

# ELEXON REPORT

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<b>MEETING NAME</b>	BSC Panel
<b>Date of meeting</b>	9 October 2014
<b>Paper number</b>	229/01
<b>Owner/author</b>	Peter Haigh
<b>Purpose of paper</b>	For information
<b>Classification</b>	Public
<b>Summary</b>	This paper provides a summary of recent issues and developments in the period 14 September to 1 October 2014.

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## 1. Overview

- 1.1 This paper is provided for the information of the Panel. It presents an overview of activities and developments within ELEXON and the balancing and settlement arrangements and summarises the business of the Panel meeting. Detailed information on operational matters will be provided in other reports, particularly the Trading Operations Report.

## 2. ELEXON News

### Consultation responses

- 2.1 We have not responded to any external consultations this month. All our previous responses can be found on the [Industry Insights](#) section of ELEXON website.

### Board Headline Reports

- 2.2 ELEXON Board Meetings are held monthly. Board headline reports are available on the ELEXON website: [Board Headline Reports](#).

### BSC Central Services Agent Procurement

- 2.3 We intend to procure and transition the BSC Central Services by 31 March 2017. Whilst the services could be re-procured 'as is' we do not believe this is appropriate. We have been investigating what how best to structure our commercial arrangements to secure the operational service whilst delivering transformation. We have concluded that we should restructure the current arrangements to better align with current practices and deliver enhanced value.
- 2.4 At a future Panel meeting we will outline our view of the contract structures we are recommending be adopted, and subsequently we will present the associated Tender Framework Statement for approval. This is likely to be early in the new year.

### BSC Central Services Agreement Extension

- 2.5 The ELEXON Board has approved a one year extension to the BSC Central Services Agreement with CGI. Extension of the contract to 31 March 2017, secures ongoing support for BSC central systems through delivery of some upcoming major BSC changes. With less change currently targeted for 2016/17, this will enable us to re-procure, transition and transform central services without the attendant risks of changing service provision in parallel with changing the services themselves.

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- 2.7 At the Panel meeting we will outline our view of the contract structures we are proposing to adopt (paper ref). We expect to present the associated Tender Framework Statement to the Panel in November 2014 prior to initiating the procurement shortly thereafter.

## **New BMRS Platform, P291 and P295**

- 2.8 The delivery of the first phase of the new BMRS Platform together with P291 and P295 remains on schedule for December 2014.
- 2.9 Last month we reported to the Panel potential changes which had been raised by the BMRS user group. Subsequently RWE npower have raised an issue regarding the format of EU transparency (P295) data to be submitted to National Grid and hence to BMRS and ENTSO-e. This was driven by the ENTSO-e guidance (Central Transparency Platform Frequently Asked Questions) published in July, some 6 months after P295 was approved and we had started development. We have discussed this issue with the ISG who are in agreement with RWE npower that such a change would be beneficial but recognised that it cannot be delivered in time for P295 go-live. We will be presenting a paper to ISG at the end of this month with the scope, cost and timescales for such a change and asking them to agree whether and when the change should go ahead. RWE npower have confirmed that they support the proposed approach.
- 2.10 As reported last month we are still awaiting views on whether RSS feeds are additionally needed for P291, given that our API solution complies with the overarching requirement for web feeds. RSS feeds were cited as an example solution in a more recent guidance document and we continue to assert that using APIs provides a more secure and resilient mechanism. We have highlighted this issue with Ofgem who are pursuing this with ACER. Should a change be required, this will be managed through the ISG and the BSC Change Process.
- 2.11 In order to adequately assure and test the end to end solutions for P291 and P295, we have been working closely with National Grid to align our testing. Although NG's testing dates have and continue to move backwards, we have received assurance from them of their focus on meeting our requirements and providing the necessary support for end to end testing.
- 2.12 If you would like to discuss the new BMRS platform project further, we would be delighted to hear from you. Contact [alex.grieve@elexon.co.uk](mailto:alex.grieve@elexon.co.uk).

## **Business Process Reporting**

- 2.13 BPR has entered User Acceptance Testing. A verbal update will be given at the Panel meeting.

## **2.14 Results of the 2014 election for industry BSC Panel Members**

- 2.15 Voting for the 2014 Panel election closed on 22 August 2014. We checked and counted the votes received according to the provisions of the Annex B-2 of the BSC. This process was reviewed and the results verified by our internal assurance function. The following candidates have been elected as Panel Members for the period 1 October 2014 to 30 September 2016:
- Stuart Cotten
  - Barbara Vest
  - Bob Brown

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- Andrew Colley
- Peter Bolitho

2.16 An overview of the [election process](#) is available on the ELEXON website. If you have any queries about the election, please contact the Election Coordinator, Laura Delargy on +44 (0) 20 7380 4309 or [panelections@elexon.co.uk](mailto:panelections@elexon.co.uk).

