11 October 2022 and published its report in December 2022 as part of the GC0156 Workgroup Consultation. Elexon have shared the subgroup report with the Issue 100 Workgroup, along with a note on actions from the first Workgroup meeting and how GC0156 impacts Issue 100. Elexon have responded to the Workgroup Consultation to set out the consequential BSC Modification(s) arising from GC0156 and Issue 100.	
<b>Next Event:</b>	A consequential BSC Modification is being drafted by the Proposer with the intention of raising in March 2023. The Issue Report will be drafted with the intention of it being tabled at Panel in April 2023, following Proposer confirmation that Issue 100 could be closed in late February 2023.	
<b>Issue:</b>	<p>NGESO's Distributed ReStart project seeks to enable distribution-connected Plant to participate in an updated version of Electricity System Restoration (currently defined as Black Start in the BSC). This will broaden the range of providers who can offer the service, the networks it can be provided from and the situations in which these providers may be utilised.</p> <p>Distributed ReStart is a project exploring how distributed energy resources such as solar, wind and hydro, can be used to restore power to the transmission network in the unlikely event of a blackout, i.e., provide a Black Start service. It is expected that the provision of this new service will commence from 2025 onwards.</p> <p>The Issue Group will consider any BSC impacts and whether any changes to the BSC, Code Subsidiary Documents or BSC systems are required.</p>	

<b>Issue 101: Ongoing Governance, Funding and Operation of the MHHS DIP</b>		<b>Update</b>	
<b>Date Raised:</b>	13 July 2022	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	The fifth Issue 101 Workgroup meeting was held on 13 February 2023, where the Workgroup agreed a preferred funding model and agreed the DIP qualification principles.		
<b>Next Event:</b>	The sixth Issue 101 Workgroup meeting will be held on 13 March 2023, where the Workgroup will discuss DIP data.		
<b>Issue:</b>	<p>An Event Driven Architecture (EDA) platform is being developed as a key component to support delivery of the Market-wide Half Hourly Settlement (MHHS) Target Operating Model (TOM) and will be able to respond to the increase in volume and frequency of data more quickly than the current arrangements. The Data Integration Platform (DIP) is the delivery mechanism for the MHHS EDA.</p> <p>Issue 101 intends to define the requirements and principles for the on-going DIP arrangements that can be included in the subsequent BSC Modification, including the ongoing governance, funding and operation of the DIP.</p>		

<b>Issue 102: BSC Change Process Review</b>		<b>Update</b>	
<b>Date Raised:</b>	17 August 2022	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	<p>The current suite of Issue 102 changes includes several Modifications and CPs, and Elexon have now implemented all quick wins that were identified and agreed as part of Issue 102. Elexon are considering the suite of changes proposed by Issue 102, assessing the recommended priority and schedule for raising these as well as confirming any impacts on the License that they may incur, which could affect the ability to deliver them in a timely fashion. Although the recommendations from Issue 102 seem to be clear and actionable, Elexon are minded to suggest keeping the Issue 102 group open as a standing group to review redlining, Legal Text and solution requirements that will be drafted. This would allow some of the recommendations to be taken forward as Straight to Report Modifications, which could be a more efficient and agile approach than the default.</p>		
<b>Next Event:</b>	<p>Should the group agree that Issue 102 remain open for purposes of supporting and reviewing Legal Text and redlining for its recommended changes, Elexon intend to bring an interim report to the Panel in April that contains detail on the solutions and discussions that have taken place. In the event that Issue 102 is recommended to be closed, Elexon will bring the final Issue 102 report to the April meeting.</p>		
<b>Issue:</b>	<p>A stakeholder survey conducted by Elexon identified a number of key issues/possible areas for improvement in the BSC Change process. The Issue Group will review the BSC Change process to identify possible ways in which these key issues could be addressed or the BSC Change Process could be improved.</p> <p>The key issues/areas for improvement that the review will consider are summarised below:</p> <ul style="list-style-type: none"> <li>• There is a perception that the BSC Change process, like other codes' change processes, is slow and that the benefits associated with BSC Changes could be realised more quickly;</li> <li>• The BSC Change process is considered complex and it can be difficult for those participating in the process to understand what will be required from them in the various stages in the development of a change. This may dissuade parties from engaging in the BSC Change process and limit stakeholder participation.</li> <li>• Not all categories of stakeholder are consistently represented in the development of BSC Changes. Smaller organizations in particular tend to be underrepresented.</li> </ul> <p>Whilst we expect the Issue Group to identify and if appropriate develop the potential solutions in the course of its work we require that any solutions developed will achieve at least one of the following:</p> <ul style="list-style-type: none"> <li>• Speed up the BSC Change Process;</li> <li>• Simplify the BSC Change Process;</li> <li>• Improve quality of BSC Change solutions and reports.</li> </ul> <p>We recognise that some trade-offs may be required between speeding up and simplifying the BSC Change process and ensuring that the quality of BSC Change solutions and reports are maintained or improved.</p>		

