



BSC Panel 218 Minutes

Meeting Name	BSC Panel
Date of Meeting	14 November 2013
Meeting Number	218
Venue	ELEXON Ltd, 350 Euston Road, London NW1 3AW

Attendees	Michael Gibbons	MG	BSC Panel Chairman
	Andy Colley	AC	Industry Panel Member
	Barbara Vest	BV	Industry Panel Member
	Bob Brown	BB	Industry Panel Member
	David Lane	DL	DSO Representative
	Ed Reed	ER	Consumer Panel Member
	Ian Pashley	IP	Transmission Company Panel Member
	Peter Bolitho	PBo	Industry Panel Member
	Phil Baker	PB	Industry Panel Member
	Libby Glazebrook	LG	Industry Panel Member (for Stuart Cotton)
	Lisa Charlesworth	LC	Ofgem Representative
	Richard Brealey	RB	Independent Panel Member
	Chris Alexander	CA	Consumer Futures (Open Session Only)
	Adam Richardson	AR	ELEXON
	Claire Anthony	CA	ELEXON (Part Meeting)
	David Barber	DB	ELEXON (Part Meeting)
	David Osborne	DO	ELEXON (Part Meeting)
	Jon Spence	JS	ELEXON (Part Meeting)
	Laura Delargy	LD	ELEXON
	Mark Bygraves	MB	ELEXON (Part Meeting)
	Peter Haigh	PH	ELEXON
	Talia Addy	TA	ELEXON (Part Meeting)
	Victoria Moxham	VM	ELEXON

Apologies	Stuart Cotton	SC	Industry Panel Member
	Adam Lattimore	AL	ELEXON

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Administration

1. Apologies - Verbal

- 1.1 Apologies were received from Stuart Cotton and Adam Lattimore. Libby Glazebrook was attending as alternate for Stuart and David Barber for Adam.

2. Introduction

- 2.1 The Chairman welcomed Chris Alexander from Consumer Futures, who was attending the open session of the meeting as an observer.

Modification Business

3. Report on Progress of Modification Proposals – Verbal

- 3.1 David Barber updated the Panel on Change business and upcoming Modifications.
- 3.2 For further details, please see the [Change Report](#).

4. P294 'Addition of Offshore Transmission System and OTSUA to the definition of the Total System' 218/04

- 4.1 P294 seeks to amend the BSC definition of Total System to include Offshore Transmission System User Assets (OTSUA)
- 4.2 A Panel member noted that one of the consultation responses had expressed concern about BM Unit and Metering registration prior to energisation of any assets. While agreeing with ELEXON that this issue was out of scope of P297, the member sought assurance that ELEXON had addressed this with the Party. This concern was echoed by another Panel member, who asked whether National Grid and Ofgem had put forward their input on P297. ELEXON replied that the Party has been contacted and assured that they would be made aware of the options they have if they wanted to explore their concerns further.
- 4.3 A Panel member noted that the P297 Workgroup had developed an alternative solution and although it wasn't considered by the Workgroup to be as good as the initial approach, it also went out for Assessment Procedure consultation. The Panel member asked for clarification on why the Workgroup had done this. ELEXON replied that, although the Workgroup had initially concluded, prior to the Assessment Procedure consultation, that the Proposed solution addressed the issue identified, they wanted to give BSC Parties the opportunity to comment on the potential alternative in case new comments changed the initial views of the Workgroup.
- 4.4 The Panel confirmed that its views regarding the Modification remained the same and continued to support the Modification as outlined in the draft report.
- 4.5 The BSC Panel:
 - a) **NOTED** the P294 Draft modification Report and Report Phase Consultation responses;

- b) **CONFIRMED** the recommendation to the Authority contained in the P294 draft Modification Report that P294 **should** be made;
- c) **CONFIRMED** that P294 would better facilitate Applicable BSC Objectives (c) and (d);
- d) **APPROVED** an Implementation Date for P294 (if approved) of:
 - o 5 Working Days following an Authority decision;
- e) **APPROVED** the BSC legal text for P294; and
- f) **APPROVED** the P294 Modification Report.