## 3. Industry News

### European developments

3.1 ENTSO-E published the next draft of the European Electricity Balancing Network Code on 16 September. This was the first public draft that we have seen since December 2013 and is now back with ACER to re-review prior to submission to the European Commission. We will review the latest draft and highlight any issues we spot at JESG meetings. We currently anticipate that the final version of the Code will come into force in early 2016. Prior to that and when the drafting is deemed sufficiently stable, the joint Code Panels' Group ECCAF will consider how it best maps to existing GB Codes, including the BSC.

## 4. Competition and Markets Authority (CMA) investigation

4.1 ELEXON has received a request from the CMA Panel to attend a hearing, scheduled for 30 October. Michael Gibbons as Chair of the BSC Panel and ELEXON will attend the hearing, supported by ELEXON colleagues. The CMA will provide a list of topics a few days before the hearing, however we understand the CMA will want to learn about ELEXON's role and how the balancing and settlement arrangements work. The minutes of the hearing will be published by the CMA.

## 5. Operational News

### Credit Assessment Price (CAP) Review consultation

5.1 Following [consultation](#) with Trading Parties, the Credit Committee has determined that the CAP will increase to £55/MWh, effective from Thursday 23 October 2014. The Credit Committee has also agreed that the CAP review trigger level should remain unchanged at £6/MWh. A CAP review is initiated when the difference between the reference price, calculated using forward prices, and the CAP exceeds the CAP review trigger level.

5.2 The CAP is used in the calculation of Trading Parties' Credit Cover Percentage. Parties may notice a change in their Credit Cover Percentage as a result of the CAP increase from the current value of £49/MWh. For more information, please email [creditcommittee@elexon.co.uk](mailto:creditcommittee@elexon.co.uk).

### December 14 Special Release: invitation for participant testing

5.3 We would like to invite all Balancing Mechanism Reporting Service (BMRS) users to take part in participant testing of the December 14 Special Release. This Release includes Modifications P291 and P295 and new mechanisms for data retrieval. P291 and P295 will be effective from 31 December 2014 and P295 from 16 December respectively. Participant testing will take place in November, and we will let testers know the exact dates and send out a test specification soon.

5.4 Participant testing gives you the opportunity to familiarise yourself with the new platform and to check that you can load the new data items to your systems. For example, you will be able to:

- Register API keys on the ELEXON Portal to allow P291 and P295 data retrieval.
- Use these API keys to retrieve this data from the new BMRS platform.
- Submit P291 data to BMRS via the ELEXON Portal.

- View P291 and P295 data directly on the new BMRS or by navigating from the existing Low Grade website.
- Receive P291 and P295 data via TIBCO. We will email TIBCO messages to you as most industry participants have only one TIBCO licence to use with the live system.
- Verify TIBCO messages and API data against the specifications either by uploading to your test systems or manual inspection.

5.5 To register your interest, please email [releases@elexon.co.uk](mailto:releases@elexon.co.uk) by Friday 24 October 2014. For more details, please see the [December 2014 Special Release](#) page of our website.

## **Recommended web browsers for the new Balancing Mechanism Reporting Service (BMRS) platform**

- 5.6 The BMRS is the primary channel for providing operational data for the GB Electricity Balancing and Settlement arrangements to our customers. In March 2014, the ELEXON Board and the BSC Panel (Panel paper 221/13) agreed that ELEXON should establish a new platform for BMRS, and that the recently approved Modifications P291 'REMIT inside information reporting platform for GB Electricity' and P295 'Submission and publication of transparency regulation data via the BMRS' should be developed on that platform.
- 5.7 The new BMRS will be delivered in three phases. The first phase includes P291 and P295 and will go live in December this year. Users will be able to access the new and existing BMRS functionality by visiting [www.bmreports.com](http://www.bmreports.com). The new platform will be tested and supported on Internet Explorer 9 and Mozilla Firefox 24 to ensure it is fully functional on these two browsers. We recommend using one of these browsers for optimal BMRS performance.
- 5.8 We will invite users to take part in participant testing in November (see above). By taking part, you can identify whether your browser(s) are compatible with the new BMRS platform and you can also let us know if you discover any compatibility issues. While we may not be able to resolve issues with each and every browser, it will be useful for us to know about potentially incompatible browsers. If you have any questions, please contact Zaahir Ghanty on 020 7380 4362.

## **New guidance note on offshore wind farms**

- 5.9 We've published a new [guidance note](#) on metering for offshore wind farms. It clarifies the BSC requirements for measuring and recording electricity flows for Settlement purposes at offshore wind farms. The guidance note is aimed at wind farm designers and developers and the BSC Parties who are responsible for registering the wind farm Metering Equipment. It will also be useful to designers of Metering Systems (which may include Meter Operator Agents).

