

ELEXON REPORT

MEETING NAME BSC Panel

Date of meeting 12 February 2015

Paper number 234/01

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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 16 January 2015 to 4 February 2015.

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 responded to three external consultations this month:

- ACER's call for comments on the Network Code on Electricity Balancing
- ACER and ENTSO-Es' joint consultation on the role of stakeholders in European Network Code implementation
- ENTSO-E's consultation on Chapter 4 of the draft European Emergency and Restoration Network Code

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

Board Headline Reports

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

Mid-year review against business plan

2.4 Mid-way through the financial year, we've summarised our progress against the strategic priorities in place for 2014/15 in the [January 2015 Business Update](#). The document details key pieces of work and significant milestones, as well as including a summary of our expenditure against budget so far for 2014/15. Now we've passed the mid-point of the budget year, we're in a position to have a critical look at our assumptions and cost estimates, particularly around the variable and demand driven elements of the 2014/15 budget. The BSCCo Board has approved the release of £2.3m from our forecast budget for the year, and we are pleased to announce that this underspend against budget will be passed directly on to BSC Parties through reduced costs for the remainder of the year.

Ofgem consultation on ELEXON vires

- 2.5 Ofgem has issued its [statutory consultation](#) proposing the changes to the Transmission Licence that would remove the existing constraint on ELEXON undertaking new activities. The closing date for representations on the proposed licence modification is 12 February 2015. If the Authority decides to make the proposed modification it will take effect no later than 56 days after the decision is published.

Data request

- 2.6 ELEXON was contacted by the Telegraph newspaper with a request to provide clarity on a set of public-domain BMRS data, particularly relating to the generation mix on the peak demand day of 19 January 2015. A subsequent article referencing the data was published in the Telegraph.

3. Industry News

European developments

- 3.1 ELEXON has responded to three European consultations on Network Codes – see section 2 above.
- 3.2 The Joint European Standing Group (JESG) met on 20 January and Ofgem proposed a revised role for a new Joint European Stakeholder Group as a “single touch point” for stakeholders on all GB-European matters. If this goes ahead, it would involve the merging of the existing JESG, ECCAF and the DECC-Ofgem EU Electricity Stakeholder Group. Such a new group would no longer be a standing group of the Code Panels. Ofgem has since circulated a joint DECC-Ofgem proposal to this effect, and is seeking comments on this by 13 February.
- 3.3 The European Transparency Regulation came into force in early January and the BMRS (via BSC Modification P295) provides data to ENTSO-E’s European Transparency Platform (EMFIP) as part of the GB electricity industry solution for compliance with this Regulation.

Competition and Markets Authority (CMA) investigation

- 3.4 ELEXON has provided all the data that the CMA had requested (seven years’ worth of historic Settlement data). This amounted to over 200GB of information. We are not anticipating any further requests in the immediate future.
- 3.5 The CMA has published the high level hearing summary from the ELEXON/BSC Panel hearing on 30 October 2014. We have circulated the summary to ELEXON Board and Panel members. The summary can be found [here](#) alongside summaries from other hearings including Ofgem, DECC and National Grid.

4. Operational News

Funds Administration Payment Calendar

- 4.1 The Funds Administration (FAA) Payment Calendar for 2015/16 is now available on the FAA Dashboard on the ELEXON Portal. This lists the Notification Date and calendar Payment Date for each Settlement Day and Settlement Code in BSC Year 2015. If you have any questions about the FAA Payment Calendar, please contact BSCServiceDesk@cgi.com.

Updated Trading Disputes Committee (TDC) Terms of Reference

- 4.2 The TDC Terms of Reference have been updated (and approved by the Panel) to clarify the Trading Dispute provisions following a lessons learnt exercise carried out by ELEXON and the TDC after Trading Dispute DA618. The updated Terms of Reference can be downloaded [here](#).

