

## Information Sheet

### Overview of the Error and Failure Resolution (EFR) Process and EFR Escalation Process

When a performance issue is identified at your organisation, ELEXON can apply the EFR process to agree what steps you will take to resolve it. EFR also allows us to monitor that you are following agreed actions and includes an escalation mechanism for performance issues that are not resolved satisfactorily. This Information Sheet gives you an overview of why we apply EFR and what happens when we do.



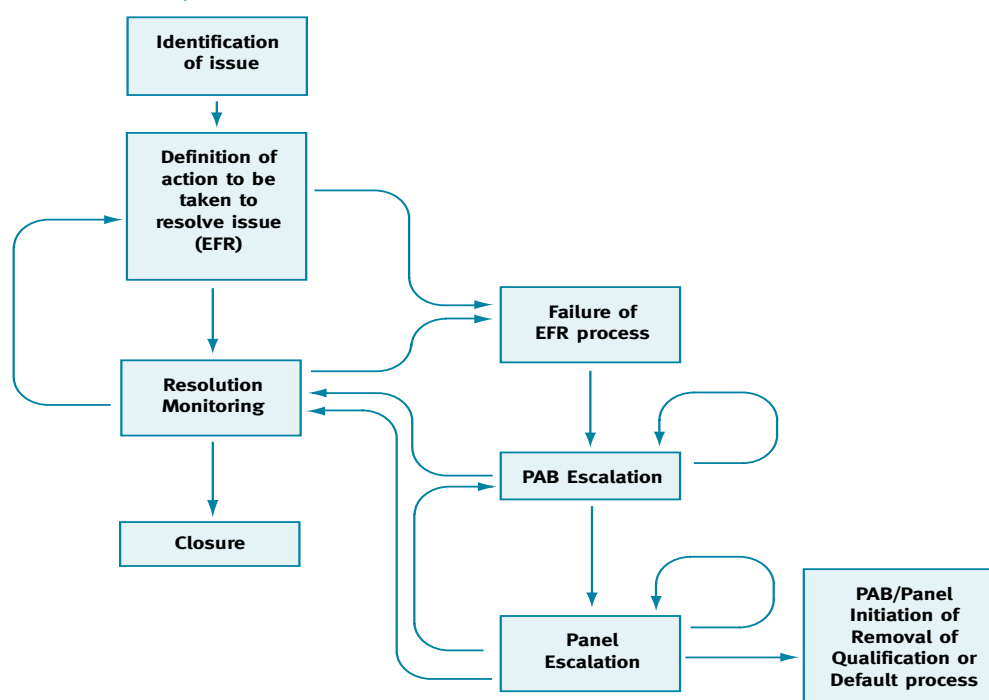
Your feedback helps us improve our communications. Please email [communications@elexon.co.uk](mailto:communications@elexon.co.uk) if you have any comments on this document or suggestions for other Information Sheets.

#### What is EFR?

EFR is a remedial [Performance Assurance Technique](#) used to assure ELEXON, the Performance Assurance Board (PAB) and the rest of the industry that you understand performance issues and have robust plans in place to correct them in a timely manner. The process also includes monitoring to ensure that you are sticking to those plans. The EFR process is documented in Balancing and Settlement Code Procedure (BSCP) 538 'Error and Failure Resolution'.

When issues are not resolved satisfactorily we use an escalation mechanism to focus attention. There are two escalation levels involving the PAB and the BSC Panel. The purpose of escalation is to give visibility of issues associated with under-performance to the PAB and/or the Panel, and to ensure that the issue is dealt with appropriately to minimise any risk to BSC Parties.

#### How does the process work?



Visit our website:  
[www.elexon.co.uk](http://www.elexon.co.uk)

## When is EFR applied?

ELEXON identifies when we need to use EFR through information from other assurance techniques such as the [BSC Audit](#), [Technical Assurance](#), [Material Error Monitoring](#) and [Performance Monitoring and Reporting](#). Also, you or your [Operational Support Manager \(OSM\)](#) may identify a performance issue needing EFR. Your Risk Management Plan (RMP) details when EFR is applied in relation to Settlement Risks. Within ELEXON, the EFR process is administered by your OSM.

