

MINUTES

MEETING NAME	BSC Panel
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Meeting number	270
Date of meeting	14 September 2017
Venue	ELEXON Ltd, 350 Euston Road, NW1 3AW
Classification	Public

ATTENDEES AND APOLOGIES

Attendees	Michael Gibbons	MG	BSC Panel Chairman
	Chris Fox	CF	Transmission Company Panel Member
	David Lane	DL	DSO Representative
	Derek Bunn	DB	Independent Panel Member
	Diane Dowdell	DD	Industry Panel Member
	Lisa Waters	LW	Alternate for Barbara Vest
	Mitch Donnelly	MD	Industry Panel Member
	Nadir Hafeez	RE	Ofgem Representative
	Phil Hare	PH	Independent Panel Member (Teleconference)
	Stuart Cotten	SC	Industry Panel Member
	Tom Edwards	TE	Industry Panel Member
	Victoria Pelka	VP	Consumer Panel Member
External Presenters and Observers			
	Andy Colley	AC	SSE
	Ben Zaczek	BZ	Ofgem
	Colin Prestwich	CP	Smartest Energy
	David Wildash	DW	National Grid
	Greg Heavens	GH	National Grid
	Leonardo Costa	LC	Ofgem
	Joseph Donohoe	JD	National Grid
	Matthew Ramsden	MR	Ofgem
	Victor Levi	VL	Load Flow Model Reviewer
ELEXON			
	Cal Lynn		ELEXON (Part Meeting)
	David Osborne		ELEXON
	Douglas Alexander		ELEXON (Part Meeting)
	Elliott Harper		ELEXON (Part Meeting)
	Jemma Williams		ELEXON (Part Meeting)
	Jon Lucas		ELEXON (Part Meeting)
	Karen Lavelle		ELEXON (Part Meeting)
	Lawrence Jones		ELEXON (Part Meeting)
	Mark Bygraves		ELEXON
	Nicola Dempsey		ELEXON
	Victoria Moxham		ELEXON
Apologies	Andy Knowles	AK	Industry Panel Member

MINUTES

Barbara Vest
Stew Horne

BV
SH

Industry Panel Member
Consumer Panel Member

1. Apologies

- 1.1 The Chairman confirmed the apologies of Andy Knowles, Barbara Vest and Stew Horne; he welcomed Lisa Waters who was standing in as Barbara's alternate and noted that Victoria Pelka would also be acting as Stew's alternate.

2. Future System Operator Programme - Verbal

- 2.1 National Grid presented the Panel with an update on its plans for the Future Role of the System Operator (SO).
- 2.2 The Chairman asked for clarification on National Grid's aim to run the Gas and Electricity System Operators as one, noting that that the Gas and Electricity SO's will continue to have separate Boards. National Grid stated that the SO Boards would continue to run separately but both SO's would report to one person.
- 2.3 A Panel Member asked if levelling the playing fields between transmission and distribution would also include interconnectors. National Grid observed that this was the aim of the Charging Futures framework, which was working with Ofgem to understand the critical issues and ensure that there is a clear roadmap to fixing any distortions in the market and that may include interconnectors.
- 2.4 A Panel Member observed that she saw a clear role for ELEXON in managing the CUSC, she felt that National Grid did not have the correct resources to do this well as evidenced by how it has managed it up to now. National Grid noted the feedback and answered that it was not sure whether this was the right time to look at Code Governance given that large volume of programme change.
- 2.5 A Panel Member asked for more information about the corporate structure of the new System Operator and whether it would be a separate legal company and how National Grid decided upon that course. The National Grid representatives did not have that information to hand but agreed to update the Panel at another time.