5. P297 'Receipt and Publication of New and Revised Dynamic Data' - 218/05

- 5.1 P297 seeks to ensure that the Dynamic Data Set published in the BSC and on the Balancing Mechanism Reporting Service reflects the revised and new Dynamic Data that is sent by the Transmission Company.
- 5.2 ELEXON brought to the Panel's attention that the Proposer of the Modification had indicated that the P297 solution could be improved further for greater benefit to BSC Parties. However, the Proposer's suggested additional requirements had been raised too late in the process to be considered fully by the Workgroup and issued for consultation by BSC Parties.
- 5.3 ELEXON asked the Panel to consider the merits of returning the Modification to the Assessment Phase to enable the suggested improvements to the solution to be considered fully by the P297 Workgroup and BSC Parties via another Assessment Procedure Consultation.
- 5.4 A Panel member asked if sending the Modification back into Assessment would affect the time needed to implement this change. ELEXON replied that although the cut-off date for obtaining an Authority decision would change, it would not affect the proposed implementation as part of the February 2015 Release.
- 5.5 A Panel member also commented that time should be given in order for the Proposer to be happy with the P297 solution.
- 5.6 A Panel member asked if the Workgroup had an opinion about the best way to proceed. ELEXON explained that while the Workgroup did not have a view on how to proceed, sending P297 back into Assessment would mean that the additional requirements could be considered by the Workgroup prior to a second Assessment Procedure consultation. This would aid the Proposer to reach a view on whether the additional requirements should be included.
- 5.7 Another Panel Member queried whether sending P297 back into assessment would result in an Alternative solution. ELEXON explained that the new requirements related to making the Proposer's solution better, so an Alternative solution was unlikely.



5.8 The National Grid representative added that the change proposed is a refinement of the original solution to make it even more beneficial for the industry.

5.9 The BSC Panel:

- a) **AGREED** to send P297 back into the Assessment Phase for the Workgroup to develop the solution further and to discuss the new requirements.

6. P295 'Submission and publication of Transparency regulation data via the BMRS' - 218/06

6.1 P295 proposed that ELEXON, through the BMRA, is made the GB data provider for all data that the Transmission Company is required to submit to the Electricity Market Fundamental Information Platform, with all of this data also being published to the BMRS.

6.2 A Panel member sought clarification about the data that would be published to the BMRS. Would more data be published and is that data something ELEXON already has? ELEXON confirmed that 4 additional items would be published to the BMRS and that this is information that it already collates and produces. ELEXON further clarified that all affected Parties are content with the solution.

6.3 ELEXON confirmed that it will be registering as a data provider and will provide more information to the Panel on the process.

6.4 The Panel member noted that the implementation date for P295 is 16 December 2014 and asked if, given this is a very busy time for most Parties, the date had been chosen for any particular reason. ELEXON confirmed that the timetable is driven by external agencies. The change must be implemented by 4 January 2015. The change of implementation date to 16 December 2014 was to address a concern raised by an Assessment Procedure Consultation respondent. They believed that Parties may not have the manpower available between Christmas and New Year to check their systems are able to receive Transparency regulation data (e.g. via TIBCO).

6.5 A Panel member noted that implementing P295 on 16 December 2014 would require a quick decision from Ofgem. The Ofgem representative confirmed that Ofgem was aware of the need for a swift decision.

6.6 A Panel member asked what steps were being taken to ensure that non BSC parties were aware of the obligations on them to provide information under the Transparency regulation. ELEXON responded that National Grid is liaising with affected companies that are not part of the BSC to make them aware of the changes. ELEXON's focus is on ensuring that BSC Parties are aware and the Workgroup did not examine this issue because it is out of scope.

