



Issue 723, 8 October 2018

**ELEXON**



### Coming up this week

**9 October**

Joint European Stakeholder Group Webinar at **10:00**

**11 October**

BSC Panel at **10:00**

## How Code Administrators are preparing for Brexit

The withdrawal of the United Kingdom from the European Union (EU), known as Brexit, is scheduled for **23:00** on **29 March 2019**. As this date approaches, the UK will leave the EU, following a period of negotiation, unless an extension is agreed.

To prepare for Brexit, we are working closely with other Code Administrators (CAs), via the Code Administrators Code of Practice (CACoP) group to manage the potential changes that Brexit will bring. To ensure consistency across the industry, CACoP is collectively engaging with Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS) to make the necessary amendments to industry codes and licences.

As it is uncertain what the outcome of the Brexit negotiations will be, each CA has identified areas of their respective Codes that may require changing. The extent of the changes will vary from Code to Code, but all CAs are working closely with each other to ensure that potential changes are coordinated and delivered on time. Although the exact scope of the changes and final details of the UK's relationship with the EU are unknown, we have not identified any parts of the BSC that would be legally inoperable on exit day. This is because the 'European Union' (Withdrawal) Bill', also known as the 'Great Repeal Bill' will enable any EU legislation to continue functioning until UK laws are introduced to replace or amend EU equivalents.

A Modification will be raised to amend references to EU legislation and bodies within the BSC. However, until further information is released on how EU legislation may be incorporated or replaced in UK law we are unable to make the required changes to the BSC. This may mean that the BSC will remain unchanged after Brexit day until new UK legislation comes into force.

We have not received any advance information on proposed changes that are not already in the public domain, and we will keep you informed of any Brexit developments that will impact Industry Codes as soon as possible.

We continue to work with Ofgem to ensure Ofgem and BEIS are aware of BSC specific issues and concerns, so they can account for any flagged issues when preparing draft legislation. This will help to ensure continuity from **30 March 2019** onwards, and in the longer term, depending upon the UK's relationship with the EU, and more specifically, Great Britain's relationship with the European Internal Energy Market. However, there may be a requirement for further Modifications dependant on government policy and legislation brought into force but until

For further information on how EU legislation directly impacts the BSC, please visit the [Europe](#) page of our website. If you have any specific questions about ELEXON's Brexit preparations, please contact [Chris Wood](#) on 020 7380 4142 or [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk).

## Sign up to our next Risk Evaluation Methodology 2019/20 consultation webinar: 15:00 on Monday 15 October 2018

Last week we published the Risk Evaluation Methodology (REM) consultation on the [Consultations on Market Entry and Compliance](#) page of our website. This consultation sets out how the Performance Assurance Board (PAB) will identify, evaluate and assess the materiality of Settlement Risks relating to Performance Assurance Parties (PAPs). This represents a change in the Performance Assurance Framework Review, outlining a new approach to risk evaluation. Before you submit your consultation response, we are keen to ensure that you have the opportunity to hear about the changes to the methodology, and understand the impact they may have on BSC parties. This change will also likely impact how we evaluate Performance Assurance Party (PAP) risk contribution.

To help you respond to this consultation, we are hosting a couple of webinars to provide an overview of the new methodology and are offering participants the opportunity to ask questions. Following a successful webinar on **Friday 5 October**, Nick Groves and Ryan Dale will host a second webinar, to discuss the proposed changes to the REM that we are consulting on.

This webinar will be useful if you are a **Performance Assurance Party**, and work in **Compliance, Risk or Operational Settlement** roles. If you would like to attend our next webinar at **15:00 on Monday 15 October 2018**, please [register](#).

This gives you a further week to respond to the consultation. If you would like to submit a response, please send it to [ryan.dale@elexon.co.uk](mailto:ryan.dale@elexon.co.uk) by **17:00 on Monday 22 October 2018**.

We will present the consultation responses to the PAB at its meeting on **Thursday 29 November 2018**. The PAB, with delegated authority from the BSC Panel, will approve the REM 2019/20 (subject to any changes it deems necessary).

For more information, or if you have any questions about the consultation or webinar, please contact [Ryan Dale](#) on 020 7380 4117.

## Modifications, Change and Implementation

### P373 raised

On **4 October 2018** National Grid raised [P373 'Reversing the changes relating to Approved Modification P297'](#) and has requested that it be treated as an Urgent Modification. This Modification seeks to remove the effect of Approved Modification [P297 'Receipt and Publication of New and Revised Dynamic Data Items'](#). At its meeting on **11 October 2018**, the BSC Panel will consider whether to recommend to the Authority that it grants Urgent status. See below for more details on P297.