ACTION 271/01

- 2.6 A Panel Member asked if National Grid believed there was a wider opportunity for it to run Distribution System Operators (DSO's). National Grid answered that it was not currently looking to extend its work into this area but noted that it was working with the Distribution Network Operators (DNO's) to see how the transition to DSO's would work in an Open Networks world. Another Panel Member noted that this work should also include industry more generally to get a fuller picture of the issues. National Grid noted the point but observed that it was not its place to tell DNO's what their structure should be.
- 2.7 Mark Bygraves asked for more detail on what the Future System Operator's revenue model would be; he also noted that he did not believe that the SO should be incentivised to do what it should already be doing.

3. Industry Codes Brexit Preparedness – Verbal

- 3.1 Ofgem delivered a presentation on its work to ensure that the regulatory framework is fit for purpose post Brexit.
- 3.2 A Panel Member asked if Ofgem was planning to make these changes alongside the Future System Operator changes or if they would be handled separately. Ofgem replied that it was investigating both options but had not come to any decision on it as yet. Currently, its main concern was to look at what was needed post Brexit and not to be distracted by other changes that would be good to make.
- 3.3 The Panel Member asked how Ofgem would handle the current reporting required by the European Union and whether that would be part of the changes that Ofgem made. Ofgem confirmed that EU reporting would

MINUTES

be covered, and that currently the law would make those requirements UK requirements with no change post Brexit.

- 3.4 A Panel Member asked if this work was premature as currently there is no clear deal on the terms of Brexit. Ofgem noted that this was the case and observed that it was working on a 'no deal', hard Brexit scenario, which would cover the most extreme case.
- 3.5 A Panel Member asked if Ofgem had considered how it would deal with the impact of losing current EU citizens who may not be able to stay in the UK post Brexit.
- 3.6 The Chairman asked if Ofgem could make these changes to the license before the Withdrawal Bill was approved by Parliament. Ofgem noted that one of its licence conditions was to uphold EU Regulation and therefore, it wouldn't be able to make changes until the Withdrawal Bill was passed.
- 3.7 The Chairman thanked Ofgem for the update and asked Ofgem to return to the Panel again when it had more information.

MODIFICATION BUSINESS (OPEN SESSION)

4. Change Report and Progress of Modification Proposals – 270/03

- 4.1 The Modification Secretary noted that four new Modifications had been raised in September and would be presented to the Panel today.
- 4.2 He also noted that the Proposed Modifications P357 to P360 would all fall under Ofgem's Significant Code Review (SCR), unless Ofgem confirmed that it would exempt them. The Ofgem Representative noted the issue and confirmed that based its initial views, the Modifications did not fall under the remit of the SCR and were therefore exempt.

5. P357 'Removal of GC/DC tolerance parameters from BSC Section K' – 270/04

- 5.1 P357 proposed to remove the Generation Capacity (GC) and Demand Capacity (DC) tolerance limit parameters from Balancing and Settlement Code (BSC) Section K 'Classification and Registrations of Metering Systems and BM Units'. This would allow the tolerances to be reviewed and updated without the need for a Modification.
- 5.2 The BSC Panel:
 - a) **AGREED** that P357 be progressed directly to the Report Phase;
 - b) **AGREED** that P357 DOES better facilitate Applicable BSC Objective (d);
 - c) **AGREED** an initial recommendation that P357 should be **APPROVED**;
 - d) **AGREED** an initial Implementation Date 22 February 2017 if an Authority decision is received on or before 22 December 2017;
 - e) **AGREED** the draft legal text;
 - f) **AGREED** that P357 should not be treated as a Self-Governance Modification; and
 - g) **NOTED** that ELEXON will issue the P357 draft Modification Report (including the draft BSC legal text) for a 15 Working Day consultation and will present the results to the Panel at its meeting on 9 November 2017.