<b>Issue 103: Meter Registrants and Settlement Risk – A New Way</b>		<b>No Update</b>	
<b>Date Raised:</b>	24 August 2022	<b>Proposer:</b>	Western Power Distribution
<b>Latest Update:</b>	The third Issue Group Meeting was held on 12 December 2022. The Workgroup discussed if the current allocation of responsibilities for Metering are relevant and fit for purpose. Additionally the Workgroup discussed whether there is a case to explore whether the calculation methodology for Line Loss Factors (LLFs) are fit for purpose in light of increased embedded generation, behind the meter consumption and, in some networks, exporting Grid Supply Points (GSPs).		
<b>Next Event:</b>	The fourth Issue Group Meeting will be held on 10 March. The Workgroup will discuss SVAA Tolerance Checks, estimation of CVA data, and load flow models.		
<b>Issue:</b>	<p>The Proposer believes that there would be value in reviewing existing controls for Settlement error prevention. It is critical to the Proposer that we address these problems prior to the Settlement timetable being shortened by Market-wide Half Hourly Settlement (MHHS) as the opportunities to readdress will be reduced thereafter.</p> <p>The Settlement system is crucial to the smooth operation of the GB energy market. Data used within that system is fundamental to Settlement accuracy. Preventative and detective assurance of the Settlement data is required at all stages of Settlement from Metering and Registration onwards to maintain accuracy and reduce the variation of data at later stages of the Settlement process. This assurance is required as Settlement errors can have a significant financial impact on Parties where they have over/under paid Settlement charges.</p>		

<b>Issue 105: Further considerations following implementation of Modification P448</b>		<b>Update</b>	
<b>Date Raised:</b>	22 December 2022	<b>Proposer:</b>	Elexon
<b>Latest Update:</b>	The second Issue 105 Meeting was held on 16 February 2023. The Workgroup discussed the impact to cash-out prices, how the P448 solution interacts with Gas Operating Margins contracts, and the potential increased risk of generator behaviour not in line with good industry practice.		
<b>Next Event:</b>	The third Issue 105 Meeting will be held on 6 March 2023.		
<b>Issue:</b>	<p>Modification P448 'Protecting Generators subject to Firm Load Shedding during a Gas Supply Emergency from excessive Imbalance Charges' was approved by Ofgem on 6 December 2022 and implemented on 7 December 2022. Ofgem approved the Alternative Modification.</p> <p>As part of Ofgem's decision letter, and further to Workgroup discussion, some consequential impacts of P448 were highlighted that require further consideration. Issue 105 has been raised to explore these consequential impacts and make a recommendation as to whether further industry change is required.</p> <p>The topics that the Issue will consider are:</p> <ul style="list-style-type: none"> <li>• Unintended impacts to cash-out prices;</li> <li>• Time limiting the P448 solution;</li> <li>• Whether there is any increased risk of generator behaviour not in line with 'Good Industry Practice';</li> <li>• How the P448 solution interacts with Gas Operating Margins contracts;</li> <li>• If further guidance documentation is required for P448.</li> </ul> <p>The Issue Group will also be asked to identify any additional topics that they think need to be considered as part of this Issue.</p>		