## **GSP Group Correction Scaling Weights discrepancy**

- 5.10 ELEXON has identified a discrepancy on the GSP Group Correction Scaling Weights that were implemented in Settlement with an 'Effective from Date' of 20 August 2014.
- 5.11 GSP Group Correction Scaling Weights were revised on 20 August 2014. Although the Market Domain Data (MDD) was updated with the revised values correctly, the Scaling Weight for Consumption Component Class (CCC) 9 was not updated in the Central Systems from 0.1 to 0.0. This issue affects the initial Volume Allocation and Settlement runs (SF) for Settlement dates from 20 August 2014 to 26 August 2014. The Central Systems value has now been corrected and the SF run for Settlement dates from 27 August 2014 onwards will be based on the correct Scaling Weights. The Settlement dates based on the incorrect values will be corrected at the First Reconciliation (R1) run. ELEXON is reviewing how this error occurred to prevent any future discrepancy. For more information, please contact Kevin Spencer on 020 7380 4115 or [kevin.spencer@elexon.co.uk](mailto:kevin.spencer@elexon.co.uk).

## **Defaulting of Radio Teleswitch files for 27 and 28 September 2014**

- 5.12 The data files received from the Teleswitch Agent on relating to 27 and 28 September contained a number of anomalies for the Southern region (Teleswitch User 3). The files contained no switching events for some Teleswitch Groups and missing events for others. ELEXON is investigating the root cause of these issues with the various parties involved in the Teleswitch processes.
- 5.13 We have discussed the issues with the Radio Teleswitch access provider for the Southern region. It has confirmed that no changes were made to the Teleswitch events for the weekend and it has not received any complaints from its Teleswitched customers.
- 5.14 We have also discussed the issues with the Supplier Volume Allocation Agent (SVAA) and agreed that the files will not provide a true reflection of the Teleswitch events in the Southern region. Consequently, we have directed the SVAA to default the Teleswitch files to the equivalent files for the previous weekend as follows:
- 27 September 2014 defaults to file from 20 September 2014; and
  - 28 September 2014 defaults to file from 21 September 2014.
- 5.15 For more information, please contact Kevin Spencer on 020 7380 4115 or email [kevin.spencer@elexon.co.uk](mailto:kevin.spencer@elexon.co.uk).

## **System Prices without Buy Price Adjuster (BPA)**

- 5.16 Between 20 and 29 September 2014, there was an issue with the Buy Price Adjuster (BPA) values provided by National Grid. The NETBSAD data for this period was incorrectly stated as zero. National Grid has confirmed that this issue has been resolved and correct files are now being sent.
- 5.17 The indicative Buy and Sell prices calculated and published by the BMRS website will have been impacted by the incorrect NETBSAD values throughout that period and the BMRA prices will not be updated retrospectively. The Settlement Administration Agent (SAA) will use the corrected values in its calculations for all Settlement Runs executed after the data was corrected.
- 5.18 No further action is required by BSC Parties; data will be corrected by the time the SAA Settlement Run SF for affected Settlement Periods takes place.

## **6. Summaries of Panel Business – Tabled**

### **Report from the Imbalance Settlement Group (ISG)**

- 6.1 At its meeting on 23 September 2014, the ISG considered three decision papers. Key decisions included papers on Continuous Acceptance Duration Limit, De Minimis Acceptance Threshold and the Market Index Definition Statement Review 2014.
- 6.2 Further information can be found in the ISG Panel report 229/01a.

### **Report from the Supplier Volume Allocation Group (SVG)**

- 6.3 At its meeting on 30 September 2014, the SVG considered six decision papers. Key decisions included MDD Change Requests, the approval of NHHDA Configurable Items for November 2014 Release and a paper on Improving the accuracy of Default EACs.
- 6.4 Further information can be found in the SVG Panel report 229/01b.

### **Report from the Performance Assurance Board (PAB)**

- 6.5 At its meeting on 25 September 2014, the PAB considered eight decision papers. In addition to its usual business, it considered a Risk Operating Report 2015/16, BSC Audit Scope 2014/15, a confidential Settlement Risk Report and a Technique Progress Report.

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6.6 The PAB agreed to extend reporting received from the Data Transfer Service provider (on behalf of Suppliers) for a further three years. The data received is used by ELEXON and PAB to augment the existing reporting received from Performance Assurance Parties. The PAB asked ELEXON to undertake an assessment in future of whether reporting can be consolidated, based on the value it provides to ELEXON, PAB and Parties.

6.7 Further information can be found in the PAB Panel report 229/01c.

## Report from the Trading Disputes Committee (TDC)

6.8 Due to issues regarding TDC member quoracy, the TDC Meeting scheduled for 2 October 2014 did not take place. All of the TDC's monthly business will be deferred until next month's meeting to be held on 6 November 2014.