6. P358 'Roll over of BSC Seasonal GC/DC' – 270/05

MINUTES

- 6.1 P358 proposes to amend BSC Section K to allow ELEXON to carry over BSC Seasonal GC/DC.
- 6.2 A Panel Member asked if there were any risks or concerns about this Modification not being in place this winter. The Proposer noted that over the winter the existing system will be in place and although the Proposed Modification will improve the BSC, he did not believe there were any major risks to not implementing it in time for this winter.
- 6.3 Another Panel Member requested clarification about the roll over, asking if it rolls over with the date from the previous season i.e. low season to high season etc. or from the previous year's season i.e. low season 2016 to low season 2017. The Proposer clarified that data rolls over from the previous season. The Panel Member was concerned that this would make estimation difficult. ELEXON noted the issue but pointed out that it could modify the data and that the processes for a breach and for Parties to re-declare each season should deal with any issues.
- 6.4 The BSC Panel:
- a) **AGREED** that P358 be progressed directly to the Report Phase;
 - b) **AGREED** that P358 DOES better facilitate Applicable BSC Objective (d);
 - c) **AGREED** an initial recommendation that P358 should be **APPROVED**;
 - d) **AGREED** an initial Implementation Date 22 February 2017 if an Authority decision is received on or before 22 December 2017;
 - e) **AGREED** the draft legal text;
 - f) **AGREED** that P358 should not be treated as a Self-Governance Modification; and
 - g) **NOTED** that ELEXON will issue the P358 draft Modification Report (including the draft BSC legal text) for a 15 Working Day consultation and will present the results to the Panel at its meeting on 9 November 2017.

7. P359 'Mechanised process for GC/DC declarations – 270/06

- 7.1 P359 seeks to introduce a new mechanised process for GC and DC declarations.
- 7.2 A Panel Member asked how the solution in the Proposed Modification made the process more consistent. The Proposer noted that with the current system for GC/DC declarations rolling over, many Parties do not alter or make declarations each year. Under the Proposed Solution, the values for each Party would be automatically generated, with Parties having the ability to appeal if they feel the value is incorrect.
- 7.3 A Panel Member noted the interdependency between P357, P358 and P359 and asked how ELEXON was planning to phase the implementations. ELEXON highlighted its planned timetable which saw the progress of the implementations staggered over a year to ensure all three Modifications were implemented smoothly. The Proposer also noted that the Workgroups would also be aware and examine this issue.
- 7.4 The BSC Panel:
- a) **AGREED** that be P359 progressed to the Assessment Procedure;
 - b) **AGREED** the proposed Assessment Procedure timetable;
 - c) **AGREED** the proposed membership for the P359 Workgroup; and
 - d) **AGREED** the Workgroup's Terms of Reference.