6.7 A Panel member felt that it would be useful to see a post implementation process report and KPIs in the ELEXON Report going forward. ELEXON confirmed that it intended to do this.

6.8 The BSC Panel:

- a) **AGREED** an initial recommendation that P295 **should** be made;
- b) **AGREED** an initial Implementation Date of:
 - o **16 December 2014** if an Authority decision is received on or before 22 January 2014;
- c) **AGREED** the draft legal text;
- d) **AGREED** that P295 be submitted to the Report Phase; and
- e) **NOTED** that ELEXON will issue the P295 draft Modification Report (including the draft BSC legal text) for a 12 Working Day consultation and will present the results to the Panel at its meeting on 12 December 2013.

7. Issue 52 DTS Cost Recovery – 218/07

- 7.1 The Issue 52 Paper sets out the discussions, conclusions and recommendations of the Issue 52 Group. The Group recommends that no changes should be progressed and that Issue 52 is now closed.
- 7.2 A Panel member asked if there was a wider opportunity to reduce BSC costs. ELEXON confirmed that the Workgroup had analysed the wider DTS costs and that the information has been passed on to the relevant Parties.
- 7.3 A Panel member raised a concern about no change being recommended because there is no cost benefit. Their view was that cost was not the only factor that should be considered. ELEXON confirmed that the view of the Issue Group was that any change would simply re-distribute costs without improving efficiency. ELEXON also noted that if a BSC Party feels that this is an issue they are able to raise a Modification and a Workgroup could discuss it in further detail.
- 7.4 The BSC Panel:
 - a) **NOTED** the Issue 52 Group's discussions and conclusions;
 - b) **NOTED** the Group's recommendation that no changes should be progressed; and
 - c) **NOTED** that Issue 52 is now closed.

Non-Modification Business: Open Session

8. Minutes of Meeting 217 & Actions Arising - Verbal

- 8.1 The minutes of the previous meeting were agreed and an update on the actions provided.

9. Chairman's Report – Verbal



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- 9.1 The Chairman updated the Panel on his recent meeting with Ofgem, highlighting the open letter that Ofgem has recently published about the Knight Report concerning BSC governance. He noted the message from Ofgem that the process should be open and unconstrained, that it should be non-prescriptive and that the four pre-requisite conditions that Ofgem had previously set out were in scope.
- 9.2 The Chair highlighted that the Executive and Board are conducting a Strategy Review which is on-going and expected to end in December 2013. He noted that, in its open letter, Ofgem had encouraged the Board and the Panel to consider the Knight Report and invited the Panel to a workshop day for Panel members in early 2014 to discuss the Knight Report findings. A Panel member supported the Review and thought that it would be useful to have time outside of usual Panel business to discuss the issues raised.
- 9.3 Another Panel member commented that they would prefer the Chair to settle into the role rather than rushing into change. The Chair commented that while not intending to rush, the discussions he has had to date have highlighted the need for a comprehensive strategy which will encompass the changes in the industry due to the coming of smart metering, EU developments and EMR and other changes. With all these things in view, the Chair stated that delaying these conversations is not appropriate. He anticipated that it would take more than one meeting to resolve a way forward and that, in due course, the ELEXON Board and the BSC Panel would need to engage on this topic and consult with BSC Parties on any proposals that might emerge.
- 9.4 The Panel agreed that ELEXON should set up a workshop for Panel members to discuss the findings of the Knight Report in early in 2014 (preferably in January).

ACTION 218/01

- 9.5 The Chair asked the Panel whether they would like to celebrate Christmas with a lunch and asked Panel members to reply to the Panel Secretary with their thoughts by 18 November 2013.

ACTION 218/02

10. ELEXON Report – 218/01

- 10.1 Peter Haigh updated the Panel on ELEXON's recent activities.
- 10.2 Victoria Moxham updated the Panel on recent developments in smart metering and smarter markets.
- 10.3 For further details, please see the [ELEXON Report](#).
- 10.4 A Panel member pointed out the link to the Board Headlines was for the meeting in July, ELEXON undertook to ensure that the link was to the most recent report in future.