<b>Issue 106: Review of BSC Credit Cover Arrangements</b>		<b>Update</b>
<b>Date Raised:</b>	13 January 2023	<b>Proposer:</b> Elexon
<b>Latest Update:</b>	<p>The first Issue Group was held on 21 February 2023. With 34 attendees, the Workgroup discussed the Credit Cover arrangements and five proposed work streams:</p> <ul style="list-style-type: none"> <li>• What should Credit Cover be used for;</li> <li>• Data and Timeframes;</li> <li>• Fairness and Equality;</li> <li>• Impacts of lodging Credit; and</li> <li>• Credit Governance.</li> </ul>	
<b>Next Event:</b>	<p>Elexon will define the Terms of Reference for the five work streams, according to the feedback received during the first Workgroup meeting.</p> <p>The first Work Stream 1 Issue Group meeting will be held in March 2023.</p>	
<b>Issue:</b>	<p>The Credit Committee has requested that Elexon review the Credit Cover arrangements with industry experts through an Issue Group. This is in response to key concerns about credit being sufficient to protect the market from Supplier Failure while also not being an onerous burden on market participants.</p> <p>Existing Credit Cover arrangements have not been sufficient to cover outstanding Trading Charges in most market failures in the past. This has led to debt mutualisation of over £71m through the Default Funding Share accumulated over the last five years. These arrangements do not consider the additional BSC Trading Charges that collateral may be required to cover if a Supplier has not sufficiently balanced their Settlement position.</p> <p>There is a direct link between market prices for electricity and Credit Cover requirements. As market prices fluctuate, the amount of credit to be lodged with the BSC also fluctuates. Further, as the market goes through a period of change to meet future consumer needs, such as changes being introduced as part of Market-wide Half Hourly Settlement (MHHS), now is a good time to review whether wider credit calculations remain fit for purpose.</p>	

## IV. Progression of Modifications – up until implementation

<b>Key</b>	<b>Initial Written Assessment:</b>	<b>Assessment Procedure:</b> AR: Assessment Report APC: Assessment Procedure Consultation	<b>Report Phase:</b> RPC: Report Phase Consultation DMR: Draft Modification Report FMR: Final Modification Report	<b>WA:</b> With Authority Awaiting Decision	<b>AI:</b> Awaiting Implementation	<b>I:</b> Implementation	<b>CBA:</b> Cost/Benefit Analysis
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Mod	Title	Proposer	Date Raised	Urgent		Jan	Feb	Mar	Apr	May	Jun	Jul
P376	Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services	Enel Trade S.P.A.	11 Dec 2018	No			I					
P395	Excluding generators from calculation of EMR Supplier Charges	Centrica	7 Nov 2019	No								
P412	Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy	NGESO	3 Sep 2020	No								
P415	Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties	Enel X	30 Sep 2020	No		APC			AR	RPC	DMR/FMR	
P419	Enhanced Reporting of demand data to NETSO to facilitate BSUoS Reform	NGESO	6 May 2021	No			I					

Mod	Title	Proposer	Date Raised	Urgent		Jan	Feb	Mar	Apr	May	Jun	Jul
P427	Publication of Performance Assurance Parties' impact on Settlement Risk	BSC Panel	14 Oct 2021	No			I					
P428	Correction to P376 Legal Text	BSC Panel	11 Nov 2021	No			I					
P432	Half Hourly Settlement for CT Advanced Metering Systems	Npower Commercial Gas	2 Dec 2021	No								
P441	Creation of Complex Site Classes	Green Energy	14 Jul 2022	No						APC		
P442	Reporting chargeable volumes for exempt and licensed supply	UC Energy Ltd	7 Jul 2022	No				APC		AR	RPC	DMR/FMR
P443	To Cap NGENSO Interconnector Trades at the Value of Lost Load (VoLL)	Saltend Cogeneration Company Ltd	17 Aug 2022	No			APC				AR	RPC
P444	Compensation for Virtual Lead Party actions in the Balancing Mechanism	BSC Panel	8 Sep 2022	No		APC			AR	RPC	DMR/FMR	
P450	Housekeeping and making the BSC gender neutral	BSC Panel	12 Jan 2023	No		IWA	I					

## V. Progression of Change Proposals – up until implementation

<b>Key</b>	<b>Assessment Procedure:</b> PP: Progression Paper	<b>CPC:</b> Change Proposal Circular Consultation	<b>Committee Decision:</b> AR: Assessment Report FR: Final CP Report	<b>AI:</b> Awaiting Implementation	<b>I:</b> Implementation
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Mod	Title	Proposer	Date Raised	Jan	Feb	Mar	Apr	May	Jun	Jul
CP1558	New Registration data items and processes to support the MHHS transition	Elexon	16 Feb 2022						I	
CP1568	Inclusion of new LDSO-mastered SMRS data items	Elexon	6 Sep 2022						I	
CP1569	Amendments to the IDD documentation to align with SAA migration	Elexon	6 Sep 2022		I					
CP1571	Clarify the number of Meter measuring elements and measurement transformers	Elexon	1 Nov 2022	AR	AI				I	
CP1572	Specifying the requirements to provide SLDs for HV and EHV sites	Elexon	1 Nov 2022	AR	AI				I	
CP1573	Amendments to the IDD Pt 1 Spreadsheet, SVA DC and REC EMAR Data Specification for P376	Elexon	1 Nov 2022	AR	I					

## VI. BSC Releases Road Map

The tables below summarise the scope of each BSC Release. Further information can be found on the [Releases](#) page of our website.