8. P360 'Making the BSC's imbalance price compliant with the European Balancing Guideline' – 270/07

MINUTES

- 8.1 The European Electricity Balancing Guideline (EB GL) is expected to become law in 2017. The current BSC imbalance price calculation will not be compliant with Article 55 of the Guideline. Unless derogation is granted, it will be necessary for the BSC imbalance price calculations to be compliant within one year of the Guideline becoming law.
- 8.2 The Chairman asked the Ofgem Representative to give its view on the issue of derogation in light of the letter circulated to the Panel from Dermot Nolan. The Ofgem Representative noted that any application for derogation would have to be assessed against the set criteria which would include consideration of whether a Proposed Modification was underway and views of the Workgroup.
- 8.3 The Chairman observed that it appeared as if approving P360 for Assessment could therefore make the granting of derogation by Ofgem less likely. The Ofgem Representative noted that Ofgem would consider whether there was a Modification in progress to deal with the issue but that this did not mean that derogation would not be granted.
- 8.4 A Panel Member commented that Ofgem seemed to view the situation as an enforcement issue; he was disappointed that Ofgem did not seem to be considering the situation from a practical and economic point of view which would be of more benefit to the industry and consumers.
- 8.5 ELEXON noted that Ofgem would make the final decision on derogation or on P360 and that ELEXON was acting in good faith to ensure that it was compliant but noted that the timetable for work was extremely tight, with no contingency.
- 8.6 The Proposer noted that the analysis shows that 3% of Settlement Periods would be non-compliant when Article 55 came into force, 12 months after the EB GL was brought into law.
- 8.7 The Chairman asked ELEXON if it had an estimate on the costs of P360. ELEXON noted that there was no exact cost comparison but based on similar changes it estimated that the cost of implementation was somewhere in the region of £1.3 million. It also noted that P360 would require additional resource from the Change Team and that there was a risk that any solution would interfere with the P344 Modification system implementation.
- 8.8 A Panel Member asked what the implications of doing nothing were for ELEXON and risking non-compliance with Article 55. Ofgem observed that it took non-compliance issues very seriously but that it could not say what enforcement action it would take in the future. The Panel Member believed that Ofgem could take very little legal enforcement. The Ofgem Representative noted the opinion but did not think it was right to speculate about this. The Panel member asked which body would rule on non-compliance with Article 55. Ofgem confirmed it would be the responsibility of the Commission.
- 8.9 The Panel Member was concerned that implementation of P360 could put the implementation of several other Modifications at risk, for example P344 and the final phase of implementation of [P305 'Electricity Balancing Significant Code Review Developments'](#).
- 8.10 Mark Bygraves asked who had ultimate jurisdiction of the issue and Ofgem replied that this rested with the European Union but that it was Ofgem's role to ensure compliance.
- 8.11 The National Grid Representative stated that the question for the Panel was which is the bigger risk, to do nothing and hope Ofgem would grant derogation or to let P360 go into assessment knowing that it may not provide a solution in the timeline required by the EB GL. He also noted that it was a question of how much risk the Panel was prepared to live with. He noted that enforcement action could be a fine of up to 10% of turnover and that National Grid would be liable for any enforcement action.
- 8.12 The Chairman suggested that the first work of the P360 Workgroup should be to examine the case for derogation and submit that to Ofgem.

MINUTES

- 8.13 A Panel Member agreed that this was the best course of action but noted that the Workgroup should not just focus on derogation but should also scope a realistic timeline and design a solution.
- 8.14 Another Panel Member was uncomfortable with the Workgroup designing a solution for an issue that could be easily dealt with by Ofgem granting derogation. She believed that any work on a solution done by the Workgroup would risk the chances of derogation being granted. She also asked if the Ofgem letter from Dermot Nolan would be published as she felt strongly that it should be, so that industry was aware of the actions that the Panel and ELEXON were taking to resolve this issue and of Ofgem's current thinking and possible response.

ACTION 270/02

- 8.15 A Panel Member noted that the Workgroup should be instructed to devise a timeline of work and costs involved in the implementation of the proposed solution, which would give Ofgem an understanding of the impacts on industry of this change if carried out via the Modification process. He believed that such a timeline would help Ofgem to see when the work on P360 would really begin to impact industry which would show them their timeframe for making a decision.
- 8.16 Ofgem confirmed that it would be engaged in the Workgroup and in contact with the Change Team during the Assessment Procedure for P360 in order to be able to make a decision on derogation and the P360 solution in a timely manner.
- 8.17 Mark Bygraves observed that he had the impression that Ofgem was avoiding making any decision by focussing its response on its lack of ability to issue a derogation now (which ELEXON's letter to Ofgem had in any event already acknowledged). He was further concerned that as Ofgem had 6 months to make a decision on derogation once requested, their decision could be delayed until after the Panel had determined its recommendation to Ofgem on the Modification. Ofgem noted the comment but was clear that it did not believe that it was avoiding a decision but that it was limited as to what it could legally do at this point. It was unable to give a yes or no answer to derogation but was working with ELEXON and National Grid to fully understand the situation and issues.
- 8.18 The Chairman remarked that an early, pragmatic response from Ofgem on the likelihood of derogation seemed a sensible course of action to re-assure industry, save needless spending and avoid risking the November 2017 BSC Systems Release.
- 8.19 Several Panel Members asked if a Modification was the right way to proceed with this issue and suggested that the Proposer could instead raise an Issue. The Proposer had considered this option but felt that a Modification, with a specified timeline, was the best option for keeping the Workgroup on track with finding a solution in the time that was required by the EB GL.
- 8.20 A Panel Member asked if there was a firm date for the adoption of the EB GL into EU law. National Grid answered that it is planned for November 2017 with compliance to Article 55 required 12 months later. At this point the date was unlikely to change more than a few days or weeks.
- 8.21 Mark Bygraves observed that the timeline for work was very tight; he expressed concern that if the Workgroup had any issues or required more time to detail a solution and derogation was not granted then ELEXON would likely miss the date required by the EB GL and be non-compliant. ELEXON noted that the timeline was developed to meet the compliance requirements of the EB GL rather than on the time it believed that the Workgroup would require, and therefore it had not been possible to build any contingency time into the Modification Timetable.
- 8.22 A Panel Member noted that part of Ofgem's role is to protect customers and observed that this situation was an example of where it could have acted to do so but had, in her view, failed to do so. She believed that

