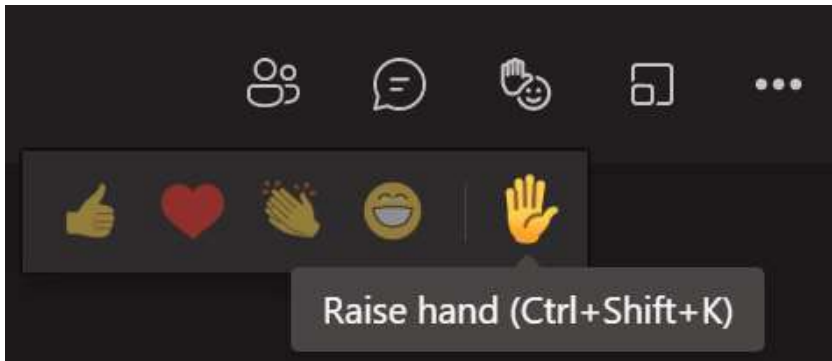


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## P463 Digital Meeting Etiquette

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- Welcome to the P463 Workgroup meeting 4 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the Raise hand feature in the Menu bar in Microsoft Teams if you want to speak, or use the Meeting chat



- Talk – pause – talk
- Lots of us are working remotely – be mindful of background noise and connection speeds

# ELEXION

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**P463 - Meeting 4**

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Introduce a Standard Change Process

4 June 2024

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## Meeting Agenda

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Objectives for this meeting:

- Consider the responses to the Assessment Consultation;
- Gather Workgroup final views against the Terms of Reference

Agenda Item	Lead
1. Welcome and Meeting objectives	Lawrence Jones – Chair (Elexon)
2. Review of Workgroup initial views	Lawrence Jones
3. Consultation Responses and Workgroup discussion	Serena Tilbury
4. Workgroup voting against the Terms of Reference	Workgroup
5. Next steps	Serena Tilbury
6. AOB & Meeting close	Lawrence Jones



# REVIEW OF WORKGROUP INITIAL VIEWS

ELEXON

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## P463 summary of progress

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- The Workgroup discussed the Proposed P463 Modification, aiming to streamline the Change process and make certain changes more proportionate in effort
- The Workgroup agreed that each change type approved to follow the Standard Change process should be subject to a minimum notice period and an appeals process
- The Workgroup reviewed the draft Standard Change criteria, which change candidates would have to meet to be classified as suitable for following the Standard change process
- A cost/benefit analysis was conducted, considering Fuel Types, housekeeping, and MDD
- The Workgroup agreed that there were potential benefits of streamlining Fuel Type changes and CSD housekeeping via inclusion in P463 and, therefore, propose to include two changes within P463: Fuel Type changes and CSD housekeeping
- The Workgroup discussed the need for an appeal mechanism for Standard Changes, a process for removing items from the Standard Change Log and to amend the minimum notice periods. These are captured in the redlining in BSCP40
- The Workgroup proposed that MDD should not currently advance as a Standard Change through this Modification due to the ISD process not being repeatable and predictable (yet) and the potential risks to Settlement
- The Workgroup discussed the impact of P463 on the De Minimis BMRS CP process in BSCP40 and agreed to keep the De Minimis process
- Ofgem published its “Consultation on the implementation of energy code reform” which closed on 23 April 2024. The Workgroup considered what bearing this had for P463 and decided that it had little bearing at this time



# CONSULTATION RESPONSES

ELEXON

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## Assessment Consultation Responses (1 of 19)

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Respondent	Role(s) Represented
IMServ Europe Ltd	Supplier Agent
Anonymous	Non Physical Trader
Drax Group plc	Generator, Supplier, ECVNA, MVRNA
SSE Energy Supply Limited	Supplier
National Grid Electricity Distribution	Distributor
RWE Supply and Trading GmbH	Generator, Supplier, Distributor, Interconnector, ECVNA

- Overall, Supplier Agent and Distributor respondents were least supportive of P463; other respondents were largely supportive, though one expressed caution about potential future Standard Change candidates.

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## Assessment Consultation Responses (2 of 19)

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- Question 1: Do you agree with the Workgroup's initial majority view that P463 does better facilitate the Applicable BSC Objectives than the current baseline?