## How do we capture actions needed to resolve an issue?

When a performance issue needs monitoring through EFR, we will ask you to provide an action plan detailing the steps you will take to resolve it and the timescales for completion. The action plan must include milestones, i.e. points in the plan when your OSM can check your progress. As a general rule, milestones should not be more than three months apart and should include the date by which you intend the issue to be resolved, or, a date by which you will submit more milestones or new action plan. The milestones should either be distinct points within the plan (e.g. 'root cause analysis completed' or 'software fix implemented') or measurable targets backed up by the actions that you will take to reach targets (e.g. 'the number of exception reports brought down to 1000' or 'the percentage of energy Settled on Annualised Advances brought up to 97%').

The purpose of your action plan is:

- To inform your OSM of the cause of the issue, its impact and the corrective action you are taking;
- To assure your OSM that the issue is fully understood, that corrective action is appropriate and that the issue is under control; and
- To allow your OSM to monitor the resolution of the issue.

If you are unsure of how the issue impacts you, or what steps to take to attempt to resolve it, ask your OSM for advice and guidance.

## What are the timescales?

You can use the template in BSCP538 (and available on the ELEXON website), or, where agreed with your OSM, using your own documents or verbally (followed up with an auditable trail of agreed actions).

Your OSM reviews your plan within 20 Working Days of receiving it. The review process is to ensure that your proposed corrective action is appropriate, robust and timely. Your OSM may have review comments which you'll need to address and update the action plan within ten Working Days. This process is repeated until the action plan is satisfactory and 'baselined' by your OSM.

## How does ELEXON monitor resolution of issues?

Your OSM monitors each milestone on your action plan. Once you reach the date of each milestone, you need to let your OSM know if you achieved it. If you didn't achieve it, you tell us why not and what you will do to get back on track. This information needs to be sent to your OSM within five Working Days of the milestone date. In addition, we'll check any other available monitoring information to confirm the milestone has been achieved (e.g. Performance Assurance Monitoring System (PARMS) data for SPo8a when monitoring the percentage of energy Settled on Annualised Advances). If you wish to change the action plan, a new version should be created and sent to your OSM for review and agreement as above. When all milestones are achieved, the problem is ready to be closed.



An action plan needs to be provided to ELEXON by 20 Working Days after we request it.

## How do we close an issue and complete the EFR process?

When all actions on your plan are complete, we agree with you that the EFR process can stop. If the issue was highlighted by another source (e.g. the BSC Auditor or Technical Assurance Agent) we also agree with them that EFR can stop.

If the agreed actions that you took did not resolve the issue, we request a new action plan and the process continues.

## What is 'Escalation' and when is it triggered?

A failure in the EFR process can initiate EFR Escalation. The following circumstances could initiate the EFR Escalation process (this is not an exhaustive list):

- When you don't understand the performance issue and the steps that you could take to resolve it;
- When you don't submit a satisfactory action plan to your OSM in an appropriate timescale;
- When you don't complete the actions set out on the action plan or notify your OSM of the progress of the action plan;
- When you don't fulfil the requirements of a previous escalation; or
- When the problems you are experiencing have a serious effect on Settlement or a serious impact on other Parties or Party Agents.

There are two levels of escalation:

1. to the PAB; and
2. to the Panel.

Escalation will generally be first to the PAB followed by escalation to the Panel (if no improvements are made whilst in PAB escalation).

## What happens if I am escalated?

If you are escalated, the evidence of the performance issue and details of what was/wasn't achieved though the EFR process is presented to the PAB/Panel by your OSM. The PAB/Panel could ask you to present to them what you propose to do to resolve the issue agree the actions that you will take. Agreed actions could include more attendances at the PAB/Panel meetings. The PAB/Panel monitors your actions in conjunction with your OSM to ensure that the agreed actions are taken.

If escalated, you stay within the escalation process with the PAB/Panel until you are either escalated further or de-escalated. If performance improves, then de-escalation from the Panel to the PAB or from the PAB/Panel back into the EFR process can occur. If performance does not improve (in the case of PAB escalation), then you can be escalated to the Panel. When the performance issue is persistent or material, the PAB or Panel can initiate Removal of Qualification or the Default process.



The ideal outcome of an escalation is that your performance improves in the escalated area to the levels specific within the BSC.



Your OSM is your first point of contact for EFR and they support you through the process. If you have a more general question about EFR, contact **Katie Wilkinson**, our EFR Consultant, on **020 7380 4376**.