

# BSC PANEL APPROVED MINUTES

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<b>MEETING NAME</b>	BSC Panel
<b>Meeting number</b>	227
<b>Date of meeting</b>	14 August 2014
<b>Venue</b>	ELEXON Ltd, 350 Euston Road, NW1 3AW
<b>Classification</b>	Public

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## ATTENDEES AND APOLOGIES

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<b>Attendees</b>	Michael Gibbons	MG	BSC Panel Chairman (part meeting)
	Bob Brown	BB	Industry Panel Member
	Chris Alexander	CA	Consumer Panel Member
	David Lane	DL	DSO Representative
	Garth Graham	GG	Alternate Industry Panel Member (for Barbara Vest and Andy Colley)
	Ian Pashley	IP	Transmission Company Panel Member
	Lesley Nugent	LN	Ofgem Representative
	Mari Toda	MT	Alternate Industry Panel Member (for Peter Bolitho)
	Phil Baker	PB	Industry Panel Member
	Phil Hare	PH	Independent Panel Member
	Richard Brealey	RB	Independent Panel Member and Deputy Panel Chairman
	Stuart Cotten	SC	Industry Panel Member
	Kenneth Skou		NEAS Energy A/S (Part Meeting)
	Mark Copley	MC	Ofgem (Part Meeting)
	Adam Richardson	AR	ELEXON
	Beth Connew	BC	ELEXON (Part Meeting)
	Chris Rowell	CR	ELEXON
	Claire Anthony	CA	ELEXON (Part Meeting)
	Dean Riddell	DR	ELEXON (Part Meeting)
	Ed Morris	EM	ELEXON (Part Meeting)
	Lawrence Jones	LJ	ELEXON (Part Meeting)
	Mark Bygraves	MB	ELEXON (Part Meeting)
	Nick Brown	NB	ELEXON (Part Meeting)
	Nicola Dempsey	ND	ELEXON
	Simon Fox	SF	ELEXON (Part Meeting)
	Steve Wilkin	SW	ELEXON (Part Meeting)
	Talia Addy	TA	ELEXON (Part Meeting)
	Tee Seong Yeow	TSY	ELEXON (Part Meeting)
	Victoria Moxham	VM	ELEXON
<b>Observers</b>	Joanna Alexander		Smartest Energy
	Raymond Elliot		Ofgem

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<b>Apologies</b>	Adam Lattimore	ELEXON
	Andy Colley	Industry Panel Member
	Barbara Vest	Industry Panel Member
	Lisa Charlesworth	Ofgem Representative
	Peter Bolitho	Industry Panel Member
	Peter Haigh	ELEXON

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## 1. Introductions

- 1.1 The Deputy Panel Chairman (RB) began the meeting by noting that the Panel Chairman had been delayed and welcoming visitors to the meeting. He noted that Mari Toda was attending as an alternate for Peter Bolitho and that Garth Graham was attending as an alternate for both Andy Colley and Barbara Vest.
- 1.2 RB also welcomed Lesley Nugent who was attending on behalf of Lisa Charlesworth, Chris Rowell who was attending on behalf of Peter Haigh and Dean Riddell who was attending on behalf of Adam Lattimore.

## MODIFICATION BUSINESS (OPEN SESSION)

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### 2. Report on Progress of Modification Proposals

- 2.1 DR updated the Panel on the current status of Modifications.
- 2.2 DR drew the Panel's attention to the new Applicable BSC Objective (f), relating to Electricity Market Reform (EMR). The Panel noted that Objective (f) was now active and could be taken into consideration when assessing Modification proposals.
- 2.3 The Panel noted that the P308 Workgroup has requested some external support, the cost of which is currently envisaged to be under threshold of Panel approval, however, should the cost approach the threshold. ELEXON will update the Panel as necessary.
- 2.4 A Panel member asked if the approval of the costs would interfere with P308 proposed timetable. ELEXON replied that it does not believe that the support requested will alter the proposed timetable, particularly as it is not envisaged that Panel approval will be required. However, should the possibility of delay arrive, the Modification Secretary will update the Panel.
- 2.5 For further details, please see the [Change Report](#).

