

**Balancing and Settlement Code**

**BSC PROCEDURE**

**Technical Assurance**

**BSCP535**

**Version 9.0**

**Date: 25 June 2009**

**BSC Procedure 535****relating to****Technical Assurance**

1. Reference is made to the Balancing and Settlement Code (the Code) and in particular, to the definition of “BSC Procedure” in Section X, Annex X-1 thereof.
2. This is BSC Procedure 535, Version 9.0 relating to Technical Assurance of Audited Entities.
3. This BSC Procedure is effective from 25 June 2009.
4. This BSC Procedure has been approved by the Panel.

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**AMENDMENT RECORD**

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**CONTENTS**

<b>1</b>	<b>Introduction</b>	<b>5</b>
<b>1.1.</b>	<b>Purpose and Scope of the Procedure</b>	<b>5</b>
<b>1.2.</b>	<b>Risk Based Performance Assurance Framework</b>	<b>5</b>
<b>1.3</b>	<b>Main Users of the Procedure</b>	<b>5</b>
<b>1.4.</b>	<b>Scope of Work</b>	<b>6</b>
<b>1.5.</b>	<b>Responsibilities</b>	<b>7</b>
<b>1.6.</b>	<b>Balancing and Settlement Code Provision</b>	<b>7</b>
<b>1.7.</b>	<b>Associated BSC Procedures</b>	<b>7</b>
<b>1.8.</b>	<b>Acronyms</b>	<b>8</b>
<b>1.9.</b>	<b>Definitions</b>	<b>9</b>
<b>2</b>	<b>Not Used</b>	<b>10</b>
<b>3</b>	<b>Interface and Timetable Information</b>	<b>11</b>
<b>3.1.</b>	<b>Determination of scope of work for Technical Assurance</b>	<b>11</b>
<b>3.2.</b>	<b>Technical Assurance Check</b>	<b>11</b>
<b>3.3</b>	<b>Not Used</b>	<b>13</b>
<b>3.4.</b>	<b>Appeals</b>	<b>14</b>
<b>4</b>	<b>Appendices</b>	<b>16</b>
<b>4.8</b>	<b>Technical Assurance Forms</b>	<b>17</b>

# 1 Introduction

## 1.1. Purpose and Scope of the Procedure

This BSC Procedure defines the process for providing assurance that Performance Assurance Parties (PAPs) are meeting their obligations as stated within the BSC or Code Subsidiary Documents as appropriate. It describes the key interfaces and timetable responsibilities for the role of the Performance Assurance Board (PAB) and/or Delegated Authority and other interested parties in the Technical Assurance of PAPs (TAP). The PAB may delegate such functions as it sees fit.

The TAP function will be distinct from but complementary to other Performance Assurance Techniques (PAT), in particular the BSC Audit and Qualification process and requirements.

## 1.2. Risk Based Performance Assurance Framework

PATs will be applied to a PAP based on the net significance of the applicable Settlement Risk and an assessment of the PAP's contribution to the Settlement Risk.

Settlement Risks and their net significance are captured on the Risk Evaluation Register (RER). All the Settlement Risks identified are rated in terms of severity of impact and probability (including a weighting for the strength of controls).

The Settlement Risks are assigned PATs to mitigate those risks and these PATs are recorded in the Risk Operating Plan (ROP) against each Settlement Risk.

The RER and the ROP are produced for a Performance Assurance Operating Period (POAP) in accordance with the Annual Performance Assurance Timetable and the agreed Risk Evaluation Methodology (REM), which details the processes used to identify and evaluate the Settlement Risks and assess their materiality.

An RMP is created for each PAP based on the RER and the ROP and in accordance with the REM. The RMP will detail the PATs that will be deployed to a PAP during the course of a POAP based on the Settlement Risks that are applicable to that PAP and the extent that the Settlement Risk applies to the PAP. If a PAP disagrees with their RMP, then there are provisions within the Code for them to query or appeal against it.

At the end of a Performance Assurance Operating Period, the PAB will prepare an Annual Performance Assurance Report for the Panel detailing the assurance that has been provided during the course of the period, the extent to which Settlement Risks have been mitigated, and BSCCo costs of providing that assurance.

