

BSC
Annual
Report
2024/2025

ELEXON



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2024/25 in numbers Top outputs Elexon delivered

13

13 Modifications and 9 Change Proposals implemented

116

Helped 116 companies register for new roles in the market

8

Helped 3 Virtual Trading Parties (VTPs) and 5 Virtual Lead Parties (VLPs) enter the market bringing to total number of active VTPs to 6 and total number of active VLPs to 28

£1.26Bn

Managed £1.26Bn in Credit Cover

£5.8m

Returning £5.8m to BSC Parties resulting from rigorous cost controls, increased efficiencies and other factors.

£2.72m

Processed 2.72m Energy Contract Volume Notifications (where companies notify us of their contracts to produce or use electricity)

2,569

Carried out 2,569 Settlement Runs to make sure companies pay, or are paid accurate amounts according to their Settlement position.

£38.57m

Closed 102 Trading Disputes equalling £38.57m

500m

500m visits per month to Elexon's Insights Solution (wholesale market data service)

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Report from the Chair

Working at pace to support Clean Power 2030

The last year was marked by the change of Government in July 2024 and its adoption of a target of Clean Power by 2030. This has brought greater urgency to the work that companies and bodies across the energy sector must complete to deliver this aim in less than five years.

This unprecedented challenge requires an unparalleled level of coordination to build and connect greatly increased quantities of renewable generation, as well as seeing much greater participation in the markets of flexibility from various sources. The Clean Power Action Plan estimates a need for a five-fold increase (to between 10GW and 12GW) in the amount of flexibility that is available. As we build an energy system reliant increasingly on variable renewables, improving the flexibility of the wider electricity system is imperative.

Both Elexon and the Balancing and Settlement Code (BSC) Panel are supporting the industry, Government and Ofgem in meeting Clean Power 2030 (CP30), and Elexon is ensuring that it continues to deliver excellent BSC services.

Against this backdrop of sector change, Elexon has also seen change over the last year, becoming independent of National Grid ESO in October 2024 which moved into public ownership to become National Energy System Operator (NESO), and Elexon started to operate under a ‘federated model’ where it is owned by its thirteen largest users. The smooth operation of this transition, with no impact on the delivery of our services, was a testament to a lot of hard work and preparation and commitment by all involved.



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Maintaining Settlement performance

Elexon remains focused on our role of serving the wholesale electricity market by providing accurate Settlement and excellent service. A key priority during 2024/25 has been ensuring that BSC Parties maintain Settlement accuracy on legacy systems ahead of the transition to half-hourly settlement. Both the Panel and Elexon fully recognise that industry faces considerable challenges in preparing for the implementation of major reforms. Elexon also needs to continue to be receptive to new and changing developments and the potential to support industry through taking on new and expanded roles.

This annual report explains the range of work that the Panel and Elexon have completed. Alongside this, Elexon’s

2024/25 Annual Report and Financial Statements focuses on Elexon’s activity and financial reporting.

Elexon and the Panel have worked together to ensure Parties’ compliance with BSC rules, including the need to pay BSC charges promptly. The Panel has powers to name companies that have been late in paying charges on three or more occasions within a 12-month period. During 2024/25, Elexon published information on 30 companies that had not completed payments on time.

The Panel and Elexon also worked together to ensure that customers of Rebel Energy Supply were smoothly transitioned to British Gas after Ofgem appointed them as the Supplier of Last Resort in April 2025.

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Preparation for implementing half-hourly settlement

Elexon (as the MHHS Implementation Manager) is working with more than 200 participants to deliver half-hourly settlement across the market. In November 2024, Ofgem approved [Change Request CR055](#) which was the MHHS Programme’s request to move the date of milestone 10 of the programme (and subsequent milestones), by six and a half months from March 2025 to September 2025. Milestone 10 represents when Elexon’s central systems are to be ready for migrating meters to the new arrangements.

Elexon is fully committed to the newly approved timescales and it will be ready in October 2025 to begin the transition of Suppliers’ metering systems to the new arrangements. The preparation for this has involved a cross-organisation effort under the Helix Programme (through which new systems have been developed so that Elexon can receive and process half-hourly data at scale), and planning for Elexon’s future operating approach.

More detail on the systems that have been developed can be found in the Operation of the BSC section of the report on page 17 of this report.

All market participants that have a role in the new MHHS arrangements will need to be qualified by Elexon by 24 September 2026, and Elexon has been working to ensure that it is ready for this. Qualification will be completed over four waves for all market participants that are not part of System Integration Testing (which began in October 2024). Over the last year, teams from Elexon and the MHHS Programme have been working on plans and frameworks to support companies through qualification, with more than 100 companies having been assigned to a qualification wave.

In September 2025 Elexon will take on the operation of the Data Integration Platform (DIP). The DIP is ‘next generation’ messaging infrastructure enabling the exchange of half-hourly data. In advance of this, in October 2024, Elexon implemented the DIP Manager governance model through

Modification [P474](#) ‘Governance, funding and operation of the DIP’.

This introduced a package of rules including a structure for governance and change controls. Elexon developed this package in line with the expectations of code managers under Ofgem’s forthcoming licensed code managers regime. The package of DIP rules includes strong lines of accountability to Ofgem, which Elexon will have under this new role.

A benefit of MHHS is the ending of use of profiled data, where non half-hourly meter readings are allocated to different half hours using standard consumption patterns. By moving to half-hourly settlement Elexon will end the use of this profiled consumption data, which has existed for over 25 years.

In September 2024, the Panel agreed that Elexon could exit the contract with the [Profiling Administrator](#) service which collected sample data from Suppliers. This reflects the new arrangements under MHHS and will

be a time-saving move for Suppliers, who will no longer have to submit this data, and for Elexon, as the manual administration of profiling will be replaced by an automated process.

“Elexon is fully committed to the newly approved timescales and it will be ready in October 2025 to begin the transition of Suppliers’ metering systems to the new arrangements.”

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The market facilitator role will be a catalyst for flexibility markets

To achieve the five-fold increase in flexibility provision envisaged by the Clean Power Action Plan, GB will need well-functioning, flexibility markets with improved liquidity that are far easier to navigate than the fragmented markets that currently exist.

Elexon was appointed by Ofgem in July 2024 as the flexibility market facilitator. The market facilitator role is required to act as a catalyst and a coordinator for flexibility provision. Since its appointment, Elexon has been working closely with Ofgem, flexibility market participants and other stakeholders to define the scope of the role and the associated governance arrangements. Elexon is on course to begin market facilitator operations in late 2025.

The Panel fully supported Elexon’s bid to deliver the role, as it believes that Elexon has a wealth of expertise to bring to it. Elexon has been working with flexibility service providers for more than five years, having delivered successive

BSC changes to help them compete in providing balancing services.

Over the period running up to Ofgem’s appointment of Elexon as the market facilitator, Elexon engaged with around 90 industry stakeholders to raise the profile of its capabilities and credentials for taking on the role. On behalf of the Panel, I would like to thank everyone in the sector who supported Elexon’s bid for the role, and Ofgem for having confidence in Elexon’s ability to deliver it.

Elexon has implemented changes to facilitate flexible delivery, most recently P415 and P444. Elexon implemented P415 ‘Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties (VLPs)’ in November 2024. This Modification allows independent aggregators to compete in the wholesale market against Suppliers and was described at the time as ‘a watershed moment for the UK flexibility sector’ by the Association for Decentralised Energy. Since then, five companies have registered for the new ‘Virtual Trading

Party’ role, created through this reform. In April 2025 Ofgem approved the P444 ‘Compensation for VLP actions in the Balancing Mechanism’ alternative proposal. The alternative proposal requires that when VLPs are asked to reduce demand, they pay compensation payments to the affected Supplier. If VLPs take instructions from NESO to increase demand, then the payments are reversed, meaning that the Supplier makes the payments to the VLP. P444 ensures that there is a level playing field for all participants in the balancing market, as well as the wholesale market.

In addition, the visibility of flexibility assets must improve rapidly, given the millions of new devices that will connect to the networks in the coming years. In March 2025, Ofgem confirmed that Elexon, as the market facilitator, will lead the design work for the Flexibility Markets Asset Registration and operate this new digital infrastructure from 2027 (a year earlier than originally planned).

This register will act as a ‘one-stop shop’ for asset registration and end the era of ‘flying blind’, as Ofgem refers to it, where network companies do not have full visibility or control of connected assets. Elexon was seen as the best candidate to deliver the register given its experience in data governance and asset registration across markets.

To keep up to date with the latest news about these activities, sign up to receive the monthly ‘Flex News’ round up on [Elexon’s website](#).



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Improving services for BSC Parties and delivering efficiencies

The Panel and Elexon both share the same objective to improve BSC services and achieve efficiencies for Parties. Elexon has now completed the delivery of its [Kinnect platform](#), through which all of the BSC services and agent roles are being supplied.

As part of this, in April 2025 Elexon launched the new Funds Administration Agent (FAA) service which has modernised the processes for the transfer of Settlement funds between Elexon and Parties. Overall, this is resulting in a much better user experience, as Parties receive simpler invoices and can easily query historic data.

“The migration of the CDCA and ECVAA will give Elexon an improved ability to develop and test BSC changes more quickly.”

In June the Central Data Collection Agent (CDCA) (which collects and validates all data from meters that are part of the Central Volume Allocation), and the Energy Contract Volume Aggregation Agent (ECVAA) (which receives details of trades between Parties and validates the data for Settlement), were transferred to the Kinnect cloud environment, as the last services to complete the transition. The migration of the CDCA and ECVAA will give Elexon an improved ability to develop and test BSC changes more quickly, which will speed up the overall delivery of rule changes.



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Continuing delivery of changes to help flexibility providers, half-hourly settlement implementation and other key reforms

During 2024/25 Elexon implemented 22 changes to the BSC (13 Modifications and nine Change Proposals). These include changes that have been implemented quickly to support flexibility providers ([P475](#) ‘Allowing All Storage Sites to set and fix their own Production/Consumption Flags’) or address industry concerns ([P485](#) ‘Stabilise Transmission Loss Factors for BSC Year 2025/26 at 2024/25 levels). In the ‘Operation of the BSC’ section of this annual report, there is a detailed explanation of the changes that Elexon has implemented and those that are being worked on.

The BSC Committees (the Credit Committee, Imbalance Settlement Group, Performance Assurance Board, Supplier Volume Allocation Group and Trading Disputes Committee) also continue to deliver high-quality support to the Panel in governing the code. On behalf of the Panel, I would

like to thank all those from the industry who have dedicated time to help develop BSC changes and participate in the Committees.

“As Elexon will be among the first code bodies to be licensed, both Elexon colleagues and the Panel are playing an important part in shaping the regime with Ofgem.”

Preparing to become a licensed code manager

Elexon continues to engage with the Government and Ofgem on the development of energy sector policy. In addition to working with Ofgem on developing the market facilitator role, Elexon has been focusing on preparing to become a licensed code manager in early 2026. As Elexon will be among the first bodies to be licensed, both Elexon colleagues and the Panel are playing an important part in shaping the regime with Ofgem.

Ofgem decided in March 2025, following the submission of information by Elexon, that we were eligible to be considered for the potential grant of a code manager licence and that the selection could proceed on a non-competitive basis. Over the past year, we have been assessing Ofgem’s proposals on elements of code reform, such as its plans for the annual Strategic Direction Statement and how these proposals would impact what Elexon would be expected to deliver. We have

examined the draft licence conditions underpinning the new regime and supported Ofgem in shaping the requirements for the regime.

It is encouraging that Ofgem’s early conclusions on the make-up and governance of the Stakeholder Advisory Forums (which will replace Panels across the various codes, including the BSC Panel) reflect many of the characteristics of the BSC Panel, which we believe are proven as beneficial to both BSC Parties and, ultimately, the end consumer.

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Delivering digitalisation

The transformation of the energy system must be data-driven, so that companies can easily access information to develop new products and services which encourage greater flexibility provision, and efficiency.

Elexon will continue to play a key role in providing free and open access to data. In July 2025, Elexon became the first code body to produce a [Digitalisation Strategy and Action Plan](#). One of the pillars of this is the development of the smart meter data repository where, in accordance with suitable data protection measures, Elexon will make half-hourly consumption information available, to all, once meters transition to half-hourly settlement.

The ingestion process for receiving this data from Suppliers has already been built. In March 2025, Elexon consulted on plans showing how this data will be made available on the Insights Solution

wholesale market data platform, and the associated governance mechanism for data disclosure.

The next steps include developing a Modification to codify the data disclosure processes and ensure that Elexon is compliant with data protection law. Ofgem is developing a digital consent solution so that consumers can share their energy data with trusted third parties. Elexon supports this and it will integrate the smart meter data repository with the consent solution, once it is established in 2026.