MINUTES

Ofgem should issue a minded to statement about derogation which would assist the Panel in making a decision and would ultimately protect customers.

- 8.23 Ofgem noted this opinion but was unable to make any further comment.
- 8.24 A Panel Member asked if Ofgem could give a more detailed explanation of its thinking on this issue and its criteria for assessing an application for derogation. Ofgem stated that it would use Article 62 in the EB GL to make its decision. The Panel asked Ofgem to come back to it with any additional information on this it could provide.

ACTION 271/03

- 8.25 David Osborne noted that ELEXON's existing systems are 16 years old and that it was already examining replacement options; he observed that spending a large amount of money on those systems legacy to implement three significant changes (P344, P355 and P360) was part of that examination.
- 8.26 The Chairman confirmed that the Panel wanted the P360 Workgroup to focus on the following things:
- The argument for derogation;
 - Minimising the costs of P360; and
 - Identifying a timeline and cost profile of the proposed solution
- 8.27 ELEXON noted that considering these items in addition to the planned work would increase the risk that the Workgroup would not meet the deadlines required of it. The Chairman noted that Panel was aware that this was a risk but would like these points to be considered and requested updates from ELEXON as information became available or situations altered.
- 8.28 A Panel Member noted that she would abstain from voting on points a) and b) as she did not feel that she had enough information to weigh the risks of proceeding with P360 or waiting to see if Ofgem would grant derogation. Therefore she could not judge the value or detrimental impacts of P360 for consumers.
- 8.29 The BSC Panel (by majority):
- a) **AGREED** that P360 be progressed to the Assessment Procedure;
(FOR: DB, DD, MD, SC, TE. AGAINST: LW. ABSTAINING VP, VP for SH)
 - b) **AGREED** the proposed Assessment Procedure timetable;
(FOR: DB, DD, MD, SC, TE. AGAINST: LW. ABSTAINING VP, VP for SH)
 - c) **AGREED** the proposed membership for the P360 Workgroup; and
 - d) **AGREED** the Workgroup's Terms of Reference.

9. P332 'Revisions to the Supplier Hub Principle' – 270/08

- 9.1 ELEXON provided the Panel with a summary of the P332 Workgroup views regarding Ofgem's provisional thinking on the P332 interim report and invited the Panel to direct the P332 Workgroup and agree a revised P332 progression timetable.
- 9.2 The Panel asked the P332 Proposer how he wished to continue. The Proposer believed that Ofgem's provisional thinking suggested that there was a lack of evidence to support the Modification, he noted that Suppliers believe that there is an issue and he therefore felt that ELEXON could and should undertake some further analysis of the issue. If the analysis did not support his belief that this was an issue, he would withdraw the Modification. If the analysis did support his theory, then he would suspend the Modification

MINUTES

process pending the SCR (on Half Hourly Settlement), which may deal with the problem. He also wished to see some of the Modification issues examined via the PAF Review.