### 3. P302 – request for extension.

- 3.1 The Panel noted that the P302 Workgroup had met on Tuesday 12 August to consider the responses to the P302 Assessment Process Consultation, which closed on Friday 8 August. During the course of the meeting the Workgroup decided that it required more time to properly explore the alternative solutions, two of which were proposed in the consultation responses, to develop lower level detailed solutions (in the BSC Procedures) and to conduct a walkthrough of the solution to ensure efficiency and identify and mitigate any potential risks.
- 3.2 The Workgroup had requested a four month extension, which would mean the Assessment Report would be due to be presented to the Panel in January. This would allow for an additional Assessment Procedure Consultation with Impact Assessment and give the Workgroup an opportunity to invite the Data and Communications Company (DCC) and Smart Energy Code Administration and Secretariat (SECAS) representatives to participate in the process.

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- 3.3 A Panel Member asked ELEXON what involvement the DCC had in Modification Workgroups generally. ELEXON replied that the DCC had not been involved previously but the nature of this Modification meant that consulting with it would be useful.
- 3.4 A Panel Member commented that the extension tightens the timetable and risks missing the Implementation Date. ELEXON confirmed that it had discussed this with Ofgem, who had indicated that while it would be preferable to achieve the original Implementation Date, and efforts should be made to facilitate this, it was also important to ensure that the solution was the right one. LN confirmed that Ofgem had no concerns on the proposed extension at this time.
- 3.5 ELEXON noted that the Modification Secretary would provide any relevant updates to the Panel in the monthly update on Modification Progress. The Assessment Report would be submitted to the Panel at an earlier Panel meeting than the meeting in January if possible.
- 3.6 A Panel Member mentioned that the Panel should consider responding to the Code Administrator Code of Practice Review. Ofgem encouraged members to respond to this and noted that ELEXON was soon to issue its consultation.
- 3.7 The BSC Panel:
- a) **NOTED** the additional activities required by the P302 Workgroup; and
  - b) **AGREED** to extend the P302 Assessment timetable by four months, with the Assessment Report presented to the Panel on 8 January 2015.

### 4. Update on P272

- 4.1 DR noted that the consultation on the revised Implementation Date has been sent out to the industry.

### 5. P310 'Revised Credit Cover for Exporting Supplier BM Units' – 227/08

- 5.1 Under the current BSC arrangements the credit requirements for SVA BM Units are calculated on the basis of energy import (Balancing Mechanism Credit Assessment Import Capability). This Modification contends that this approach distorts the credit requirements of SVA BM Units with embedded generation and no consumption, and proposes to address this by changing the BSC arrangements so the credit requirements for such BM Units are calculated on the basis of energy export (Balancing Mechanism Credit Assessment Export Capability).
- 5.2 A Panel Member noted that the current method involves the calculation of Parties' Credit Assessment Load Factor (CALF) and queried whether Parties were able to dispute their calculated CALF values. ELEXON advised that there is a CALF appeals process which is managed by the Imbalance Settlement Group (ISG). ELEXON noted that it is a well-trodden process and was not a controversial part of the ISG's duties. ELEXON also noted that it anticipated that the P310 proposed solution will lessen the frequency of CALF appeals.
- 5.3 A Panel Member requested that, wherever possible, quantification of the impact of the issue and the solution include monetary values, not just energy volumes, so the analysis would be clearer from a consumer point of view.
- 5.4 A Panel Member queried whether ELEXON could consider any other relevant credit issues as part of this Proposed Modification. ELEXON advised that if the Workgroup's assessment identified any other issues with the processes they could be considered, and would at least be noted in the Assessment Report to the Panel but the most important role for the Workgroup would be to address the defect that the Proposer was originally looking to address. It was therefore likely that any similar issues identified would be better addressed via separate work, but the Proposer and Workgroup could consider this as part of the Assessment Procedure.

