



Newscast



Issue 628, 14 November 2016



Coming up this week

17 November

[Software Technical Advisory Group](#) at **10:30**

ELEXON receives its highest ever customer satisfaction scores in its 2016 independent Customer Survey

Our [Switched On! ELEXON customer survey](#) is an important way of finding out exactly what our customers think of us, what we do well and where we need to improve. Once again we have continued to increase our scores for overall customer satisfaction and net recommendation (advocacy) and we would like to thank everyone who took the time to participate and share their views.

This means that these scores represent the highest we have ever received. ELEXON is seen as helpful, trusted, independent, reliable market experts setting the standard for code bodies.

Our newly created [ELEXON infographics](#) showcase why our customers rate us as the best code manager, providing key market infrastructure, facilitating competition and delivering settlement services, and how our end-to-end expertise drives efficiency and effectiveness for the benefit of industry and the consumer.

The survey was entirely confidential and anonymous and was run by Researchcraft, an independent market research company.

There is, of course, always room for improvement and we will review the results and identify areas where we can continue to enhance the service we provide our customers.

BSC Panel and ELEXON Board news

We are delighted that Ofgem has confirmed the reappointment of [Michael Gibbons CBE](#) as Chairman of ELEXON and BSC Panel for another three years.

Michael Gibbons said: 'I am very pleased to have been reappointed to this role. Being Chairman for the last three years is something that I am immensely proud of and I look forward to continuing to work with the talented, highly-respected people at ELEXON. I believe that over the last three years, ELEXON has become the

most trusted, independent, reliable code manager in the industry, something that our latest independent [customer survey results](#) confirm.'

ELEXON is also pleased to announce that from 11 November 2016, [Mark Bygraves](#), ELEXON's CEO, joined the ELEXON Board following the implementation of Modification P324.

[Modification P324](#) is a review of ELEXON's governance introducing improved accountability to BSC Parties, which addresses the issues identified in the Knight Review, an independent review of ELEXON's governance arrangements jointly commissioned by the ELEXON Board and the BSC Panel.

Mark said on his appointment: 'Whilst I have always attended Board meetings, as the person responsible for the day-to-day running of the business it is appropriate that I should be accountable to BSC Parties in the same way as the existing directors, via the new mechanisms introduced by Modification P324, which include the ability of industry to vote to remove members of the Board.'

Read the full [press release](#) on the [Press Releases](#) section of our website.

Review of ELEXON's governance: introducing improved accountability to BSC Parties

[Modification P324 'Review of BSCCo's governance: introducing improved accountability to BSC Parties'](#) was implemented on 11 November 2016. This modification means that ELEXON's governance is now more closely aligned to best practice.

Accountability

For the first time, the ELEXON Board will be accountable to BSC Parties. This means that every year at the Annual BSC Meeting, we will be asking Parties to approve directors who have been appointed by the ELEXON Board during the previous year. In addition to this, Parties will be able to vote to remove ELEXON's directors at any time. Parties will also be entitled to request a vote on advisory non-binding resolutions on matters that relate to the running of ELEXON.

ELEXON already maintains a dialogue with the company's stakeholders through a number of avenues such as the Annual BSC Meeting, consulting on the annual business plan, and holding regular meetings with BSC Parties and other stakeholders. As part of increasing our accountability we will be looking at ways of enhancing our dialogue with BSC Parties.

Voting rights

Voting rights have been allocated to Trading Party Groups, Distribution Business Groups and the Transmission Company, with no single group of companies holding more than 6 per cent of the vote. The cap on voting shares ensures that ELEXON retains its independence. Votes may be exercised on behalf of Parties by Authorised Persons appointed under [BSCP38](#). In addition to Category A persons, two new categories of Authorised Person have been created:

- One to keep ELEXON informed of the composition of Trading Party Groups and Distribution Business Groups.
- One who will be able to request a meeting, vote at meetings or appoint a proxy, in each case on behalf of a Trading Party Group or Distribution Business Group.

Actions to take

If you would like to know more about how to request a vote and how to exercise your voting rights then please refer to the ['Who we are'](#) page of our website.

Improving the efficiency of ELEXON's governance

P324 removes inefficiencies in the decision making process that existed in the BSC:

- The ELEXON Board is now responsible for setting ELEXON's Business Strategy. As in previous years, ELEXON will continue to ask you to comment on its Business Strategy.
- The Board will be in full control of the process for appointing directors of ELEXON, though it will be accountable to Parties for those appointments.

