

BSC PANEL 236 - APPROVED MINUTES

MEETING NAME	BSC Panel
Meeting number	236
Date of meeting	9 April 2015
Venue	ELEXON Ltd, 350 Euston Road, NW1 3AW
Classification	Public

ATTENDEES AND APOLOGIES

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
	Chris Alexander	CA	Consumer Panel Member
	David Lane	DL	DSO Representative
	Derek Bunn	DB	Independent Panel Member
	Ian Pashley	IP	Transmission Company Panel Member
	Phil Baker	PB	Industry Panel Member
	Phil Hare	PH	Independent Panel Member
	Rory Edwards	RE	Ofgem Representative
	Stuart Cotten	SC	Industry Panel Member
	Lisa Waters	LW	Industry Panel Alternate for Peter Bolitho
Presenters	Greg Mackenzie	GM	British Gas
Observers	Miles Macallister	MM	Smartest Energy
ELEXON	Adam Richardson	AR	ELEXON
	Dean Riddell	DR	ELEXON (Part Meeting)
	Jon Spence	JS	ELEXON (Part Meeting)
	Nicola Dempsey	ND	ELEXON
	Mark Bygraves	MB	ELEXON
	Oliver Xing	OX	ELEXON (Part Meeting)
	Simon Fox	SF	ELEXON (Part Meeting)
	Victoria Moxham	VM	ELEXON
	Talia Addy	TA	ELEXON (Part Meeting)
Apologies	Peter Bolitho	PBo	Industry Panel Member
	Adam Lattimore	AL	ELEXON

1. Apologies

- 1.1 The Chairman confirmed the apologies of Peter Bolitho and Adam Lattimore. Lisa Waters was attending as Peter's alternate and Dean Riddell for Adam Lattimore. The Chair also welcomed Rory Edwards and Derek Bunn.

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MODIFICATION BUSINESS (OPEN SESSION)

2. Report on Progress of Modification Proposals - Verbal

- 2.1 The Modification Secretary, Dean Riddell, updated the Panel on the current status of Modifications.
- 2.2 It was noted that ELEXON would seek approval for the procurement of external consultants to support the P308 Workgroup at the Panel meeting in May.
- 2.3 For further details, please see the [Change Report](#).

3. P272 Update

- 3.1 ELEXON noted that it had received no response from the Panel's letter to Ofgem requesting a delayed Implementation Date for P272. The Ofgem Representative noted that Ofgem intended to issue a letter confirming the Authority decision before the next Panel meeting.
- 3.2 ELEXON proposed removing the regular monthly update on P272 from the Panel agenda. Instead, it would continue to update the Panel when there was new information to share. A Panel member noted that the Panel had requested the monthly update on P272 in order to monitor work and industry progress on implementation. They were concerned that removing the agenda item would make it difficult to do this.
- 3.3 Another Panel member suggested that ELEXON could provide updates on P272 in the ELEXON Report.
- 3.4 A Panel member was supportive of this idea. However, they noted that the implementation of P272 had impacts wider than the BSC and therefore requested that ELEXON also capture updates on these. The Panel requested that ELEXON to devise a mechanism for reporting to it on the implementation progress of P272 by BSC Parties and update it on the work conducted under other Codes in support of the implementation of P272.

ACTION – 236/01

- 3.5 The Panel therefore agreed to the removal of the regular monthly update on P272 as a separate, standing agenda item.
- 3.6 A Panel member stated that they felt that the Panel and ELEXON should take more of a lead on ensuring that other Codes were conducting the necessary work. ELEXON noted that it was liaising with other Code Administrators on P272 issues. However, ELEXON noted that although it can suggest it cannot direct the work other Codes.