Missing temperature data

- 4.3 Temperature files sent by the Met Office did not include complete data for some Settlement Periods for the following days and GSP Groups:
- GSP_J: 8, 9, 10, 11 January 2015
 - GSP_K: 14 January 2015
 - GSP_F: 15 January 2015
 - GSP_E: 19 January 2015
 - GSP_C and GSP_H: 23 January 2015
- 4.4 For the affected Settlement Periods the Supplier Volume Allocation Agent (SVAA) has used back up data in lieu of the missing data. As a result, the calculated Daily Profile Production (DPP) coefficients will be marginally different to those that would have been calculated had complete data been available. However, this should have no impact on Parties.
- 4.5 The problems were caused by a line fault (GSP_J), a temporary outage (GSP_K, GSP_F and GSP_E) and a faulty sensor (GSP_C and GSP_H). All issues have now been resolved. We notified BSC Parties as the issues were occurring via a series of circulars.

ELEXON Portal: defect fixes

- 4.6 On 27 January 2015 we deployed a number of fixes to the ELEXON Portal. Four known issues were resolved, with no need for an outage and no impact on users. The following known issues have now been corrected:
- The user is unable to edit asset details in some circumstances on the ELEXON Portal.
 - The user is getting a validation error when editing follow up message 'Event Start date must be less than or equal to end date' even if these dates are correct.
 - The user should not be able to grant 'Manage Asset' permission for 'NO_ASSET'.
 - Using 'Add New Rights' page, the user is currently able to add invalid permissions into the database

New BMRS Platform Project: progress update

- 4.7 Phase 1: The BMRS system was deployed on schedule on 16 December although with some teething problems with Grid data availability (see below). A lessons learned session was held on 29 January 2015 between ELEXON, CGI and Cognizant. A separately session will be held with National Grid.
- 4.8 Phase 2: Our BPO Service Provider (CGI) confirmed that sufficient time was available in the plan to maintain the original delivery dates. The Project Board will be re-established in February and meet on a monthly basis.
- 4.9 Phase 3: The scope of Phase 3 has been impacted by the P305 decision, causing the delivery date to be delayed from November 2015 to March 2016. An Exception Plan is being drafted to support this.

Update on Balancing Mechanism Reporting Service upgrade for P291 and P295

- 4.10 On 16 December 2014, we implemented P295 (Submission and publication of Transparency regulation data via the BMRS) and on 31 December 2014 we implemented P291 (REMIT Inside Information Reporting Platform for GB Electricity) on the Balancing Mechanism Reporting Service (BMRS) website.
- 4.11 The Transparency data published on BMRS is also published on the ENTSO-E Transparency Platform, which was implemented on 4 January 2015. Parties are now able to publish REMIT Data on BMRS either by submitting it via National Grid or the ELEXON Portal.

- 4.12 The 'Transparency Data' pages publish data received from National Grid in accordance with the requirements of the BSC; we are aware that there are currently some problems with the usability of these pages and we are working to address these issues. The most significant of these problems relate to the Planned Unavailability and Actual Availability files not being displayed correctly and that users are not able to filter by BM Unit. For more information on the known defects that we're working to resolve, please refer to [ELEXON Circular EL02196](#). If you have any questions please contact Colin Berry on 020 7380 4112, or email colin.berry@elexon.co.uk.

Potential surge in new Suppliers

- 4.13 ELEXON has been informed by an 'off-the-shelf Supplier' provider that they have over 10 potential customers interested in purchasing their package. If this materialises, it is likely to lead to a sharp rise in support that ELEXON and the OSMs need to provide new Suppliers entering the market, and potential training needs. The 'off-the-shelf' (or supplier in a box) model is where an organisation develop the systems and processes to achieve Qualification under the BSC and then sell it on as a ready-made qualified Supplier to a third party.

5. Summaries of Panel Business – Tabled

Report from the Imbalance Settlement Group (ISG)

- 5.1 At its meeting on 27 January 2015, the ISG considered three decision papers. Key decisions included a Review of the MDRG Terms of Reference, a Metering Dispensation and a CP.
- 5.2 Further information can be found in the ISG Panel report 234/01a.