Technical Assurance is a PAT and will be deployed to a PAP in relation to relevant Settlement Risks in accordance with the agreed RMP.

## 1.3 Main Users of the Procedure

This BSC Procedure should be used by the:

- Performance Assurance Parties
- Data Transfer Service Provider
- Delegated Authority

- BSCCo
- Performance Assurance Board (PAB)

## 1.4. Scope of Work

### 1.4.1. Technical Assurance Checks

There are three distinct areas of work that are applicable to all Performance Assurance Parties:

- Scope of work for TAP.
  - This includes details of the check to be undertaken and will utilise information from PAPs, other PAF techniques, the BSC Auditor, BSCCo and the PAA when deciding where to apply the checks.
- Targeted Checks of PAPs.
  - The PAB may decide to apply a targeted check because of performance related issues, Settlement error, information provided by its sub-committees or the Panel.
- Post-Qualification checks of newly qualified PAPs.
  - These checks take place after a PAP has been qualified or re-qualified and there is a requirement to prove capability.

The key steps in the scope of work of the TAP function are:

- The PAB will produce a scope of work for the TAP function, in respect of each Performance Assurance Operating Period in accordance with the ROP.
- The scope of work will be published on the BSC Website within 10 Working Days of PAB approval.
- The Delegated Authority will report to the PAB on a regular basis on the progress of work being undertaken as part of the scope for TAP.
- The findings of the check will feed into the Annual Performance Assurance Report.

The key milestones in the performance of a check are:

- The PAB or its Delegated Authority will select PAPs who will form the subject of the TAP check in question. The PAB or its Delegated Authority will then notify the PAP of the check and make any requests for documentation at least 10 Working Days prior to the scheduled date (2 Working Days for an urgent targeted check).
- The PAB or its Delegated Authority shall conduct the check and record the results in accordance with the Check Results form (BSCP535/06). The PAB shall then provide the PAP in question with a copy of the results.

- In the case of an agreed non-compliance, the PAP must provide rectification details in accordance with BSCP538 – Error and Failure Resolution.
- In the case of a disputed non-compliance, the PAP must provide details of the dispute to the Delegated Authority within 10 Working Days of notification of the non-compliance. The Delegated Authority will then re-determine the validity of the non-compliance. If the PAP still disputes the non-compliance then the Delegated Authority’s decision can be appealed to the PAB.
- The Delegated Authority will report to the PAB as and when required on the results of any targeted checks performed.

## 1.5. Responsibilities

The PAB, as part of determining the annual scope of work for TAP, may delegate the performance of each check and each of the functions associated with the performance of each check to a Delegated Authority.

PAPs are responsible for providing any information that is requested by the PAB or its Delegated Authority in order to perform a TAP check.

For those checks performed on site the PAP is responsible for allowing the PAB or its Delegated Authority access to the site. For the purposes of this BSC Procedure, a site is defined as a PAP’s premises.

## 1.6. Balancing and Settlement Code Provision

This BSC Procedure has been produced in accordance with the provisions of the BSC and in particular Section Z. In the event of an inconsistency between the provisions of this BSC Procedure and the BSC, the provisions of the BSC shall prevail.

## 1.7. Associated BSC Procedures

This BSC Procedure interfaces with:

BSCP27	Technical Assurance of Half Hourly Metering Systems for Settlement Purposes
BSCP502	Half Hourly Data Collection of Metering Systems in SMRS
BSCP503	Half Hourly Data Aggregation of Metering Systems in SMRS
BSCP504	Non Half Hourly Data Collection of Metering Systems in SMRS
BSCP505	Non Half Hourly Data Aggregation of Metering Systems in SMRS
BSCP508	Supplier Volume Allocation Agent
BSCP509	Changes to Market Domain Data
BSCP514	SVA Meter Operations for Metering Systems Registered in SMRS
BSCP515	Licensed Distribution
BSCP516	Allocation of Profile Classes & SSCs for NHH Metering Systems Registered in SMRS
BSCP520	Unmetered Supplies Registered in SMRS