During 2024/25, Elexon has been delivering an improved data service through the Insights Solution platform. The usage of data through this platform has been increasing rapidly over the past year from around 20,000 visits to the website per month, to around half a million visits per month. the Settlement Services section of the annual report provides more detail.

Elsewhere, Elexon has been improving the customer experience for digital content by condensing the number of websites that it operates to make searching for information easier. Elexon is also working through a programme of improvements for the [digital BSC website](#), which has included making it easier for customers to retrieve documents that are relevant to the role of their company.

Elexon also completed the development of a new internal data analytics service and will now enhance this service so that it can provide the forthcoming Confidential Assurance Reporting Platform (CARP) This platform will allow suppliers direct access to Settlement performance metrics from May 2025. Data from the analytics service will also be used to assure half-hourly settlement processes.



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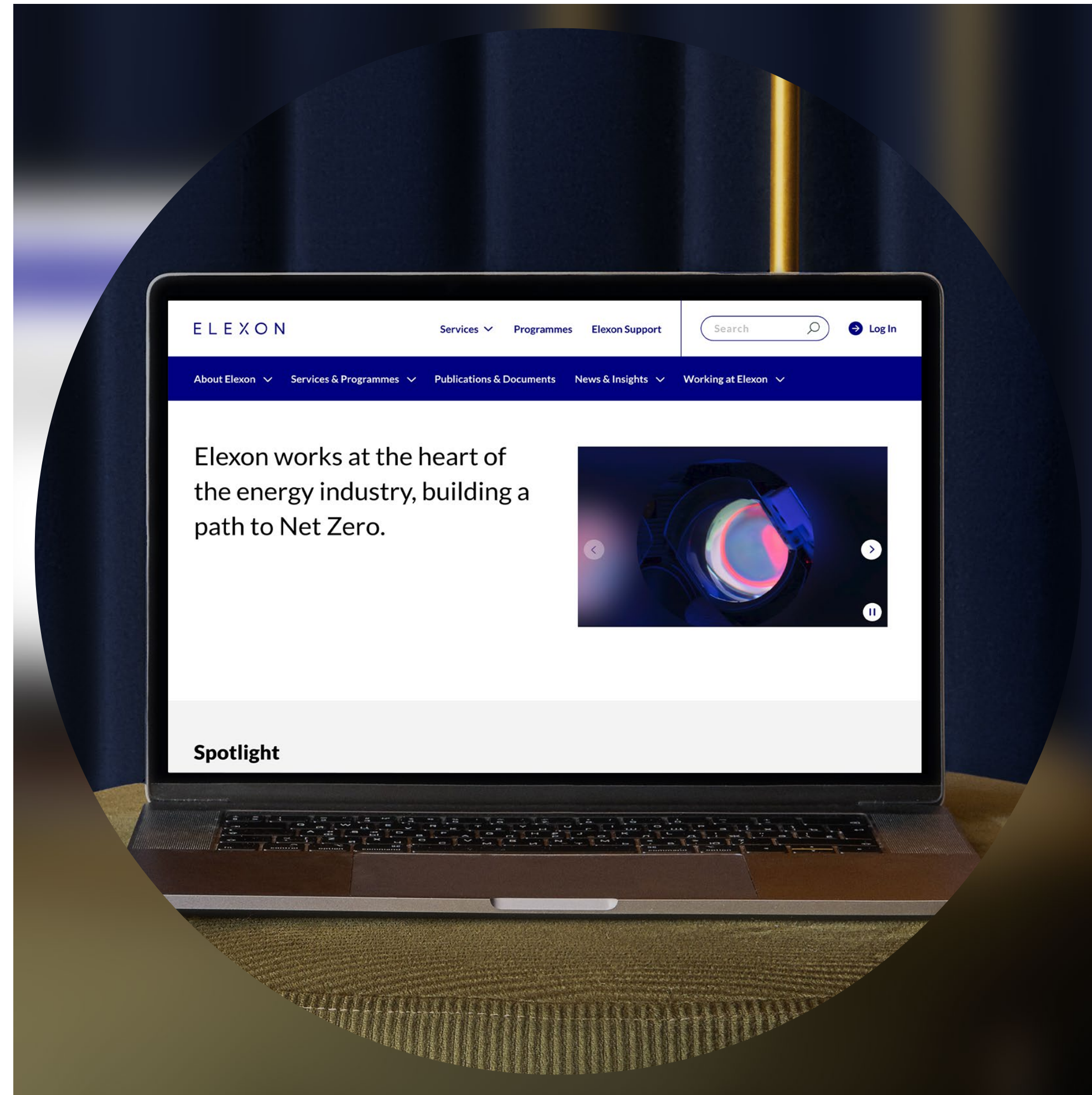
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High levels of performance overall

Overall, both Elexon and the Panel have delivered high levels of performance for parties during 2024/25. Through the speed with which changes have been delivered, the leadership we provide to the sector on the development of the market facilitator role, and the implementation of half-hourly settlement we are demonstrating the necessary credentials to deliver the higher levels of performance that are expected as we move towards becoming a licensed code manager that can drive forward progress to CP30 and Net Zero.

Finally, whilst the Elexon Board remained without change during the year, we did see changes in the BSC Panel in October 2024, following the elections that had taken place. We said goodbye, with great thanks, to Mark Oxby and James Nixon, and welcomed Kevin Woollard and Nick Sillito. All other Panel members remained in role. I would like to thank all departing and remaining Panel members, and the Board for all their great work for Elexon and the BSC, as well as all those who support through their work on the Committees. Thanks also to everyone at Elexon who ensures that all our processes, whether Modification related or otherwise, run so smoothly.

Sara Vaughan

Chair, Elexon Ltd and the BSC Panel

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Elexon Board remuneration

Section C4.4.5 of the BSC requires that Elexon publishes the remuneration and benefits payable to all of Elexon’s non-executive directors in their capacity as directors of Elexon.

Under Section C4.4.2, Elexon’s Chief Executive Officer does not receive any additional remuneration in their capacity as a director of the company.

Figures below show actual amounts paid during 2024/25.

Sara Vaughan
 Chair of Elexon Limited, Chair of the Nomination Committee and MHHS Committee and Chair of the BSC Panel
 Total amount paid for all roles
£131,600

Devrim Celal
 Non-Executive Director
£34,800

Tim Fitzpatrick
 Non-Executive Director and Audit and Risk Committee Chair
£39,200

Anne Heal
 Non-Executive Director and People and Remuneration Committee Chair
£39,200

Anne Heal was also paid an extra sum of £1,800 for additional hours that she worked for Elexon.

David Titterton
 Non-Executive Director, Senior Independent Director and Transformation Committee Chair
£41,400

Ian Graves
 Non-Executive Director
£34,800



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BSC Panel remuneration

Section B2.11.5 of the BSC states that any remuneration or benefits awarded to the Panel Chair and Chair-appointed Independent Panel members should be disclosed in the Annual BSC Report.

Panel Members

Sara Vaughan Chair of the BSC Panel

For the total amount paid to Sara Vaughan, see Board remuneration section on the previous page.

Actual amounts paid in 2024/25:

Dr Phil Hare Role:

Independent Panel Member and Deputy Chair

Remuneration/benefits

Total earnings of £41,500 reflecting an:

- Annual fee of £25,000 (the annual fee covers 12 set Panel meetings per year as well as the preparation that goes into those meetings)
- £250 for each additional pre-Panel briefing as Deputy Chair
- £1,000 per additional meeting/day and £500 per half day

Professor Derek Bunn

Independent Panel Member

Total earnings of £25,000 reflecting an:

- Annual fee of £25,000 (annual fee covers 12 set Panel meetings per year as well as the preparation that goes into those meetings)
- £1,000 per additional meeting/day and £500 per half day



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Number of meetings attended by BSC Panel members

BSC Panel Members are appointed by:

- Election (in the case of Industry Members), or by appointment
- The Panel Chair (in the case of Independent Members)
- NESO in the case of the National Energy System Operator Panel Member
- Distribution System Operators DSOs (in the case of the DSO Representative)
- Citizens Advice (in the case of Consumer Panel Members).

Elections were held during August 2024 to elect panel members to serve from 1 October 2024 to 30 September 2026. Kevin Wollard and Nick Sillito were elected. Lisa Waters, Tom Edwards and Andrew Colley were re-elected.

There were 12 scheduled BSC Panel meetings during 2024/25 and three Ad Hoc Panel meetings. At meetings Panel Members decide on whether or not to recommend Modifications for approval by Ofgem.

The Ad Hoc meetings that took place in 2024/25 were to discuss two urgent Modifications for approval by Ofgem:



Enable flexible splitting of BSC Agent services and establishing contracts for MHHS Delivery.

P482

Stabilise Transmission Loss Factors for BSC Year 2025/26 at 2024/25 levels.

P485

Panel Member Attendance

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Attendance	Number of the 12 scheduled meetings attended	Number of the three Ad Hoc meetings attended	Total number of meetings that each member was eligible to attend
Sara Vaughan (Panel Chair)	12	2	15
Phil Hare (Deputy Chair)	11	3	15
Camille Gilsenan (NESO Panel Member)	9	2	15
NESO alternate attendee	3	1	n/a
Caroline Farquhar (Consumer Panel Member – Joined the Panel in February 2025 replacing former Consumer Panel member Euan Graham)	2	1	4
Andy Manning (Consumer Panel Member)	5	2	15
Derek Bunn (Independent Panel Member)	11	3	15
Diane Dowdell (Chair-appointed Industry Panel Member)	11	3	15
Fungai Madzivadondo (Distribution Network Operator Representative)	10	2	15
Distribution Network Operator alternate representative	1	1	n/a
Gavin Baillie Ofgem Representative (Joined the Panel in October 2024 replacing former Ofgem representative Jonathan Coe)	6	1	9
Ofgem alternate representative	0	1	n/a
Jonathan Coe (Ofgem representative)	6	0	6
Andrew Colley (Industry Panel Member)	10	3	15
James Nixon (Industry Panel Alternate Member until October 2024)	4	0	6
Kevin Woollard (Industry Panel Member who joined in October 2024)	5	3	9
Lisa Waters (Industry Panel Member)	11	3	15
Mark Oxby (Industry Panel Member)	4	0	6
Nick Sillito (Industry Panel Member who joined in October 2024)	6	3	9
Tom Edwards	10	3	15

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At Elexon, we believe a diverse and inclusive culture allows innovation and creativity to flourish. It is a central pillar in our efforts to recruit, retain and support colleagues. We are committed to continually improving our culture and creating a safer space for all our colleagues so that they can perform at the highest level.

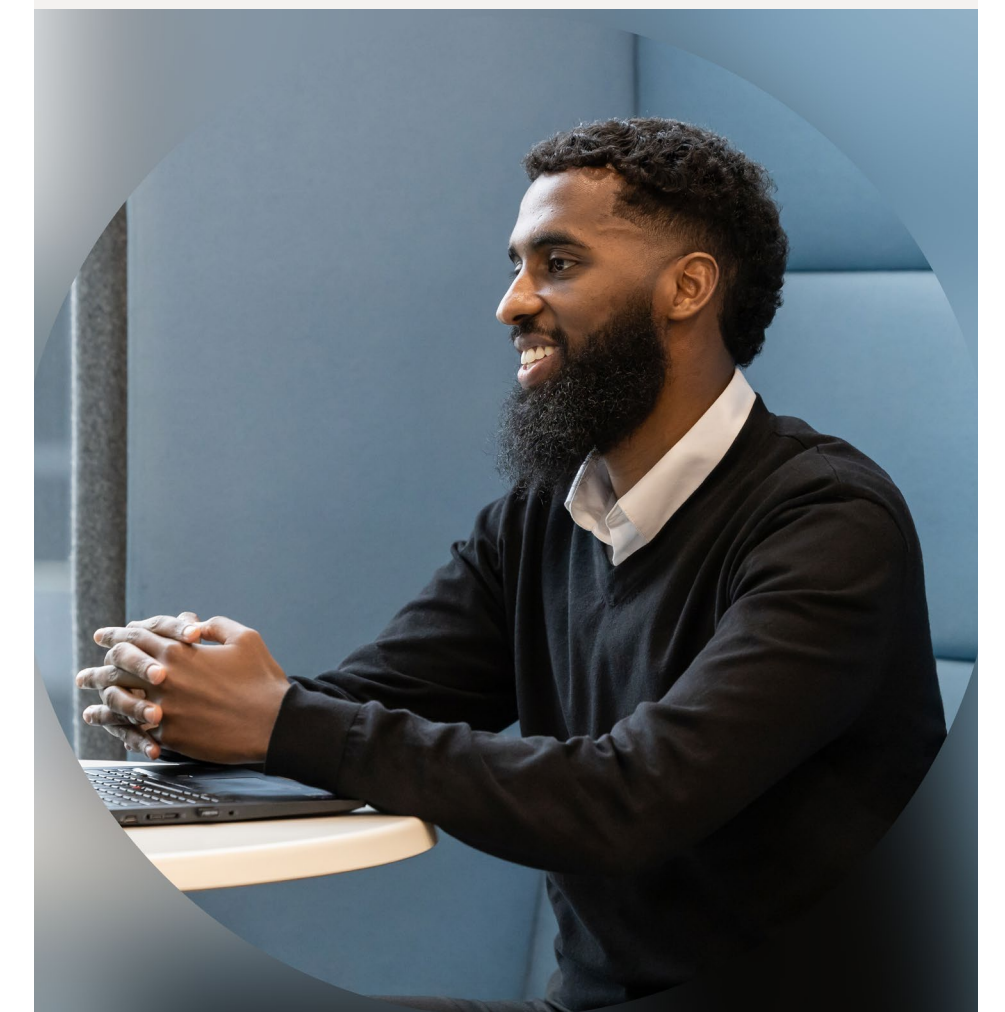
During 2024/25 we have:

- Delivered six ‘Diversity Dialogue’ events which give our people the opportunity to hear from their colleagues with first-hand stories relating to their individual experiences. The topics continue to be wide and varied and have included living with multiple sclerosis, cardiac health in women and sudden cardiac arrest, and Ramadan.
- Hosted events for National Inclusion Week.
- Established sessions where colleagues can engage with each other, share their experiences of balancing childcare and work, and contribute to Elexon’s EDI goals for the coming year.
- Hosted seven ‘EDI Forums’ bringing colleagues together to share their personal experiences and learn from each other. The topics covered have included the

workplace experience of non-native English speakers, finding common ground despite different beliefs, and the experiences of men during fatherhood. The purpose of these sessions includes ensuring that attendees come away with actionable knowledge.

- Celebrated Pride and National Inclusion Week, where groups of colleagues volunteered to coordinate activities for people across Elexon to get involved in.

“We are committed to continually improving our culture and creating a safer space for all our colleagues so that they can perform at the highest level.”



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Operation of the BSC

This section of the report reviews our BSC change activity and summarises the changes that have been raised, progressed or implemented during 2024/25.

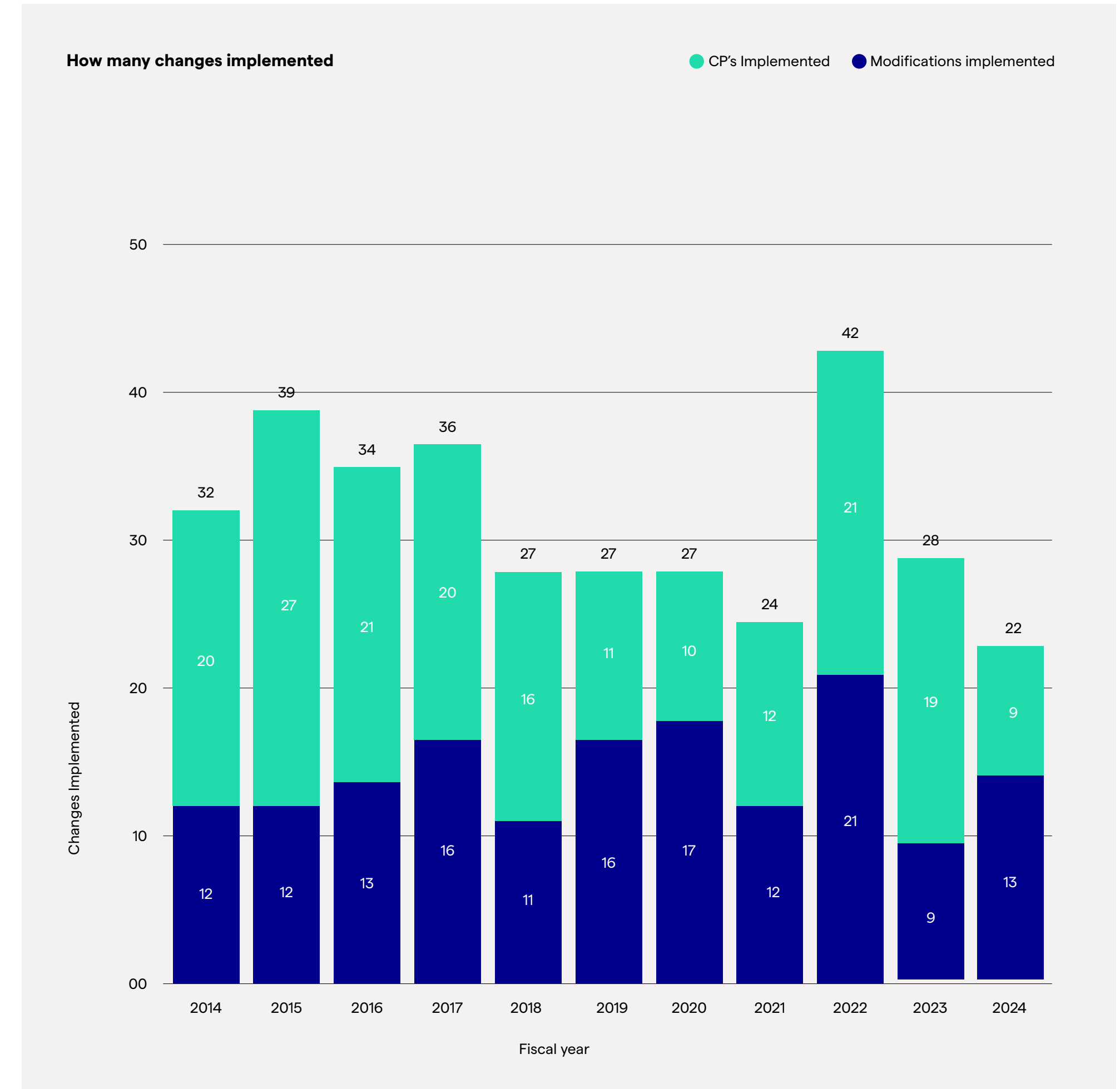
Modifications change the BSC itself and are typically raised by the Panel and BSC Parties. Change Proposals (CPs) are generally raised by Elexon to amend BSC subsidiary documents.

In this section we highlight significant changes that Elexon and the Panel have been working on and group them thematically. It does not cover all changes that are in development. To see more detailed information, please visit the Change Register and Change Report sections on the [Elexon website](#).

Elexon would like to thank all BSC Parties, Workgroup members, Panel and committee members for their continuing support of the BSC rule change development.

Total number of BSC changes implemented over the year

In 2024/25 Elexon implemented 13 Modifications and nine Change Proposals (a total of 22), compared with 28 BSC changes (9 Modifications and 19 Change Proposals) implemented in 2023/24. We believe that the reductions in the number of changes that have been implemented in 2024/25, and the number of changes that have been raised over the year (see below), are because the industry is focused on the implementation of major reforms such as half-hourly settlement, along with changes to the energy code arrangements.



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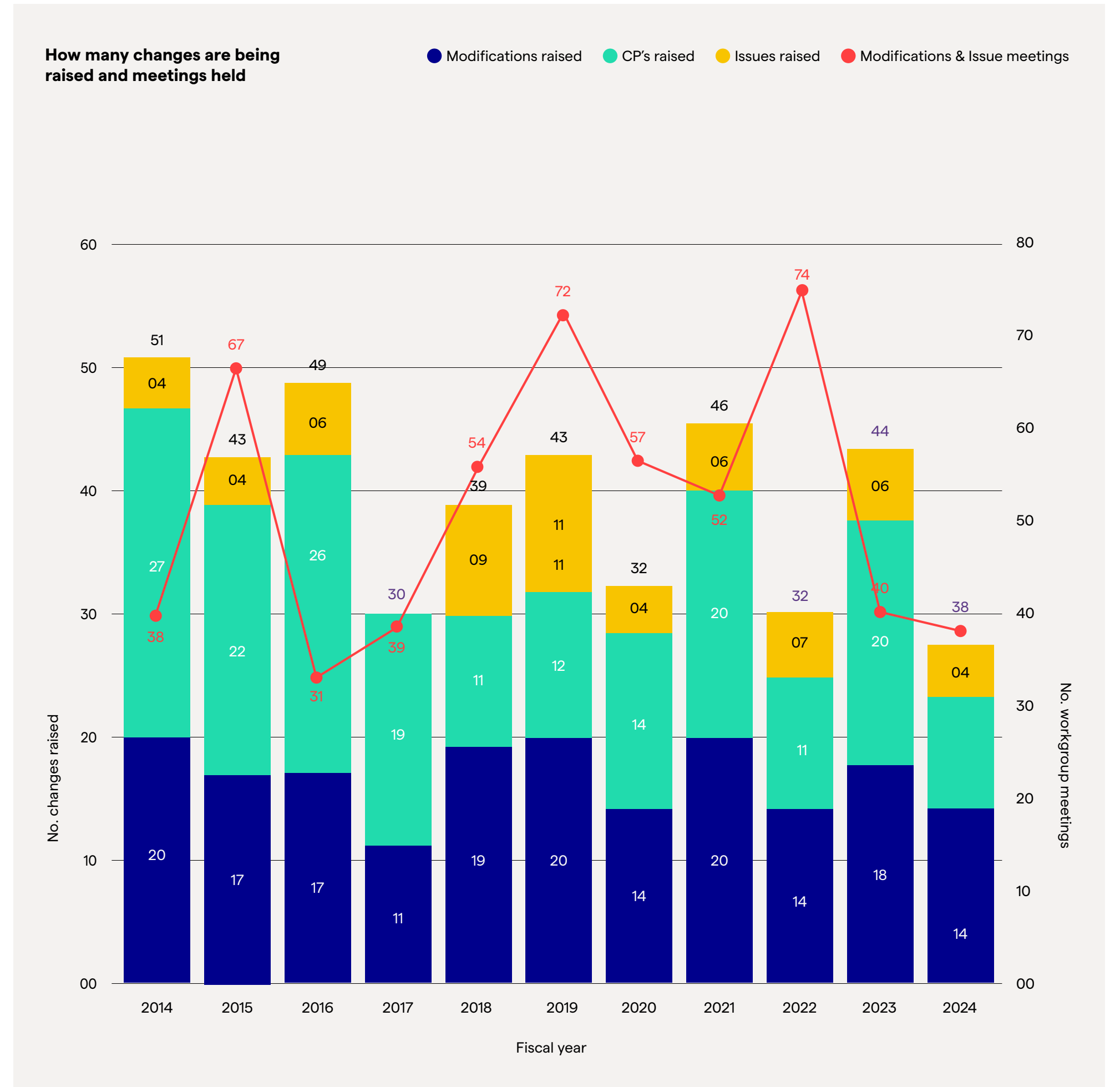
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Number of changes raised and number of meetings held

Elxon held 38 Modification and Issue Group meetings in 2024/25, which is comparable to the 44 meetings in total that were held during 2023/24. This figure does not include the workgroup meetings for the market facilitator role (explained later on).

A total of 27 BSC Changes (14 Modifications, nine Change Proposals and four BSC Issues) were raised in 2024/25 compared with 44 changes in total raised in 2023/24 (18 Modifications, 20 change proposals and 6 BSC Issues).



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Key themes for implementation and progression of BSC changes in 2024/25

Much of the work by Elexon, the industry and the Panel on BSC change over the past year has been driven by the need to support major sectoral reforms (implementation of half-hourly settlement, and preparation for Elexon to operate as the flexibility market facilitator) from late 2025 onwards, as explained in the Elexon 2024/25 and 2025/26 business plans.

However, during 2024/25, changes have also progressed so that the BSC can provide better outcomes for BSC Parties and consumers, and continue supporting flexibility providers to compete in markets.



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Supporting the implementation of half-hourly settlement

During 2024/25 Elexon has worked on four Modifications to support the transition to half-hourly Settlement, two of which (P478 and P474) were Ofgem-led Significant Code Review changes. These have followed an expedited timeline from proposal to implementation.

In November 2024, Ofgem approved [P478](#) 'Implementation of MHHS Arrangements'. This resulted from a significant amount of work completed to make extensive changes to the BSC and supporting documents. The changes impacted 12 sections of the BSC and also resulted in the creation of 17 new Code Subsidiary Documents (CSDs), as well as making changes to existing CSDs.