Report from the Supplier Volume Allocation Group (SVG)

- 5.3 At its meeting on 3 February 2015, the SVG considered ten decision papers. Key decisions included MDD Change Requests, three CP's, the Profiling Expert Group's recommendations: TPDs, AFYCs, Default EACs and the Profiling and Settlement Review Group's (PSRG) recommendations on dynamic switching.
- 5.4 Further information can be found in the SVG Panel report 234/01b.

Report from the Performance Assurance Board (PAB)

- 5.5 At its meeting on 29 January 2015, the PAB considered ten decision papers. In addition to its usual business, it considered Settlement Risk Monitoring, the use of PARMS Data going forward and EFR and Size Adjustments.
- 5.6 Further information can be found in the PAB Panel report 234/01c.

Report from the Trading Disputes Committee (TDC)

- 5.7 At its meeting on 5 February 2015, the TDC considered 5 decision papers. In addition to its usual business, it considered three Trading Disputes, a CP and the published process for Parties wishing to attend TDC.
- 5.8 Further information can be found in the TDC Panel report 234/01d.

Report from the Profiling and Settlement Group (PSRG)

- 5.9 There has been no PSRG meeting in January and no further meetings are scheduled at present. The report on reducing settlement timescales will be presented to the Panel at its February meeting.
- 5.10 ELEXON is currently reviewing the potential next areas of work for the PSRG.

Report from the Joint European Standing Group (JESG)

- 5.11 The JESG held its monthly meeting on 20 January 2015.
- 5.12 Further information can be found in the JESG Panel report 234/01e.

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6. Information Relating to Other Industry Codes

6.1 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	21 January 2015	18 February 2015
CUSC (Connection and Use of System Code) Modifications Panel	30 January 2015	27 February 2015
STC (System Operator-Transmission Owner Code) Committee	28 January 2015	25 February 2015
GCRP (Grid Code Review Panel)	21 January 2015	18 March 2015
MDB (Master Registration Agreement (MRA) Development Board)	29 January 2015	29 February 2015
SEC (Smart Energy Code) Panel	16 January 2015	13 February 2015

7. Smart Metering and Smarter Markets

Smarter Markets

7.1 ELEXON regularly meets with Ofgem and are working with Ofgem to assist with its Smarter Markets work programme (and inform on progress/interaction with the Profiling and Settlement Review).

Settlement Reform

7.2 Ofgem published an [open letter](#) on 28 January setting out its next steps for settlement reform. Ofgem reiterated its ambition for half hourly settlement as a longer term goal. It also noted the importance of demand side flexibility and has launched a new project (replacing work on Demand Side Response) to develop a strategy to enable and enhance the efficient provision and use of demand-side flexibility. Ofgem proposes to produce a strategy for summer 2015. Ofgem also noted industry's feedback about the extent of concurrent regulatory change. Therefore, Ofgem will set out next steps for settlement reform in the context of their wider strategy on demand-side flexibility.

Demand Side Flexibility

7.3 Ofgem launched a new project on Demand Side Flexibility as notified in an open letter on 28 January. The project's objective is to first define a strategy on the use of new sources of flexibility in the GB electricity system. These include:

- demand side response;
- energy storage; and
- distributed generation

7.4 Ofgem will set out the actions it (and other parties) need to take and publish its strategy and a workplan in summer 2015.

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Change of Supplier (CoS)

7.5 Ofgem consulted on faster switching which showed strong support for centralised registration and support for either next day or two day switching. It is likely that any changes would be considered as part of a Significant Code Review project spanning a number of years which also addresses centralised registration. Publication of next steps is now expected mid-February.

Data Quality

7.6 Arising from its Smart Programme, Ofgem requested a review of the data quality arrangements that support the consumer switching process (a single report each for electricity and gas). ELEXON worked with Gemserv to produce a combined report. The Panel and MEC approved report has been issued to Ofgem. This was discussed at an Ofgem held workshop in January. We are now progressing changes, issuing further guidance and looking at activities in the assurance around the Change of Supplier process. This work also interacts with Modification [P302](#).

