

ELEXON REPORT

MEETING NAME BSC Panel

Date of meeting 11 December 2014

Paper number 231/01

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Purpose of paper For information

Classification Public

Summary This paper provides a summary of recent issues and developments in the period from 14 November to 4 December 2014.

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

Changes in ELEXON's Executive Team

2.1 We have recently announced some changes in ELEXON's Executive Team. The Executive team is now made up as follows:

- CEO: Mark Bygraves replaces Peter Haigh on an interim basis
- Chief Financial Officer: Nigel Smith
- Director of Transformation Delivery: Gary Collings replaces Chris Rowell
- Director of Operations: Mark Couldrick, with David Jones standing in during three-month leave of absence

2.2 Mark Bygraves will remain in post while the Board seeks a permanent replacement. This will involve a thorough, public selection process that is likely to take at least four months.

2.3 Mark has been attending Panel Committees to introduce himself; Panel and Panel Committee members have been contacted by Michael Gibbons to confirm the changes; and an announcement has been published on the ELEXON website (this announcement will be featured in Newscast on 8 December).

Consultation responses

2.4 We have responded to two external consultations this month

- Ofgem's consultation on a potential licence modification to enable the future expansion of ELEXON's role
- ENTSO-E's consultation on the latest draft Emergency and Restoration Network Code.

2.5 These and all our previous responses can be found on the [Industry Insights](#) section of ELEXON website.

2.6 In addition, ELEXON provided a response to three consultations from the Data Transfer Service (DTS) provider, (Electralink) regarding the DTS service. The consultations related to:

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- The process for allowing Electralink to use DTS data for commercial purposes;
- Changes to the constitution of the DTS User group; and
- Establishment of a change board for DTS changes.

2.7 Our responses were generally supportive and we provided supporting examples of where the DTS could learn from existing governance processes for managing change and managing user group membership. We were also supportive of the use of DTS data for reporting services (we have used these services to augment the Assurance reporting for PAB). We did however request greater oversight and control over the use of DTS users data to ensure that users interests and ability to meet their obligations were protected.

Open forum – getting your views on the services we provide

2.8 We are reviewing the services we offer our customers and how we can improve them. Whilst we have our own view of how we can make life easier for our customers, we would like to hear from you. We are holding two open forums in December for any customers to attend and provide feedback on how you think we should evolve as an organisation. [Click here](#) to read about the work we have already done. This is our simple view of what we offer, where we think the opportunities to improve are and, how we might improve. We have built this view from analysing feedback from our customers and our own processes, but you will be able to help by letting us know where and how you think we can improve the services we offer.

2.9 The dates of the open forums are:

- [Friday 5 December at 9.00 to 13.00](#)
- [Tuesday 16 December at 13.00 to 17.00](#)

2.10 If you would like to attend one of these forums please click on the links above to register. The ELEXON Executive team will attend these sessions as well as some key staff working on the Transformation Strategy.

Switched on – the results of our customer survey 2014

2.11 Each year we conduct a customer survey using an independent research company. It's an important way of finding out exactly what our customers think of us, what we do well and where we need to improve. We would like to thank everyone who participated. [Find out more about the customer survey results 2014.](#)

Business Strategy and Annual Budget

2.12 We will publish our 2015/16 draft business strategy and budget on Monday 15 December and seek views on it from BSC Parties. We will hold a session on Wednesday 17 December from 14.00-16.00 to describe the business plan and budget and answer any questions that BSC Parties may have. If you'd like to attend, email [Victoria Moxham](#) to secure a space at the event.

Board Headline Reports

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

New BMRS Platform, P291 and P295

2.14 The delivery of the first phase of the new BMRS Platform together with P291 and P295 remains on schedule for December 2014, although the delays to National Grid and Market Participant testing, along with very late changes to the EMFIP platform implemented on 2 December, have reduced the level of assurance that we expected to gain from the testing that we have carried out to date.

2.15 We have previously reported to the Panel and ISG our concerns over end to end testing with National Grid, and Market Participants have ever greater concerns around their and National Grid's readiness to meet the 16 December 2014 implementation date.

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- 2.16 National Grid and ELEXON also visited Ofgem to discuss Market Readiness on 25 November, and NG provided a further presentation to them at ELEXON offices on 3 December 2014.
- 2.17 If you would like to discuss the new BMRS platform project further, we would be delighted to hear from you. Contact Zaahir.ghanty@elexon.co.uk.