Elexon will implement P478 in September 2025 in line with milestone 10 of the MHHS Programme ('Code changes delivered'). These changes give effect to the four new services that Elexon has developed to process

half-hourly data under the new arrangements from September 2025:

- The Load Shaping Service (LSS) – which will calculate energy consumption and load shapes using validated Settlement Period level data.
- The Market-wide Data Service (MDS) – which will have roles including the aggregation of data for smart, non-smart, advanced and unmetered supplies for Imbalance Settlement.
- The Volume Allocation Service (VAS) – which replaces the existing Supplier Volume Allocation Agent (SVAA) with a new service which will use data from the MDS to calculate energy volumes for Supplier Balancing Mechanism (BM) Units.
- The Industry Standing Data (ISD) service – which is an enhanced version of our Market Domain Data (MDD) and Line Loss Factor services but with fewer manual processes to maintain, saving time and resources for BSC Parties.

Elexon implemented [P474](#) 'Governance, Funding, and Operation of the Data Integration Platform (DIP)' in October 2024, so that Elexon can take on the operation of the DIP in September 2025. P474 defines the governance structures, funding mechanisms, and operational responsibilities for the DIP, a critical component in the MHHS ecosystem.

Under previous BSC rules, Elexon would have had to complete full competitive procurement for each of the four new services mentioned above (LSS, MDS, VAS and ISD). Having to complete this with the SVAA could have delayed the start of the transition to half-hourly settlement. P471 'Amendment to BSC Section E to allow more flexibility in procurement of BSC Agents' was raised by the Panel in April 2024 to remove the requirement for each BSC Agent to be competitively procured in all circumstances. Ofgem rejected this change, leading to the Panel then raising P482 'Enable flexible splitting of BSC Agent services and establishing contracts for MHHS

Delivery' as an urgent Modification, which Ofgem approved. The change was implemented in November 2024. The key difference between P482 and P471 is that P482 only allows the appointment of BSC Agents, without competitive procurement where this is necessary for the timely and efficient implementation of half-hourly settlement.

“Elexon will implement P478 in September 2025 in line with milestone 10 of the MHHS Programme ('Code changes delivered').”

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Changes that support flexibility provision

Elexon implemented P415 ‘Facilitating access to wholesale markets for flexibility dispatched by Virtual Lead Parties’ in November 2024. This is a landmark change allowing independent aggregators (known as Virtual Lead Parties in the BSC) to trade flexibility services in the wholesale market. Previously, such parties only had access to the BM (following Elexon’s implementation of P344 ‘Wider Access & Project TERRE’ in 2019). Since November, Elexon has helped five companies register to participate, and it is supporting the entry of a further 11. Changes such as P415, alongside Elexon’s forthcoming work as the market facilitator, will play an essential part in creating an environment where flexibility can be scaled up quickly to meet the CP30 target.

Closely linked to P415 has been the development of P444 ‘Compensation for Suppliers and Virtual Lead Parties for Virtual Lead Party actions in the BM’. This is to introduce a compensation

“This is a landmark change allowing independent aggregators (known as Virtual Lead Parties in the BSC) to trade flexibility services in the wholesale market.”

method for any volumes in the BM that are adjusted by VLPs. The Panel recommended the P444 alternative proposal for approval. However, Ofgem sent back the change for further development, as it was unable to form an opinion on whether or not the change should be approved. Following additional work by Elexon and the Workgroup, further evidence was submitted to Ofgem, which approved the P444 alternative proposal for implementation. Ofgem approved P444 in early April 2025 and Elexon will implement it in November 2025. Introducing this change is important for providing a level playing field for all

competitors. P444 helps to achieve this as Suppliers acting in the wholesale or balancing markets will be treated consistently on resulting VLP activity.

Elexon implemented P475 ‘Allowing All Storage Sites to set and fix their own Production/Consumption Flags’ in December 2024. It allows storage operators to set their ‘production’ or ‘consumption’ status themselves. Previously, storage units with a capacity of greater than 50MW were not permitted to set their status. This resulted in them having to unexpectedly pay imbalance charges if their status automatically flipped. Ofgem had approved the change for implementation in February 2025 and Elexon worked to bring forward the implementation date to December 2024, so that storage operators could benefit from this change earlier.

P375 ‘Settlement of Secondary BM Units using metering behind the site Boundary Point’ was implemented in June 2022, and provides more opportunities for flexibility providers to offer services, by recognising the

activity of individual units located behind the boundary point (where multi-use sites connect to distribution networks) in Settlement. However, participation in this change requires the associated boundary point metering system to be settled half-hourly. This prevents most households from offering flexibility as the majority are not yet half-hourly settled. In November 2024, Axle Energy proposed P483 ‘Enabling Asset Metering for Non-Half Hourly Boundary Metering Systems’ to address this issue. Elexon has been working quickly and creatively to fulfil the proposer and Ofgem’s request for speedy progression. The change would remove the half-hourly Settlement requirement for the associated boundary point metering systems. The BSC Panel is expected to make a recommendation to Ofgem on this change in July 2025.

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Preparation for delivering the market facilitator role

Following Ofgem’s decision in July 2024 to appoint Elexon to deliver the market facilitator role, Elexon and the Panel worked quickly to ensure that the Association for Decentralised Energy could be designated to propose [P481](#) ‘Enable Elexon to Be the Market Facilitator Delivery Body’. This change (implemented in November 2024) allowed an extension to Elexon’s vires so that it could take on the new role.

In June 2025, Ofgem confirmed the policy framework for the market facilitator role, deciding that Elexon will publish two-year delivery plans, with the first being January 2026 to March 2028. During that first period all Distribution System Operator flexibility services and NESO’S commercial ancillary services (excluding stability and reactive power) will be in scope.

In the second delivery period the scope will be expanded to include the wholesale market. The Capacity Market is out of scope for the first two delivery plans, but the Government and Ofgem will consider whether it should be brought into scope, after that.

Elexon has been developing the enduring governance arrangements for the role, including:

- Funding for the role (as it is an extension of Elexon’s activities)
- How the market facilitator rule change process will work
- Market facilitator performance monitoring

Elexon hosted seven workshops between November 2024 and March 2025 to work through these topics with stakeholders. These sessions have focused on ensuring that the framework aligns with industry needs and regulatory requirements. By hosting them Elexon has demonstrated continued commitment to transparent and collaborative engagement with participants.

In April 2025, Elexon published a consultation on the governance proposals. The proposals will ensure that the market facilitator role is clearly defined, effectively implemented, and adaptable to evolving market conditions. Elexon will submit the proposals for the governance regime to Ofgem this summer for a final decision.

“Elexon hosted seven workshops between November 2024 and March 2025 to work through these topics with stakeholders.”



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Providing better outcomes for BSC Parties and consumers

In March 2025, many BSC Parties raised concerns about transmission loss factor (TLF) data which led to a significant increase in transmission loss multipliers, especially in Scotland, for the 2025/26 BSC Year. These multipliers are used to allocate transmission system losses across BSC Parties. Elexon worked with the Panel and Scottish Power, which raised [P485](#) ‘Stabilise Transmission Loss Factors for BSC Year 2025/26 at 2024/25 levels’ on 19 March as an urgent modification, for which urgency was approved by Ofgem.

Following approval of P485 by Ofgem, Elexon implemented P485 as a Special BSC Release on 16 April 2025, which froze the 2024/25 TLF values until the significant variation could be better understood through investigation. At its May 2025 meeting, the Panel approved the corrected TLFs for the 2025/26 BSC Year for use from 1 June 2025 to 31 March 2026. Managing this issue has provided valuable insights which Elexon

and NESO will use as part of a lessons learned activity to mitigate similar issues from occurring in future TLF determinations.

An important part of the work of Elexon and the Panel is to make sure that the BSC is flexible and adaptable to changes in market dynamics, and the needs of BSC Parties. During 2024/25, Elexon has implemented two Modifications to support such changes.

Previously there was no process in the BSC for the allocation of Supplier volumes to Elexon’s subsidiary, Electricity Market Reform Settlement, (EMRS), where a portion of such volumes should be from exempt supply, and another portion should be from licensed supply. EMRS uses this volume information as it is the Settlement Services Provider to the Low Carbon Contracts Company (LCCC) and Electricity Settlements Company (ESC).

The Settlement Services Provider role includes calculating, collecting and distributing payments for the

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Contracts for Difference (CfDs) and Capacity Market (CM) schemes. The allocation issue discussed above was solved in February 2025, when Elexon implemented [P442](#) 'Reporting chargeable volumes for exempt and licensed supply'. Through this change, Elexon created the Exempt Supply Notification Agent, a third-party agent service to calculate the volumes of licensed and exempt supply, and submit these to BSC Central Systems. This allows exempt supply to be treated correctly in terms of EMR levies, which are only chargeable on licensed supply.

Elexon implemented [P469](#) 'Credit Default Refusal and Rejection Period' in February 2025. This Modification results from work Elexon had done with industry through the Issue 106 Group (which had reviewed the BSC credit cover arrangements).

[P469](#) has introduced a new two-hour window from when Elexon publishes information about a company entering 'Level 2' Credit Default, until the [Energy Contract Volume Aggregation Agent](#)

(ECVAA) and/or [Metered Volume Reallocation Notices](#) relating to the defaulting party (which will increase the Credit default) are rejected and refused. Previously, refusals were immediate, and rejections were made within a three settlement period window.

Allowing up to two hours makes it easier and more practical to trade out potential consequential imbalances for Parties affected by a default. This is expected to benefit Parties by enabling collateral requirements to be reduced.

Elexon has continued to work on Modification [P462](#) 'Removal of subsidies from Bid Prices in the Balancing Mechanism'. This Modification, raised by National Energy System Operator (NESO), seeks to reduce consumer costs that are potentially caused by the interaction between the BM and support mechanism arrangements.

The Proposer's intent in the Modification is that, by removing the potential distortion of support mechanisms such as CfDs and the

Renewables Obligation, there will be a reduction in actions being taken outside of the consumer cost order when following the Bid stack merit order. In quarter four of 2024/25, Elexon competitively procured a consultant to perform a Cost Benefit Analysis to objectively assess the potential benefits and impacts of the change, with the results expected in the summer 2025. Currently the plan would be for the Panel to submit a recommendation on the change to Ofgem in spring 2026.

Evolving the BSC in line with the objectives of Government policy

The BSC states that assets with a Contract for Difference (CfD) in place must be grouped exclusively with assets covered by the same contract. This was a requirement by the Government to ensure that CfD metered volumes were accurately settled. This separation was considered critical for maintaining transparency and accuracy in the CfD payment process.

However, the evolution of the CfD scheme has enabled LCCC to meter the CfD asset at the point of generation behind the Boundary Point Metering System associated with the BM Unit. This allows for BM Units to include assets relating to more than one CfD and (or) CfD and non-CfD assets. An agreement from LCCC is required in certain circumstances.

For the BSC to accommodate this change, LCCC raised [P484](#) 'Amendments to BSC Metering Obligations to Better Align with Evolving CfD Arrangements' in February 2025. The proposal would amend the BSC to provide greater flexibility to Parties, as they could register BM Units that include a combination of CfD and/or CfD and non-CfD assets with LCCC taking on responsibility for metering individual CfDs within a BM Unit. [P484](#) was implemented in May 2025.

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Elexon manages Settlement to high standards. In 2024/25 we carried out 2,569 Settlement Runs compared with 2,545 Settlement Runs in 2023/24. During 2024/25 we managed more than £1.26Bn of credit cover, a reduction from £1.53Bn in 2023/24, reflecting falling power prices.

The ECVAAs processed a total of 11.18m files in 2024/25, containing 2.72m Energy Contract Volume Notifications (ECVNs). ECVNs are notifications that Parties must provide to Elexon of their contract positions to enable imbalance volumes to be calculated. We have reduced the average time taken to process a file from 300 seconds in 2023/24 to 90 seconds in 2024/25. This is important as it lets Parties respond more quickly if there is an issue with their file.