## 7. Information Relating to Other Industry Codes

7.1 Table 1 includes the dates of most recent previous and future meetings of the electricity code panels.

**Table 1 – Previous and forthcoming code panel meetings**

Panel/committee	Previous meeting date	Next meeting date
DCUSA (Distribution Connection and Use of System Agreement) Panel	17 September	15 October
CUSC (Connection and Use of System Code) Modifications Panel	26 September	31 October
STC (System Operator-Transmission Owner Code) Committee	24 September	29 October
GCRP (Grid Code Review Panel)	17 September	19 November
MDB (Master Registration Agreement (MRA) Development Board)	26 September	31 October
SEC (Smart Energy Code) Panel	12 September	13 October

## 8. Smart Metering and Smarter Markets

### Smarter Markets

#### *Change of Supplier (CoS):*

8.1 Ofgem is considering responses to its consultation on changes to improve the CoS process. Ofgem has indicated that there is strong support from stakeholders for the initiative and for centralising registration within the Data and Communication Company (DCC) as part of the solution. Stakeholders suggested that the Significant Code Review (SCR) process should be utilised to manage the changes across industry. However stakeholder expressed concerns that further detailed cost benefit analysis is required and consideration of consequential impacts like the risk to small Suppliers of managing rapid variations leading to a greater potential imbalance risk.

#### *Smarter Markets Co-ordination Group (SMCG)*

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8.2 The SMCG met on 29 September 2014. Meeting materials will be published [here](#). Ofgem provided updates on the progress of the work on Change of Supplier (see above) and Consumer Empowerment and Protection. Ofgem confirmed its intention that the focus of work on Consumer Empowerment and Protection for 2014/2015 will be on Smart prepayment, Smart billing and the impact of Retail Market Review (RMR) on time of use tariff offerings.

## Appendices

Appendix 1 – ELEXON Monthly KPIs

## Attachments

Attachment A – 229/01a: Report from the ISG

Attachment B – 229/01b: Report from the SVG

Attachment C – 229/01c: Report from the PAB

### **For more information, please contact:**

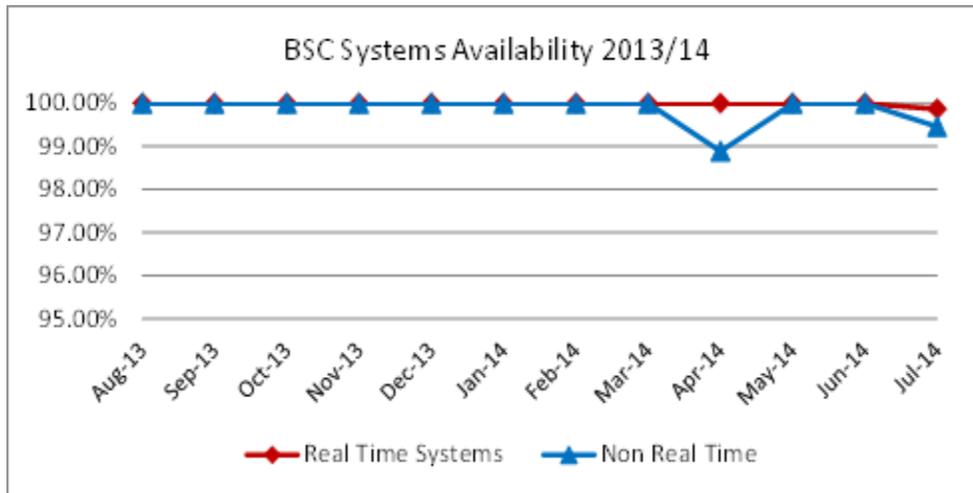
Peter Haigh, Chief Executive

[peter.haigh@elexon.co.uk](mailto:peter.haigh@elexon.co.uk)

020 7380 4004

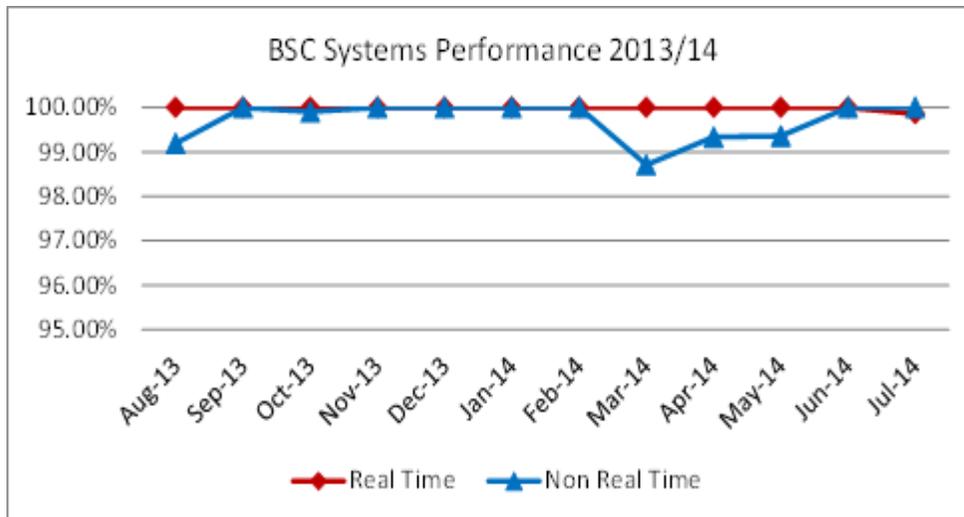
# ELEXON Key Performance Indicators

July 2014



## BSC Systems Availability

ECVAA and SVAA SLA breaches affected BSC Systems Availability in July.