3. Industry News

European developments

- 3.1 Ofgem hosted a seminar on REMIT (the European Regulation on Energy Market Integrity and Transparency) on 1 December. Market Participants are now required to register with Ofgem and their User Guide can be found [here](#). As part of the registration information market participants are required to notify where they are intending to publish REMIT inside information. For those planning to use the BMRS inside information platform (being implemented on 31 December under P291) we will be able to confirm the exact URL address later this month.
- 3.2 At the Joint European Standing Group (JESG) meeting on 3 December, Ofgem noted that there was increasing discussion with other regulators as to whether a harmonised Imbalance Settlement Period duration of 15 minutes should be set in the Electricity Balancing Network Code. As this would be a potentially significant change for the GB, we understand that Ofgem is seeking GB views/evidence on this before ACER finalises a recommendation to the European Commission on this Network Code, which means early in the New Year. JESG agreed to discuss it at its next meeting on 20 January, subject to Ofgem confirming that this process is appropriate for its needs.

4. Competition and Markets Authority (CMA) investigation

- 4.1 The CMA issued a transcript for review from the hearing with ELEXON on 30 October. Hearing attendees from ELEXON and the Panel (Michael Gibbons and Richard Brealey) provided comments which were accepted by the CMA. The transcript is available to Panel members but cannot be circulated outside of ELEXON or BSC Panel members. A summary of the hearing (and the other hearings) will be published by the CMA at some point in the future.
- 4.2 As a follow up to the CMA ELEXON provided additional information to the CMA on how Group Correction Factor works and the current Modifications relating to credit rules and processes.

5. Operational News

November 2014 Release

- 5.1 The November 2014 BSC Systems Release went live on Thursday 6 November 2014. Details on the release are available on the [November 2014 Release](#) page of the ELEXON website.

Call for TDC members

- 5.2 We have vacancies for Industry Members on the TDC and would like to hear from anyone who is interested in getting involved in this important work. The TDC is a BSC Panel Committee which discharges some of the BSC Panel's powers under delegated responsibility. Its primary role is considering and determining Trading Disputes raised by BSC Parties in accordance with BSC Section W and BSCP11: Trading Disputes.
- 5.3 For more information on the TDC and becoming a TDC member, please refer to the [TDC](#) page of the ELEXON website, contact tdcsecretary@elexon.co.uk or speak with the TDC Chair, Keith Campion (020 7380 4011).

Best view prices

- 5.4 Default values for System Sell Price (SSP) and System Buy Price (SBP) were displayed for the period 10 to 20 November 2014. Files were not processed by ELEXON systems due to a change in the IP address from APX

which meant our systems rejected the files. ELEXON has corrected the issue and discussed with APX why the change in IP was not communicated in a timely manner.

Re-run of Volume Allocation Run (VAR) for 1 and 2 August 2012

- 5.5 Reconciliation Final (RF) data was incorrectly used instead of Dispute Final (DF) in the Volume Allocation Runs (VAR) by the SVAA for Settlement Dates 1 and 2 August 2012 (run on 25 November 2014). ELEXON ensured SVAA re-ran the VAR for Settlement to ensure the correct DF data was used. This was communicated in circular [EL02159](#). Parties' imbalance charges were not affected and ELEXON promptly reissued Party reports.

Indicative triad demand information

- 5.6 There was an issue identified whereby the Balancing Mechanism Reporting System (BMRS) website had not been calculating Indicative Triads based on Settlement Data for the 2014–2015 Triad Season (Settlement dates 1 November 2014 onwards). This was corrected shortly after it was identified and ELEXON is investigating the cause.

6. Summaries of Panel Business – Tabled

Report from the Imbalance Settlement Group (ISG)

- 6.1 At its meeting on 25 November 2014, the ISG considered two decision papers. Key decisions included a CP1422 Assessment Report and an Appeal for a revised Credit Assessment Load Factor.
- 6.2 Further information can be found in the ISG Panel report 231/01a.

Report from the Supplier Volume Allocation Group (SVG)

- 6.3 At its meeting on 2 December 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 231/01b.

Report from the Performance Assurance Board (PAB)

- 6.5 At its meeting on 27 November 2014, the PAB considered six decision papers. In addition to its usual business, it considered a Technique Progress Report, a Settlement Risk Report, Proposed Changes to the BSC Audit 2015/16: Controls, and a Supplier's SR0074 Performance Update.
- 6.6 Further information can be found in the PAB Panel report 231/01c.