Yes	No	Neutral/No Comment	Other
4	2	0	0

- Two respondents shared the view that P463 would not promote efficiency but would instead add complexity for several reasons:
  - The appeals process within the Standard Change (SC) framework is very similar to the existing CP process. Therefore, introducing a new, largely redundant process would be inefficient
  - The SC process becomes somewhat redundant because enabling changes are needed to classify a Standard Change
  - Since the Standard Change list only includes Fuel types and subsidiary document housekeeping changes, it would likely take many years to realise any return on the effort to progress P463
  - Overall, P463 would negatively impact Applicable BSC Objective (d) because it offers minimal benefit, adds little difference to the existing Change process, and introduces unnecessary complexity
- Four respondents shared the view that P463 would promote efficiency in balancing and settlement arrangements, because:
  - Routine, uncontroversial changes, like adding a fuel type, currently go through a slow, laborious process; an efficient BSC should have a quicker pathway for such changes, benefiting all parties and consumers
  - It would lead to more efficient handling of housekeeping changes
  - The Standard Change framework allows quicker implementation while retaining an appeals process
  - It frees up workgroups to focus on more significant changes
  - These changes should be welcomed as a fast-track process

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## Assessment Consultation Responses (3 of 19)

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- Question 2: Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of P463?

Yes	No	Neutral/No Comment	Other
6	0	0	0

- Respondents agreed that **“the redlined draft legal text delivers the intention of P463”**. No further rationale was given

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## Assessment Consultation Responses (4 of 19)

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- Question 3: Do you agree with the Workgroup that the draft amendments to the CSDs in Attachment C delivers the intention of P463?

Yes	No	Neutral/No Comment	Other
6	0	0	0

- Respondents agreed that **“the draft amendments to the CSDs in Attachment C delivers the intention of P463”**. No further rationale was given

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## Assessment Consultation Responses (5 of 19)

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- Question 4: Do you agree with the Workgroup’s recommended Implementation Date?

Yes	No	Neutral/No Comment	Other
5	1	0	0

- One respondent disagreed with the recommended implementation date on the grounds that they “do not support the proposal”. No other material rationale was given

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## Assessment Consultation Responses (6 of 19)

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- Question 5: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P463 which would better facilitate the Applicable BSC Objectives?

Yes	No	Neutral/No Comment	Other
6	0	0	0

- Respondents agreed that “**there are no other alternative modifications within the scope of P463**”. No further rationale was given

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## Assessment Consultation Responses (7 of 19)

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- Question 6: Do you agree with the Workgroup’s assessment of the consumer benefits?

Yes	No	Neutral/No Comment	Other
6	0	0	0

- Respondents agreed that **“P463 is neutral in respect of consumer benefits”**
- One respondent added, **“A quicker response and turnaround of minor changes, especially ones that are largely configuration, would definitely benefit the industry from a consumer perspective. Allowing the working groups to focus on more impactful change”**

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## Assessment Consultation Responses (8 of 19)

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- Question 7: Do you agree with the Workgroup's assessment that P463 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Yes	No	Neutral/No Comment	Other
5	0	1	0

- No rationale was given

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## Assessment Consultation Responses (9 of 19)

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- Question 8: Do you agree with the Workgroup’s assessment of the impact on the BSC Settlement Risks?

Yes	No	Neutral/No Comment	Other
5	1	0	0

- One respondent disagreed with the inclusion of housekeeping as a Standard Change:
  - **“There is the potential that a Standard Change could have an unforeseen impact on Settlements, for example we would see a risk if P463 included housekeeping changes. Our concern is where a seemingly insignificant change may result in a significant change to an obligation, for example amending ‘should’ to ‘shall’.”**
  - As drafted in BSCP40, CSD housekeeping changes are subject to a min. 16WD notice period and any appeals will follow the appeal process in 3.17
  - The same respondent agreed that Market Domain Data (MDD) should not be included in P463, citing past issues with MDD updates causing system impacts, such as an Agent Market Participant Identifier (MPID) being end-dated while still having Meter Point Administration Numbers (MPANs) registered to them, leading to significant system impacts. There was a significant period where there was no valid agent appointment. This error resulted in rejections in the registration systems

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## Assessment Consultation Responses (10 of 19)

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- Question 9: Will P463 impact your organisation?

High	Medium	Low	None	Other
0	0	4	2	0

- Two respondents indicated that P463 would have no impact on their organisations
- Four respondent indicated that P463 would have a low impact:
  - No direct impact, but should allow faster implementation of minor changes and more focus on significant modifications
  - Low impact expected as changes are limited to fuel types and housekeeping. Some caution around potential future consequences: **"If the scope of application were to be extended beyond housekeeping and fuel types changes, then this may have unintended impacts and consequential costs which cannot be reasonably foreseen. This may also result in the need for us to evaluate whether it is necessary to implement changes to our systems and processes."**
  - New processes and training needed to distinguish Standard Changes from non-Standard Changes
  - Low impact on systems; only configuration changes required

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## Assessment Consultation Responses (11 of 19)

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- Question 10: How much will it cost your organisation to implement P463?