11. Distribution Report - Verbal

- 11.1 There was no Distribution Report.

12. National Grid Report - Verbal

- 12.1 Ian Pashley updated the Panel on National Grid business.
- 12.2 A Panel member asked how many responses were received for the C16 Licence Condition consultation as there had been an issue with the National Grid website and they were concerned that this may have affected the responses. They asked if National Grid would consider any late responses they might receive. Grid had received 4 specific responses and 12 non-specific responses. The website issues had been dealt with quickly and they would endeavour to consider late responses, if any were received.
- 12.3 IP also asked the Panel to note that National Grid's staff structure changes would take effect from January 2014. Organisational charts would be made public on the website.

13. Ofgem Report

- 13.1 Lisa Charlesworth confirmed that the impact assessment for CUSC modification CMP201 (proposal to remove balancing charges from generators) has been published and the consultation closes on 16 January 2014.
- 13.2 To help provide clarity on next steps for Ofgem's Change of Supplier project, it is aiming to publish a document at end of November or shortly after to clarify how it sees the project progressing. There has been recent political attention around faster switching and the document will provide more detail on the quick wins and how Ofgem's longer term work interacts with industry's work in the shorter term on quicker switching
- 13.3 LC noted, as highlighted in the Chair's report, that Ofgem had published an open letter setting out its initial views regarding the Knight report.

14. Report from the ISG – 218/01a

- 14.1 The Panel noted the report from the ISG.

15. Report from the SVG – 218/01b

- 15.1 The Panel noted the report from the SVG.

16. Report from the PAB – 218/01c

- 16.1 The Panel noted the report from the PAB.

17. Report from the TDC – 218/01d

- 17.1 The Panel noted the report from the TDC.

18. Report from the JESG – 218/01e



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18.1 The Panel noted the report from the JESG.

19. Trading Operations Report – 218/02

19.1 The Panel noted the Trading Operations Report.

20. Change Report – 218/03

20.1 The Panel noted the Change Report.

21. Application of GSPGCF to HH Metered Volume – 218/09

21.1 The Supplier Volume Allocation Group (SVG) recommended to the BSC Panel that the Grid Supply Point Group Correction Factors (GSPGCFs) are applied to Half Hourly (HH) settled volumes. The recommendation followed an analysis of the contributions to GSPGCF of the various components of consumption by ELEXON and an industry consultation on the proposed changes. The SVG also recommended that the changes be implemented by updating Market Domain Data with the revised values with an effective from date of the 1 April 2014. Additionally, the SVG recommended that the scaling weights are reviewed one year after implementation and at least once every two years thereafter.

21.2 A Panel member asked what the effect of the proposed changes would have on Non Half Hourly export. ELEXON replied that it was appropriate to apply correction to export as well as import, as export is subject to error like import. The Panel member asked whether there were likely to be any unintended consequences of applying GSP Group Correction to export and whether export would be scaled in the same direction as import or in the opposite direction. ELEXON was unable to answer this question in detail and undertook to respond with an update after the meeting.

ACTION 218/03

21.3 A Panel member asked if ELEXON had an estimated materiality of the changes. ELEXON replied that the proposed changes had been tested against SVA Test data, and undertook to confirm the estimated impact of the changes after the meeting.

ACTION 218/04

21.4 A Panel member asked about regional variations in the errors which GSP Group Correction is designed to correct. ELEXON replied that there are large differences regionally. The scaling weights are applied uniformly across all GSP Groups, but the volumes of error subject to correction will vary from one GSP Group to another.