June 2023 Release			
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change
CP1572	Specifying the requirements to provide Single Line Diagrams (SLDs) for High Voltage (HV) and Extra High Voltage (EHV) sites in the relevant CoPs, to ensure assurance is maintained, especially in scenarios where the AMP is not aligned with the DMP.	Document Only	7. Implementation Phase
CP1571	Clarifying the requirements for the number of measuring elements in the relevant CoPs	Document Only	7. Implementation Phase
CP1568	Inclusion of new LDSO-mastered SMRS data items in the SVADData Catalogue, the REC EMAR Data Specification and BSCP604	Document Only	7. Implementation Phase
CP1558	New Registration data items and processes to support the transition to MHHS	Document Only	7. Implementation Phase

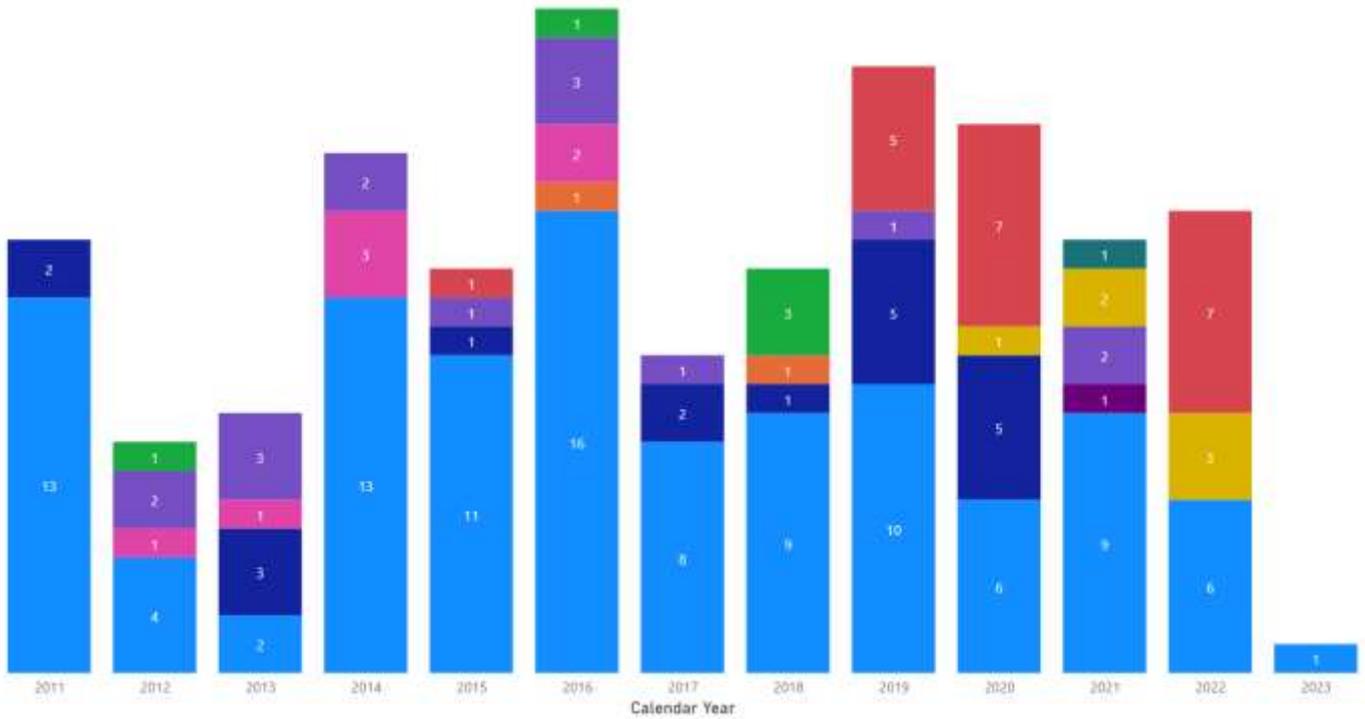
November 2023 Release			
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change
P395	Final Consumption Levies (FCLs)	System	7. Implementation Phase