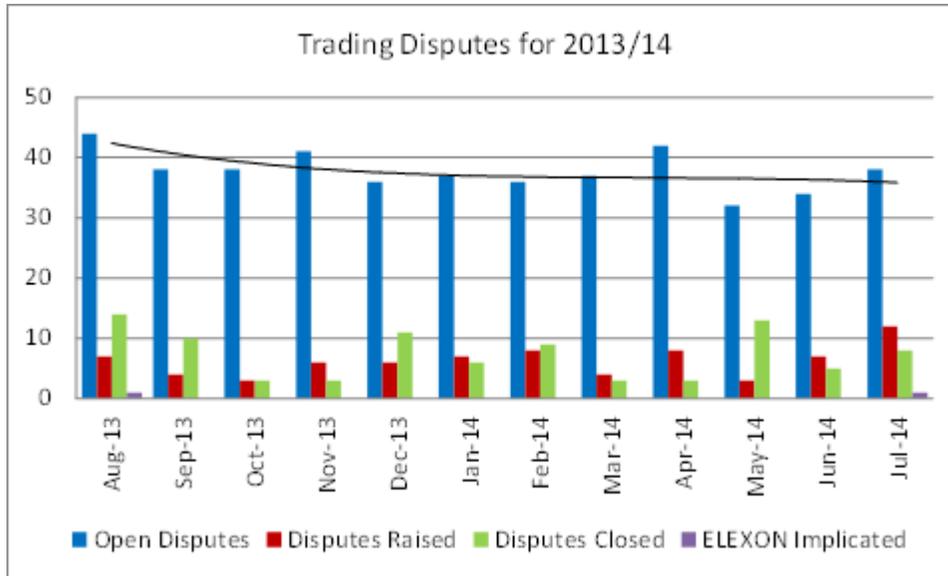
## BSC Systems Performance

ECVAA and Service Desk breaches affected BSC Systems Performance in July.

## Service Quality/Processes

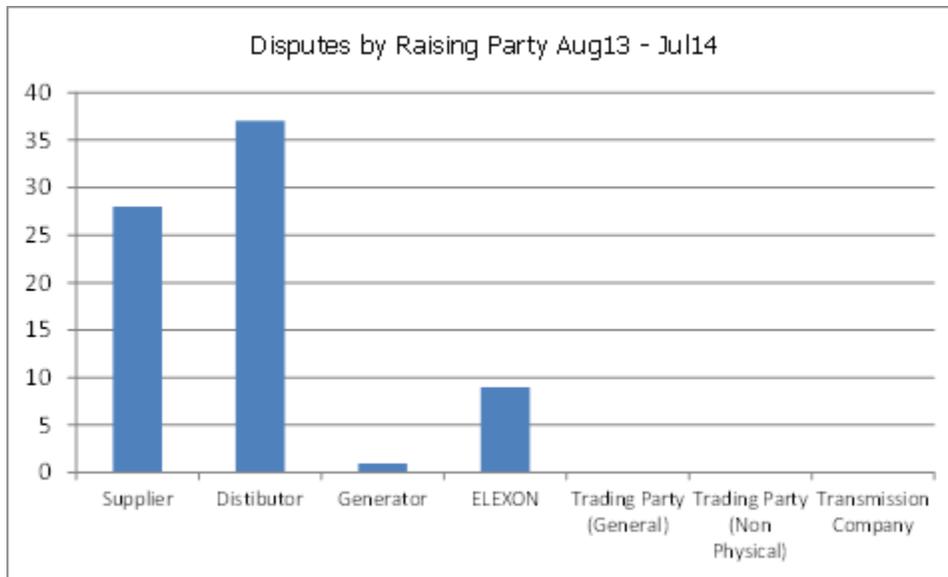
# ELEXON Key Performance Indicators

July 2014



## Trading Disputes

Trading Disputes can be raised by any BSC Party, including ELEXON, and are assessed by the Trading Disputes Committee (TDC). Twelve new disputes were opened and 8 were closed in July.