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- 21.5 A Panel member commented that they thought this was a good piece of work and indicative of the 'blue-sky' thinking that was one of ELEXON's strengths.
- 21.6 Subject to receipt of satisfactory clarification on the impact of the changes, the Panel approved the SVG's recommendations.
- 21.7 **POST MEETING ADDENDUM:** It was determined following the meeting that the way in which the GSP Group Correction Factor calculation treats Export warrants further investigation.
- 21.8 The Panel therefore:
- a) **DEFERRED** its decisions in respect of the SVG's recommendations on Scaling Weights pending further analysis, until a subsequent Panel meeting.

22 Proposed Changes to the JESG Terms of Reference - 218/08

- 22.1 The Joint European Standing Group (JESG) proposed a revision to its Terms of Reference. The proposed revised Terms of Reference take account of the recently constituted European Code Coordination Application Forum and feedback from industry parties; they have also been reviewed by JESG members. The BSC Panel was invited to approve the revised Terms of Reference for the JESG.
- 22.2 The BSC Panel:
- a) **APPROVED** the revised Terms of Reference for the JESG.

23. BSCCo Business Strategy and Budget 2014/15: Strategic Priorities and Timetable – 218/10

- 23.1 The Panel noted the strategic priorities that would be the basis for the 2014/15 BSCCo Business Plan. The Panel also considered the timetable and process that will be used for producing the business plan and approving the BSCCo Business Strategy.
- 23.2 A Panel member asked ELEXON to consider comments from the industry that had been submitted over the last year with regards to ELEXON's role and also the forthcoming EMR work.
- 23.3 The BSC Panel:
- a) **NOTED** the mission, vision and strategic priorities described in this paper as the basis of the 2014/15 BSCCo Annual Business Strategy;
 - b) **NOTED** the proposed timetable; and
 - c) **CONSENTED** to varying the timetable for approving the Business Strategy.

24. Customer Survey Results 2013 – Verbal



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- 24.1 Victoria Moxham updated the Panel on the latest results arising from the Customer Survey 2013.
- 24.2 Panel members noted that ELEXON has acknowledged that some customers were indicating they trusted ELEXON less than they used to but that acknowledging this is not enough if there are no actions in place to address these issues.
- 24.3 A Panel member commented that 'highly efficient and value for money' and 'keeping costs down' are one and the same. ELEXON confirmed it would discuss this with the company that conducted the survey and see if it could get some clarity on what the differences were in the minds of the recipients to better understand the results and take this into account in the design of future surveys.
- 24.4 A Panel member commented that ELEXON had focussed on the negative feedback from the survey but felt that it was important that it remembered that there are things that ELEXON does really well and ELEXON should also spend some time building on that success.
- 24.5 A Panel member asked what the Board's feedback on the survey result had been. The Chair answered that overall the Board was satisfied but that they recognised that there were areas to work on.
- 24.6 The Panel:
- a) **NOTED** the Customer Survey results for 2013.

25. Update on Electricity Market Reform – 218/11

- 25.1 David Osborne updated the Panel on the latest activities in EMR.
- 25.2 A Panel member asked what the engagement with BSC Parties on this work is and David Osborne explained that Panel committees were being briefed and there was a EMR education day aimed at BSC Parties on 25 November. Proposed changes to the BSC, including draft legal text were being published on the website that day and would be part of a DECC consultation on changes to Codes and Licences in the new year. ELEXON are sharing all information they are able to share and are encouraging everyone to put forward their views and feedback to the DECC consultation.
- 25.3 The Panel:
- a) **NOTED** the EMR Update.

Non-Modification Business: Closed Session

26. Arrangements Relating to the Referral of Trading Dispute DA618



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The Panel noted the arrangements relating to the referral of Trading Dispute DA618 and considered an enduring amendment to its process for hearing Referrals regarding the notifications that must be sent to Affected Parties.

The Panel:

- **NOTED** that the Referral Hearing for DA618 is scheduled for the Panel meeting on 13 February 2014; and
- **AGREED** the proposed amendments to the requirements for notifying Affected Parties.