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5.5 Michael Gibbons joined the meeting and took over as Chairman from RB.

5.6 The BSC Panel:

- a) **AGREED** the P310 progresses to the Assessment Procedure;
- b) **AGREED** the proposed Assessment Procedure timetable;
- c) **AGREED** the proposed membership for the P310 Workgroup; and
- d) **AGREED** the Workgroup's Terms of Reference.

### 6. Request to Raise 'Required Housekeeping Changes to Implement P291 and P295' as a Fast Track Modification – 227/04

6.1 The Panel was invited to raise a Modification Proposal to make minor changes to BSC Sections Q and V to ensure that the implementation of the P291 legal text on 31 December 2014 will not impact the approved P295 solution, which will be implemented on 16 December 2014

6.2 The BSC Panel:

- a) **RAISED** the Modification Proposal;
- b) **AGREED** that this Modification should be progressed as a Fast Track Self-Governance Modification;
- c) **AGREED** that this Modification **does** better facilitate Applicable BSC Objective (d);
- d) **AGREED** that this Modification should be approved;
- e) **AGREED** an Implementation Date of 31 December 2014;
- f) **AGREED** the proposed legal text;
- g) **NOTED** that this Modification would become P311; and
- h) **NOTED** that ELEXON would issue the P311 Fast Track Modification Report (including the draft BSC legal text), which would then be subject to a 15 Working Day objection period.

### 7. Request to Raise 'Required Housekeeping Changes to Implement P298 and EMR' as a Fast Track Modification – 227/05

7.1 The Panel was invited to raise a Modification Proposal to make minor changes to BSC Section F to correct a discrepancy between the P298 Legal text implemented on 18 July 2014 and the EMR legal text changes directed and implemented on 1 August 2014.

7.2 The proposed Modification also included minor housekeeping changes to BSC Section F, K, V and Annex X-1 to correct typographical errors introduced under the EMR implementation.

7.3 A Panel Member asked that ELEXON clarify in the Fast Track Self-Governance Modification Report that no changes will be made to the P298 or EMR wording, except where the addition or removal of words like 'and' are required for bullet point changes. ELEXON agreed to note this in the report.

7.4 The BSC Panel:

- a) **RAISED** the Modification Proposal;
- b) **AGREED** that this Modification should be progressed as a Fast Track Self-Governance Modification;
- c) **AGREED** that this Modification **does** better facilitate Applicable BSC Objectives (d) and (f);
- d) **AGREED** that this Modification should be approved;

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- e) **AGREED** an Implementation Date of **one working day** after the 15 Working Day objection window closes;
- f) **AGREED** the proposed legal text;
- g) **NOTED** that this Modification would become P312; and
- h) **NOTED** that ELEXON would issue the P312 Fast Track Modification Report (including the draft BSC legal text), which would then be subject to a 15 Working Day objection period.

### 8. Request to Raise 'Required Housekeeping Changes to Implement P295 and EMR' as a Fast Track Modification – 227/06

- 8.1 The Panel was invited to raise a Modification Proposal to make minor changes to the BSC Section V to correct a discrepancy between the P295 Legal text that will be implemented on 16 December 2014 and the EMR legal text changes directed and implemented on 1 August 2014.
- 8.2 A Panel Member noted that the Request to Raise did not reference any discussion between ELEXON and DECC about the Proposed Solution. ELEXON confirmed that it had discussed the Proposed Solution e changes with DECC. ELEXON confirmed that they had discussed the Proposed Solution with DECC, who were fully supportive of the changes. ELEXON agreed to clarify this in the Fast Track Self-Governance Modification Report.
- 8.3 A Panel Member asked that ELEXON clarify in the Fast Track Self-Governance Modification Report that no changes will be made to the P298 or EMR wording, except where the addition or removal of words like 'and' are required for bullet point changes. ELEXON agreed to note this in the report.
- 8.4 The BSC Panel:
  - a) **RAISED** the Modification Proposal;
  - b) **AGREED** that this Modification should be progressed as a Fast Track Self-Governance Modification;
  - c) **AGREED** that this Modification does better facilitate Applicable BSC Objectives (d) and (f);
  - d) **AGREED** that this Modification should be approved;
  - e) **AGREED** an Implementation Date of 16 December 2014;
  - f) **AGREED** the proposed legal text;
  - g) **NOTED** that this Modification would become P313; and
  - h) **NOTED** that ELEXON would issue the P313 Fast Track Modification Report (including the draft BSC legal text), which would then be subject to a 15 Working Day objection period