Appendices

Appendix 1 – ELEXON Monthly KPIs

Attachments

Attachment A – 234/01a: Report from the ISG

Attachment B – 234/01b: Report from the SVG

Attachment C – 234/01c: Report from the PAB

Attachment D – 234/01d: Report from the TDC

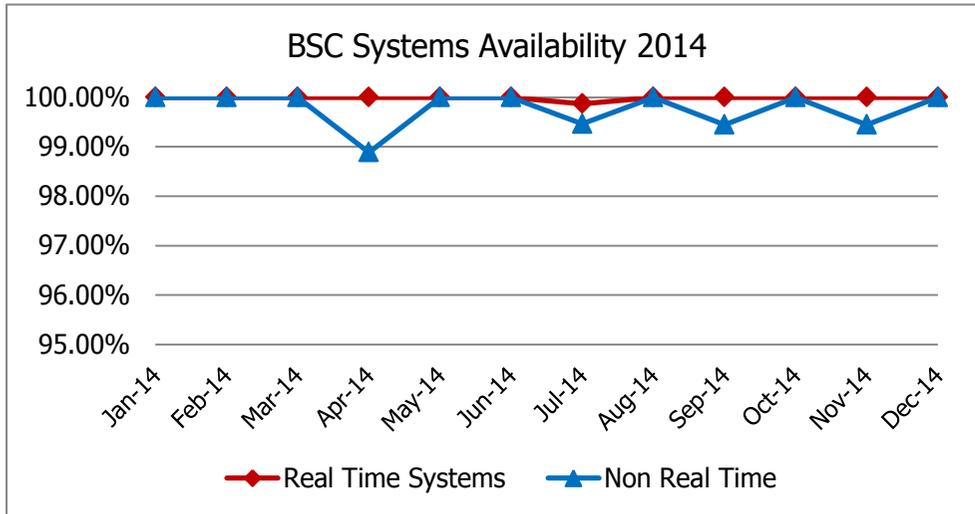
Attachment E – 234/01e: Report from the JESG

For more information, please contact:

Mark Bygraves, Interim Chief Executive

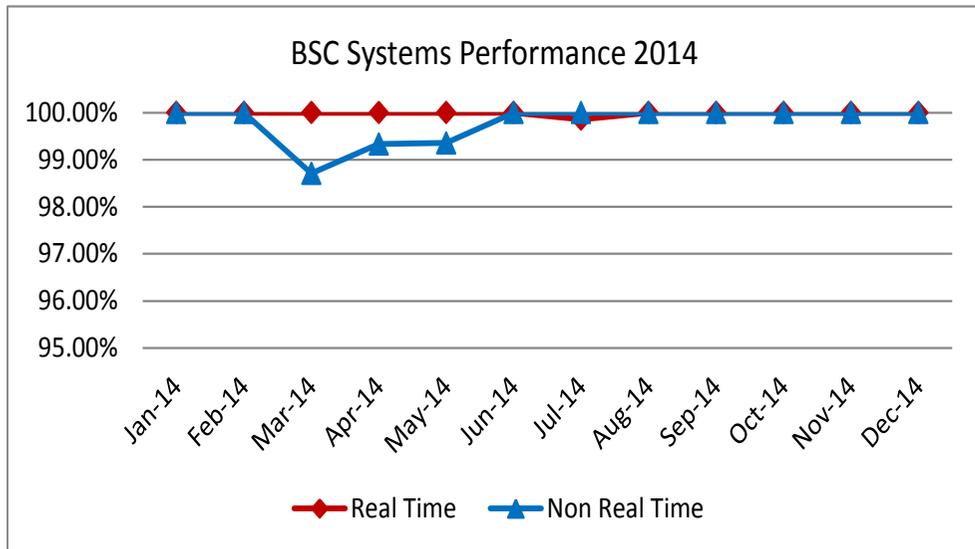
Mark.bygraves@elexon.co.uk

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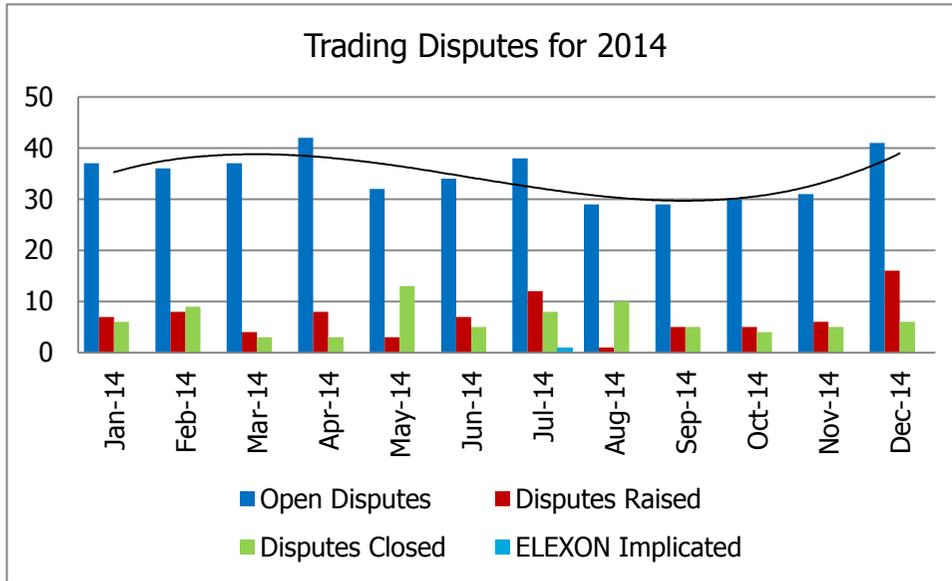
BSC Systems Availability

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



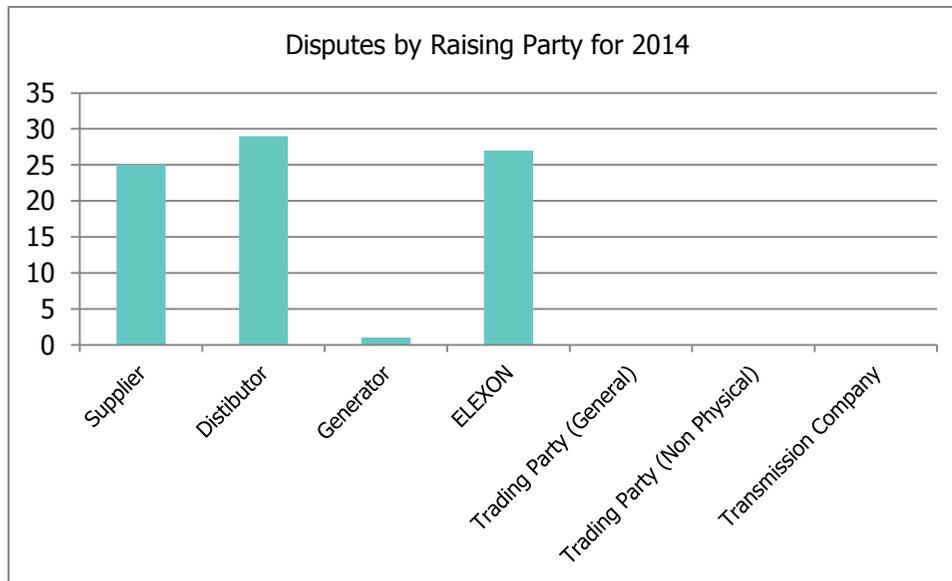
BSC Systems Performance

There were no issues in December affecting BSC Systems performance.
For Board and external publication.



