

BSC Panel 203 Minutes

Meeting Name	BSC Panel		
Date of Meeting	26 September 2012		
Meeting Number	203		
Venue	ELEXON Ltd, 350 Euston Road, London NW1 3AW		
Attendees	Andrew Pinder	AP	BSC Panel Chairman
	Andy Colley	AC	Industry Panel Member
	Bob Brown	BB	Industry Panel Alternate (for Nigel Cornwall)
	Duncan Carter	DC	Consumer Panel Member
	Peter Bolitho	PBo	Industry Panel Member
	Phil Baker	PB	Industry Panel Member
	Shafqat Ali	SA	Transmission Company Alternate (for Ian Pashley)
	David Lane	DL	DSO Representative
	Jonathan Dixon	JD	Ofgem Representative
	Adam Richardson	AR	ELEXON
	Laura Delargy	LD	ELEXON
	Victoria Moxham	VM	ELEXON
Apologies	Barbara Vest	BV	Industry Panel Member
	Ian Pashley	IP	Transmission Company Panel Alternate
	Moira Siddons	MS	Independent Panel Member
	Nigel Cornwall	NC	Industry Panel Member
	Richard Brealey	RB	Independent Panel Member
	Richard Hall	RH	Consumer Panel Member
	Stuart Cotten	SC	Industry Panel Member
	Peter Haigh	PH	ELEXON

Administration

1. Apologies - Verbal

- 1.1 Apologies were received from Barbara Vest, Ian Pashley, Moira Siddons, Nigel Cornwall, Richard Brealey, Richard Hall, Stuart Cotten and Peter Haigh. Bob Brown was attending the meeting as Nigel Cornwall's alternate and Shafqat Ali was attending as an alternate for Ian Pashley.

Non-Modification Business: Open Session



2. Appointment of a BSC Service Manager: Panel Engagement – 203/01

- 2.1 Subject to a satisfactory business case and agreement of appropriate commercial terms, the Balancing and Settlement Code Company (BSCCo) may agree to appoint a BSC Service Manager in line with a set of Contract Principles defined by the BSCCo Board. The BSC Panel is invited to consider how it would like to engage in this work and if this should be by means of appointing a Panel Observer under the Terms of Reference set out at Appendix 1.
- 2.2 The Chairman clarified that the proposed candidate would probably not necessarily be directly involved in the negotiations process and in the decision making, but would adopt a supporting and advisory role. The position would also require the delivery of regular updates and to feedback to the Panel.
- 2.3 A Panel Member enquired as to whether the situation warranted a Tender Committee rather than one sole observer. ELEXON confirmed that, where established under the BSC (Section E2.7), Tender Committees are responsible for providing BSCCo with advice in connection with the conduct of a BSC Agent procurement, pre-qualification criteria and the shortlisting of bidders. However, the BSC sets out a different approach that waives these procurement obligations for the initial appointment of a BSC Service Manager. The Panel noted that the role is similar to that of a tender committee as the observer will be asked to report back to the Panel where the observer can draw on the experience of other panel members for guidance.
- 2.4 The Panel noted the confidentiality requirements in the Terms of Reference and sought clarity on the extent to which materials may be shared with colleagues and industry. It was acknowledged that there would inevitably be some information that was commercially confidential. However, ELEXON confirmed that wherever possible it would seek to be transparent in accordance with the Contract Principles Document (which notes that BSCCo will seek to ensure that it has the appropriate capacity to provide relevant information to Parties concerning the performance of BSC Agents and the terms of the contract).
- 2.5 A Panel member requested that the Terms of Reference take into account the Observer's existing work load and operate to realistic timescales.
- 2.6 ELEXON undertook to make it clear that the responsibility of the Panel Observer to meet project timescales (paragraph 1.2 (e)) should be read in conjunction with the responsibility of BSCCo to recognise that the Panel Observer has other responsibilities (paragraph 3) and, as such, BSCCo will allow a reasonable period for the Panel Observer to comment.

Action: ELEXON 203/01

- 2.7 The Chairman suggested that the Panel Observer position could be carried out by more than one person. One person to take on the lead role and for further Panel members to operate in a supporting capacity. If more than one Observer was appointed, they would be able to share the workload among themselves. This could alleviate the workload concerns. The Panel considered this and agreed that if more than one Observer

were appointed one of the appointees should act as a lead to co-ordinate work among the supporting Observers.

- 2.8 The Chairman asked all Panel members to consider the role in both a lead and support capacity.
- 2.9 Andy Colley agreed that, subject to clearance from his employers, he would be able to accept a role as the lead Panel Observer. Bob Brown, Peter Bolitho and Phil Baker all offered assistance in a supporting role.
- 2.10 The BSC Panel:
 - a) **APPOINTED** Andy Colley as its Panel Observer to be supported by Bob Brown, Peter Bolitho and Phil Baker, under the Terms of Reference set out in the paper.

3. Any Other Business

- 3.1 A Panel member queried the situation regarding pensions as highlighted in the recent consultation on the Contract Framework Document. They noted that the feedback from BSC Parties suggested a general desire to postpone any crystallisation of existing liabilities associated with this matter.
- 3.2 The Chairman agreed that the steer from industry had been both clear and consistent and this desire would underpin work going forward.
- 3.3 The Panel acknowledged that the main question for consideration as part of a business case was likely to be whether the quantum of difference between likely future liabilities accruing for BSCCo (and therefore BSC Parties) under an outsourced arrangement was materially different to those accruing under the existing situation.
- 3.4 Another Panel member queried the status of the ELEXON (BSCCo) Board following the implementation of Modification P281 'Change of BSCCo Board of Directors and Chairman'. The Panel was concerned to understand the transitional arrangements given that it was likely the transitional Board would be overseeing the decision regarding the appointment of a BSC Services Manager.
- 3.5 The Chairman confirmed that he will make arrangements to ensure that individuals with industry experience are part of the decision-making process.
- 3.6 The Panel welcomed this assurance and endorsed an approach that sought continuity by keeping the previous industry Board members (whose term ended on 30 September 2012) involved in the decision-making process wherever possible.

4. Next Meeting

- 4.1 The next scheduled meeting of the BSC Panel will take place at 10:00am on Thursday 11 October 2012 at the ELEXON offices.