### 9. P300 'Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes (DCP179)' – 227/07

- 9.1 The Panel noted that Modification Proposal P300 seeks to introduce new Measurement Classes for aggregated Half Hourly-settled customers (for current transformer and whole current metered domestic and whole current non-domestic markets). It was noted that the Proposed Modification builds on Rejected Modification P280 and aligns with Distribution Connection Use of System Agreement (DCUSA) Change Proposal (DCP) 179, which seeks to implement Half Hourly DCUSA tariff changes, and would enable Licensed Distribution Systems Operators (LDSOs) to charge Suppliers on an aggregated basis as well as on a site specific basis.
- 9.2 A Panel Member estimated that in addition to ELEXON's costs, the cost to the industry of this Modification has already been approximately £250k in assessing the Modification.

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- 9.3 The Panel Member stated that they were uncomfortable with the timescale of the consultation. They believed that 10 Working Days, in August, would not give smaller BSC Parties and non-BSC Parties who may be affected by the Modification time to respond as key members of staff could be away. They felt that 15 Working Days was a more reasonable timeframe.
- 9.4 ELEXON noted that the Panel agreed the P300 progression timetable, which included the 10 Working Days Report Phase Consultation. The Chair asked the Panel for a general view. Panel Members agreed that more time for the consultation would aid Parties and Party Agents to more thoroughly consider the Proposed Modification.
- 9.5 ELEXON pointed out that extending the Report Phase Consultation period would normally alter the timetable of the Modification meaning that the Draft Modification Report would come back to the Panel at its October meeting.
- 9.6 A Panel Member suggested that the Panel could convene an ad-hoc Panel after its September meeting. Another Panel Member pointed out that it was often difficult to obtain a quorum for ad-hoc meetings and it was better that Modification issues were considered by the whole Panel.
- 9.7 The Ofgem Representative noted that Ofgem is always keen to give as much time as possible for consultation, but urged the Panel to agree a solution that did not impact the agreed timetable.
- 9.8 A Panel Member suggested that the Panel could accept the Draft Modification Report as a late paper for the Panel's September meeting. ELEXON noted that this could mean that the paper was not received by Panel Members until as late as the day before the September meeting, but if the Panel was happy to accept this, it could extend the consultation. The Panel was content to let ELEXON determine the actual length of the consultation, provided it was as long as possible and provided for a consultation period of between 11 and 15 Working Days so as to present the results to the Panel at its meeting on 11 September 2014.
- 9.9 A Panel Member commented that the costs identified by BSC Parties seem to relate to systems changes and that implementation activities had some interaction with the P272 Implementation Date. They asked if the P300 Workgroup had considered the interaction of the Implementation Dates and how that affected Parties costs. It was noted that the responses to the P300 impact assessment had for the most part considered the costs and timescales of implementation of P300, P272 and DCP 179 as a package, and clarification of the impacts particular to P300 had been sought as part of the Assessment Procedure consultation. ELEXON noted that the P300 implementation approach developed by the Workgroup was based on the amount of time required for the industry to implement changes relating to P300 specifically though the P300 Workgroup was mindful of the P272 implementation approach and it was clear that respondents were considering the suite of related changes as a package.
- 9.10 Some Panel Members asked if aligning the P300 Implementation Dates with P272 or at least moving the P300 Implementation Date closer to the P272 Implementation Date and allowing Parties more than the 12 month lead time currently resulting from the P300 Implementation approach, could potentially save costs for BSC Parties by enabling them to better coordinate implementation activities and allowing the maximum lead times for both Modifications. A Panel Member felt that if it was possible to extend the timescale for P300 implementation in this way then it would be beneficial to participants, but they believed that the period between the implementation of P300 and P272 had not been explicitly considered. Another Panel Member cautioned that the period between P300 and P272 implementation was necessary for the migration of particular types of meters to HH registration and settlement, and that they felt that it was unlikely that it would be feasible to reduce this period, but they agreed that it would be useful to try to gather more information on this matter. The Panel asked ELEXON to include a question in the P300 Report Phase Consultation about the interaction of the P272 and P300 Implementation Dates.