Trading Disputes

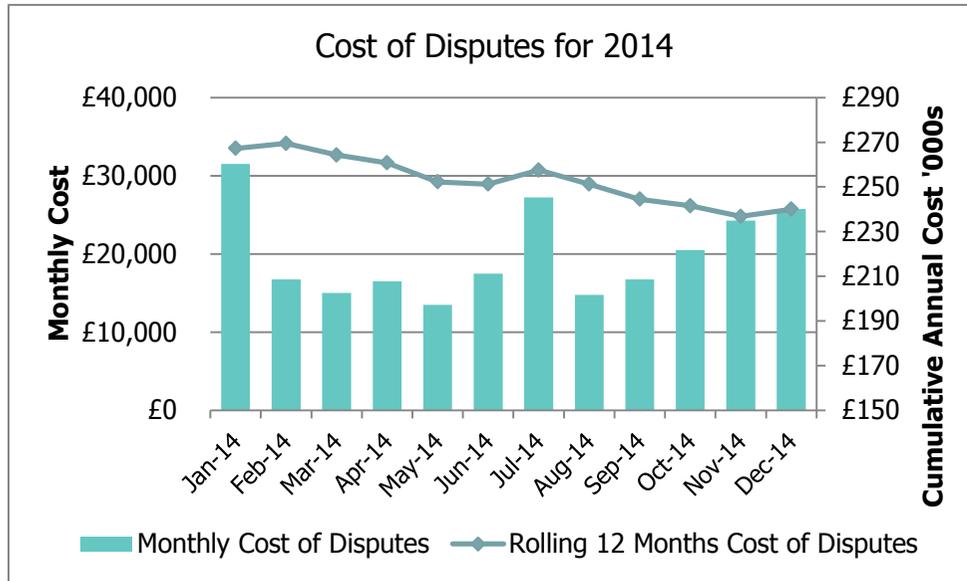
Trading Disputes can be raised by any BSC Party, including ELEXON, and are assessed by the Trading Disputes Committee (TDC). Sixteen new disputes were opened and six were closed in December.



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.

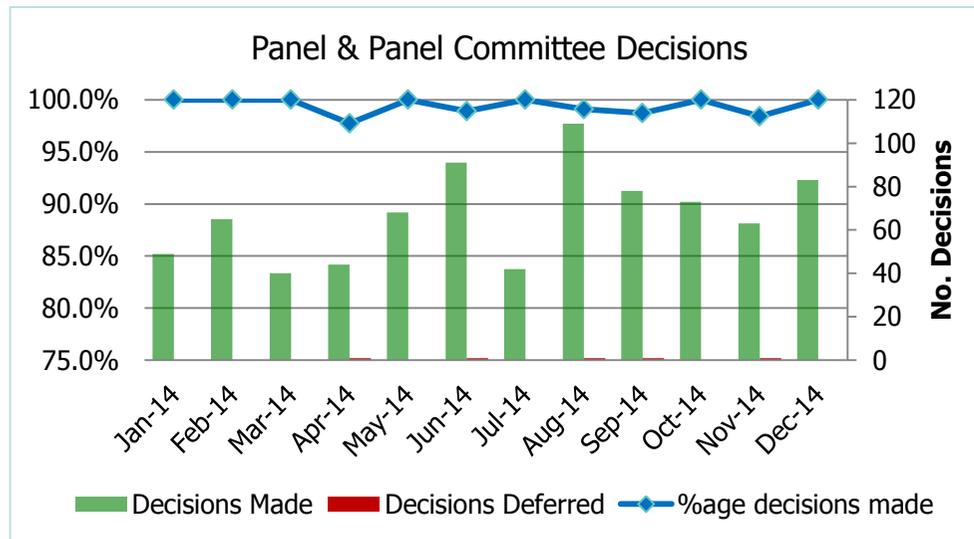
For Board and external publication.