High	Medium	Low	None	Other
0	0	1	5	0

- One respondent stated that P463 would carry a low implementation cost and provided no rationale. However, in Questions 9 and 12, they cited necessary “**process changes and training**” as a potential impact
- Five respondents stated that there would be no cost to implement P463 with one respondent stating that the Modification “**should allow more time to spend on other, non-standard Modifications that actually merit in-depth discussion and debate**”

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## Assessment Consultation Responses (12 of 19)

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- Question 11: What will the ongoing cost of P463 be to your organisation?

High	Medium	Low	None	Other
0	0	2	4	0

- Two respondents stated that P463 would carry low ongoing costs. One of those respondents said, **“The low impact nature of subsequent changes are far outweighed by the benefits of seeing new minor changes implemented in a more timely fashion”**
- Four respondents stated that there would be no ongoing costs associated with P463. One of these said that a Standard Change process **“should allow more time to spend on other, non-standard modifications that actually merit in-depth discussion and debate”** while another respondent cautioned that there should be no ongoing costs associated with P463 as long as **“the scope of the new process is limited to purely housekeeping and fuel types changes”**

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## Assessment Consultation Responses (13 of 19)

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- Question 12: How long (from the point of approval) would you need to implement P463?

High	Medium	Low	None	Other
0	1	2	3	0

- One respondent stated that P463 would require a medium-length lead time of 3-6 months for process changes and training; no system changes needed. Elexon reached out to the respondent and established that this timeframe is given as a standard, reasonable implementation timeframe for a non-system, document-only change which requires changes to policy and training. The respondent stated that, if a shorter lead-time was given, their organisation would seek to accommodate that
- One respondent stated that they would need <4 weeks to **“support our work on understanding the criteria that satisfies a standard change process and cascading any changes as a result of P463 being approved”**
- Three respondents stated that they would need up to one day/no lead time. Of these, one added that P463 would save time on **“reviewing trivial modifications for BAU processes”**
- Reconsideration of P463 implementation approach – suggest November 2024 Standard Release

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## Assessment Consultation Responses (14 of 19)

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- Question 13: Do you agree with the Workgroup that Fuel Type changes and Subsidiary Document housekeeping changes meet the Standard Change criteria and so should be included in the P463 solution to follow the Standard Change process?

Yes	No	Neutral/No Comment	Other
5	1	0	0

- Five respondents agreed that Fuel Type Changes and CSD housekeeping changes meet the Standard Change criteria. These respondents commented as follows:
  - Perplexed that minor changes go through the same process as more significant ones
  - Consider this a minor configuration change; pleased to see Fuel Type changes expedited through the standard change process
- One respondent disagreed, and added **“We understand and agree with the rationale to include Fuel Type but have concerns around Subsidiary Document housekeeping changes”**
- Elexon reached out to the respondent who agreed that due diligence could and should be undertaken to ensure that HK changes do not have unintended negative consequences. However, they acknowledged that this would add a layer of complexity that may undermine any benefit which the SC process hopes to achieve

## Assessment Consultation Responses (15 of 19)

- Question 14: Do you agree with the proposed minimum notice periods for Fuel Type changes and subsidiary document housekeeping changes?

Yes	No	Neutral/No Comment	Other
5	0	1	0

- One respondent gave a response of yes/no. Elexon checked that this was intended to be a neutral response and the respondent confirmed, commenting **“I don’t feel I have the expertise in this area so was happy to leave it to the workgroup’s assessment”**
- Five respondents agreed with the proposed minimum notice periods for Fuel Type Changes and CSD housekeeping changes and one added that their internal systems **“and the new Insights/Iris platform are quickly configurable”**
- Proposed notice periods:

Change Type	Proposed notice period
Fuel Type Changes	3 months
CSD housekeeping	16 WDs

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## Assessment Consultation Responses (16 of 19)

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- Question 15: Do you agree with the owning Committee for Fuel Type changes and subsidiary document housekeeping changes?

Yes	No	Neutral/No Comment	Other
4	0	2	0

- Four respondents agreed; two respondents gave neutral/no comment. No rationale was offered
- Proposed owning committees:

Change Type	Owning body
Fuel Type Changes	ISG
CSD housekeeping	Panel

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## Assessment Consultation Responses (17 of 19)

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- Question 16: Are there any further changes that you believe could be considered as Standard Changes for inclusion in this Modification?