- 9.3 The Chairman noted that the letter from Ofgem did not give a view as to whether this issue or analysis in this area would be covered in the SCR.
- 9.4 Ben Zaczek from Ofgem stated Ofgem's letter did not request more evidence to support the Modification. Rather all the items in the letter in conjunction would need to be addressed in order to provide another interim report to Ofgem. He noted that the SCR may address the P332 issues and that a separate workstream may be established to consider the Supplier Hub arrangements. He further noted that the SCR project was currently drafting a Target Operating Model (TOM) which would be clearer about what the SCR would cover; he believed that the P332 further work was better handled by Ofgem's SCR.
- 9.5 The Chair asked the Panel to ask questions and for the Proposer to answer all of the points at the end.
- 9.6 A Panel Member noted the following:
- The Modification would require additional work as there is not currently a clear definition of what a Customer Preferred Agent (CPA) is and this would need dealing with;
 - Suspending the Modification and then re-starting two years later could mean that the solution proposed in P332 could be irrelevant as the landscape after the SCR may be completely different;
 - He asked the Proposer to explain in more detail what work he wanted the PAF Review to do.
- 9.7 A Panel Member asked if the Proposer believed that the balance of the Workgroup was fair and proportionate.
- 9.8 One Panel Member asked if there needed to be more work done on the current analysis, it seemed to her that there was some confusion around it and the Proposer could be confusing correlation with causation.
- 9.9 Another Panel Member asked about the timing of the work and whether Suppliers would respond to a request for further data from ELEXON.
- 9.10 A further Panel Member was keen to see the outcome of further analysis as he believed that there was an issue for Suppliers, especially larger Suppliers that needed to be addressed.
- 9.11 Mark Bygraves noted that the issue was caused by allowing customers to contract directly with their own Supplier Agents, particularly Meter Operator Agents (MOA's), and Suppliers therefore not having a direct contractual relationship. However he understood that an indirect contractual relationship existed via the supplier/customer contract and the customer/agent contract.
- 9.12 The Proposer responded to the questions asked by the Panel. The Proposer agreed that a definition of a CPA would need to be clearly defined but that this was possible and had been done for the recent data request. The Proposer agreed that the Workgroup did need to develop a more detailed specification of the analysis to conduct and added that he believed Suppliers would be willing to support further analysis, as there had been a good response from industry on the previous two information requests. Suppliers previously reported that there were issues associated with CPA's.
- 9.13 The Proposer noted the comment about the possible two year wait to start work but he believed the SCR would not address the issues or impact the part of the market that P332 is targeting. Therefore time will be lost if further analysis is delayed.
- 9.14 The Proposer noted that MOA performance is assessed against MPAN counts while Suppliers are measured on energy volume; he believed that this discrepancy should be looked at under the PAF Review and may be driving some of the issues identified in P332. The Proposer added that CPAs may not be causing Supplier underperformance. It may be that larger sites inherently have a bigger impact on Settlement performance,

MINUTES

and that they are more likely to have a CPA. So whilst the CPA may not be causing the underperformance it may still be a good predictor. The only way to know would be to conduct further analysis and he believed MOAs should be incentivised to fix sites based on the associated energy.

- 9.15 He felt that the voting members of the P332 Workgroup were evenly split between Suppliers and Agents but noted that the Workgroup also had a large number of observers who were Agents.
- 9.16 A Panel Member suggested that work on P332 be halted and that ELEXON and Panel should keep a close eye on the work of the SCR and the TOM for it. Another Panel Member agreed that updates from Ofgem on the SCR would be welcome. Ben Zaczek said he expected a draft TOM to be available around April 2018. Following the establishment of this draft TOM, more specific would be conducted, which could include items not included in the TOM.
- 9.17 A Panel Member noted that to do analysis now could be a waste of time and money if the SCR addresses the issues of changes the baseline for P332 development. He believed it was better to wait and conduct further analysis if the SCR did not address the P332 issues
- 9.18 The Chairman observed that the Panel seemed to agree that the work on P332 should be paused awaiting the outcome of the SCR. The Proposer was unhappy about this as he still wanted the additional analysis to be conducted.
- 9.19 The BSC Panel:
- a) **NOTED** Ofgem's letter (attachment B);
 - b) **DIRECTED** the P332 Workgroup to pause work on the P332 solution subject to updates from Ofgem on the progress of its Significant Code Review; and
 - c) **AGREED** a one month extension to the P332 Assessment Procedure and that ELEXON would present a revised progression timetable for the P332 Assessment Procedure at its next meeting.