BSCP533	PARMS Data Provision , Reporting and Publication of Peer Comparison Data
BSCP537	Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs
BSCP538	Error and Failure Resolution

## 1.8. Acronyms

The terms used in this BSC Procedure are defined as follows:

BSCCo	Balancing and Settlement Code Company
DA	Data Aggregator
DC	Data Collector
EFR	Error Failure Resolution
HHDA	Half Hourly Data Aggregator
HHDC	Half Hourly Data Collector
HHMOA	Half Hourly Meter Operator Agent
LDSO	Licensed Distribution System Operator
MA	Meter Administrator
MSID	Metering System Identifier
NHHDA	Non Half Hourly Data Aggregator
NHHDC	Non Half Hourly Data Collector
NHHMOA	Non Half Hourly Meter Operator Agent
PAA	Performance Assurance Administrator
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PAP	Performance Assurance Party
REM	Risk Evaluation Methodology
RER	Risk Evaluation Register
RMP	Risk Management Plan
ROP	Risk Operating Plan
SAD	Self Assessment Document
SMRA	Supplier Meter Registration Agent
TA	Technical Assurance
TAP	Technical Assurance of PAPs
WD	Working Day

## 1.9. Definitions

Full definitions of the acronyms in Section 1.8 are, where appropriate, included in the Balancing and Settlement Code Section X.

Working Day - Throughout this procedure, unless otherwise stated, timetables reflect the number of Working Days (WD) following defined events by which an activity should be completed.

Associated Supplier - Those Suppliers who have confirmed that a relationship exists with a Supplier Agent and for the purposes of issuing associated Supplier notifications has confirmed to the PAB (and at the PAB's request) that they are entitled to receive the results of any TA checks performed on its associated Supplier Agents. Supplier Agents are NHHDC, NHHDA, NHHMOA, HHDC, HHDA, HHMOA, MA.

## 2 Not Used

### 3 Interface and Timetable Information

#### 3.1. Determination of scope of work for Technical Assurance

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.1.1	At PAB meeting.	Determine scope and notify BSCCo.	PAB	BSCCo	ROP	
3.1.2	Within 10 WD of PAB notification.	Publication of scope.	BSCCo		Scope	

#### 3.2. Technical Assurance Check

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.1	At least 10 WD prior to a check or 2 WD for an urgent targeted check.	Inform PAP of planned check and request acceptance and that relevant information is available.	Delegated Authority	PAP	Date, time and PAP to be technically assured together with specific details of the check including Settlement Risk Identification Number.	Telephone / Email BSCP535/01 BSCP535/02
3.2.2	At least 5 WD prior to the check or immediately upon receipt of notification in 3.2.1 for an urgent targeted check.	Notify Delegated Authority of acceptance of planned check and supply the required information.	PAP	Delegated Authority	Acceptance of impending check and submission of required information.	Telephone / Email BSCP535/02

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.3	Date of check.	Perform check.	Delegated Authority	PAP	Information, data, documents and access to systems as required.	Interviews, reviews and witnessing as required.
3.2.4	Within 10 WD of completion <sup>1</sup> of check.	Notify PAP of results of check.	Delegated Authority	PAP	Results of check.	Email BSCP535/06
3.2.5	At or within 2 WD of sending check results notification.	Delegated Authority checks for receipt of agreement of check results.  (a) PAP confirms acceptance of check results.  (b) No response is received. Send reminder. Proceed to section 3.2.5	PAP  PAB	PAB  PAP	Results of check.	Email BSCP535/06  Email BSCP535/06
3.2.6	On completion of check.	(a) If check has revealed a non-compliance then proceed to section 3.2.7.  (b) If check shows PAP to be compliant. Check closed. Notify Associated Suppliers.	PAB  PAB Delegated Authority	PAP  PAP Associated Suppliers	Results of check.  Results of check.	Email BSCP535/06  Email BSCP535/06
3.2.7	After 3.2.6a if check shows PAP to be non-compliant	Follow the Error and Failure Resolution process in BSCP538 to rectify the non-compliances.  If check performed on a Supplier Agent issue results to Associated Suppliers.	PAP BSCCo  Delegated Authority	Associated Suppliers	Results of check	Email BSCP535/06

<sup>1</sup> The check shall be deemed complete when all aspects of the check on and/or off site have been finalised.