4. P320 'Reporting on Profile Classes 5-8 Metering Systems after the implementation of P272' – 236/04

- 4.1 The implementation of P272 would require Profile Class 5-8 Metering Systems to be Half Hourly settled and require changes to PARMS and Supplier Charges to report any non-compliance. The Panel noted that Modification P320 proposed to remove these required changes to PARMS and Supplier Charges that introduced by P272, and instead create a Committee Report to monitor the implementation of P272.
- 4.2 The Chair sought reassurance that nothing in this Proposed Modification would be affected by the possible delay to the implementation of P272. The Proposer confirmed that this was the case.
- 4.3 A Panel member noted that P272 is an approved Modification and that the only uncertainty about P272 currently is therefore its Implementation Date, due to the requested delay to P272 implementation, i.e. Modification P272 itself cannot be changed. They further noted that as conceived, P320 will amend the P272 legal text as it relates to PARMS reporting. Consequently, it would be important to ensure that the

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Implementation Date of Modification P320 was aligned with that of P272 and this should be known before the Panel had to make its final recommendation on the Implementation Date for Modification P320.

- 4.4 A Panel member asked if there were any implications for customers that would not be affected by P272. ELEXON noted that the redlining is focused on Profile Class 5 to 8 and therefore limited impacts only to those Metering Systems that would be impacted by P272.
- 4.5 Another Panel Member cautioned about any weakening of incentives to move to HH Settlement and noted that the P272 reporting could be used by Ofgem.
- 4.6 A Panel member requested that ELEXON ensure that PAB members were invited to participate in the P320 Workgroup.
- 4.7 The BSC Panel:
- a) **AGREED** that P320 progresses to the Assessment Procedure;
 - b) **AGREED** the proposed Assessment Procedure timetable;
 - c) **AGREED** the proposed membership for the P320 Workgroup; and
 - d) **AGREED** the Workgroup's Terms of Reference.

5. P315 'Publication of Gross Supplier Market Share Data' – 236/05

- 5.1 The Panel noted that Modification P315 was designed to increase the transparency of Suppliers' Metered Volumes and MPAN counts to give industry participants more equal access to basic market share information. The P315 Workgroup consulted on multiple potential solutions and developed a P315 Proposed Modification solution and a P315 Alternative Modification solution. The Workgroup recommended that the P315 Alternative Modification be approved.
- 5.2 The Chair noted that many of the views expressed in the industry consultation were negative and was therefore surprised to see that the P320 Workgroup made a unanimous decision in favour of the P315 Alternative Modification solution. Although he understood that the Report Phase consultation would give industry another chance to comment, the Chair felt that the Panel needed to address what would happen if the responses to that consultation are still negative.
- 5.3 A Panel member noted that some of the views expressed in the responses to the Assessment Procedure industry consultation were very extreme and negative. They stated that they would have preferred to see the Workgroup request an extension to the assessment phase, in order to issue a further consultation on the Proposed and Alternate Modifications that had been refined by the Workgroup in light of the consultation comments received. ELEXON noted that the Workgroup did not believe that further consultation under the Assessment Procedure was required because the Proposer and Workgroup had already developed both the Proposed and Alternative Modifications to attempt to address the issues raised by the consultation responses, and P315 would be subject to further industry consultation as part of the Report Phase which would give participants a chance to confirm whether the concerns had been addressed.
- 5.4 Another Panel member commented that the Report Phase consultation would not offer industry a chance to shape the proposal in the way that an Assessment Phase consultation does because, at the Report Phase, the solutions cannot be altered and it would be a case of ensuring the legal text delivered the intended change and that the Implementation Date is appropriate. They would also like to have seen comment from Ofgem about whether the Alternative solution was appropriate and might be considered an acceptable Modification.
- 5.5 A Panel member noted that the Modification seemed to have conflated two separate issues, Supplier market share and embedded generation, and queried whether these two issues might have been better dealt with in