Report from the Trading Disputes Committee (TDC)

- 6.7 At its meeting on 4 December 2014, the TDC considered seven decision papers. In addition to its usual business, it considered four Trading Disputes, an Extra-Settlement Determination calculation and Changes to the TDC Terms of Reference.
- 6.8 Further information can be found in the TDC Panel report 231/01d.

Report from the Profiling and Settlement Group (PSRG)

- 6.9 Further to the PSRG meeting on 5 November, where the group discussed ELEXON's strawman solution, ELEXON have been drafting the final report on recommendations for reducing settlement timescales. The report will contain all PSRG discussed (and consulted) proposals for a way forward and will recommend the option based on the approach where, if certain criteria (e.g. Supplier performance) are met, we would reduce the settlement timescales. The report will be discussed at their next meeting on 3 December.

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6.10 ELEXON published its 3 week consultation on dynamically switched smart meters early November. The PSRG considered the responses at its most recent meeting on Wednesday 3 December 2014.

6.11 Further information can be found in the PSRG Panel report 231/01e.

Report from the Joint European Standing Group (JESG)

6.12 The JESG held its monthly meeting on 4 November 2014.

6.13 Further information can be found in the JESG Panel report 231/01f.

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	19 November 2014	17 December 2014
CU SC (Connection and Use of System Code) Modifications Panel	28 November 2014	19 December 2014
STC (System Operator-Transmission Owner Code) Committee	26 November 2014	17 December 2014
GCRP (Grid Code Review Panel)	19 November 2014	TBC
MDB (Master Registration Agreement (MRA) Development Board)	27 November 2014	18 December 2014
SEC (Smart Energy Code) Panel	14 November 2014	12 December 2014

8. Smart Metering and Smarter Markets

Smart Metering

Proposed delay to start of smart meter rollout

8.1 The Data and Communications Company (DCC) has issued a consultation on proposed changes to the [DCC Plan and Implementation Milestones](#). Within the consultation DCC highlights a proposed delay to the smart rollout from end 2015 to July (or October) 2016. This will bring additional DCC costs of £60 to £90m which will need to be met by the industry. ELEXON have reviewed the consultation and will not be responding as settlement is not directly impacted. However ELEXON notes that a delay in the rollout is likely to defer other benefits that rely on the smart infrastructure (e.g. settlement reform) and we will be discussing with Ofgem how this may affect Smarter Markets work.

Smarter Markets

8.2 ELEXON met Ofgem on 4 November for its regular catch up and providing information and data to assist Ofgem's work. We also discussed the recent work of the PSRG and focussed on the options for reducing settlement timescales and interaction with settlement reform.

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Settlement Reform:

8.3 The electricity settlement expert group met twice once on 23 October and for the final time on 12 November. Since P272 will enforce Half Hourly Settlement for Profile Classes (PC) 5-8 customers, the first stage of Settlement Reform will focus on optimising the Settlement process for PC 1-4. The priority of the work covers Change of Measurement Classes and development of Data Provider/Data Aggregator functions. Publication of conclusions and next steps expected in December.

Change of Supplier (CoS):

8.4 Responses to Ofgem's recent consultation responses supported centralised registration and fast switching in principle. The priority of the work conducted by Ofgem will be focusing on Change of Measurement Class and development of Data Provider/Data Aggregator functions and it will bear in mind the consequential distributional impacts on different types of Parties. More details of the work will be included in its January publication.

Demand Side Response:

8.5 Ofgem is continuing its work through the Workstream 6 group and their sub groups.

Data Quality:

8.6 ELEXON is continuing its work with Gemserv on Ofgem's request for a report on how data quality can be improved to support a more efficient change of supplier process. We have also been meeting regularly through the joint Data Quality Working Group (DQWG). ELEXON is addressing metering and reading data quality. Work is on track to deliver a report.