If you have any questions or would like to discuss this Modification further, please contact [Elliott Harper](#) on **020 7380 4302** or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk).

### What's happening with P297?

[P297 'Receipt and Publication of New and Revised Dynamic Data Items'](#) cannot be implemented due to ongoing delays with National Grid's (Electricity System Operator (ESO)) Electricity Balancing System (EBS) implementation. Further information from ESO on the P297 Implementation Date is being considered by the [Panel on 11 October 2018](#).

The ESO provided a P297 update to the Panel on **13 September 2018**. At this meeting, the ESO requested an

substantial concern, given the ESO's desire to amend the P297 solution, and the length of time since P297 was originally approved. As the ESO was unable to provide a new delivery date, the Panel wrote to Ofgem to seek advice on how to proceed with P297 and is awaiting Ofgem's response.

### Where does P373 fit in?

The ESO has raised [P373 'Reversing the changes relating to Approved Modification P297'](#) to address the P297 issue. P373 proposes to 'undo' the entire P297 solution, which would remove the uncertainty of the implementation dates. The ESO would then subsequently raise new Modifications to consider alternative approaches to the changes that had been contained in P297. These would be progressed in consultation with industry to determine the parts of the P297 solution that could be delivered through existing ESO systems and architecture to deliver tangible industry benefits.

If you have any questions or would like to discuss this Modification further, please contact **Elliott Harper** on **020 7380 4302** or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk).

### P361 missed February 2019 Release decision cut-off

We are waiting on a decision from Ofgem on [P361 'Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units'](#). If Ofgem approve P361, it can no longer be delivered in the February 2019 Release, as there is not enough time to deliver the system changes. Ofgem has not yet provided an indicative decision date.

P361 proposes to remove Interconnector Balancing Mechanism (BM) Unit volumes from the Funding Share calculations. This means that, if P361 is approved, Parties with Interconnector BM Units will pay less, whilst those without will pay more. If approved, P361 will only apply from **1 April 2019** and will not re-calculate and re-bill the 2018/2019 financial year (1 April 2018 to 31 March 2019).

If you have any questions on this Modification, please contact **Lawrence Jones** on **020 7380 4118** or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk).

### P372 seeking Workgroup members

On **13 September 2018** the BSC Panel raised Modification [P372 'Speeding up the approval process for the publication of BSC data on the BMRS'](#). This Modification aims to reduce the timescales for changes to the Balancing Mechanism Reporting Service (BMRS) by streamlining [BSC Section V 'Reporting'](#) to move a selection of reports, to be determined by the Workgroup, to the Reporting Catalogue and/or Interface Definition Documents; or alternatively place certain reports in a separate BSC Panel-controlled document, facilitating the ability to progress a Change Proposal instead of a Modification.

If you would like to become a member of the P372 Workgroup and help to direct the solution for this Modification, please email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk) with your contact details and a provisional view of your availability during October and November 2018.

### CP1510 raised and issued for consultation

[CP1510 'Allow the online management of registrations, Market Entry and Market Exit'](#) seeks to update the relevant BSCPs to allow a self-service-gateway to be used as an alternative to paper forms for Market Entry, Exit and Registrations. The solution will facilitate the implementation of the Participant Management System being developed under ELEXON's Foundation Programme. This Change Proposal has been issued for industry consultation and impact assessment as part of Change Proposal Circular CPC00790.

Please email your response entitled **CPC00790 Consultation** to [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk) by **17:00 on 2 November 2018**. Please let us know as soon as possible if you are unable to meet this deadline.

For more information on CP1510 please contact **Matthew Woolliscroft** on **020 7380 4165** or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk).

provisions underpinning our current and future Performance Assurance Framework, to better monitor Settlement Risks and assess the effectiveness of its techniques. To facilitate that, we have issued a [Request for Information \(RFI\)](#), which is available on the [PAF Review](#) section of our website.

The Workstream held its first [Issue 69](#) meeting on **Wednesday 3 October**, where participants discussed existing data provisions used for Performance Assurance, and explored potential alternative sources of data that could provide further insight.

To assist our investigation, we are seeking views from Performance Assurance Parties and other stakeholders on the current data and reporting provisions utilised for Performance Assurance purposes, and alternative data sources to enhance our ability to measure Settlement Risks.

Please email your RFI response to [PAFReview@elexon.co.uk](mailto:PAFReview@elexon.co.uk) by **17:00 on Friday 26 October**.