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- 9.11 SC noted that he could not agree with the rest of the Panel that P300, as it stood, should be approved or that the Initial Implementation date was appropriate (recommendations b and c). He did indicate that he felt these issues would be resolved by the additional information on timing he anticipated being provided in the forthcoming consultation and that he supported the other recommendations.
- 9.12 The BSC Panel:
- a) **AGREED** that P300 **did** better facilitate Applicable BSC Objective (d);
  - b) **AGREED** an initial recommendation that P300 should be **approved**;
  - c) **AGREED** an initial Implementation Date of:
    - o 5 November 2015 if an Authority decision is received on or before 5 November 2014; or
    - o 25 February 2016 if an Authority decision is received after 5 November 2014 but on or before 25 February 2015;
  - d) **AGREED** the draft legal text;
  - e) **AGREED** that P300 is submitted to the Report Phase; and
  - f) **NOTED** that ELEXON would issue the P300 draft Modification Report (including the draft BSC and CSD legal text) for a consultation period of up to 15 Working Days so as to present the results to the Panel at its meeting on 11 September 2014.

## NON MODIFICATION BUSINESS (OPEN SESSION)

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### 10. Update on the Florence Forum

- 10.1 Mark Copley presented an update on the Florence Forum. More details on Mark's work and observations can be found [here](#).
- 10.2 The Panel asked Mark to return in six months for a further update.

**ACTION 227/01**

- 10.3 The BSC Panel:

- a) **NOTED** the update.

### 11. Minutes of Meeting 226 & Actions arising

- 11.1 The minutes of the previous meeting were agreed subject to some changes suggested by Chris Alexander<sup>1</sup> and an update on the actions provided. The Panel noted and agreed that the following actions should be closed:

226/01, 225/05, 225/04 and 224/01.

The following actions remained open:

226/02 and 225/02

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<sup>1</sup> Post meeting note: changes agreed by CA and minutes published on the ELEXON website.

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## 12. Chairman's Report

- 12.1 The Chairman updated the Panel on the progress of the Panel elections, noting that the closing date for voting was 22 August 2014.
- 12.2 The Chair noted that the joint Panel/ELEXON Board discussions have taken place to discuss ELEXON's governance (director's appointment and removal, ELEXON strategy approval and accountability and accountability generally)
- 12.3 Additionally, the subject of Panel governance had been discussed and the Chair stated that he was keen to get a paper about this to the Panel in September or October 2014. He suggested that this might encompass such matters as the composition of the Panel, the processes used to appoint Panel Members, a BSC Panel Strategy, BSC Panel and Panel Member accountability and measuring performance.
- 12.4 A Panel member commented that they thought it was a good idea to look at Panel governance given the changes that have happened in the industry.
- 12.5 Another Panel member supported the idea but was eager to point out that at the end of the process any changes to Panel governance should be endorsed by the Industry through a Modification to the Code.
- 12.6 Another Panel member felt that October was a good time to look at this and that some elements (e.g. the development of a Panel strategy to deal with enduring issues) may not need a Modification to the Code to take forward.