Appendices

Appendix 1 – ELEXON Monthly KPIs

Attachments

Attachment A – 231/01a: Report from the ISG

Attachment B – 231/01b: Report from the SVG

Attachment C – 231/01c: Report from the PAB

Attachment D – 231/01d: Report from the TDC

Attachment E – 231/01e: Report from the PSRG

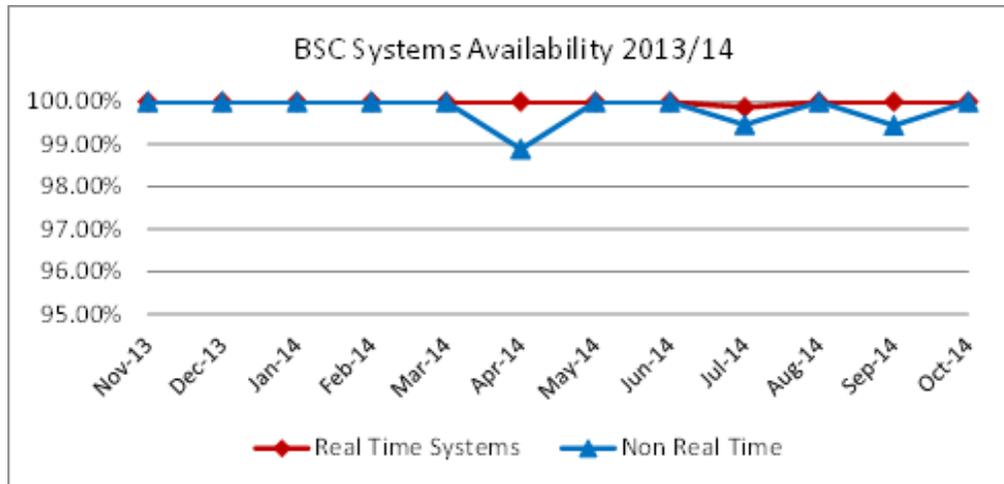
Attachment F – 231/01f: Report from the JESG

For more information, please contact:

Mark Bygraves, Interim Chief Executive

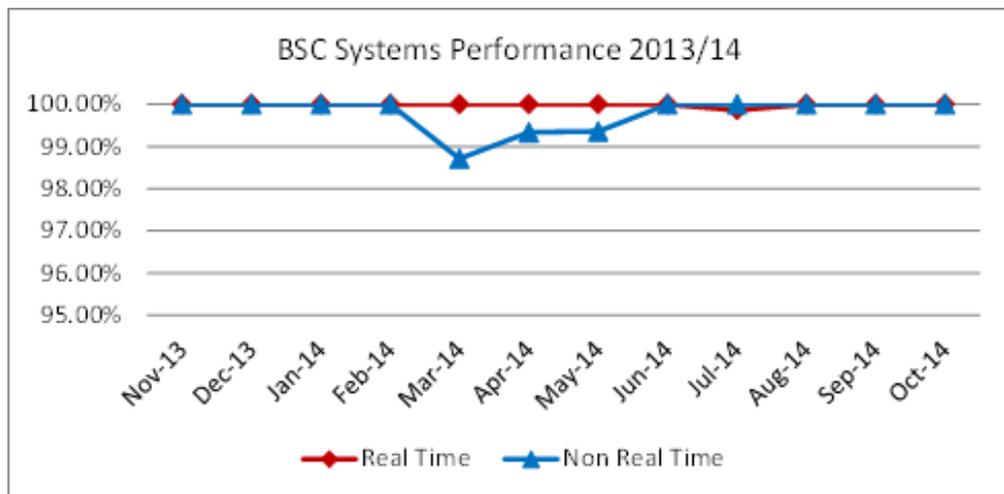
Mark.bygraves@elexon.co.uk

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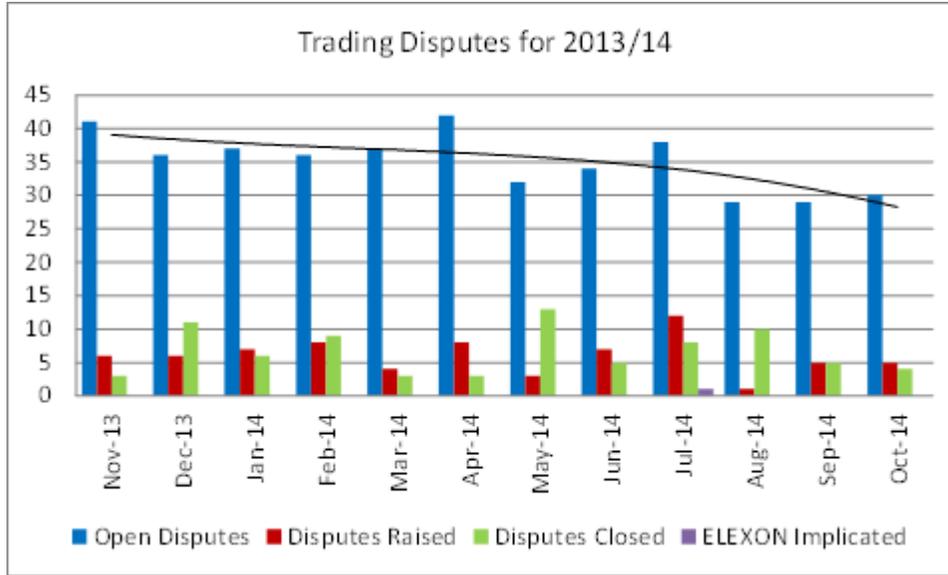
BSC Systems Availability