## Electricity Market Reform (EMR) update

### **REMINDER: 'Introduction to EMR arrangements' event for Suppliers: 10 October 2018**

On **Wednesday 10 October 2018**, EMRS is hosting the next 'Introduction to EMR arrangements' for Suppliers with [Low Carbon Contracts Company \(LCCC\)](#), [Electricity Settlement Company \(ESC\)](#).

This event is at [EMRS'/ELEXON's offices](#) from **09:30-14:00** and will introduce new Suppliers to both Contracts for Difference (CFD) and Capacity Market (CM) schemes. Suppliers who have recently entered the electricity market or individuals from existing Suppliers that are new to EMR are welcome to attend.

#### **What will this session cover?**

- Overview of the Electricity Market Reform
- The different roles and responsibilities of the EMR Delivery Partners
- CFD Supplier Obligation Forecasting Model
- Details each Supplier payment and calculations for CFD and CM
- Credit Cover requirements for Suppliers for CFD and CM

#### **How do I register?**

Please email [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk) if you would like to attend.

#### **What material can I read in advance of attending?**

If you haven't attended a previous Supplier event, we suggest you familiarise yourself with the [EMRS Guidance](#) and the [Supplier Stakeholder pages](#) on our website.

#### **Keep in touch with what's happening with EMR**

Visit the [EMR Settlement 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](mailto:contact@emrsettlement.co.uk).

## Cross Code Working: European Network Codes Implementation Plan

We work with [National Grid](#) and [Energy Networks Association](#) to develop a [European Network Codes \(ENCs\)](#) implementation plan.

The September 2018 update will be published on **Wednesday 10 October 2018**, and will be available to download from the [European page of the ELEXON website](#).

On 3 March 2011, the European Third Energy Package came into effect with the aim of developing a more harmonised European energy market. This legislation required the development of the ENCs, which would apply across Europe and take precedence over existing national arrangements. The introduction of the ENCs will have a far reaching impact on the GB electricity industry, with changes required to grid connections, markets and system operation. Whilst the final ENCs entered into force in 2017, implementation activities in GB will continue for a number of years.

If you have any questions, please email [jemma.williams@elexon.co.uk](mailto:jemma.williams@elexon.co.uk).

## Market Domain Data (MDD) Circular 643 published

We have published [MDD Circular 643](#) on the MDD Circulars page of our website. This Circular details the changes approved for inclusion in the release of MDD Version 274. This Version of MDD will be published on **Wednesday 10 October 2018**, with a Go-live Date of **17 October 2018**.

A zip file containing the approved changes is available on the [MDD Circulars](#) page of our website.

If you have any queries please call the BSC Service Desk on 0870 010 6950, email [bscservicedesk@cgi.com](mailto:bscservicedesk@cgi.com) or the MDD coordinator at [mddc@elexon.co.uk](mailto:mddc@elexon.co.uk).

## Ofgem Faster Switching Engagement Group

Ofgem has [published an open letter](#) requesting engagement with its Faster Switching Engagement Group (FSEG) and other industry initiatives. We have, and will continue to work closely with Ofgem and the FSEG to provide support and expertise.

The open letter calls on the following groups to encourage engagement with, and support for the FSEG and the Issue Resolution Expert Group (IREG):

- Suppliers
- Supplier Agents
- Distribution Network Operators
- Meter Asset Providers

Visit [Ofgem's Switching Programme page](#) on the Ofgem website for further information, or if you would like to speak to ELEXON about the Faster Switching Programme, please email [colin.berry@elexon.co.uk](mailto:colin.berry@elexon.co.uk).

## ELEXON Circulars published last week

Since **1 October 2018**, we have published three ELEXON Circulars. The Circulars were for information and related to:

[EL02890](#): Planned ELEXON IT systems outage between 12:00 and 16:00 on Thursday 11 October 2018

[EL02889](#): Planned Market Index Data Provider (MIDP) Outage on Tuesday 9 October 2018

[EL02888](#): Scheduled maintenance to BSC Central Systems: Saturday 6 to Sunday 7 October 2018

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

## Upcoming meetings and events

- [23 October](#) - Imbalance Settlement Group
- [25 October](#) - Performance Assurance Board
- [30 October](#) - Supplier Volume Allocation Group
- [1 November](#) - Trading Disputes Committee
- [8 November](#) - BSC Panel



If you have any feedback on Newscast or any of our other publications, please email [communications@elexon.co.uk](mailto:communications@elexon.co.uk)

Our mailing address is:  
ELEXON Ltd  
4th Floor, 350 Euston Road  
London, NW1 3AW

Copyright (C) 2018 ELEXON Ltd All rights reserved.

[Unsubscribe](#) | [Forward to a friend](#)

Email not displaying correctly? [View it in your browser.](#)