10. Project TERRE Implementation Risks and Mitigation – 270/09

- 10.1 ELEXON detailed the progression, along with current risks and mitigation, of the Balancing and Settlement Code (BSC) Modification responsible for implementing the Settlement solution to the Trans European Replacement Reserves Exchange (TERRE) product.
- 10.2 A Panel Member commented that he believed that an interim report at this stage would be very useful.
- 10.3 Another Panel Member wanted clarification of what the Panel would be asking Ofgem after it received the interim report. ELEXON noted that the Panel would be asking for provisional thinking on the P344 solution based on the contents of the interim report. It would also include any specific questions that the Panel wished to be asked of Ofgem based on the report. A Panel Member questioned the timescales for the report and Ofgem's subsequent response. ELEXON replied that the report would be presented to the Panel at its October meeting and that Ofgem's provisional thinking would be requested by no later than the December 2017 Panel meeting. ELEXON confirmed these timescales would allow Ofgem to also consider industry consultation responses to the consultation period planned for 25 October – 14 November when compiling its provisional thinking response. This would allow ELEXON to consider the feasibility of commencing development of P344 in advance of the Panel and Ofgem's determination of the Modification.
- 10.4 The BSC Panel:
- a) **NOTED** the risks borne by the implementation of the TERRE product into the GB market arrangements;
 - b) **NOTED** the steps that ELEXON is taking to ensure that P344 is successfully implemented in the most efficient manner; and

MINUTES

- c) **DETERMINED** that ELEXON and the P344 Workgroup should prepare an interim report, from which the Panel may request Ofgem's provisional thinking.

NON-MODIFICATION BUSINESS (OPEN SESSION)

11. Minutes of Meeting 269 Actions arising

- 11.1 The minutes of the previous meeting were agreed and an update on the actions provided.
- 11.2 Actions 269/01, 269/02 and 268/01 were closed. There were no outstanding actions.
- 11.3 A Panel Member noted that she had made a FOI request to Ofgem and obtained the guidance on Ofgem's procedure for Modification Designation to enable non-Code Parties to raise BSC Modifications.

12. Chairman's Report

Meeting with Ofgem

- 12.1 The Chairman noted that he and the CEO, Mark Bygraves had met with Dermot Nolan from Ofgem. He felt it had been a constructive meeting.

Meeting with Richard Harrington

- 12.2 The Chairman and MB had met with Richard Harrington, MP for Watford and the newly appointed Parliamentary Under-Secretary of State at the Department for Business, Energy and Industrial Strategy (BEIS) with responsibility for energy issues. The Chairman felt that the meeting had been successful in explaining ELEXON's role in Code Administration and the industry more general.

New Non Executive Director to the Board.

- 12.3 The Chairman noted the appointment of Anne Heal to the Board. Anne replaces Gillian Wilmot and officially takes up her post on 1 October 2017.

Credit Assessment Price (CAP)

- 12.4 The Credit Committee met on 5 September 2017 to determine the new CAP which it has raised from £43/MWh to £55/MWh. This increase will take effect from 26 September 2017.

Energy Industries Club (EIC)

- 12.5 The Chairman noted that the new season of EIC lunches begins shortly and asked if the Panel was content to continue to book a table for five of the planned 10 lunches. Although one Panel Member objected believing other formats may be more appropriate, the remainder of the Panel was happy for tables to be booked and for ELEXON to invite BSC Parties, Panel and Board members and other stakeholders.