There were no issues in October affecting the BSC Systems availability.



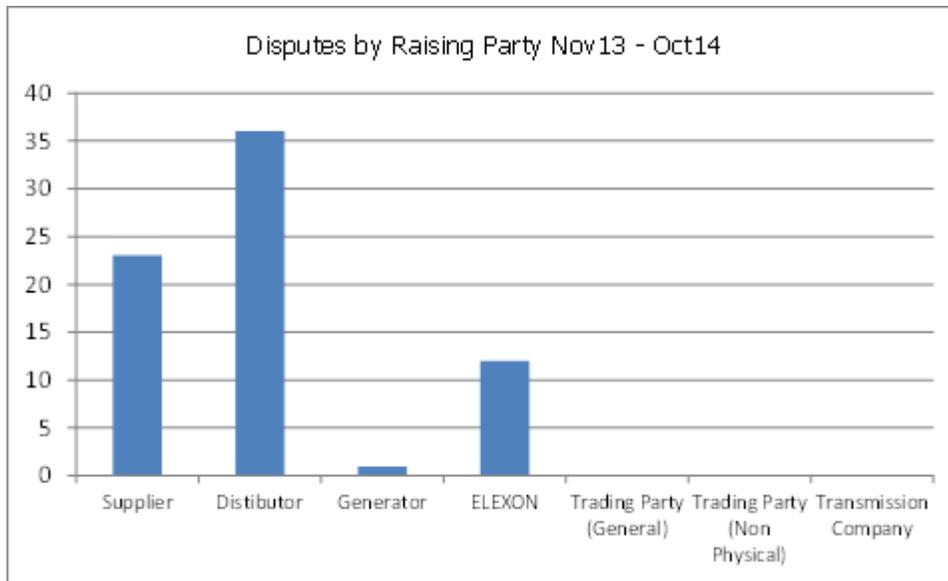
BSC Systems Performance

There were no issues in October affecting BSC Systems performance.



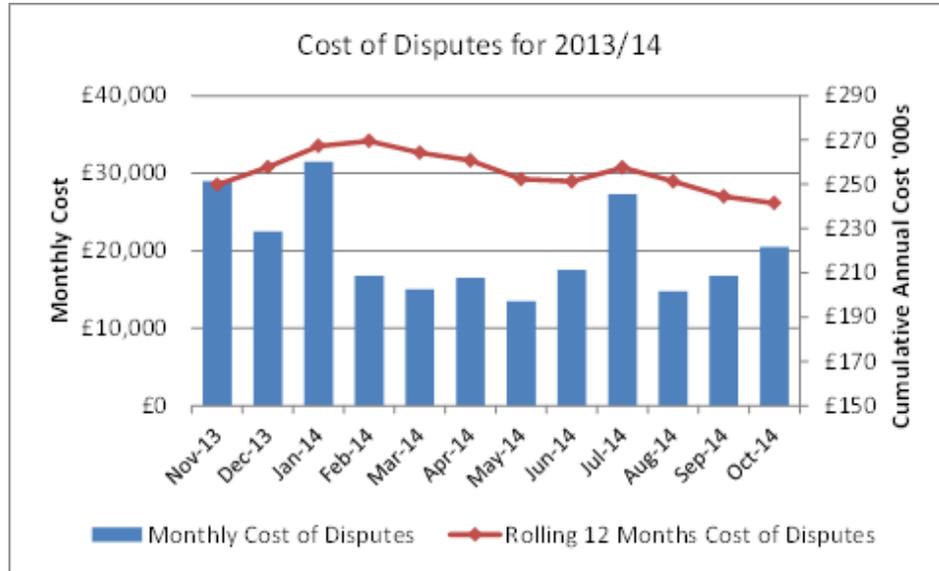
Trading Disputes

Trading Disputes can be raised by any BSC Party, including ELEXON, and are assessed by the Trading Disputes Committee (TDC). Five new disputes were opened and 4 were closed in October.