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- two separate Modifications. ELEXON replied that this question did not arise in the course of the Workgroup's assessment.
- 5.6 A Panel member commented that the stated benefits claimed for the Modification seem to be exaggerated; they further noted that although some transparency is welcome, in other areas of business, market share information is often vague and the industry needed to recognize that.
- 5.7 A Panel member asked what involvement National Grid had in crafting the solution. The Grid Representative noted that it had not been closely involved because the benefits on predicting demand and embedded generation was a side effect of the solution rather than the aim of it.
- 5.8 A Panel member asked if Ofgem had a view about whether the Alternative Modification addressed the views expressed by the consultation responses. The Ofgem Representative stated that Ofgem did not have a view but was looking forward to seeing consultation responses.
- 5.9 The Panel member asked if Ofgem was intending to conduct a Regulatory Impact Assessment for Modification P320. Ofgem could not confirm and the Panel member stated that, in their view, a possible Ofgem impact assessment meant that an additional consultation on the P320 Alternate Solution under the Assessment Procedure was more necessary.
- 5.10 A Panel member noted the charge for a Non-BSC Party to licence the data and asked about the rationale for the fee. ELEXON stated that the Workgroup opted to make the charge consistent with the charging mechanism in P114 and that this money goes back to BSC Parties.
- 5.11 A Panel member expressed concern that the licence fee may be a barrier for potential new entrants.
- 5.12 The Panel noted that the proposed licence fee would not be fixed by the Modification and could be reviewed at a future date.
- 5.13 A Panel member declared an interest and stated that they would not vote in this decision, however, they did feel that where issues of market transparency are involved, then the CMA guidelines should be taken into account. ELEXON stated that its legal advice confirmed that the CMA guidance deals with market misconduct, which is not relevant to context of P315.
- 5.14 The Panel asked ELEXON if it was possible to conduct another consultation to determine how industry viewed the Proposed and Alternate Modifications crafted in response to the initial consultation.
- 5.15 ELEXON noted that the Workgroup had given its final views on the Modification, and once the Report Phase consultation was issued, the Proposed and Alternate solutions would be crystallised and that the Modification Workgroup would be disbanded. ELEXON also advised that an additional consultation would extend the Assessment Procedure timetable by an additional two months. This delay would mean that the recommended phased implementation approach would not be possible and that the benefit of monitoring the Non Half Hourly to Half Hourly Settlement transition under P272 would be greatly reduced.
- 5.16 A Panel member felt it was important that the Modification go back into the Assessment Procedure for an additional consultation so that the Workgroup would be able to take account of any subsequent concerns raised in light of the development of the Proposed and Alternate Modification solutions.
- 5.17 Other Panel Members agreed and requested that the Workgroup further consider, in particular, the application of the proposed licence fee.
- 5.18 Several Panel members noted that the Proposed Modification should return to the Panel at its June meeting but requested that the updated Assessment Report should be submitted to the Panel earlier (i.e. at its meeting in May) if possible, in order to minimise the delay to the progression of P315 as much as possible.
- 5.19 The BSC Panel:

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- a) **AGREED** that Modification P315 should return to the Assessment Procedure;
(For – AC, BV, CA, DB, PB, LW, PH, SC)
(Abstained - BB)
- b) **AGREED** that the P315 Workgroup should issue a further consultation on the P315 Proposed and Alternative Solutions; and
- c) **AGREED** that the revised P315 Assessment Report should be presented to the Panel no later than its June 2015 meeting but sooner if possible.

6. P317 'Changes to the Unmetered Supplies obligations in the BSC' – 236/06

- 6.1 BSC Section S provides details of the Unmetered Supply (UMS) arrangements and obligations. Recent changes to the responsibilities of License Distribution System Operators (LDSOs) and the Party Agent role of Master Administrator (MA) meant that some of the wording in BSC Section S relating to UMS was outdated. Modification P317 sought to remove this outdated wording and better align the BSC with current working practice.
- 6.2 The BSC Panel:
 - a) **AGREED** that P317 **did** better facilitate Applicable BSC Objective (d);
 - b) **DETERMINED** (in the absence of any Authority direction) that P317 was a Self-Governance Modification Proposal;
 - c) **APPROVED** P317;
 - d) **APPROVED** an Implementation Date of 25 June 2015;
 - e) **APPROVED** the draft legal text; and
 - f) **APPROVED** the P317 Modification Report.