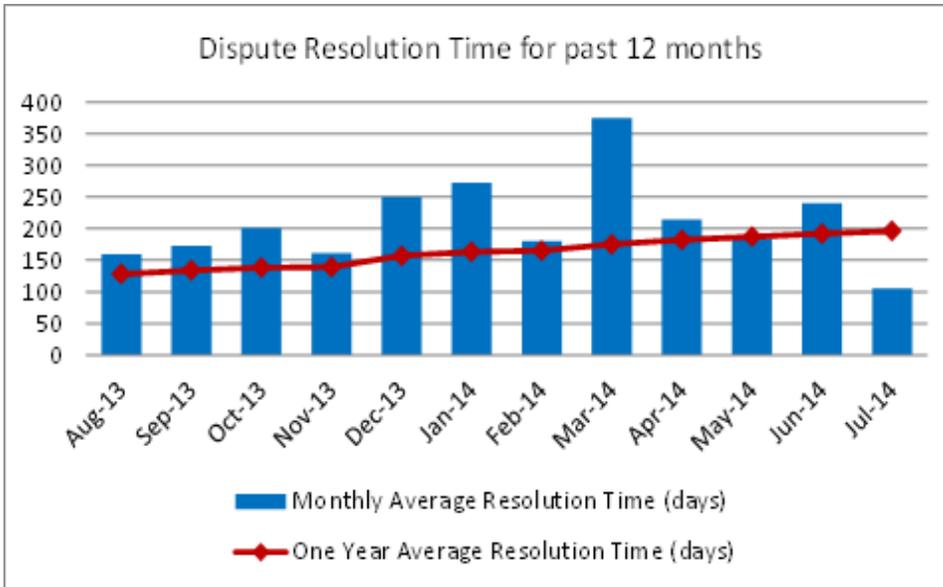
## Disputes by Raising Party Type

This KPI shows all Disputes raised over the last 12 months by the type of participant who raised the Dispute.

## Service Quality/Processes

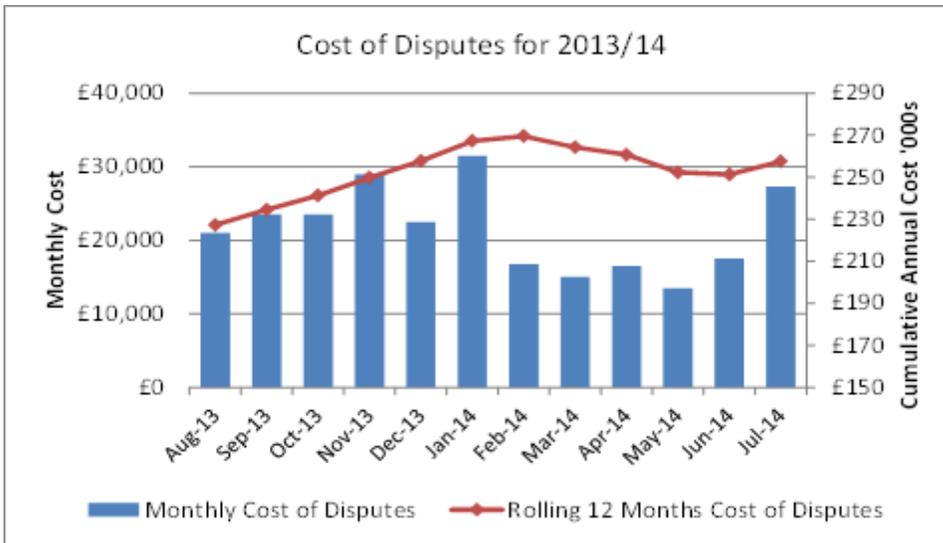
# ELEXON Key Performance Indicators

July 2014



## Dispute Resolution Time

Eight disputes were closed in July. The annual average resolution time to July is 196 days (+4).



## Cost of Processing Disputes

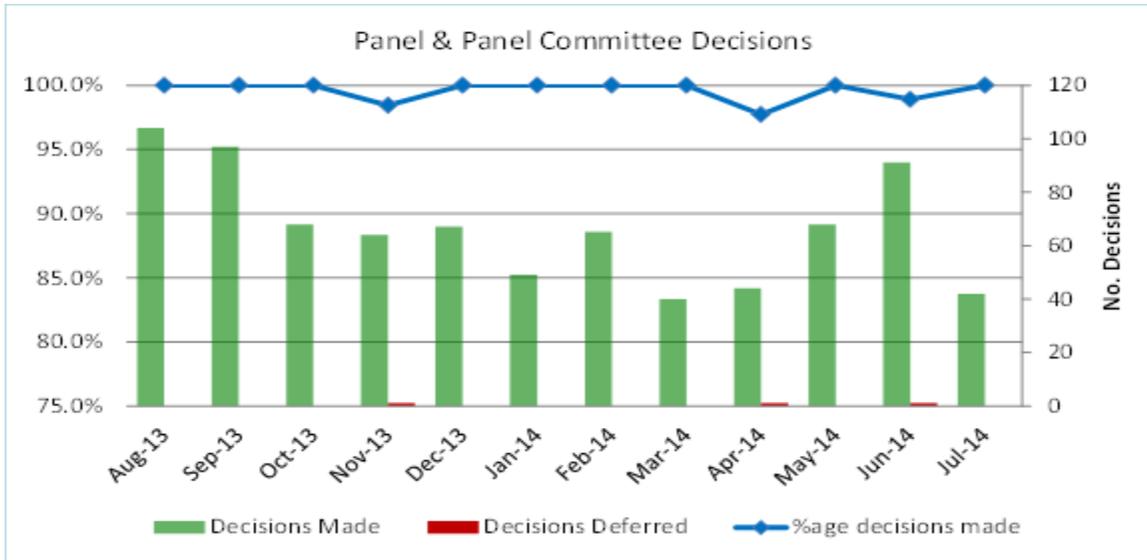
Within the Metering and Disputes team there are two dedicated resources dealing with Trading Disputes with, going forward, some flexibility for others to help out.