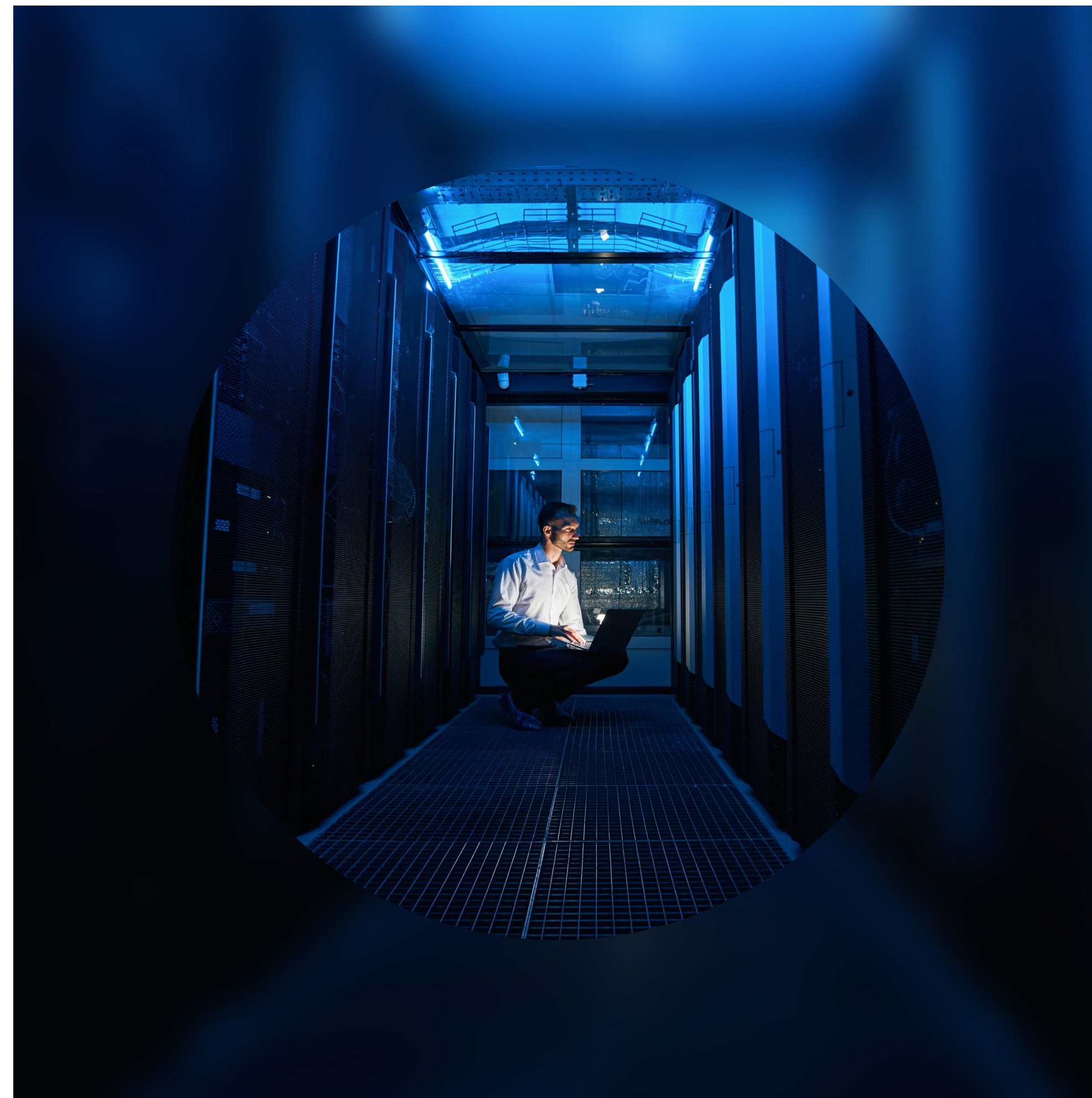
Credit cover is the collateral that a BSC Party must lodge with Elexon to ensure that it can pay any Trading Charge debts that it accrues. Elexon, the Panel and the industry share the desire to make overall Credit Cover more

reflective of debt incurred, as this provides greater certainty in planning, and a reduction in costs for Parties. To address this, [P479](#) 'Amendments to the Credit Cover calculations' was introduced in September 2024.

The change seeks to improve Credit Cover calculations to make them more accurate and it would introduce operationally efficient estimates of Energy Indebtedness, using data available closer to real time. Under the current timetable, the BSC Panel is due to make a recommendation to Ofgem on P479 in April 2026.

The Credit Assessment Price (CAP) set by the BSC Credit Committee is a parameter used to calculate the financial value of a party's credit cover.

The CAP moves in line with wholesale prices (which have been falling generally over the past two years). This has resulted in an increase in the affordability of trading within the market (as Parties have needed less collateral to trade).



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Usage of the Elexon Insights Solution data platform has increased rapidly

Elexon switched off the legacy Balancing Mechanism Reporting Service (BMRS) platform in April 2024, as the [Insights Solution](#), which provides a more detailed, visual and customisable data service, has since become the system of record for wholesale market data.

The Insights Solution has been steadily growing its user base in the last year since its official launch. Elexon has scaled up the usage of the platform from just under 20,000 website page visits to half a million per month over the last year.

Most of the users obtain the data via the high performing Application Programming Interfaces (APIs) so that they can perform their own analysis. There has been a quadrupling of API usage from around 100m calls to around 400m calls per month in recent months. An API call is a request sent from one application to another to ask for a specific service or data.

Elexon has also rapidly scaled up the number of users that receive near real-time data updates through the platform. The legacy BMRS had 19 registered users through the TIBCO high grade line service. This was replaced by the Insights Real-time Information Service which is a free to use. There are currently 800 IRIS users.

Insights Solution performance in 2024/25:

- Elexon delivered 99.99% website availability
- API service availability was 99.82%
- IRIS availability was 100%
- Data Ingestion latency was 99.87%. 13 million files were ingested within two minutes.

During 2024/25 there was a quadrupling of API usage for the Insights Solution from around 100m calls to around 400m calls per month.



An API call is a request sent from one application to another to ask for a specific service or data.

API service availability

API Call

99.82%

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Electricity Market Reform Settlement Services (EMRS)

EMRS calculates, collects and distributes payments for the CfD and Capacity Market (CM) schemes, incentivising investment in a Net Zero economy while maintaining energy security. EMRS activities are ring-fenced from BSC activities and are conducted via a separate subsidiary of Elexon. The costs of running EMRS are borne by LCCC and Electricity Settlements Company (ESC) and not by BSC Parties.

However, because EMRS occupies the same premises as Elexon, EMRS makes a fair contribution to these costs based on headcount. This resulted in LCCC making a contribution of £834.7K to the shared fixed costs of Elexon in 2024/25, which would otherwise have been borne by BSC Parties.

Over the past year, EMRS has worked with NESO, Ofgem and ESC to transfer the management of CM Metering from NESO to EMRS. This supported the delivery of NESO’s re-platformed CM Portal, and increased EMRS

intelligence on metering arrangements within the CM. Alongside this, EMRS has delivered subject matter expertise on how to make the CM more flexible in the future to DESNZ.

From April 2025, Elexon began to make compensation payments to more than 300 energy intensive businesses such as fibre, steel and glass manufacturers for the [Network Charging Compensation \(NCC\)](#) scheme. Using funding provided by the Department for Business and Trade (DBT), EMRS developed and delivered the new NCC scheme portal which companies use to submit claims, and which contains the settlement calculation engine, for Elexon, DBT and the companies.

Elexon’s ability to deliver the NCC scheme was assisted by the speedy development and implementation (from proposal to implementation in around two months) of [P468](#) ‘Enabling Elexon to Support the Electricity Support Payments and Levy Regulations 2024’. The change (proposed by LCCC) allowed Elexon the vires to become the administrator for this scheme.



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An external audit of BSC processes is carried out annually to protect the interests of all BSC Parties. The Audit is split between two distinct areas of work:

- Process Assessment covering Suppliers, SVA Agents and Central Volume Allocation (CVA) Registrants
- International Standard on Assurance Engagements (ISAE) (UK) 3000 Opinion, covering Central Systems and CVA Meter Operator Agents (MOAs).

At the time of publication, the ISAE (UK) 3000 Assurance Opinion Report is being finalised by the BSC Auditor. This year’s assurance work required the inclusion of an additional system migration (the new FAA service as mentioned on page 8) which was completed late in the audit period, and must be incorporated into the auditor’s final testing and conclusions.

The ISAE (UK) 3000 Opinion is scheduled to be presented to the BSC Panel in August 2025, and will be published to industry after this.

The opinion will provide independent assurance over Settlement calculations and allocations processed by Central Systems and CVA MOAs up until 22 March 2025, due to a system change after this period. The Opinion will test the system change with a particular focus on controls and data integrity through the transition period.

The 2024/25 BSC Audit Process Assessment highlights a shift in recent compliance trends, with a marked increase in material findings across most market roles. A total of 165 material findings were raised this year, a 28% increase compared to 2023/24. This represents the second-highest total in recent audit history and is accompanied by a significant rise in both High and Medium severity issues.

This year’s results reverse the downward trend observed in 2023/24, where most market roles, except for Licensed Distribution System Operators (LDSOs), saw a reduction in material findings. The 2024/25 outcomes suggest growing strain on compliance processes during the

transition to Market-wide Half Hourly Settlement (MHHS), with the majority of findings concentrated among Supplier and agent roles. A total of 165 material findings were raised this year, representing a 28% increase compared to 2023/24. This figure marks the second-highest total in recent audit history and is accompanied by a notable rise in both High and Medium severity findings.

Suppliers remain the most significant contributors to the increase in findings. There was a 91 per cent rise in material findings related to Non-Half Hourly (NHH) Suppliers, with 61 recorded in total, 22 of which were classified as High or Medium severity.



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Half-Hourly (HH) Suppliers also recorded a material increase, with 45 findings (up from 29 in the previous year), representing a 55% increase. In total, Supplier-related issues now account for 64% of all material findings noted in the 2024/25 Audit year.

In contrast to these declines, CVA Registrants demonstrated sustained improvements in compliance, recording just four material findings this year; down from nine in 2023/24 and from a peak of 16 when the role was first formally scoped. These results reflect the benefits of sustained engagement with the Audit and a maturing understanding of BSC responsibilities.

Alongside the growth in overall findings, the audit observed a steep drop in the closure of prior-year issues. Only 50 material findings raised in previous audits were resolved this year, representing a 51% decline in issue closure. This points to reduced attention on legacy issue management, a trend that is increasingly concerning as the market enters the final stages of preparation for MHHS.

The concentration of findings across four key Settlement Risks: Fault Resolution, Manual Adjustments, Agent Appointments, and Exception Management reinforces a broader picture of operational and procedural strain. These four risks alone accounted for 50% of all material findings this year, and findings within these categories continue to display elevated severity profiles.

The BSC Auditor noted that deficiencies in exception handling and fault resolution were often tied to overreliance on automation and third-party processes, alongside weakened oversight. Supplier accountability for BSC obligations remains central, especially as the introduction of MHHS brings both risk and opportunity to redefine and enhance control environments.

While MHHS introduces system efficiencies and more centralised market functions, the underlying principles of good data quality, accurate appointments, and timely resolution of exceptions remain critical to the integrity of Settlement.



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The 2024/25 results indicate that, despite targeted improvements in select roles and processes, broad market compliance remains under pressure. The Audit continues to demonstrate its value not only in identifying issues but also in supporting the industry’s readiness for transformation through actionable insight and increased visibility of systemic risks.

ISAE (UK) 3000 Assurance: Reporting Adjustment and Transition

In response to emerging audit coverage risks and the transformational change occurring across the energy market, Elexon has implemented a strategic shift in the timing and structure of the ISAE (UK) 3000 Assurance Opinion.

Historically, the ISAE (UK) 3000 audit followed an April–March reporting cycle. However, this timeline created a coverage gap from April to December 2025, during which no audit opinion would be issued. This gap coincided with several exceptional market

circumstances, including the go-live of new Central Systems under the MHHS programme and the broader industry transition into the new energy system architecture (NESO).

The implications of these changes extend beyond a single 9-month window. As system migrations and data transitions are staged and interdependent, the associated risks and assurance challenges will persist across multiple reporting periods. This prompted Elexon to restructure the ISAE (UK) 3000 audit cycle to ensure continuous assurance through the full transitional period and beyond.

This period coincides with major system migrations and market changes linked to MHHS and NESO, elevating the potential risk to Settlement data integrity and financial assurance.

To address this, a one-off interim ISAE 3000 audit covering the period April to September 2025 has been commissioned. The scope of this interim audit will include full testing of Central Systems and the associated

data migrations. In addition, targeted Agreed-Upon Procedures (AUPs) will be undertaken between September and December 2025 to assess the effectiveness of system migration controls.

Following the interim audit, the ISAE 3000 audit cycle will permanently transition to a new October–September schedule, beginning in the 2025/26 audit year. This adjustment ensures continuous assurance through

periods of major system change and better aligns with BSC Parties’ financial year-ends.

The revised reporting cycle aims to enhance audit continuity, improve the availability of timely assurance for external financial auditors, and strengthen industry confidence during transition. A formal ISAE 3000 Assurance Opinion Report will be issued later this year, concluding the interim and transitional arrangements.