TBC Release Date				
Change Number	Title of Change	BSC Central Systems/Document only impacts	Current Status of Change	Target Implementation Date
P444	Compensation for Virtual Lead Party actions in the Balancing Mechanism	System	4. Assessment / Consultation Phase	Nov 24
P443	To Cap NGENSO Interconnector Trades at the Value of Lost Load (VoLL)	Document Only	4. Assessment / Consultation Phase	Nov 23
P442	Reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply	System	4. Assessment / Consultation Phase	TBC
P441	Creation of Complex Site Classes	Document Only	4. Assessment / Consultation Phase	Nov 23
P432	Half Hourly Settlement for CT Advanced Meters	Document Only	6. Authority Decision / SG Appeal Window	5WD after Authority decision
P415	Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties	System	4. Assessment / Consultation Phase	Nov 24
P412	Ensuring non-BM Balancing Services providers pay for non-delivery imbalances at a price that reflects the real-time value of energy	System	4. Assessment / Consultation Phase	TBC

## VII. Modification Trend Chart

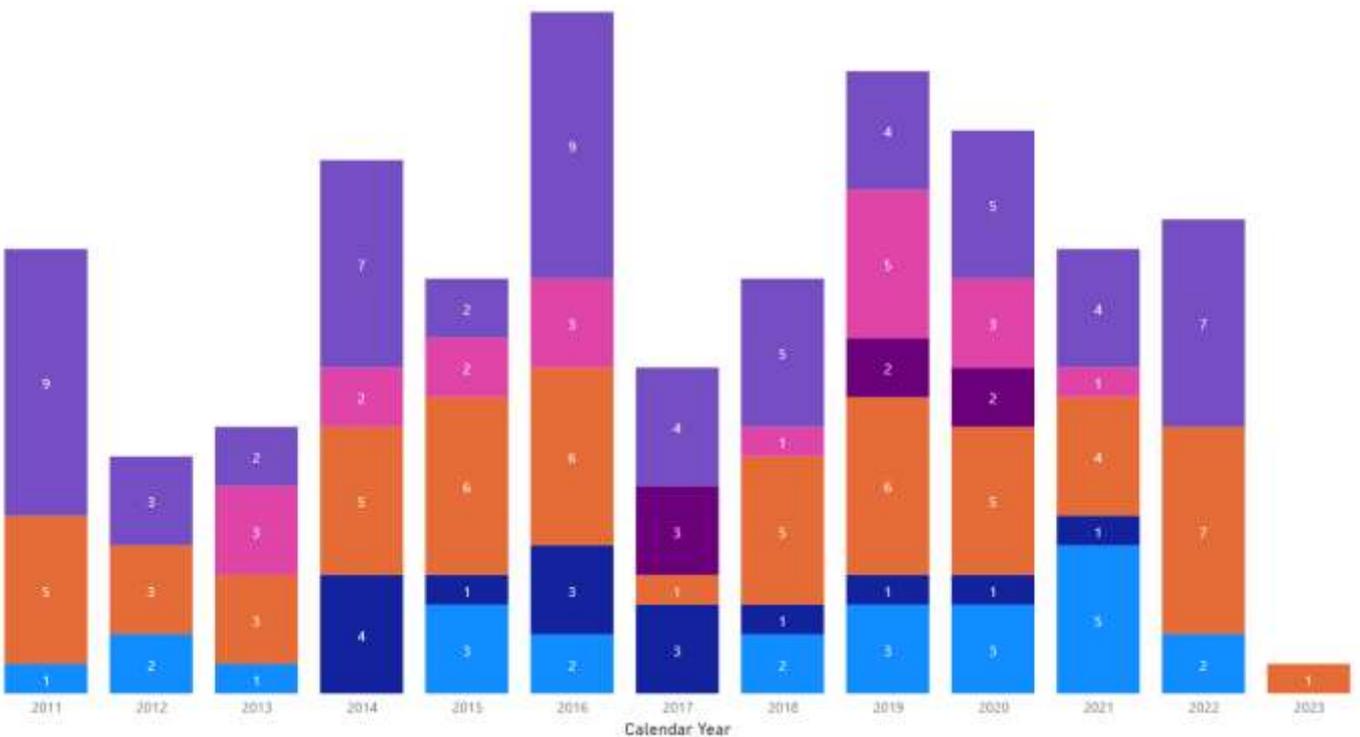
What's driving the raising of Modifications?