Cost of Processing Disputes

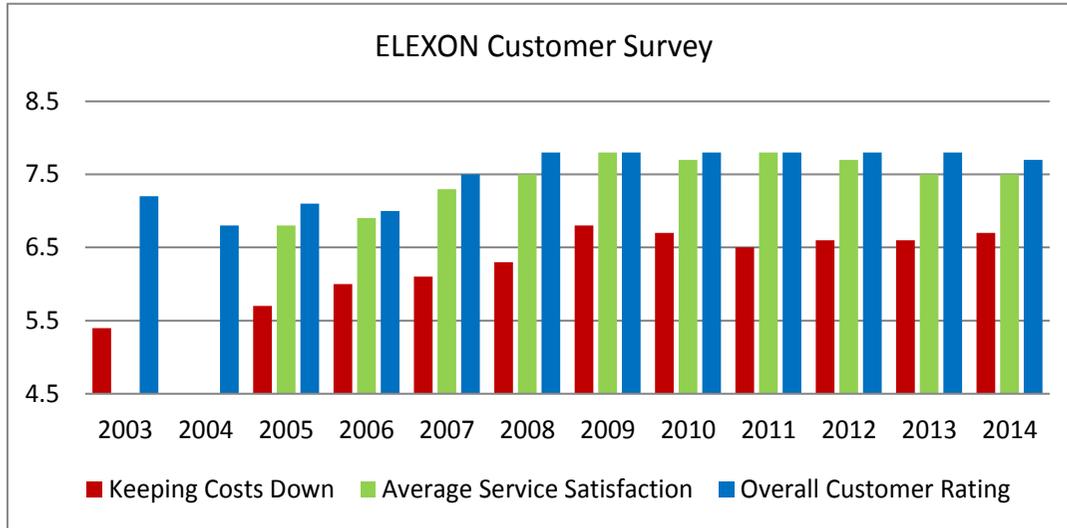
Within the Metering and Disputes team there are two dedicated resources dealing with Trading Disputes with, going forward, some flexibility for others to help out.

The costs for December 2014 represent 49.5 man days of dedicated resource. There is an additional 2 man days covering the administration around the monthly TDC meeting. A total of 51.5 man days expended for December. Using a day rate of £500 gives a monthly cost of £25,750.



Panel & Panel Committee Decisions

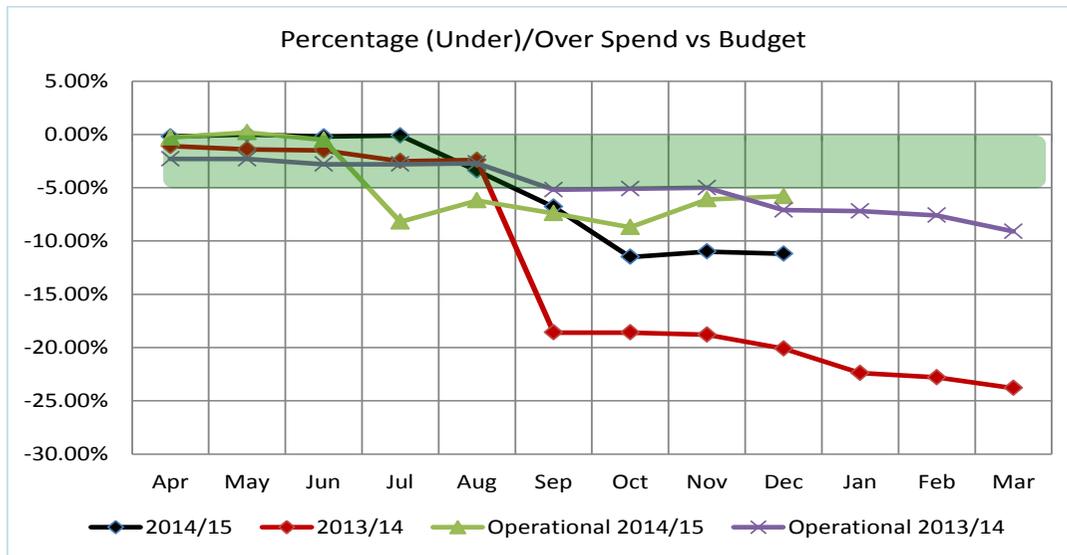
For the month of December all 83 decisions submitted to the Panel and its committees were made.



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 6.7 (+0.1).

For Board and external publication.



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

ELEXON overall are 11.2% 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 5.8%. The contracted costs are 4.3% under-budget and market development is 56.7% under budget. Demand led is 33.6% under budget and system strategy costs are 19.8% under budget