In addition, P324 removed some of the restrictions in the BSC which prevented ELEXON from complying with corporate governance best practice:

- The chief executive may now be appointed as a director of ELEXON. This means that the chief executive, who is responsible for the day to day running of the business, is able to vote on Board decisions and is ultimately accountable to Parties for those decisions.
- All of ELEXON's non-executive directors may now be paid for their role. This will be beneficial in widening and deepening the pool of available candidates when ELEXON recruits new directors. It will also enable ELEXON to ensure all of its directors, who perform the same role, are treated equally.

ELEXON responds to the CMA's Energy Market Investigation (Electricity Transmission Losses) Order 2016

[ELEXON's response](#) to the Competition and Markets Authority (CMA) on its draft Order to deliver its Locational Transmission Losses remedy has been published on the [Industry Insights](#) page of our website. The remedy forms part of the [CMA's Energy Market Investigation](#) conclusions.

In addition, we have issued a [briefing note on Zonal Transmission Losses](#) that provides background information to the Competition and Markets Authority (CMA) remedy on the allocation of Transmission Losses set out in the CMA's report.

ELEXON responds to Ofgem's Code administrators' performance survey questionnaire

In its Code Governance Review Phase 3 Final Proposals, Ofgem concluded that it would commission an independent third party to undertake a cross-code survey on the performance of code administrators. In September Ofgem confirmed the appointment of Future Thinking to develop the survey questionnaire.

Ofgem's consultation on the structure and content of the survey was published on 31 October and closed on 11 November 2016. [Our response](#) has been published on the [Industry Insights](#) page of our website. Future Thinking, supported by Ofgem, will finalise the survey questionnaire in light of responses received before starting the survey.

Read the latest Operations reports

The [October Trading Operations Report](#) and the [BSC Operations Headline Report for September and October](#) have been published on the [Operations Reports](#) page of our website.

The Trading Operations Report provides a market-level overview of key events, issues or incidents over the last month, a wide range of statistics on the energy industry and a suite of market graphs.

In the BSC Operations Headline Report you will find commentary on BSC market operation, identification of key events and reporting of key data.

For further information please visit the the [Operations Reports](#) page of our website.

September P321 Interim Report

Following the deferral of implementation of Modification [P321 'Publication of Trading Unit Delivery Mode'](#) to June 2017, and in order to provide industry with some of the benefits of P321 in advance of next June, we developed an interim solution through the publication of monthly reports. The September report is now available on the [P321](#) page of our website.

The interim solution will continue to be published for each month until P321 is implemented in June 2017. The report is a single, downloadable Excel/CSV file containing the most recent data for the monthly reporting period. This will be R1 data where available, otherwise SF data.

For further information or to obtain reports for previous months please email SettlementOperations@elexon.co.uk.

Modifications, Change and Implementation

New Modification Proposal template

If you would like to propose a Modification to the BSC, there is now a new template that you must complete and send to bsc.change@elexon.co.uk. The form can be downloaded from the [Change page](#) on our website, under 'related content'. There is guidance on how to use the template contained within the template itself. If you need further information please refer to the [Change Process guidance](#) or contact us at bsc.change@elexon.co.uk.

P346 approved by Panel under Self-Governance

At its meeting on 10 November 2016, the BSC Panel determined that P346 is a Self-Governance Modification Proposal and approved P346 for implementation on **1 April 2017**.

[P346 'Changes to the BSC Specified Charges to facilitate Elective HH settlement'](#) proposes to amend the method by which the 'Supplier' half of the Supplier Volume Allocation (SVA) Costs are recovered so that all of these costs are recovered through a single 'per Metering System Identifier (MSID)' fixed tariff.

BSC Parties have 15 Working Days from the date of Panel's decision to appeal the Panel's approval of P346. This 15 Working Day period expires at **17:00** on **1 December 2016**. If no appeal is received, P346 will be implemented in accordance with the Panel's determination on **1 April 2017**.

Further information can be found on the [P346](#) page of our website. If you have any questions or would like to discuss this Modification further, please contact Royston Black on 020 7380 4203 or email bsc.change@elexon.co.uk.

Live Consultations

P350 Assessment Procedure Consultation

Response date: 25 November 2016, 17:00

[P350 'Introduction of a seasonal Zonal Transmission Losses scheme'](#). The Competition and Markets Authority (CMA) [Energy Market Investigation](#) concluded that the absence of locational pricing for transmission losses has an adverse effect on competition. Therefore, in line with the CMA's determination, P350 will introduce a Transmission Loss Factor for each TLF Zone (which will align with the existing Grid Supply Point (GSP) Groups) for each BSC Season in order to allocate transmission losses on a geographical basis. The CMA is mandating, through secondary legislation and licence changes, an Implementation Date of **1 April 2018**.