The costs for July 2014 represent 52.5 man days of dedicated resource. There is an additional 2 man days covering the administration around the monthly TDC meeting. A total of 54.5 man days expended for July. Using a day rate of £500 gives a monthly cost of £27,250.

# Service Quality/Processes

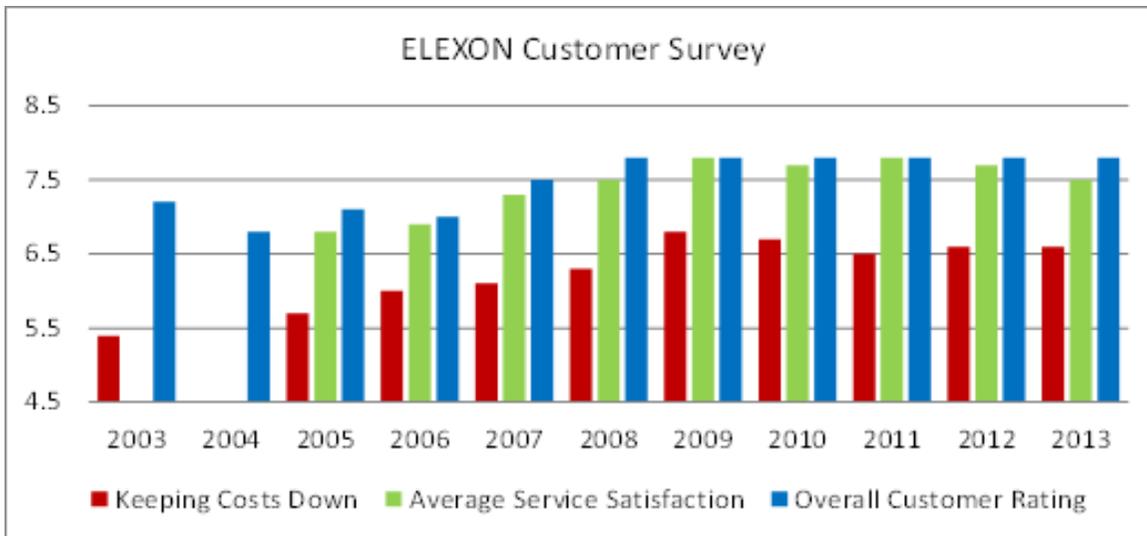
# ELEXON Key Performance Indicators

July 2014



## Panel & Panel Committee Decisions

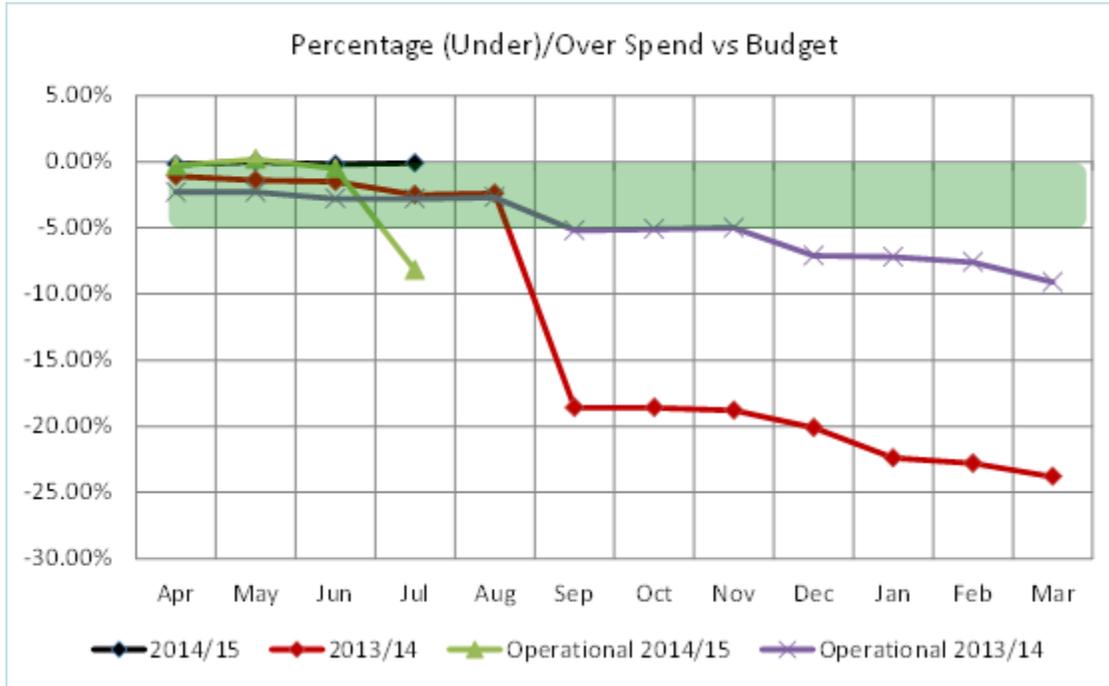
For the month of July all 42 decisions submitted to the Panel and its committees were made.