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Technical Assurance of Metering

On behalf of Elexon, in its role as the Technical Assurance Agent (TAA), the energy services company C&C Group provides the Technical Assurance of Metering (TAM) Service.

As was the case during the 2022/23 and 2023/24 TAM Audits, the Performance Assurance Board agreed to continue their focus on the CVA Market for the 2024/25 Audit Year. This resulted in a TAM Audit Scope with a relatively even spread across the SVA and the CVA.

The SVA Main Sample has traditionally been the main method by which the TAM aims to indicate the overall health of the half-hourly Metering System population.

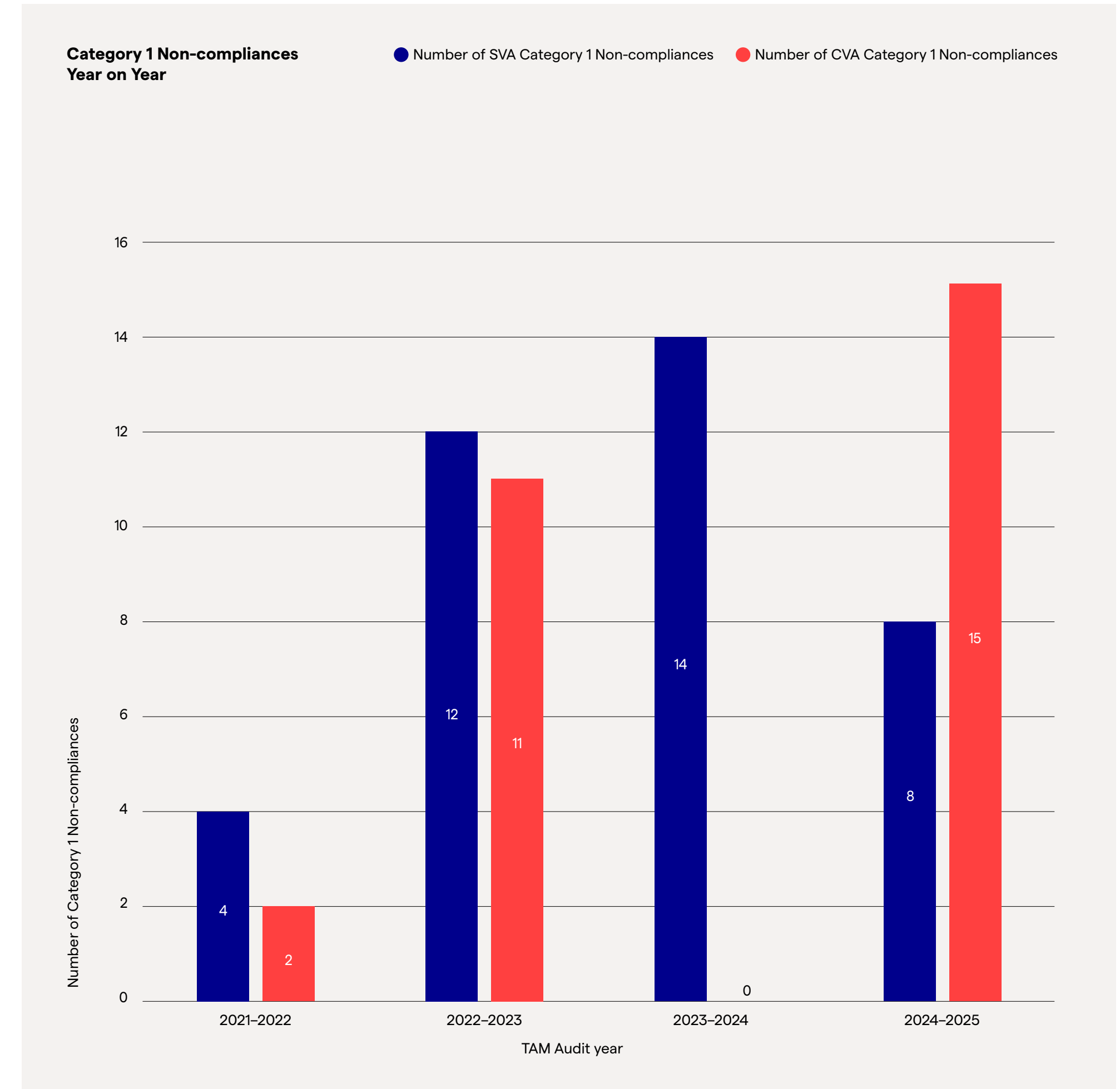
Overall 214 visits were completed during the 2024/25 Audit Year for SVA sites and 224 were completed for CVA sites.

Highlights 2024/25 Audit Year:

Within the CVA Market, Elexon identified a total of 15 Category 1 non-compliances (the most serious non-compliance that the TAA can assign) during the 2024/25 Audit Year. This is the largest number of CVA Category 1 non-compliances found during a TAM Audit Year.

In the 2023/24 Audit Year, Elexon did not find a single Category 1 non-compliance in the CVA Market. You can see the number of Category 1 non-compliances year on year in the table right:

Each of the CVA Category 1 non-compliances raised during the 2024/25 Audit Year is currently at a different stage in the Trading Disputes process. So far, for those that have been rectified through the Trading Dispute process, the combined estimated impact to Settlement is £4.8m. This is likely to rise as the Disputes are completed.



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It was highlighted that the Group Correction Factor (GCF) was found to be trending out of expected tolerances for multiple Grid Supply Point regions monitored by Elexon.

To provide additional assurance on this and to mitigate against a large number of undetected Settlement Errors, Elexon deployed 37 additional targeted visits for the 24/25 audit year. These visits were to GSP, Embedded BMU and Distribution Systems Connection Points sites that had not been audited since 2020, which aligns with the time that the GCF began to trend out of tolerance.

The list of sites was compiled using the Change Point Tool developed by Elexon and GCF information, to identify the sites that have the potential to cause the largest impact on Settlement. Within this sample of additional targeted visits, 27 on-site visits were completed prior to the end of April 2025.

Out of the 27 on-site targeted audits completed, Elexon identified four Category 1 non-compliances, which are all at various stages of the Category 1 and Trading Dispute process. Elexon and the TAA will schedule the remaining 10 visits from the selected targeted visits for completion during the 2025/26 Audit Year.

Across 2024/25, Elexon identified an upward trend (compared to the previous Audit year) in CVA Category 1.01 and 1.05 non-compliances. Category 1 denotes the severity and .01 or .05 denotes the types of error which in this case were incorrect Aggregation Rules (1.01) and errors in Meter Compensation (1.05) in cases where these are either incorrectly applied or not applied. Elexon has taken steps to increase assurance and review processes relating to Aggregation Rules and Meter Compensation activity.

Elexon has identified eight Category 1 non-compliances within the SVA Market, all of which were associated with Elexon's Risk 3

(Metering Equipment installations are incorrect). This is in line with historic trends. Four out of these eight non-compliances were identified during a visit originating from the SVA Specific Sample, producing a Category 1 rate of 9 per cent against the 43 completed SVA Specific Sample on-site visits. The SVA specific sample is a targeted set of audits focused on SVA systems, aiming to identify potential issues and ensure compliance.

All Category 1 non-compliances require follow up and rectification through the Trading Dispute process, ensuring that issues and Metering faults are resolved. Elexon works closely with the Participants and Registrants responsible for the errors to ensure issues are resolved in a timely manner. All Category 1 non-compliances that exceed the Trading Dispute materiality threshold (£3,000) will be assessed by the Trading Dispute Committee to ensure the appropriate investigation was completed and the issue is resolved.

The SVA Main Sample on the other hand, produced a Category 1 rate of 2.3%, outlining the success of the targeted approach. Furthermore, Elexon continued the Desktop Audit Recommended for Site Visit process, which identified 32 SVA Metering Systems from the Desktop Audit that will require an on-site visit in the 2025/26 Audit Year, due to the non-compliances found during this review.

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Review against the annual budget

In March 2024, Elexon published the business plan for 2024/25 which comprehensively set out our commitments and budget for the three-year period to March 2027. The approved budget was £119m to deliver all Elexon activity, including that for the Helix and the MHHS Programmes. Final outturn for the year was £113.2m, £5.8m (5%) below budget as summarised in the table to the right.

Efficiency savings that Elexon achieved

Elexon achieved a substantial cost reduction of £4.5m in its regular controllable activities in the year to March 2025, bettering budget expectations (as illustrated in the graph on the next page). This was made possible through rigorous cost control, increased efficiencies, and a lower-than-anticipated inflation rate compared to budget.

Key controllable costs include BAU operational expenses related to personnel, occupancy, staff-related and administrative costs, consultancy, and legal support.

Contributions generated through EMR activities for resources provided to our subsidiary, EMRS, further offset operational expenditure.

Process and system efficiencies led to a reduced reliance on outsourced consultancy for projects within shared services, further contributing to this cost saving.

Additionally, we achieved savings of £1.5m in market-driven contracted costs. These include costs for Elexon’s technology suppliers and savings in pass-through costs for the Radio Teleswitch Service (RTS) of £0.5m. As a result of an industry agreement, Elexon passes on the costs of the [RTS](#) to generators and suppliers. Market-driven demand led costs were under budget by £1.7m. These are the costs associated with implementing industry-requested changes through BSC Modifications, or changes resulting from regulation and Government policy.

	Year to March 2024/25 Budget £m	Year to March 2024/25 Actuals £m	Variance to March 2024/25 Budget £m	-
Elexon BAU Operational incl EMR Income	23.6	21.8	(1.8)	-7%
Contracted	22.3	21.3	(1.0)	-4%
Total BSC Regular Activity	45.9	43.1	(2.8)	-6%
Demand Led and Digitalisation	14.5	11.9	(2.6)	-18%
Radio Teleswitch Service (pass through from DNOs)	4.0	3.5	(0.5)	-12%
Total Elexon excl Helix and MHHS	64.4	58.5	(5.9)	-9%
Helix	31.0	32.2	1.2	4%
MHHS	23.6	22.5	(1.1)	-5%
Total Elexon	119.0	113.2	(5.8)	-5%

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Review against the annual budget (continued)

Costs that Elexon absorbed

- Additional costs for the Helix Programme of £1.2m
- Additional costs for the Kinnect platform of £1.8m.

Helix Programme

Total outturn for the year on the Helix Programme was £32.2m, £1.2m over the budget for 2024/25.

The overrun was necessary to support key programme activities, aimed at sustaining delivery momentum and addressing evolving project requirements. This included:

- Onboarding of additional Service Management and Business-Readiness resources, in line with Independent Programme Assurance (IPA) recommendations
- Extension of QT Beta testing to ensure solution robustness
- Increasing the supplier team capacity to accelerate the delivery of the Pre-Milestone 10 Minimum Viable Product (MVP) of the Helix systems within the same timeframe.

Milestone 10 of the MHHS Programme is September 2025, when Elexon’s Central Systems will be ready to receive meters migrating to the new arrangements.

Kinnect Platform

The rollout of Kinnect and the decommissioning of the remaining legacy systems was initially scheduled for completion by October 2024. The completion of the rollout (in June 2025) resulted in additional costs of £1.8m against a budget of £3.8m in the year to March 2025. The delay was due to the higher than forecast technical complexity of establishing a stable and secure environment for the migrated systems to work within.