Driver: Defect, Europe, Legislation, Legislation (inc. CMA), Ofgem, Other Code, SCR, Strategic Improvement, Workgroup / Committee / Issue, Workgroup/Committee



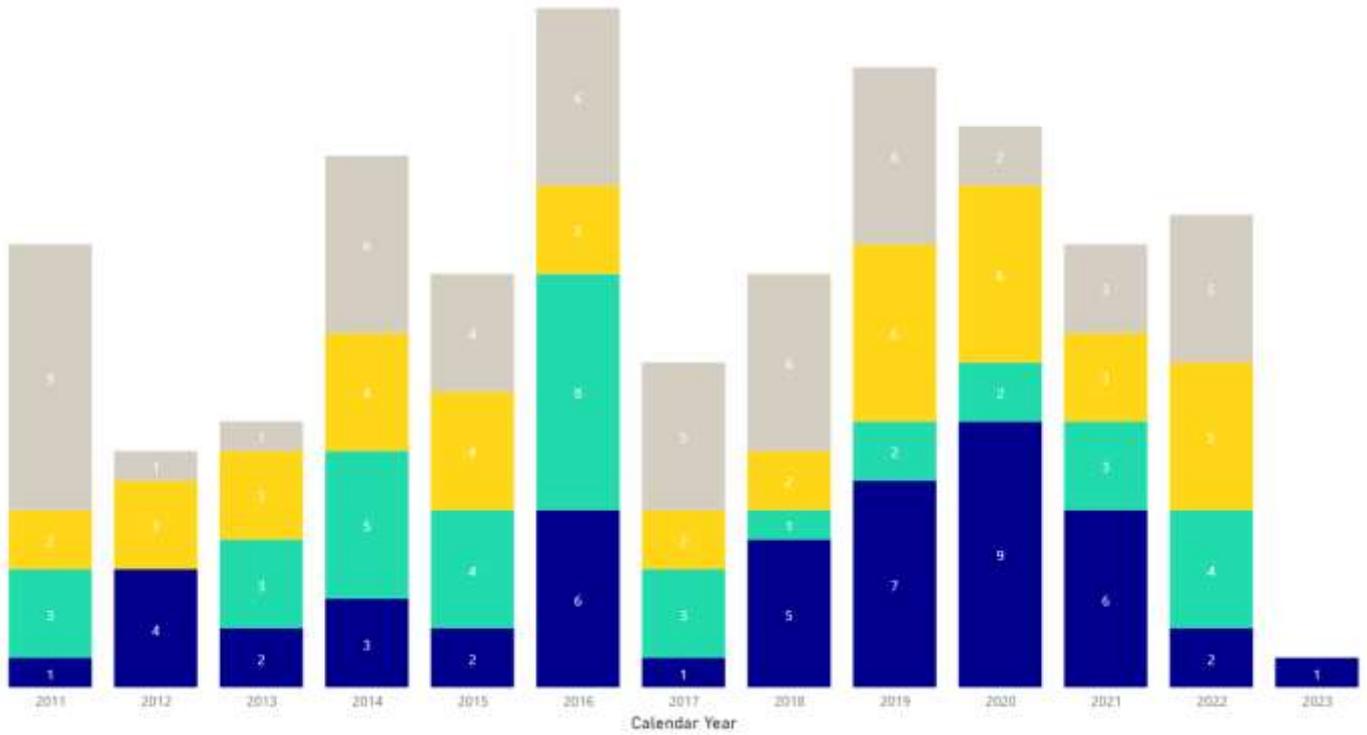
What type of Modifications are being raised?