## ELEXON Customer Survey

This graph has been updated to include the 2013 Customer Survey. ELEXON's scores for 2013 are overall 7.8 (unchanged), average service satisfaction 7.5 (-0.2), and keeping costs down 6.6 (unchanged).

## Service Quality/Processes

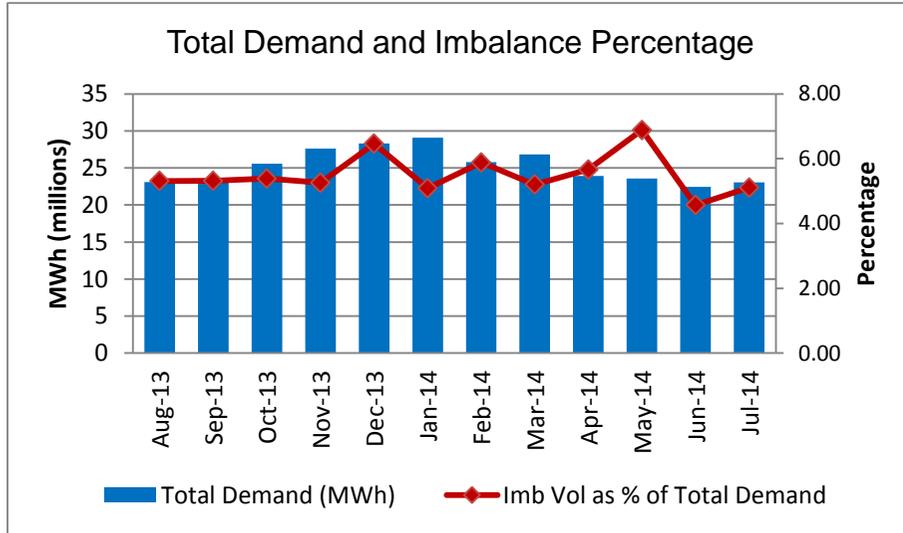


**Financial Year 2014/15 Spend against Budget compared with 2013/14**

ELEXON overall are 0.1% under budget for the financial year 2014/15. The operational budget is under budget by 8.2%. The contracted costs are 0.1% under-budget and market development is 2.8% under budget. Demand led and system strategy costs are all on budget.

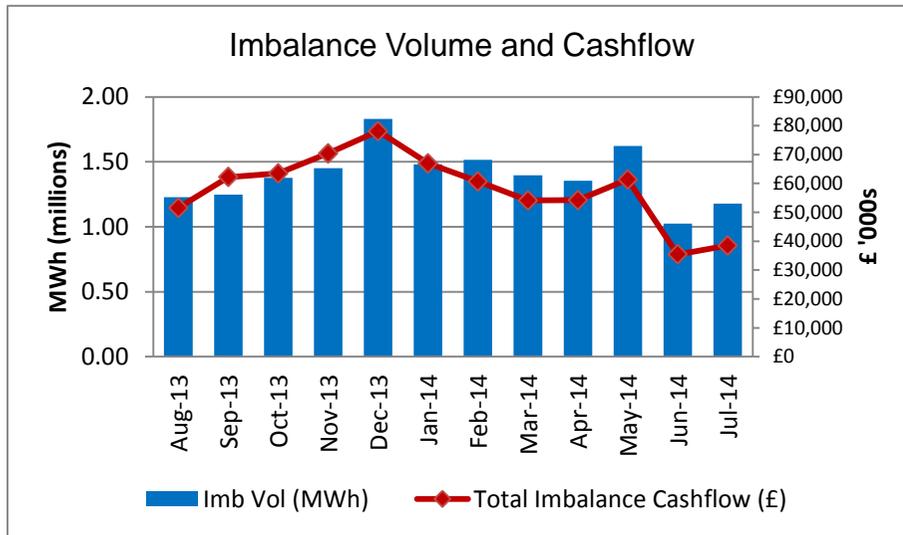
# ELEXON Key Performance Indicators

July 2014



## Value of Imbalance Settlement

These graphs are for information only to put ELEXON's role in context. The graph below is also reported in the Trading Operations Report.



## Service Quality/Processes