Yes	No	Neutral/No Comment	Other
1	4	1	0

- Two respondents, who answered no to this question, stated:
  - The scope of P463 should be limited to housekeeping and Fuel type changes only; consequential modifications should undergo a full modification process due to varying options, costs, and benefits
  - Agree that market domain data changes should not be included as Standard Changes
- One respondent answered yes to this question and suggested that the following could be a candidate for Standard Change:
  - NESO changes, such as Demand Flexibility Service, that requires Elexon to incorporate new data items on BMRS”
  - Adding or supporting additional information within BMRS

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## Assessment Consultation Responses (18 of 19)

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- Question 17: Do you agree with the Workgroup that an appeal mechanism is needed in both process 3.16 and 3.17 as drafted in BSCP40?

Yes	No	Neutral/No Comment	Other
6	0	0	0

- Two respondents, who answered yes to this question, added:
  - The appeal mechanism provides clarity and a standardised approach to appealing any such change
  - Checks and balances are always welcome in any process so long as they aren't misused to just delay change

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## Assessment Consultation Responses (19 of 19)

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- Question 18: Do you have any further comments on P463?

Yes	No	Neutral/No Comment	Other
2	4	0	0

- Three respondents added:
  - We note that addition of new data items and flows are more likely to be low risk than removal or deprecation of elements of existing data flows because the latter potentially affects existing business processes. Nonetheless, sometimes the latter is unavoidable, such as when an external process (e.g. NESO product specification) has changed in such a way that the existing Elexon configuration is no longer appropriate. Sometimes changes to external processes necessitate unavoidable modifications to existing configurations.
  - P463 introduces a simplified method for low-risk, repeatable, and predictable changes, allowing focus on higher value modifications. However, there is a risk that unforeseen and impactful changes may become commonplace within this Standard Change process.
  - Initial standard changes might require further modifications, affecting costs and processes.
  - Unlikely that the benefits of P463 will outweigh the industry costs, as few modifications are expected to fall into the standard change process in the near future.
  - The standard change process may become redundant with the appointment of a BSC code manager due to upcoming energy industry code governance reforms.



# REVIEW AGAINST TERMS OF REFERENCE

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## P463 specific Terms of Reference

ToR	Details	WG Initial Views
a)	What criteria should be met in order for a change to be established as a Standard Change?	<p><b>Low risk</b> - A change is considered low risk when it has a minimal or negligible chance of causing adverse effects to Settlement and the IT environment or the business processes it supports <b>for both central systems and participants</b>. The consequence of failure, if it occurs, is minimal.</p> <p><b>Repeatable</b> - This relates to the ability to implement the change consistently over and over again without variations in the process or outcome. For a change to be considered standard, it must be repeatable. This means that the same steps are followed each time, and the results are consistent every time the change is made</p> <p><b>Predictable</b> - This pertains to the expected outcomes of implementing the change. A predictable change is one where the outcome is known based on previous implementations or thorough testing. There shouldn't be any surprises when the change is made. The results of the change should be consistent every time it's implemented</p>
b)	Is there a need for an objection or appeal mechanism within the Standard Change framework? If so, how should it be implemented?	The Workgroup considered whether to keep the appeal mechanisms. They have considered either: Removing the appeal mechanism from one or both of the processes in BSCP40 (processes 3.16 'Classifying a change as a Standard Change' and 3.17 'Standard Change Process'); or Changing the appeal mechanism in 3.17 'Standard Change Process' so that, on appeal, the change would revert to a CP.
c)	Which changes could follow the Standard Change process and, of those, which should be included in the Modification Proposal?	The Workgroup proposed inclusion of Fuel Type Changes and Subsidiary Document Housekeeping changes.

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## Costs and impacts

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The costs and impacts to implement and operate the Standard Change framework will be low for Elexon. The estimated costs and benefits for P463 are:

- **Including Fuel Type Changes and CSD housekeeping (assumes one change per year each) in P463, gains are seen after ~12yrs**
  - Elexon calculates that P463, as an average Modification, should take ~146.5 days of Elexon and industry effort to progress and implement
  - By implementing a Standard Change framework in isolation, no benefit is seen. 146.5 days effort represents a sunk cost
  - By including Fuel Type Changes in P463, we begin to see gains within ~20yrs. This assumes 1 Fuel Type change per year
  - If P463 only included the Standard Change framework and Fuel Type Changes and CSD housekeeping were included in the Standard Change process subsequently, then the payback time would be approximately 16 years