7. New CACoP Principle 13 – 236/07

- 7.1 At its December 2014 meeting the Panel asked ELEXON to work with other industry Code Administrators to introduce a new Principle on cross Code coordination into the Code Administration Code of Practice (CACoP). ELEXON presented the draft of the new Principle to the BSC Panel for its comments.
- 7.2 A Panel member was concerned about how the CACoP would encourage Code Administrators to keep Parties updated on potential changes and their impacts on industry. They would like to see included something more responsive to industry concerns and issues. The member suggested that this Principle should have a greater emphasis on engagement with industry on cross Code changes and more detail on how that would be achieved. ELEXON noted that Principle 13 is designed to be a high level objective and that a more detailed process will underlie it. Another Panel member echoed the concern that Principle 13 did not address engagement with industry, only between Code Administrators. They felt that a more holistic approach to this issue was needed.
- 7.3 A Panel member noted that BSC Section F, 1.6 is clear that the purpose of this is to assist the Panel in fulfilling its obligations and would like to see Principle 13 be clearer on that point.
- 7.4 A Panel member suggested that Principle 13 should clearly encourage Code Administrators to work to proactively anticipate cross Code issues, rather than just respond to them as they arise.
- 7.5 ELEXON noted the Panel's comments and agreed to revise Principle 13 to reflect the Panel's suggestions and concerns.

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- 7.6 The Transmission Company Panel member noted that other issues had been raised at other Code Panel meetings and the Code Administrators would therefore have to re-draft Principle 13 in response to all Code Panel feedback.
- 7.7 The BSC Panel:
- a) **PROVIDED** comments on the draft CACoP Principle 13; and
 - b) **AGREED** that ELEXON should present the revised CACoP Principle 13 to the Panel in May after the relevant Code Administrators have made the required amendments in light of comments raised by their respective Code Panels.

NON-MODIFICATION BUSINESS (OPEN SESSION)

8. Minutes of Meeting 235 Actions arising

- 8.1 The minutes of the previous meeting were agreed and an update on the actions provided.
- 8.2 The Panel noted that the following actions should be closed:
235/01 and 235/02
- The following actions remained open:
234/02, 234/03, 232/01, 231/08, 228/02 and 227/03

9. Chairman's Report

- 9.1 The Chairman noted that the recruitment of the ELEXON CEO was continuing in line with the timetable he laid out at the last Panel meeting. He highlighted that he would need to consult the Panel following the deliberations of the nomination committee. The Panel noted it was likely that an ad-hoc Panel meeting would be convened via teleconference for this purpose on 20 April 2015. Details would be issued by the Panel Secretariat in due course and the meeting would be held in closed session.
- 9.2 He also noted the upcoming Annual BSC Meeting in July. The Panel noted that ELEXON was working to towards holding a wide-ranging meeting as had been the case last year. The Annual meeting is also a good time for the Panel and Board to come together informally and so as with last year, the Chairman asked that Panel members plan to attend for the entire day, followed by dinner.

10. ELEXON Report – 236/01

- 10.1 Mark Bygraves provided an overview of ELEXON's work in the last month.
- 10.2 He also noted that Cornwall Energy had won a tender from the Competition and Markets Authority (CMA), to support it by examining the Modification processes across all industry Codes.
- 10.3 A Panel member asked if ELEXON had a view on this. MB noted that ELEXON would provide any support Cornwall Energy requires. The Panel member asked if, where appropriate ELEXON will suggest case studies for examination. MB confirmed that ELEXON will work with Cornwall and if asked will provide case studies.
- 10.4 A Panel member asked where the tender was advertised. ELEXON was unaware of where or when the contract was tendered.
- 10.5 For further details, please see the [ELEXON](#) Report.

11. Distribution Report - Verbal

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11.1 There was no Distribution Report.

12. National Grid Report – Verbal

12.1 There was no report from National Grid.

13. Ofgem Report – Verbal

13.1 The Ofgem Representative, Rory Edwards, updated the Panel on the following

Licence Lite

13.2 The revised and updated operating guidance for SLC 11.3 (Licence Lite) was published on 1st April. It took immediate effect and replaced the previous 2009 guidance. All the documentation can be found here - <https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-lite>

JESG

13.3 Ofgem held a stakeholder session last month under the JESG umbrella to identify what GB framework changes may be required to implement the Capacity Allocation & Congestion Management (CACM) Guideline. The initial analysis had been circulated to stakeholders in the JESG weekly up-date on Friday 20th March. Ofgem asked for feedback by Friday 24 April 2015 to peter.hicks@ofgem.gov.uk

14. Report from the ISG – 236/01a

14.1 The Panel noted the report from the ISG.

15. Report from the SVG – 236/01b

15.1 The Panel noted the report from the SVG.

15.2 The Panel Sponsor noted that SVG will be asking Panel to establish an Issue Group to deal with some issues raised relating to how the EMR requirements in the BSC are documented and whether there is a case for having a single EMR BSCP.