**ACTION 227/02**

## 13. ELEXON Report – 227/01

- 13.1 Chris Rowell updated the Panel on ELEXON's most recent activities including its one year extension of the BSC Application Management and Development contract with Cognizant; the receipt of a report commissioned by the Scottish government on future arrangements in the event of independence; and ELEXON's views on the BSC related matters contained in the Competition and Markets Authority's scoping document for its review into the supply and acquisition of energy in Great Britain.
- 13.2 A Panel member commented on the work ELEXON is doing on Smart Grids and Smart Energy Futures and asked the following questions:
  - Does ELEXON have the authority to conduct this work under its vires?
  - What is the cost of this work and where is the budget for it coming from?
  - Why is ELEXON planning individual meetings with Panel members rather than raising these at Panel?
- 13.3 ELEXON responded that the work is part of ELEXON's role to be informed about and give advice about industry changes and how they may impact the BSC and settlement and was therefore considered within vires. The work was highlighted and budgeted for in the ELEXON Business Plan. Documents summarising the findings will be published on the ELEXON website for the use of everyone involved in the industry with copies of the reports available on request. ELEXON's intention in proposing separate meetings was in the interests of efficiency i.e. so that Panel members who would like an opportunity to discuss 'smart energy futures' in depth could do so. An overview could additionally be given to the Panel meeting if this was of benefit.
- 13.4 David Lane noted that as the DSO Representative, he has a special interest in the Smart Grids work and commended ELEXON for its work in this area.
- 13.5 Another Panel member noted that he felt that it was essential that the Panel and ELEXON were proactive about the coming changes and that it was the work of the entire Panel to discuss this.

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- 13.6 A Panel member commented about ELEXON's meetings with Ofgem and ENTSO-E about the governance of ENTSO-E changes relating to European Transparency data. They felt that stakeholders should be represented at these meetings as the data under discussion is coming from them and any changes should be agreed by them rather than imposed. ELEXON clarified that these meetings were not about specific changes to the data which should involve users, rather they were more generic, involving education on ELEXON's role and the process and timescales for making changes.
- 13.7 A Panel member commented on the most recent Trading Dispute (DA686) upheld by the TDC and asked whether there would be a 'lessons learned' paper and when that could be expected. ELEXON confirmed that it was reviewing the matters highlighted by the Trading Dispute and it would share its findings with the Panel but that such an exercise would need to be conducted following the completion of all associated Trading Dispute processes (including the expiry of any associated appeal periods). The PAB sponsor also noted that the PAB was interested in understanding the issue and gaining assurance that the matter had been addressed.

### **ACTION 227/03**

- 13.8 For further details on ELEXON's work over the past month, please see the [ELEXON Report](#).

### **14. Distribution Report - Verbal**

- 14.1 David Lane noted that the GSP Energisation work was still on going.

### **15. National Grid Report – Verbal**

- 15.1 Ian Pashley provided an update on the recently-closed tender for provision of the new Demand Side Balancing Reserve service. In summary:
- The first DSBR tender round closed on Friday 25th July 2014;
  - In total 496 SVA registered MPANs were submitted. An additional 5 SVA sites were submitted that do not require a data request to the HHDCs; and
  - National Grid was very encouraged with the levels of participation and was currently conducting validation checks (including volume validation using HHDC data) before moving to economic assessment.
- 15.2 Further communications on contracted volumes will be published in September following contracts being awarded

### **16. Ofgem Report – Verbal**

- 16.1 Lesley Nugent informed the Panel of Ofgem's intention to consult on a change to the Electricity Transmission Licence as mentioned in Ofgem's open letter response to the Knight Report in October 2013. LN noted that potential changes had been discussed with National Grid and ELEXON and that, following these initial discussions, Ofgem intended to issue a consultation in the coming weeks. LN confirmed Ofgem's commitment to engage with other stakeholders and that it would welcome comment from Panel Members.

### **17. Report from the ISG – 227/01a**

- 17.1 The Panel noted the report from the ISG.

### **18. Report from the SVG – 227/01b**

- 18.1 The Panel noted the report from the SVG.

