

ELEXON and BSC Update – February 2017

1. Code Governance Reform consultation: ELEXON and the BSC Panel respond

Last week [ELEXON](#) and the [BSC Panel](#) submitted their responses to Ofgem's consultation on Code Governance Reform (arising from the CMA recommendations). These have been published on the [Industry Insights](#) page of our website.

Ofgem's proposals include the licensing of Code Managers and Delivery Bodies, the setting of a Strategic Direction and the establishment of a Consultative Board to oversee cross industry change in line with the Strategic Direction. Both the ELEXON and BSC Panel responses express support for the setting of a Strategic Direction but express uncertainty over the role of the Consultative Board and note the need for greater clarity on its proposed role and responsibilities within the existing governance frameworks. Neither ELEXON nor the BSC Panel see the need for licensing, instead ELEXON offers a number of suggestions as to how Ofgem could achieve its objectives without a licence regime.

Find out more about ELEXON's views on the Code Governance Reform in our recently published [briefing note](#). This, and two other briefing notes on [Zonal Transmission Losses](#) and [Half-Hourly Settlement](#) are available on the [Briefing Notes and Infographics](#) section of our website.

2. Post Implementation Review of P305

ELEXON has conducted 12 month review into System Prices since the implementation of BSC Modification [P305 'Electricity Balancing Significant Code Review developments'](#). This modification changed the System Price calculation on 5 November 2015.

BSC Modification P305 implemented the conclusions to Ofgem's Electricity Balancing Significant Code Review (EBSCR), and introduced a single marginal Imbalance Price, Reserve Scarcity Pricing and pricing for Demand Control actions.

This post implementation review does not take a position on the success of these changes. Instead, the report provides analysis and insight into System Prices, market conditions, behaviour and Trading Charges affected by the modification.

The full [Post Implementation Review of P305 report](#) and a [short summary and key points](#) are available on the [Operations Reports](#) page of our website.

For further information, please email market.analysis@elexon.co.uk.

3. Implementation of the February 2017 Release

The February 2017 BSC Systems Release will be implemented on **23 February 2017**. There are two Modifications and six Change Proposals in the final scope of this Release. These include changes to BSC Systems, Code Subsidiary Documents (CSDs) and Configurable Items (CIs).

Please refer to the [Release Circular](#) for details of the implementation and visit the [February 2017 Release](#) page of our website to learn more about the complete scope, key dates and the impacted documents.

If you have any queries, please contact Mahesh Gogtay on 0207 7380 4215, or email Releases@elexon.co.uk.

P339 Implementation Guide

We have published the [P339 Implementation Guide](#), which is available on the [February 2017 Release](#) page of our website. [P339 'Introduction of new Consumption Component Classes for Measurement Classes E-G'](#) will be implemented on **1 April 2017**, but we are managing the implementation as part of the February 2017 Release project, for efficiency purposes.

Who is impacted by P339?

Half Hourly Data Aggregators (HHDAs) will need to make software changes and the Implementation Guide provides additional clarity on the reporting of Half Hourly (HH) metered volumes using the new and amended Consumption Component Classes (CCC) introduced by P339.

Licensed Distribution System Operators (LDSOs) will need to send ELEXON revised (P0239) files ahead of the Implementation Date. The Implementation Guide describes how the P0239 files should be populated and when the files should be provided.

Suppliers may also find the guidance useful in understanding changes to their Distribution Use of System Charging (DUoS) and other Supplier Volume Allocation Agent (SVAA) reports.

For more information, please see the [February 2017 Release](#) page of our website or email releases@exelon.co.uk.

4. Consultation on decreasing the Credit Assessment Price (CAP)

Following a continuous decrease in forward market prices, a Credit Assessment Price (CAP) review was triggered.

We have issued a consultation paper on the value of Credit Assessment Price (CAP), available on the Consultations page of our website. We invite Trading Parties to indicate whether they agree with the proposal to decrease the value of CAP to £52/MWh from its current level of £57/MWh.

How does this affect me?

This potentially affects the level of Credit Cover that Parties are required to lodge, and so we urge all Parties to respond to the consultation. We will present the consultation responses to the Credit Committee who will determine the new CAP value, and the date from which any changed value will take effect.

You can find more information on the CAP, the Credit Committee and the review process on the [Credit Committee page](#) of our website. We have also published [FAQs](#) to help you become more familiar with this process.

How do I respond?

Trading Parties can comment on this consultation using the consultation proforma available on the [Consultations page](#) of our website.

Please send your responses to Credit.Committee@exelon.co.uk by **17:00 on 21 February 2017**.

5. Modifications, Change and Implementation

Closure of Modifications P308 and P341

BSC Modifications [P341 'Forward publication of Maximum Export and Import Limits'](#) and [P308 'Alternative security product for securing credit under the BSC'](#) were withdrawn by their individual Proposers on 8 and 9 February respectively. Following this, as per Section F 'Change Management', they were subject to a five day adoption period. Since this period has now lapsed (12:00 on 9 February for P341 and 12:00 on 10 February for P308), the Modifications have now officially closed.

If you have any questions, please contact Elliott Harper on 0207 380 4302 or at bsc.change@exelon.co.uk

P350 unanimously recommended for approval by Panel

[P350 'Introduction of a seasonal Zonal Transmission Losses scheme'](#)

The Draft Modification Report was presented to Panel on 9 February 2017. Panel unanimously recommended that P350 should be approved. The Final Modification Report was issued to Ofgem on 10 February 2017. An Ofgem decision is expected by **31 March 2017**.

Approval of CP1466 for implementation on 23 February 2017

The Panel approved [CP1466 'Removing SMETS compliant Meters from the scope of BSCP601'](#) on 8 December 2016, for implementation on **23 February 2017** as part of the February 2017 BSC Systems Release.

Approval of CP1472 for implementation on 23 February 2017

The Supplier Volume Allocation Group (SVG) approved [CP1472 'Removal of SVA proving tests for Meters with a pulse multiplier of one'](#) on 3 January 2017 and the Imbalance Settlement Group (ISG) approved the CP on 24 January 2017 for implementation on **23 February 2017** as part of the February 2017 BSC Systems Release.

Approval of CP1473 for implementation on 23 February 2017

The SVG approved [CP1473 'Alteration to the LTV Entry Criteria'](#) on 3 January 2017, for implementation on **23 February 2017** as part of the February 2017 BSC Systems Release.

Approval of CP1474 for implementation on 29 June 2017

The Performance Assurance Board (PAB), SVG and ISG approved [CP1474 'Updating the CoMC processes to facilitate the elective HH Settlement of SMETS Meters'](#) on 15 December 2016, 3 January 2017 and 4 January 2017 respectively, for implementation on **29 June 2017**.

Approval of CP1475 for implementation on 29 June 2017

The SVG approved [CP1475 'Remove obligation to re-date final NHH Meter readings on CoMC'](#) on 4 January 2017, for implementation on **29 June 2017**.

Approval of CP1476 for implementation on 29 June 2017

The ISG and the SVG approved [CP1476 'Facilitation of Incremental LLFs'](#) at their meeting on 24 January 2017 and 31 January 2017 respectively for implementation on **29 June 2017**.

Approval of CP1481 for implementation on 1 April 2017

The SVG and PAB determined that the [CP1481 'Housekeeping Change to BSCP536 following approval of P339'](#) is a Housekeeping Change on 3 January 2017 and 26 January 2017 respectively and decided to approve CP1481 for implementation on **1 April 2017**.

Matthew McKeon

Market Advisor
Design Authority

