

HEADLINE REPORT

MEETING NAME ELEXON BOARD MEETING

Meeting number EB176

Date of meeting 6 July 2016

Purpose of paper This report sets out the headlines and key decisions of the most recent meeting of the ELEXON Board.

Classification Public

1. CHIEF EXECUTIVE'S REPORT

1.1 This paper presented an overview of the activities of, and developments within, ELEXON for the period from 20 May 2016 to 23 June 2016.

1.2 The paper included updates on:

- BSC operational matters (updates on P324, P325, P330 and P344, BSC defaults, trading disputes activities, market entry activity and the recent BSC Audit opinion);
- Strategy and Delivery matters (including the status of all current projects –AS-IS Plus, BMRS, P272 Release, the Web Services Procurement, February 2016 Release, June 2016 Release, November 2016 Release and the project approach review);
- Design authority (including updates on the BSC systems roadmap, settlement reform, demand side flexibility and smart grids, reliable faster switching, the CMA investigation, Ofgem's code governance review, recent consultation responses and gas settlement assurance);
- European developments that may have an impact on ELEXON and the BSC including Brexit, the Guideline on Electricity Balancing and Project Terre
- The paper also included the latest company monitoring report which summarised ELEXON's KPI performance for May 2016.

2. FINANCE REPORT

2.1 This paper informed the Board of the financial position of ELEXON for May 2016 including the main variances in the current month as well as identifying the full year outturn against budget.

3. GAS ASSURANCE ROLE

3.1 This paper updated the Board on BSC Modification P330 which allowed the ELEXON Board to decide if ELEXON should bid for the Performance Assurance Framework Administrator under the gas settlement arrangements. The paper provided a summary of what is currently known about the process and timings for establishing the PAFA service together with some initial considerations on the rationale and potential risks associated with a bid.

4. BMRS UPDATE

4.1 This paper updated the Board on the revised approach and plan to enable the delivery of the new BMRS system.

5. MEMBERSHIP OF BOARD COMMITTEES

5.1 This paper proposed a revised approach to the membership of the Board's Remuneration Committee and the Audit and Risk Committee. The Board Agreed that the Remuneration Committee should henceforward be

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comprised of Gillian Wilmot (chair), Michael Gibbons (Board and Panel chair), Alison Chappell (industry NED) and Clare Duffy (industry NED) and the Audit Risk Committee should be comprised of David Rigney (chair), Volker Beckers (industry NED) and Clare Duffy (industry NED).

6. SIZE AND COMPOSITION OF BOARD COMMITTEES

- 6.1 This paper proposed that the Board reduced the size of its Audit and Risk Committee and Remuneration Committee which are both currently comprised of all Board members. The reduction in size would make decision making more efficient and would be in line with normal practice. The Board agreed to the reduction in size and asked the chairs of the respective committees to make proposals on membership.

7. EMR UPDATE

- 7.1 This paper updated the Board on ELEXON's appointment as the Settlement Services Provider for both Contracts for Difference (CfD) and Capacity Market (CM) and in particular, the progress with the implementation of the systems and processes that are necessary to enable EMRS to meet its obligations.

8. AOB

- 8.1 There being no further business the meeting was closed.