15.3 A Panel member noted that this was not a new issue and had been raised and decided on before, however a Party Agent felt that there was new evidence and this needed to be examined in light of that.

16. Report from the PAB – 236/01c

16.1 The Panel noted the report from the PAB.

17. Report from the TDC – 236/01d

17.1 The Panel noted the report from the TDC.

18. Trading Operations: BSC Operations Headline Report – 236/02

18.1 The Panel noted the BSC Operations Headline Report.

19. Change Report – 236/03

19.1 The Panel noted the Change Report.

20. Address Data Dual Fuel Working Group – 236/06

20.1 Ofgem had requested that industry set up a dual fuel working group to look at improving the quality of address data. They drafted a proposed Terms of Reference for the Address Data Dual Fuel Working Group. The Panel considered the Terms of Reference and whether ELEXON should offer to chair and facilitate the Working Group.

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- 20.2 A Panel member noted that ELEXON had offered to Chair the committee but also noted that this will take up resource for an activity that is not directly related to BSC activities and therefore may only give rise to indirect benefits under the BSC. ELEXON acknowledged this concern and highlighted that other Code Administrators had acknowledged that there could be benefit in ELEXON being an impartial chair.
- 20.3 Another Panel member noted the rationale that ELEXON, as a neutral party, might be ideally placed to chair the Working Group. However, while they were content for ELEXON to act as Chair, they noted that all Code Administrators should be neutral.
- 20.4 A Panel member asked if Ofgem had asked ELEXON to chair the Working Group. ELEXON confirmed that the Working Group had been formed at Ofgem's request but they had not selected a Chair or asked ELEXON to be Chair but had not objected to the idea. The Panel member felt that as Ofgem had formed the Working Group it was for them to nominate the Chair, which could be ELEXON and select appropriate administrative support.
- 20.5 A number of Panel Members confirmed that it was, however, essential that ELEXON had a seat on the group.
- 20.6 A Panel member was concerned about the Terms of Reference. In their view, the group should also look at the processes that Suppliers had in place and how these might help or hinder data quality. The Ofgem Representative stated that the ToR were a starting point and this is why they were seeking advice from the Code Panels.
- 20.7 The BSC Panel:
- a) **COMMENTED** on Ofgem's suggestions for the Address Data Dual Fuel Working Group Terms of Reference; and
 - b) **AGREED** that ELEXON should not offer to chair and facilitate the Working Group and that the Chair and facilitator for the Working Group should be determined by Ofgem.

NON MODIFICATION BUSINESS (OPEN SESSION)

21. Annual Review of the Committee Terms of Reference – Verbal

- 21.1 ELEXON updated the BSC Panel on the results of its annual review of the Committee Terms of Reference.
- 21.2 No changes were identified as a result of the review, although all Chairs are aware that there may be amendments arising from the Panel's review of Governance later this year.
- 21.3 The BSC Panel:
- a) **NOTED** the review of Panel Committee Terms of Reference.

22. Update on Electricity Market Reform – 236/10

- 22.1 ELEXON gave the BSC Panel an update on the Electricity Market Reform work.
- 22.2 ELEXON asked the Panel if it was content to remove the EMR presentation from the Panel Agenda and have the updates via the ELEXON Report. The Panel agreed to this.

ACTION 236/02

- 22.3 The BSC Panel:
- a) **NOTED** the update.

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NON MODIFICATION BUSINESS (CLOSED SESSION)

23. Panel Governance Review: Accountability and Role – 236/09

23.1 The Panel was invited to consider the initial findings of the Panel Governance Review regarding accountability, role and functions. Subject to the review and agreement of the Panel, it was proposed that the findings be published for reference and used by the review group in its subsequent work.

23.2 The BSC Panel:

a) **COMMENTED** on the attached thought pieces; and

AGREED that, following minor amendment, the thought pieces should be published for comment.

24. Next meeting

24.1 The next meeting of the BSC Panel will be held at the offices of ELEXON Ltd, 350 Euston Road, London NW1 3AW on Thursday 14 May 2015.