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21 September 2018

**RE: The ESO is still unable to provide data needed to implement BSC Modification P297
'Receipt and Publication of New and Revised Dynamic Data items'**

Dear Mr Thompson,

I am writing to you on behalf of the BSC Panel to ask for your advice regarding the Electricity System Operator's (ESO) continuing inability to deliver the data needed to implement BSC Modification P297, the request to further extend the P297 Implementation Date, and the unsatisfactory position in which this leaves both the BSC Panel and ELEXON. P297¹ was originally proposed by National Grid in 2013, approved by the BSC Panel and Ofgem in 2014, and scheduled for delivery in November 2015. It has since been re-scheduled three times (to the November 2016, June 2017 and most recently November 2018 BSC Release). On each occasion the P297 extension has been at the request of National Grid, subsequently the National Grid ESO, and attributable to delays with its Electricity Balancing System (EBS).

The Panel would like it noted that when the Panel previously recommended extending the P297 Implementation Date the Panel did not intend to condone the ESO's behaviour. Indeed the Panel was highly critical of the delays.

Although there is evidently a precedent for successive extensions, we now consider this latest request a more substantial concern given the desire to amend the P297 solution and the length of time since P297 was originally approved.

As I am sure you know, implementing P297 in isolation, without testing the interactions between ELEXON's systems and ESO's systems, poses a considerable risk to BSC central systems, and could result in increased costs of any subsequent changes to ELEXON's systems. Further, the Panel and ELEXON believe it would be irresponsible to spend money (BSC costs to implement P297 were estimated to be £132K in 2014) implementing functionality that will not, and may never, be used.

As you concluded in your letter dated 16 March 2015 on this matter, "it is appropriate to ensure that the implementation date for P297 is properly aligned with the EBS go live date, consistent with the intended approach when we [Ofgem] approved P297." This view was re-affirmed more recently in

¹ It is noted that there is an associated Grid Code change [GC0068](#).

your letter dated 28 June 2017, when you approved a new P297 Implementation Date of 1 November 2018.

At the Panel meeting on 13 September 2018, ESO informed the Panel that it is still unable to deliver P297 and now wants to change, through a new Modification, some elements of the solution. At this meeting, the Panel considered several options.

- The Panel considered leaving the P297 Implementation Date as 1 November 2018. However, not extending the Implementation Date would leave the BSCCo in an unacceptable position of being in breach², as a result of ESO failures, and would set a dangerous precedent. The Panel would also be in danger of failing to deliver against its objectives and duties³. It would also put ESO in breach of the BSC and consequently its licence⁴, which some Panel Members believed is needed in order to bring action against them. Other BSC Parties are not able to change their BSC obligations to avoid non-compliance (and any associated sanctions) and some Panel Members believed ESO were abusing their position.
- Given that P297 has already been delayed for three years, through no fault of ELEXON or the Panel, the Panel was reluctant to continue to extend the problem into the future with no real prospect of P297 being delivered. The Panel have not ruled out asking for an extension, but also decided not to request one at this time, essentially because there is currently no sound basis for doing so.
- The third option the Panel deliberated was implementing P297, either as soon as possible, or in the next available release, irrespective of ESO's position. As detailed above, the Panel does not believe it to be in the interests of BSC Parties, and by extension the electricity consumer, to implement P297 without the ESO data.

The Panel therefore believe it has no satisfactory choice, particularly as it does not have any sanctions that it can call upon.

The Panel is very concerned by the P297 issues. So much so, that at the Panel meeting on 13 September 2018, it was suggested that this letter could be submitted as evidence of ESO performance to the ESO Performance Panel for consideration at its first meeting in November 2018, and was certainly minded to do so.

Section F 2.11.6(b) of the BSC requires the ESO to implement changes to its systems to give full and timely effect to a Modification by the Implementation Date. Whilst the ESO have, through repeated extensions, been complying with this provision, the Panel do not believe the ESO have been acting within the spirit of it. **The Panel would welcome Ofgem's view on the consequences of not extending the Implementation Date.**

The Panel would also welcome any updates you are able to provide on the assurances that ESO made following the last extension request, as detailed in Annex A of your letter to dated 28 June 2017.

The Panel was also concerned with the unilateral tone of the ESO letter submitted to the Panel at its September 2018 meeting, requesting a further P297 extension. We note that ESO has subsequently

² Section F1.2.3 of the BSC requires BSCCo to implement Approved Modifications

³ The Panel's objectives are detailed in Section B 1.2.1 of the BSC. Further Section F1.2.1 and F 1.2.2 of the BSC, place obligations on the Panel to operate the Modification Procedures.

⁴ Section F2.11.6(b) requires the ESO to make changes to its systems to give effect to a Modification by the Implementation Date. Non-compliance with the BSC would also be a breach of ESO's Transmission Licence.

sent a new letter to the Panel on 20 September 2018, to apologise for the way the letter has been received and to clarify that it is the ESO's desire to have open discussions and not to act unilaterally.

The letter from ESO dated 20 September 2018, details two high-level ways forward for P297:

1. Raise a new Modification to reverse P297, and subsequently raise new Modifications when EBS is available or when there is certainty as to the go-live of EBS; or
2. Raise a new Modification to deliver those elements of P297 that can be delivered soon.

Both of these options require a new Modification and will require the existing Modification to be brought to closure.

One option that has been considered, that would not require an extension, is whether an Urgent Modification could be progressed to reverse P297 on 1 November 2018. ELEXON prefers this option as it will bring the most clarity to industry.

An Urgent Modification can be progressed after the Panel meeting on 11 October, but is dependent on Ofgem's timely agreement. **The Panel would therefore like to understand your appetite for an Urgent Modification, and the extent to which the Panel could request urgency** on the grounds that without an Urgent Modification to reverse P297, ELEXON would be in breach of the Code through no fault of its own.

In the absence of an Urgent Modification, we seek you advice on whether you could approve an extension to the P297 Implementation Date by 1 November 2018.

As I'm sure you can appreciate, the Panel finds itself in a position with no good or straightforward option. Having heard the discussions at the Panel, and the subsequent letter from the ESO, the **Panel would like to understand your views and recommendations** (specific asks have been **bolded**).

The BSC Panel stressed the importance of a timely response from you in relation to this request, ideally before the 11 October 2018 BSC Panel meeting, to enable the Panel to make an informed decision on how best to proceed.

Yours sincerely,

Michael Gibbons
BSC Panel Chair