## P463 Standard Terms of Reference

ToR	Details	WG Views		
h)	How will P463 impact the BSC Settlement Risks?	There is no perceived impact on the Settlement Risks, as we are not amending rules that impact Settlement. Enabling changes for Fuel Type changes and housekeeping present no perceived risk to Settlement.		
i)	What changes are needed to BSC documents, systems and processes to support P463 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	Code Section	Impact	Cost/status
		Section F	Amendment to include BSC Standard Change procedure	Redlining has been drafted. Costs estimated at 2k-5k to implement changes to the BSC and subsidiary documents, and to update internal processes and external guidance/website
		Section Q	Enabling change to allow Fuel Type changes to follow the Standard Change process	
		Section X Annex-1	Update to BSC Defined Terms	

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## P463 Standard Terms of Reference

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j)	Are there any Alternative Modifications?	No but indicated that further consideration of appeals may be necessary, as per TOR b
k)	Should P463 be progressed as a Self-Governance Modification?	<p>P463 should not be progressed under Self-Governance as it does not meet the Self-Governance Criteria. The initial position is that P463 should not be considered suitable for a Self-Governance decision as it proposes to amend the Code's governance procedures.</p> <p>It could be argued that it is a material amendment because it allows certain types of changes to be excluded from the Mods and CP process. Conversely, while this proposal modifies the Code's governance, introducing the Standard Change framework itself has no immediate impact on self-governance. Only changes categorised as Standard Changes will follow this process. Therefore, the proposal's impact depends on the specific types of changes and their associated enabling changes, not the framework itself. Though Standard Changes are inherently low-risk, their specific impact on self-governance criteria still needs evaluation.</p>

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## P463 Standard Terms of Reference

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l)	Does P463 better facilitate the Applicable BSC Objectives than the current baseline?	The Workgroup initially voted by majority that P463 will better facilitate Applicable BSC Objective d (the efficient operation of the National Electricity Transmission System)
m)	Does P463 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	The WG did not expect P463 to impact the EBGL Article 18 terms and conditions as specified in the mapping given in Section F Annex F-2.

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## Proposed Implementation Date

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- The proposed Implementation date in the Assessment Consultation was:
  - +5WDs after Ofgem approval
- However, we have since looked at the pipeline of changes, especially given the delay of FSO and now recommend an Implementation date of:
  - **7 November 2024**, as part of the Standard BSC Release, if a decision is received by 30 September 2024.
- This is to reduce the complexity of document releases during a time of major changes to the BSC documents. Delivering P463 in the November 2024 Release will be more efficient.
- Are the Workgroup in agreement with this revised Implementation Date?
  - This should support this respondents that wanted longer to implement



# BSC OBJECTIVES

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## Initial Workgroup views against Applicable BSC Objectives

Member	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Clare Hannah	N	N	N	N	N	N	N
Nik Wills	N	N	N	+	N	N	N
Mark Jones	N	N	N	+	N	N	N
Stephen Dale	N	N	N	+	N	N	N
Emily Waters	N	N	N	N	N	N	N
James Evans	N	N	N	-	N	N	N
Graz Macdonald	N	N	N	+	N	N	N
<b>Overall</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>+</b>	<b>N</b>	<b>N</b>	<b>N</b>

- One member voted that P463 is negative against BSC Objective (d)
- Two members of the Workgroup voted that P463 is neutral against BSC Objective (d) - which is a vote for no change
- Four members voted that P463 is positive against BSC objective (d)
- Therefore, the majority of the Workgroup believed P463 would better facilitate the Applicable BSC Objectives

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## Applicable BSC Objectives

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### The Applicable BSC Objectives are:

- a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence
- b) The efficient, economic and co-ordinated operation of the national electricity transmission system
- c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity
- d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements
- e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]
- f) Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation
- g) Compliance with the Transmission Losses Principle



# NEXT STEPS

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## Progression Plan

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Event	Date
Present Initial Written Assessment to Panel	9 November 2023
Initial consideration by Workgroup	19 December 2023
Workgroup 2	6 March 2024
Workgroup 3	10 April 2024
Assessment Procedure Consultation (15 WDs)	22 April 2024 – 13 May 2024
Workgroup 4	DATE TBC
Review Workgroup Report	17 June 2024 – 21 June 2024
Workgroup Report presented to Panel	11 July 2024
Report Phase Consultation (10 WDs)	16 July 2024 – 29 July 2024
Present Draft Modification Report to Panel	8 August 2024
Final Modification Report to Authority	15 August 2024
Decision by	7 October 2024
Implementation	7 November 2024

MEETING CLOSE

# ELEXON

THANK YOU

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**Lead Analyst**

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4 June 2024