P350 is expected to impact generators, Suppliers, Distribution System Operators (DSOs) and the Transmission

Company.

P351 Assessment Procedure Consultation

Response date: 25 November 2016, 17:00

[P351 'Align the BSC with changes to the SCR requirements'](#). Ofgem published its [final proposals for Phase 3 of the Code Governance Review \(CGR\)](#) in March 2016. These proposals include changes to Standard Licence Condition C3 'BSC' (SLC3) of the [Transmission Licence](#). The SLC3 creates three additional routes for taking forward the conclusions of a Significant Code Review (SCR). These changes are due to become effective from **31 March 2017**.

P351 is expected to impact ELEXON.

Changes are being made to the Transmission Licence to deliver the new routes. A corresponding change to the BSC is required to align it with the changes to SLC3.

P339 Report Phase Consultation

Response date: 28 November 2016, 17:00

[P339 'Introduction of new Consumption Component Classes for Measurement Classes E-G'](#) seeks to introduce new Consumption Component Classes (CCCs) for Measurement Classes 'E', 'F' and 'G'. These new CCCs will enable aggregated consumption volumes for both Active Import (AI) and Active Export (AE) to be identified separately.

P339 is expected to impact Supplier Volume Allocation Agent (SVAA) systems, ELEXON, Suppliers, Supplier Agents and License Distribution System Operators (LDSOs).

The BSC Panel initially recommends that the P339 Proposed Modification should be **approved**.

P347 Report Phase Consultation

Response date: 30 November 2016, 17:00

[P347 'Reduction in R1 Read Requirement for HH Sites'](#) proposes to reduce the read Performance Level at R1 to 90% for HH customers in Measurement Classes 'F' and 'G'. This will enable Suppliers to electively settle sites in Profile Classes 1-4 with assurance that issues in Settlement at R1 caused by SMETS roll out will not lead to punitive measures.

P347 is expected to affect ELEXON, Suppliers and Supplier Agents.

The BSC Panel initially recommends that the **P347 Proposed Modification should be Rejected**.

Electricity Market Reform (EMR) update

Interim Levy Rate adjusted to zero

[Low Carbon Contracts Company](#) (LCCC) has adjusted the Interim Levy Rate to **zero** from **£0.594 per MWh**. This is effective from **14 November 2016** until **31 December 2016**, being the end of the current quarterly obligation period. On behalf of LCCC, we have issued an Adjusted Interim Levy Rate Notice to **Suppliers**.

This follows a [previous Interim Levy Rate adjustment](#) on 10 October 2016 that reduced the rate from £1.016 per MWh to £0.594 per MWh.

For information on why the rate has been reduced further, how this affects Interim Rate payments, and Credit Cover requirements, please see [EMR Circular 106](#).

Keep in touch with what's happening with EMR

Visit the [EMRS website](#) to view the latest news on EMR. Our EMR Circulars keep you informed of the latest changes, consultations and events. To register for EMR Circulars please subscribe to our mailing list on the

homepage of the EMRS website. The [EMR Settlement Calendar](#) is also a useful way to check what is happening as it highlights key dates such as implementation events, deadlines for consultations and workshops. If you have any questions, please email contact@emrsettlement.co.uk.

ELEXON Circulars published last week

Since 7 November 2016, we have published six ELEXON Circulars. These Circulars were for information and related to:

[EL02554](#): Intermittent connection issues to affect MODIS, EDT and EDL – Tuesday 15 November 2016

[EL02553](#): Planned National Grid MODIS downtime on 11 November 2016

[EL02552](#): Completed – BSC Central Services planned downtime on Wednesday 9 November 2016

[EL02551](#): Credit Assessment Price (CAP) consultation

[EL02550](#): Resolved – performance issue on 'Legacy' BMRS (www.bmreports.com)

[EL02549](#): Performance issues on 'Legacy' BMRS (www.bmreports.com)

Circulars are published in the [News](#) section of our website.

Upcoming meetings and events

- 22 November** - [Imbalance Settlement Group](#)
 - 23 November** - [Joint European Stakeholder Group](#)
 - 23 November** - ['Introducing ELEXON' seminar](#)
 - 24 November** - [Performance Assurance Board](#)
 - 30 November** - [P344 Workgroup](#)
 - 1 December** - [Issue 64 Workgroup](#)
 - 1 December** - [Trading Disputes Committee](#)
 - 6 December** - [Supplier Volume Allocation Group](#)
 - 7 December** - [P350 Workgroup](#)
 - 8 December** - [BSC Panel](#)
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If you have any feedback on Newscast or any of our other publications, please email communications@elexon.co.uk

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