Disputes by Raising Party Type

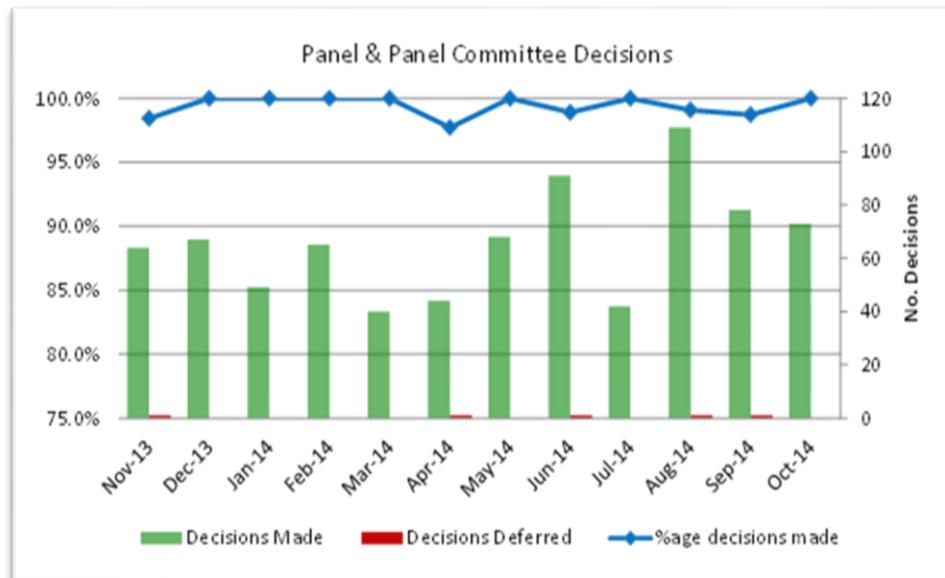
This KPI shows all Disputes raised over the last 12 months by the type of participant who raised the Dispute.



Cost of Processing Disputes

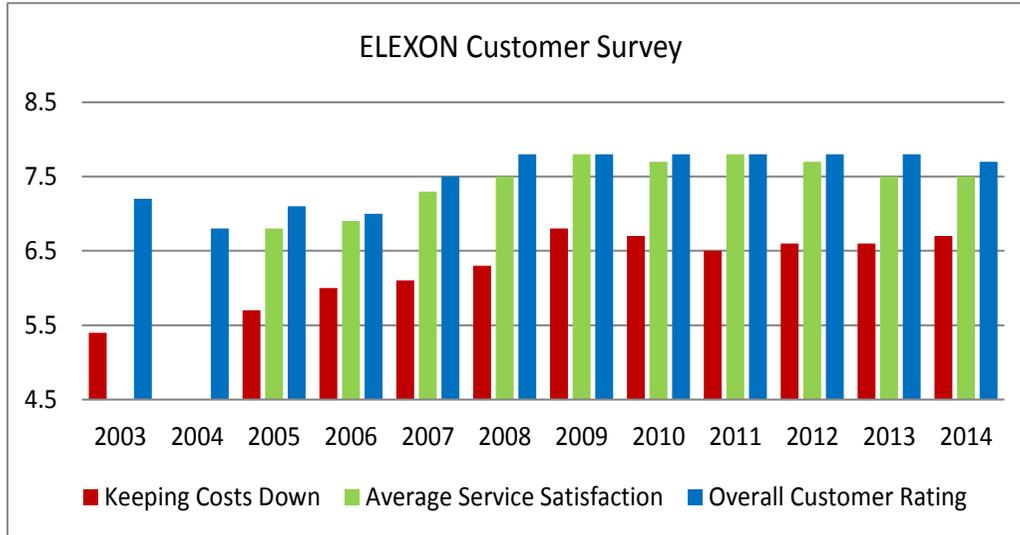
Within the Metering and Disputes team there are two dedicated resources dealing with Trading Disputes with, going forward, some flexibility for others to help out.

The costs for October 2014 represent 39 man days of dedicated resource. There is an additional 2 man days covering the administration around the monthly TDC meeting. A total of 41 man days expended for October. Using a day rate of £500 gives a monthly cost of £20,500.