MHHS Programme

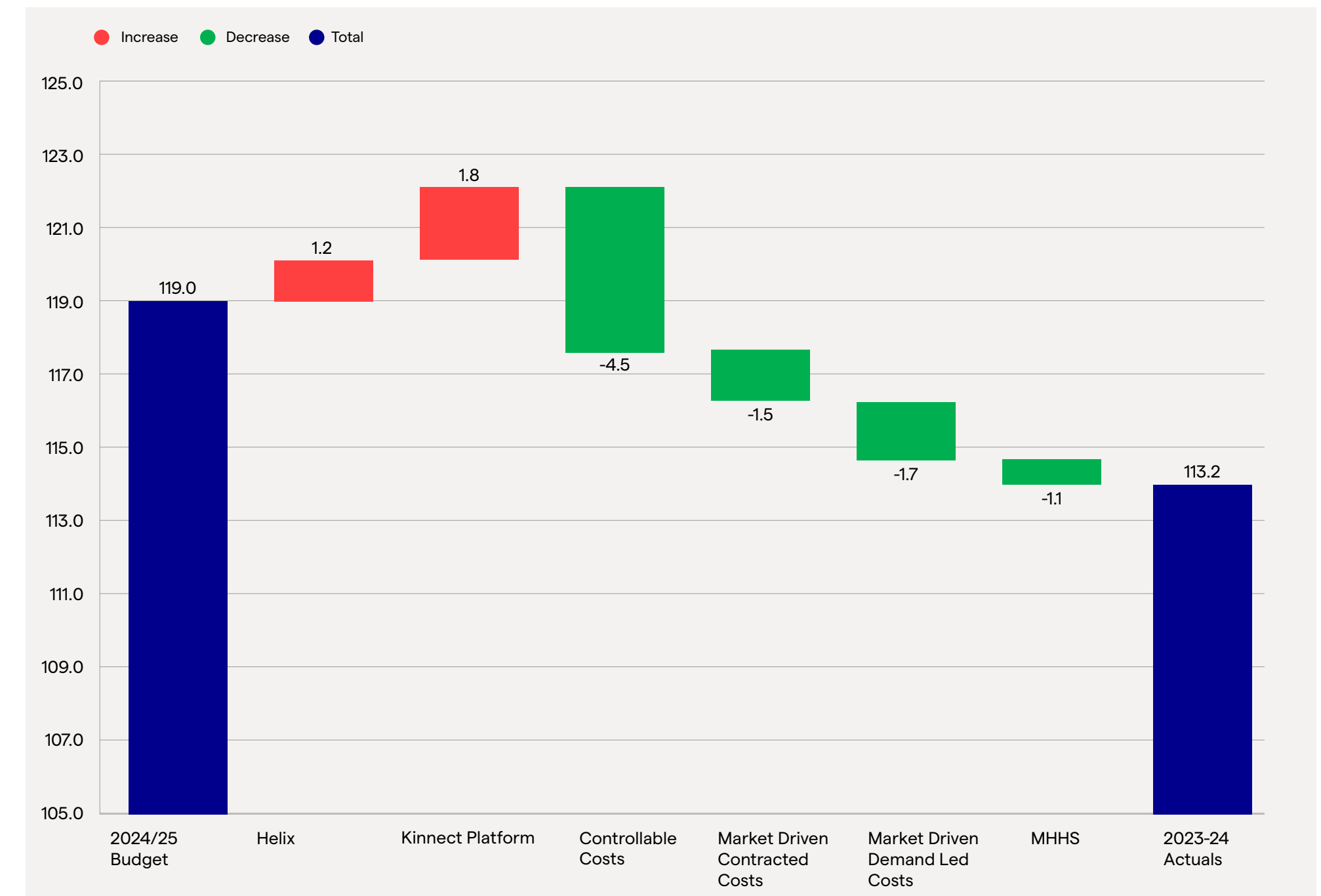
The overall MHHS Programme remained within its approved budget in 2024/25, with £22.5m spent and £1.1m of budgeted contingency remaining unused.

Return of the unused BSC budget to Parties

As Elexon is a not-for-profit organisation, costs and interest charges are exactly matched by turnover for the year. Consequently, a credit of £5.8m, based on the final audited costs for the financial year, will be returned to BSC Trading

Parties. £3m of this has already been returned through the monthly billing process, with the remaining £2.8m to be paid in August 2025 following completion of the final reconciliation.

The graph below illustrates the factors contributing to variances against the 2024/25 annual budget.



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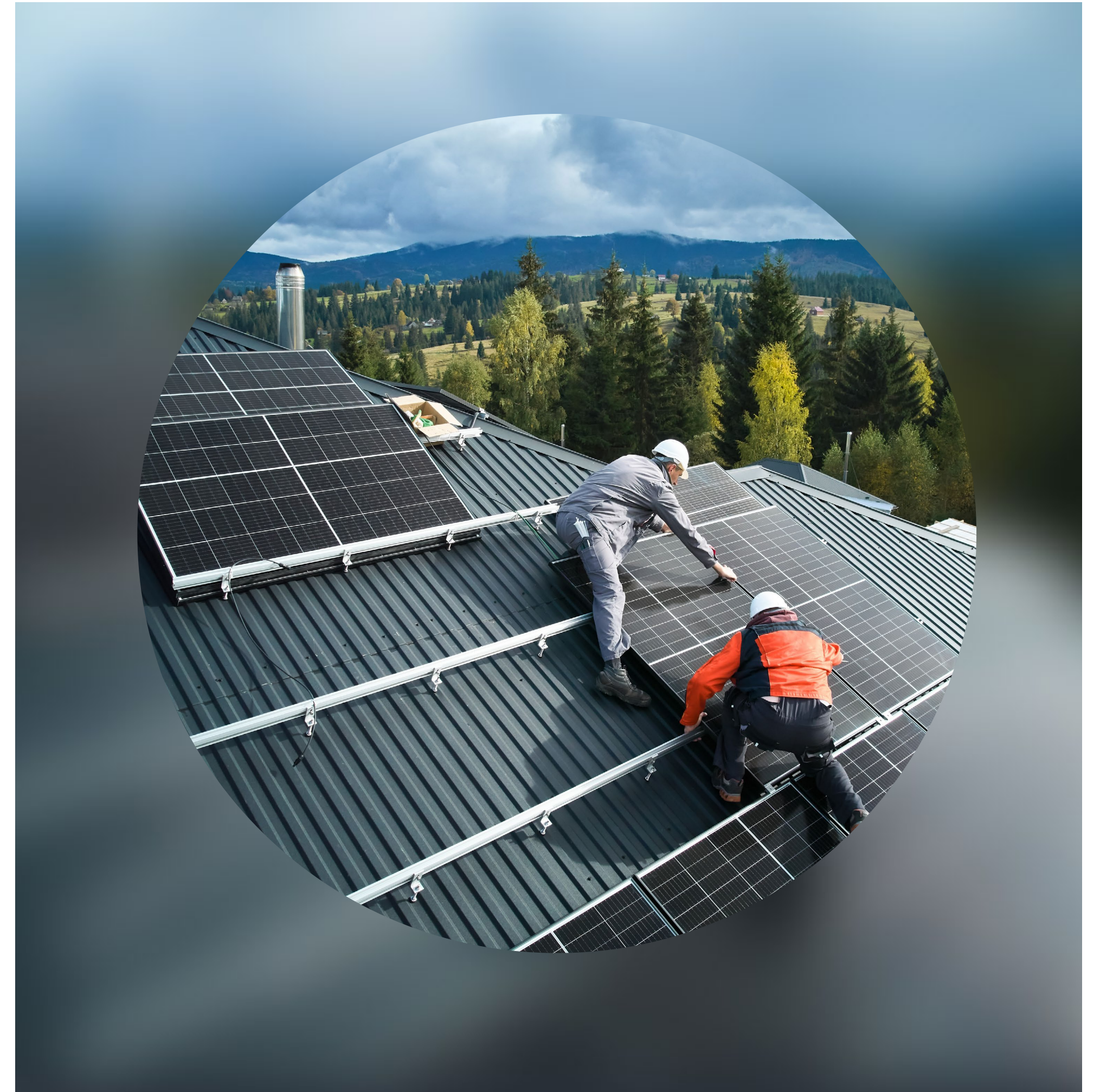
Credit Committee

Parties are required to lodge credit cover to trade under the BSC rules. Credit cover is collateral lodged by Parties to cover payments required to settle imbalances. It acts like a security deposit, which reduces the risk that other Parties face if a company cannot pay its imbalance charges.

The [Credit Committee](#) is responsible for all matters under the BSC that relate to the Credit Assessment Price (CAP). The CAP is a parameter used to convert actual energy indebtedness and the credit cover lodged by a BSC Party into an equivalent megawatt hour (MWh) amount. Before November 2021, adjusting the CAP took on average a month at a time. The notification period is now 10 Working Days.

Between 1 April 2024 and 31 March 2025, the CAP was adjusted five times by the Credit Committee, using the [dynamic change process](#). This is a reduction from 13 changes the previous year. The CAP varied during 2024/25 from £70/MWh to £115/MWh, which is a tighter spread compared to £62/MWh – £125/MWh in 2023/24. This indicates that energy prices have become less volatile over the 2024/25 period.

“The CAP varied during 2024/25 from £70/MWh to £115/MWh, a tighter spread compared to £62/MWh – £125/MWh in 2023/24. This indicates that energy prices have become less volatile over the 2024/25 period.”



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Imbalance Settlement Group (ISG)

The [ISG](#) oversees and helps to develop the Central Volume Allocation Arrangements.

Credit Assessment Load Factor appeals

Throughout 2024/25, the ISG has approved 23 [Credit Assessment Load Factor](#) (CALF) appeals. CALF values measure the average generation/demand of primary BM units (BMUs) as a ratio of their maximum for each BSC ‘Season’.

The calculation process relies on historical data from the previous equivalent BSC Season. Where the Lead Party of a Primary Balancing Mechanism Unit (BMU) considers this inappropriate, it can request alternative CALF values.

This appeal process is important to Parties where:

- Sites within the relevant BMU have changed
- Sites have only recently started to operate
- The way that a particular site (or sites within the BMU) operates has changed. For example, sites with combined heat and power plants where electricity is generated as a by-product and the site operation increases that level of generation.

ISG has a key role in the efficient discharge of the process for the alternative CALF values. The ISG must make sure that where alternative CALF values are approved, they are available for Settlement purposes before the start of the next BSC Season.

Improved Code Subsidiary documents

The ISG has approved six Change Proposals (CPs) in 2024/25. These have been to facilitate process improvements in the BSC Code Subsidiary Documents (CSDs) for the benefit of the industry. The CSDs include procedures, codes of practice and data catalogues which support BSC governance. The highlights have included steps to create a process to approve new (and manage legacy) communication types.

These include extracting metered data, checking for alarm signals which could impact Settlement data and cases where the data collector also checks that the time has been synchronised to Coordinated Universal Time (UTC).

The ISG has approved a proposal to simplify existing processes to enhance customer experience. One of the proposals has also involved developing a new authorisation access category to access the new CARP.

“The highlights have included steps to create a process to approve new (and manage legacy) communication types. These include metered data and alarm signals and cases where the data collector also synchronises the time.”

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Imbalance Settlement Group (ISG) (continued)

Metering Dispensations

During 2024/25 the ISG approved 15 Metering Dispensations from the relevant BSC Metering Code of Practice (CoP). The highlights have been those designed to support industry developing co-located sites (e.g. intermittent renewable generation co-located with a battery energy storage unit) and allow flexibility on the actual metering point to avoid delays in energisation (e.g. the CoP Defined Metering Point is in an existing substation with space issues for installing new equipment that would be costly and time-consuming to resolve).

This type of dispensation is important for supporting the development of multi-use sites which can play important roles in providing flexibility services. It allows BSC Parties and developers to manage their sites more effectively to match their trading strategy and be compliant with support schemes such as CfDs.

Non-Standard BM Units

During 2024/25 the ISG approved five non-standard BM Units. These allowed the Lead Party of a BM Unit to register their site in a way that matches their trading strategy, meet requirements under the Grid Code and be compliant with support schemes such as CfDs.

Metering Dispensations can aid developers to use a single connection to the Transmission System or Distribution System in a more modular fashion allowing them to optimise their trading strategy and facilitate revenue stacking where different technologies are installed at the site.

One example is the configuration of Britain’s first ‘grid forming’ battery site in Blackhillock, Scotland. This site, which went live in March 2025, is a key project providing stability services to NESO such as inertia and its location will help to address grid congestion. This will reduce carbon emissions by increasing the capacity of renewable energy generation.

Progressing Metering Dispensations to allow innovative site development is crucial in meeting the targets for Net Zero, Clean Power 2030 and maintaining system stability.

“Metering Dispensations can aid developers to use a single connection to the Transmission System or Distribution System in a more modular fashion.”



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Performance Assurance Board (PAB)

The [PAB](#) is responsible for the efficient, equitable and accurate allocation of energy between Suppliers. It undertakes several activities so that this is achieved, primarily through the deployment of the Performance Assurance Framework (PAF). The PAF consists of 17 Performance Assurance Techniques (PATs) – a variety of tools to allow prevention, detection and resolution of non-compliances or potential issues.

Overview of papers presented to the PAB

A total of 131 papers were presented to the PAB during 2024/25. Of these, 81 papers were confidential, ensuring sensitive matters were discussed in a secure environment, while 50 papers were made public, promoting transparency and informed decision-making. This reflects the PAB’s ongoing commitment to balancing openness with the need to protect commercially or operationally sensitive information.

Escalations

In 2024/25, 45 escalation meetings were held to address Settlement Performance issues or BSC non-compliances - more than double the number held in 2023/24. While these matters are formally escalated to the PAB, the resolution is initially delegated to the Head of Assurance and Elexon’s Performance Assurance Teams in the first instance. This approach allows timely action while maintaining PAB oversight.