13. ELEXON Report – 270/01

- 13.1 Mark Bygraves provided an overview of ELEXON's consultation responses.

ELEXON website

- 13.2 MB noted that as part of the redesign of the ELEXON website, some enhancements had been identified and the website updated to make it more user friendly in the interim. These changes went live on 5 September 2017.

Customer Survey

MINUTES

13.3 The ELEXON 2017 Customer Survey was delayed this year so as not to clash with the Ofgem Code Administrator Customer Survey. The Customer Survey will be launched in the coming week and MB asked the Panel to encourage industry to respond.

KPI's

13.4 MB noted that there had been an improvement in the figures, which he felt sure, would continue in the following months.

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

14. Distribution Report - Verbal

14.1 There was no Distribution Report.

15. National Grid Report – Verbal

15.1 Chris Fox updated the Panel on the Power Responsive Flexibility Forum on the 27th September where National Grid will be running a breakout session on Code Modifications related to BM access with the aim of facilitating the views of smaller parties on key issues being fed into current modifications. More info can be found here: <http://powerresponsive.com/updates/>

16. Ofgem Report – Verbal

16.1 The Ofgem Representative, Nadir Hafeez, noted that following Ofgem's presentation at the last panel from Judith Ross, Ofgem was planning to publish a SCR Guidance document in the coming weeks. The Guidance will seek to inform industry what happens to new and existing modifications during the SCR phase similar to the Panel briefing note circulated by ELEXON. It will also highlight the strategic role of the Charging Futures Forum (CFF). Ofgem's approach is that it will deal with individual modifications on a case-by-case basis and if a party is unclear on the status of a modification it should initially contact Ofgem via the CFF secretariat.

17. Report from the ISG – 270/01b

17.1 The Panel noted the report from the ISG.

17.2 A Panel Member noted the increase in Metering Dispensation applications and asked the Panel its opinions on how they should be handled. The Panel was happy for metering dispensations to be heard by ISG and granted in straightforward cases with little impact on metering; however, it did note that applying for a dispensation was not automatically a signal that a dispensation should be approved.

18. Report from the SVG – 270/01c

18.1 The Panel noted the report from the SVG.

19. Report from the PAB – 270/01d

19.1 The Panel noted the report from the PAB.

20. Report from the TDC – 270/01e

20.1 The Panel noted the report from the TDC.

21. Trading Operations: BSC Operations Headline Report – 270/02

21.1 The Panel noted the BSC Operations Headline Report.

22. System Price Analysis Report (SPAR) – ISG197/07

MINUTES

22.1 The Panel noted the System Price Analysis Report.

NON MODIFICATION BUSINESS (OPEN SESSION)

23. P350: Methodology for the Draft Network Mapping Statement – Verbal

23.1 ELEXON updated the Panel on the progress of the consultation of the Methodology for the Draft Network Mapping Statement, which was due to end on the day after the BSC Panel Meeting. So far there had been no responses but tracking on the ELEXON website confirmed that there had been 109 visits to the web page with an average visit time of 3.5 minutes. In addition there had been 22 downloads of the Frequently Asked Questions.

23.2 The BSC Panel:

a) **NOTED** the update.

24. Load Flow Model Reviewer Report – 270/10

24.1 The Panel was invited to approve the use of the TLFA software for the calculation of Nodal TLFs, in line with the Load Flow Model Reviewer's recommendation.

24.2 The Panel thanked Victor Levi for the report and commended him for its quality.

24.3 The BSC Panel:

a) **APPROVED** the use of the TLFA software for the calculation of Nodal TLFs.

25. Next meeting

25.1 The next meeting of the BSC Panel will be held at the offices of ELEXON Ltd, 350 Euston Road, London NW1 3AW on Thursday 12 October 2017.