Category L1: Assurance, Credit, Governance, Registration, Reporting, Settlement



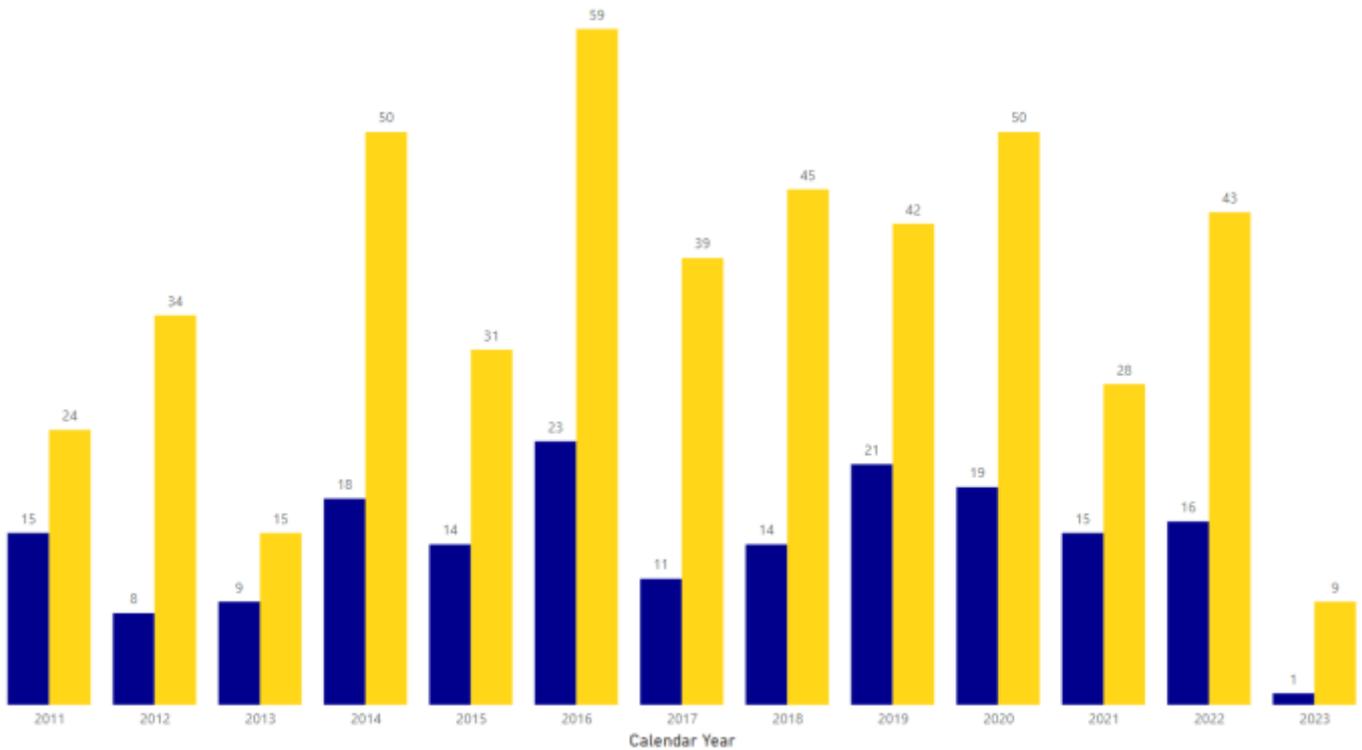
### Who is raising Modifications?