Of these, 13 cases were formally escalated to attend the PAB due to BSC Parties failing to meet their Settlement Performance requirements and plans to improve performance. This part of the process is used in cases of repeated failure, or severe failure. Elexon and the PAB have continued to place significant focus over the past year on maintaining compliance for legacy arrangements and driving performance improvements across the industry, in preparation for the transition to half-hourly settlement.



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A key priority for the PAB this year has been ensuring Settlement Performance in legacy systems is maintained ahead of the transition to half-hourly settlement. The PAB continues to monitor performance closely, ensuring stability as the industry moves toward this significant change.

Public Notifications under P427

In February 2023, Elexon implemented Modification [P427](#) 'Publication of Performance Assurance Parties'. This change empowers Elexon to publish notifications of Parties' errors and underperformance, including:

- Identifying Parties' accountability for significant Settlement errors, and
- Notifying the wider industry of Parties that have failed to effectively address their underperformance through an Error and Failure Resolution (EFR) plan

The Panel makes the final decision on publications based on PAB recommendations. The publications support the PAB's efforts to maintaining Settlement accuracy.

These measures also reinforce transparency and accountability. Elexon issued three public notifications over 2024/25 under Modification P427 (in respect of National Grid, SSE and Tomato Energy). These notifications resulted from escalations to the PAB and represent cases where the scale of Settlement error and/or Parties' underperformance was likely to have significant impact on other Parties. The Panel declared in December 2024 that Tomato Energy was in default of the BSC and expressed concern over the company's lack of progress through its EFR plan. In April 2025, Ofgem announced an investigation into Tomato Energy's compliance with licence conditions and imposed a [provisional order](#) preventing it from taking on any new customers until it is satisfied that the retailer is meeting these requirements.

2024/25 BSC Audit

The 2024/25 BSC Audit, a PAF Technique deployed by the PAB, assessed 64 BSC Participants, including Suppliers, Supplier Meter Registration Agents (SMRAs), Licensed

Distribution System Operators (LDSOs), and Unmetered Supplies Operators (UMSOs). The audit focused on evaluating compliance with BSC obligations, identifying key areas requiring improvement, and assessing the effectiveness of Participants' processes and systems.

The 2024/25 findings reported a 28% increase in material findings compared to the previous year. Whilst the number of High-Impact findings remained at 17, Medium-Rated issues increased by 42% to 37, and Low-Rated findings rose by 30% to 112.

Qualification Approvals by the PAB during the last year

Over the past year, there has been a significant increase in the number of qualifications seen by the PAB and approved for flexibility roles within the BSC, as well as the continued approval of other critical roles essential for the transition to half-hourly settlement.

The increase in flexibility roles includes:

- Eight Virtual Trading Parties (VTPs)
- Eight Virtual Lead Parties (VLPs)
- Three Asset Metering Virtual Lead Parties (AMVLPs)
- One Asset Metering Market Operator Agent (AMMOA)
- One Asset Metering Half-Hourly Data Collector (AMHHDC)

Additionally, other essential roles for Settlement performance and market operation that were approved include:

- Three Half-Hourly Data Collectors (HHDCs)
- One Half-Hourly Data Aggregator (HHDA)
- Three Licensed Distribution System Operators (LDSOs)
- Three Unmetered Supplies Operators (UMSOs)
- Three SMRAs

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04 Committee Summaries

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 → Performance Assurance Board (PAB)
 Supplier Volume Allocation Group (SVG)
 Trading Disputes Committee

The rise in qualifications for flexibility roles like VTPs, VLPs, and AMVLPs reflects the growing emphasis on demand-side response, distributed energy resources, and renewables in the market. These roles are vital for Clean Power 2030 and ensuring flexibility and efficiency in market balancing, especially as the industry moves towards more granular Settlement.

Performance Assurance – Central Volume Allocation Focus

The PAB approved a new CVA Performance Assurance Framework (PAF) Strategy for Performance Assurance Operating Periods (PAOPs) 2025 to 2027. The focus will be on maintaining the integrity and accuracy of Settlement within the CVA Market while increasing Performance Assurance Monitoring and insight. This strategic approach aims to address any large-scale issues that may arise as we see the market adapting to increased amounts of renewable generation. These issues particularly affect CVA participants such as large energy generators, Suppliers, and traders.

The strategy ensures that the framework is robust enough to handle the complexities and rate of change happening within the CVA Market, especially as it evolves in the context of broader market changes, such as the transition to half-hourly settlement and shorter Settlement timelines.

Performance Assurance Framework – half-hourly settlement transition focus

The PAF is managed by the PAB and is crucial to ensuring the integrity of Settlement. The PAF has been adapted during 2023/24 to efficiently address and manage the risks associated with the transition to half-hourly settlement, and to ensure that this transition is made smoothly.

Key focus areas in preparation for half-hourly settlement:

Risk Management – Identifying and mitigating risks to Settlement performance during the transition. The Risk Register has been updated to deliver a more sustainable solution that covers risks across both legacy

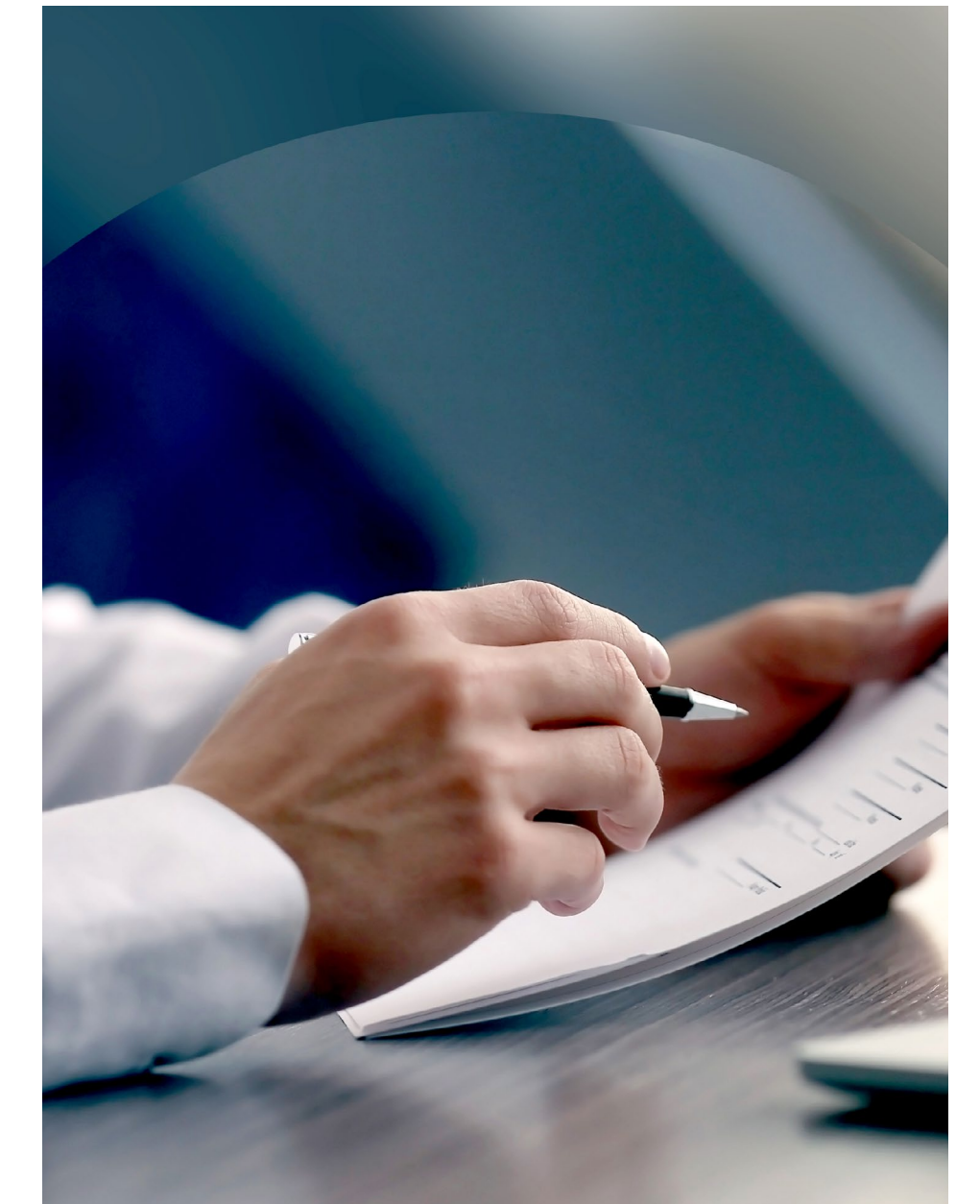
systems and half-hourly settlement arrangements. The register now better facilitates Parties’ root-cause analysis of issues by aligning Settlement Risks to specific business processes.

Performance Assurance Techniques (PATs) – Updates have been made to the half-hourly settlement Supplier Charges PAT and to the BSC Audit, to accommodate the new half-hourly settlement trading arrangements.

Market monitoring – Enhanced Settlement performance reporting has been implemented across legacy systems, and in readiness for half-hourly settlement arrangements, to ensure comprehensive oversight during the transition. This includes the creation of the CARP, which will provide valuable insights to industry across both legacy and half-hourly settlement arrangements before go live. The CARP has been available to Parties since May 2025.

Governance and adaptation – Assurance measures are being adapted to align with new processes,

including exemptions for smart meters and Unmetered Supplies (UMS). The framework is also focusing on new half-hourly settlement processes such as forward and reverse migration, ensuring the market is ready to implement these changes effectively during the transition.



Supplier Volume Allocation Group (SVG)

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The [SVG](#) is responsible for overseeing the operation of the Supplier Volume Allocation processes and systems.

The role of the SVG includes:

- Overseeing the change management of SVA documents, processes and systems that are defined in the BSC Baseline Statement
- Considering changes to the SVA [Line Loss Factors](#) (under BSCP128) and Market Domain Data (under BSCP509)
- Authorising the allocation of Grid Supply Points (GSPs) to GSP Groups
- Considering changes to any other SVA parameters for which the Panel has delegated such responsibility
- Determining applications for metering dispensations and exempt supply applications that have been delegated to the Committee by the Panel.

A regular part of the SVG’s work is the monthly approval of Market Domain Data (MDD) Change Requests before publication. The SVG’s approval comes at the end of the monthly MDD release process, following validation by Elexon and impact assessment by the SVAA and Market Participants. A fast-track change request for housekeeping changes and new participant registrations runs alongside the more detailed General MDD Change Request process.

Under the implementation of MHHS, MDD will be replaced by a new standardised common data set called Industry Standing Data (ISD), as mentioned in the Operation of the BSC section of the report from page 17. The SVG will continue to be responsible for the consideration and approval of changes to ISD under BSCP 707. This is one of the code subsidiary documents which has been amended as part of the impending implementation of P478 (mentioned in the Operation of the BSC section of the report). P478 makes required changes to the BSC to facilitate half-hourly settlement.

Assessment and approval of Metering Dispensations and exempt supply applications are other regular items on the SVG’s agenda. During 2024/25, the SVG approved three Metering Dispensations and 18 exempt supply applications. The Committee also approved three Central Management Systems for use in unmetered supplies. These included systems which provide remote dynamic street lighting control, allowing for street lighting to be managed, monitored and controlled remotely. The benefits of this include greater energy efficiency.

In addition, the SVG approved several Change Proposals impacting the SVA arrangements. One, which it approved in conjunction with the ISG, was [CP1596](#) ‘Define the change process for BSC-owned Interfaces in the Retail Energy Code’s Energy Market Architecture Repository. CP1596 was updated and added to [BSCP40](#) to formalise processes for changing BSC-owned data items within the Energy Market Data

Specification (EMDS) held within the EMAR. As the EMAR is maintained and governed by the REC this was a novel change which fostered and encouraged cross-code collaboration in maintaining industry data.



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Trading Disputes Committee

The Trading Disputes process allows BSC Parties to amend Settlement to take account of issues that have come to light, and which affect Trading Charges. During 2024/25, 96 new Trading Disputes were raised (compared with 134 in 2023/24).

Out of these new Trading Disputes, 45 were resolved by Elexon or the Trading Disputes Committee without escalation to the BSC Panel, and 51 remain open under investigation. During 2024/25, 102 Trading Disputes have been closed within this time, equalling £38.57m

During 2024/25, the Trading Disputes Committee upheld 64 Trading Disputes. This includes Disputes raised before the 24/25 year. All Trading Disputes were resolved by the Trading Disputes Committee. None were escalated to the BSC Panel.

Trading Disputes in numbers



There were 96 new Trading Disputes in 2024/25. Out of these Trading Disputes, 45 were resolved by Elexon or the Trading Disputes Committee.

102 Trading Disputes have been closed in 2024/25, equalling:

**45
Disputes**

£38.57m

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