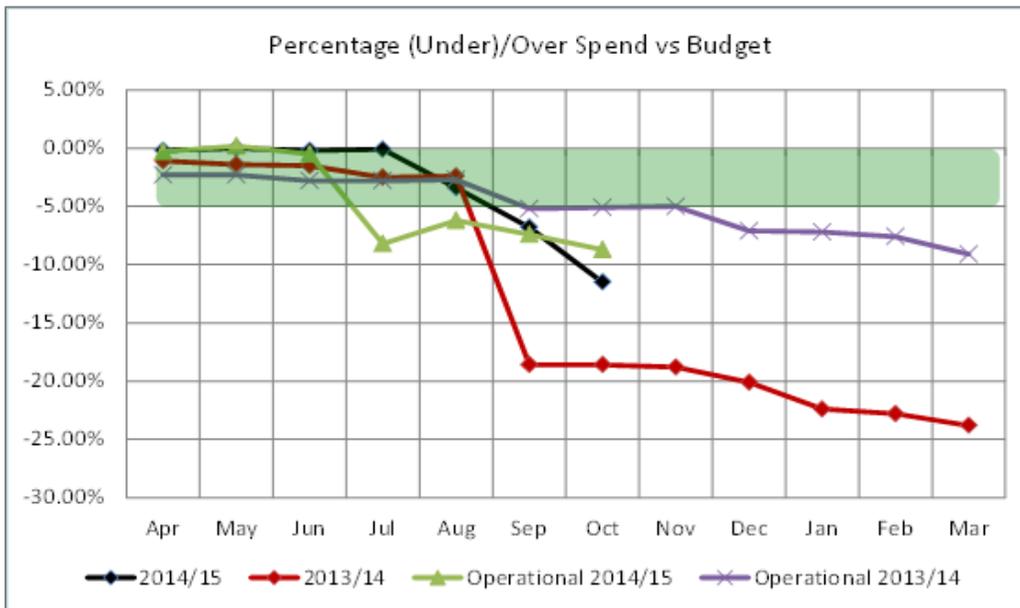
Panel & Panel Committee Decisions

For the month of October all 73 decisions submitted to the Panel and its committees were made.



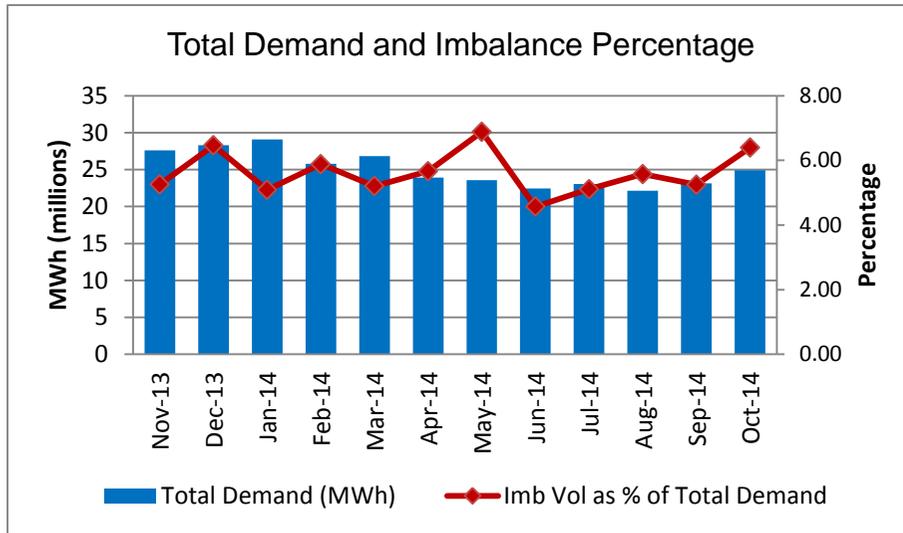
ELEXON Customer Survey

This graph has been updated to include the 2014 Customer Survey. ELEXON's scores for 2014 are overall 7.7 (-0.1), average service satisfaction 7.5 (unchanged), and keeping costs down 6.6 (-0.1).



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

ELEXON overall are 11.5% under budget for the financial year 2014/15 once the EMR grant income has been taken into account. The operational budget is under budget by 8.7%. The contracted costs are 2.3% under-budget and market development is 56.9% under budget. Demand led is 31.2% under budget and system strategy costs are 17.1% under budget.



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.