Raiser: ● BSC Panel ● Incumbents ● National Grid ● Other



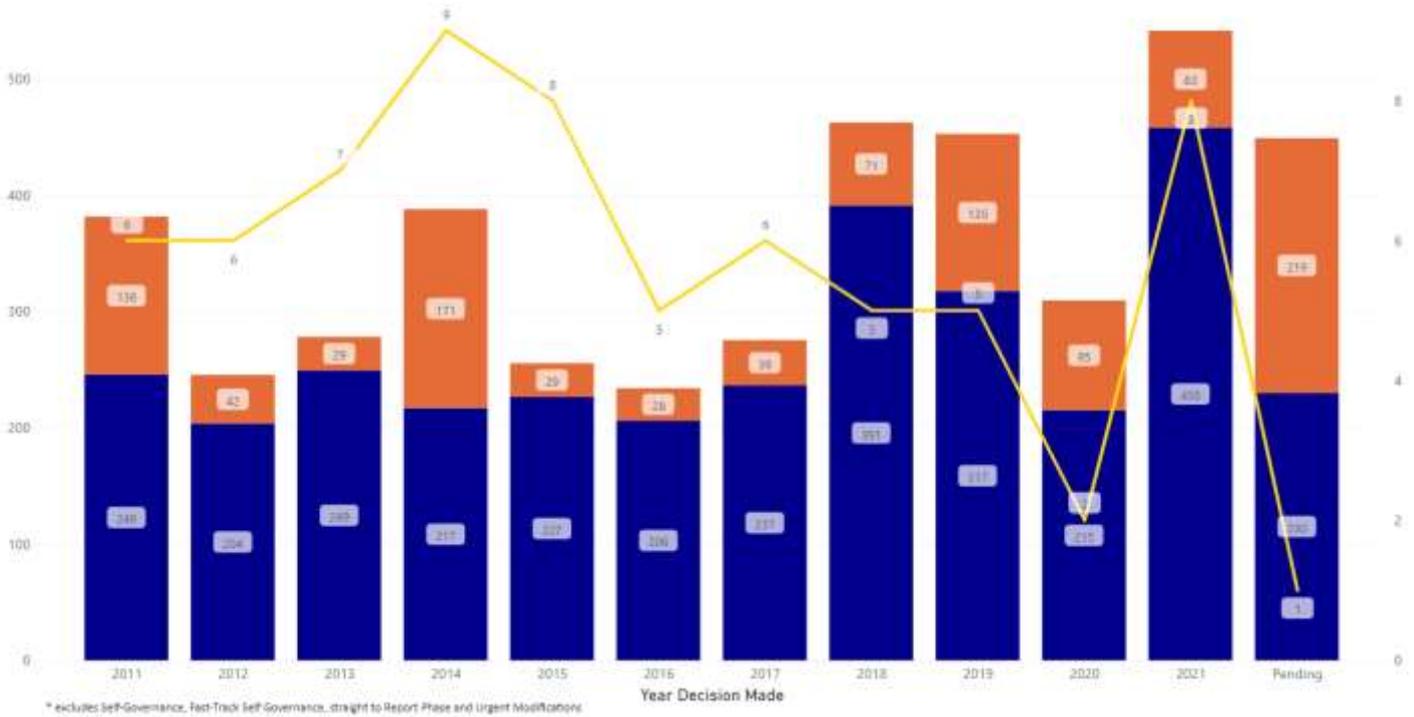
### How many Modifications raised and Workgroups held?

● Mods raised ● Workgroups (excl. Issues)



Mean calendar days to send to Ofgem, Mean calendar days for Ofgem to make decision and Count of Mods decided by Year Decision Made

● Mean calendar days to send to Ofgem ● Mean calendar days for Ofgem to make decision ● Count of Mods decided



## VIII: Recommendations

We invite the Panel to:

- a) **APPROVE** a one month extension to the P415 Assessment Procedure;
- b) **APPROVE** a one month extension to the P444 Assessment Procedure; and
- c) **NOTE** the contents of the March 2023 Change Report.

**For more information, please contact:**

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# Appendix A

## Key

Stage	Modifications	Change Proposals
<b>Initial Written Assessment</b>	Includes Elexon's Initial Written Assessment of the implications of each Modification Proposal and a recommendation of how the Modification should proceed.	Includes Elexon's Initial Written Assessment of the implications of each Change Proposal to seek Committee(s) initial views and agree the consultation questions.
<b>Assessment Procedure</b>	Workgroups are held to develop and assess the proposal. The Workgroup recommendations are consulted on (Assessment Procedure Consultation), before being submitted to Panel with the Workgroup's recommendations on how to proceed (Assessment Report). The Panel initial views are gathered.	The proposal is consulted on in a Change Proposal Consultation Batch. The relevant Committee(s) then decide(s) whether to approve or reject the Change Proposal.
<b>Report Phase</b>	The Panel's initial views on whether to approve and timescales for implementation are consulted on (Report phase Consultation). The responses to the consultation are then presented to the Panel for their final views (Draft Modification Report). The Panel decide whether to approve or reject the Modification and publish the Final Modification Report. If the Modification cannot be approved under Self-governance, the Final Modification Report is sent to Ofgem for decision.	Not applicable.
<b>Awaiting Decision</b>	Modifications that have been submitted to Ofgem for decision or Modifications that have been decided on by the Panel under Self-Governance arrangements and are still subject to objection by BSC Parties (15 Working days after the Panel's decision).	Not applicable.
<b>Awaiting Implementation</b>	Modifications that have been approved but not yet implemented and details of Modifications that have been rejected or withdrawn.	Change Proposals that have been approved but not yet implemented and Change Proposals that have been rejected.
<b>Rejected / Withdrawn</b>	Modifications that have been rejected by the BSC Panel/ the Authority or withdrawn by the Proposer or the Pane	Change Proposals that have been rejected by the Panel or the relevant Panel sub-Committee.