### **19. Report from the PAB – 227/01c**

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- 19.1 The Panel noted the report from the PAB.
- 19.2 A Panel member noted that TDC and PAB had received legal advice concerning the obligations of BSC Parties under the BSC to raise Trading Disputes. They would like to know when that will be available to the Industry. ELEXON replied that the lessons learned exercise being undertaken in light of Trading Disputes DA618 was considering transparency of legal advice that it was important for the Panel to determine its policy on when and whether to make such legal advice public before determining a way forward on this matter.
- 19.3 The TDC Sponsor observed that the TDC's current preference was for legal advice itself to remain confidential. However, this did not preclude the TDC (or the Panel) from confirming their prevailing view on the obligations of BSC Parties under the BSC to raise Trading Disputes, having taken account of the BSC and the legal advice received.

## 20. Report from the TDC – 227/01d

- 20.1 The Panel noted the report from the TDC.

## 21. Report from the PSRG – 227/01e

- 21.1 The Panel noted the report from the JESG.

## 22. Report from the ECCAF – Verbal

- 22.1 There was no verbal report from the ECCAF.

## 23. Trading Operations: BSC Operations Headline Report – 227/02

- 23.1 The Panel noted the BSC Operations Headline Report.

## 24. Change Report – 227/03

- 24.1 The Panel noted the Change Report.

## 25. Update on Electricity Market Reform – 227/09

- 25.1 The BSC Panel received its monthly update on ELEXON's appointment as the Settlement Services Provider (SSP) for both Contracts for Difference (CfD) and for the Capacity Market (CM).
- 25.2 The Chair noted that, with funding resolved, the EMR financial update that is usually provided in the Closed Session, is no longer as relevant and asked if the Panel wished to consider revising the reporting arrangements. The Panel supported this idea.
- 25.3 ELEXON therefore suggested that it would be more meaningful to give a update that confirmed whether ELEXON was being paid in accordance with the Grant (for implementation) and Low Carbon Contracts Company Ltd (LCCC) / Electricity Settlement Company Ltd (ESC) contract (for operation), whether such funding was cash flow positive and whether ELEXON's resource usage was consistent with forecast. ELEXON agreed that if the answer to any of these questions was negative in any material respect, it would present an explanatory confidential paper to the Panel. It was agreed that this change should be implemented for next month.
- 25.4 The BSC Panel:
- a) **NOTED** the EMR update; and
  - b) **AGREED** to the change to the finance report.

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## 26. Any other Business

26.1 There was no other business in the Open Session.

## NON MODIFICATION BUSINESS (CLOSED SESSION)

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## 27. Removal of Dormant Suppliers from the BSC – 227/10

27.1 Several BSC Parties have been identified by ELEXON to be dormant Suppliers due to non-trading for a number of years.

27.2 The BSC Panel:

- a) **DETERMINED** that those Parties that had been dissolved be removed from the BSC immediately and any associated registrations be end dated;
- b) **DETERMINED** that those Parties that were in liquidation or receivership be removed from the BSC once ELEXON received a dissolution notice for the respective Parties.

## 28. Section H Default Update

28.1 A company through non-payment of BSCCo charges has triggered a Section H Default event. At its 10 July 2014 meeting, the BSC Panel recommended that the company be expelled from the BSC and the recommendation be published for consultation. ELEXON updated the Panel with information on the outstanding charges.

28.2 The BSC Panel:

- a) **NOTED** that the company is in Default under Section H3.1.1 (b) of the BSC; and
- b) **AGREED** to serve an Expulsion Notice on the company on 1 September 2014, with the expulsion to take effect on 29 September 2014, if ELEXON did not receive payment in full for the outstanding invoices by 31 August 2014.

## 29. Any other Business

29.1 There was no other business in the Closed Session.

## 30. Next meeting

30.1 The next meeting of the BSC Panel will be held at the offices of ELEXON Ltd, 350 Euston Road, London NW1 3AW on Thursday 11 September 2014.