**3.3 Not Used**

### 3.4. Appeals

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.1	After 3.2.5 if PAP disagrees with a non-compliance.	Send reason for appealing non-compliance(s).	PAP	Delegated Authority	Reasons why the non-compliance has been appealed by the PAP.	Email
3.4.2	Within 5 WD of receiving the appeal in 3.4.1	(a) Decide that the appeal is valid, and remove the non-compliance. Notify the PAP of the decision and that the non-compliance is now closed. Proceed to Ref. 3.2.5.	Delegated Authority	PAP	Details of why the non-compliance has been removed.	Email
		(b) Decide that the appeal is not valid and inform the PAP that the non-compliance will be upheld.	Delegated Authority	PAP	Details of why non-compliance is still valid.	Email
3.4.3	Within 5 WD of receiving the notification in section 3.4.2	If PAP still disagrees with the non-compliance, inform the Delegated Authority again of an appeal.	PAP	Delegated Authority	Reasons why the non-compliance has been re-appealed by the PAP.	Email
3.4.4	At next available PAB meeting	Delegated Authority reports the appeal details to the PAB for decision.	Delegated Authority	PAB	Details of non-compliance and why the non-compliance has been re-appealed by the PAP.	Paper
3.4.5	At PAB meeting	PAB considers the grounds of the appeal and decides whether to uphold or remove the non-compliance	PAB		Report from the Delegated Authority.	PAB Meeting
		(a) PAB decides that the appeal is valid and informs the Delegated Authority to remove the non-compliance. Proceed to Ref. 3.4.6.	PAB	Delegated Authority PAP	The PAB's decision and reasons why the appeal has been accepted.	Written Communication
		(b) PAB decides that the appeal is not valid and informs the Delegated Authority to continue with the non-compliance procedure. Proceed to Ref. 3.4.7.	PAB	Delegated Authority	The PAB's decision and reasons why the appeal has not been accepted.	Minutes of meeting

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.6	Upon notification from the PAB	Delegated Authority informs the PAP that their appeal has been accepted and that the non-compliance issue is now closed. Proceed to 3.2.5.	Delegated Authority	PAP	The PAB's decision on the appeal.	Email
3.4.7	Upon notification from the PAB	Delegated Authority informs PAP that their appeal has not been accepted. Proceed to 3.2.5 to accept check results and rectify non-compliances as necessary under BSCP538	Delegated Authority	PAP	The PAB's decision on the appeal.  BSCP538 – Error and failure Resolution	Email

## **4 Appendices**

**4.1 Not Used**

**4.2 Not Used**

**4.3 Not Used**

**4.4 Not Used**

**4.5 Not Used**

**4.6 Not Used**

**4.7 Not Used**

#### 4.8 Technical Assurance Forms

All information communicated through the forms in these appendices must contain the detail stipulated for each form; however the communication method is flexible and must be agreed between PAP and PAB / BSCCo.

##### **Form BSCP535/01 – Site Selection for Technical Assurance of Performance Assurance Parties Check**

The Delegated Authority will provide the following details to the PAP in accordance with section 3.2.1:

- Check Reference (determined by BSCCo)
- Proposed Date of Check
- Anticipated Duration of Check
- Proposed Time of Check
- PAP subject to check
- Role subject to check
- Reason for check, including link to ROP, scope of work and relevant Settlement Risk Identification Number(s)
- Required documentation
- Request for overview of PAP organisation structure
- Date by which form BSCP535/02 must be returned to Delegated Authority by PAP
- Contact details for return of form BSCP535/02

##### **Form BSCP535/02 – Confirmation of Attendance**

The PAP will provide the following details to the Delegated Authority in accordance with section 3.2.2:

- Check Reference (determined by BSCCo)
- Proposed Date of Check
- Anticipated Duration of Check
- Proposed Time of Check
- Confirmation of how/when required documentation will be provided
- PAP organisation structure
- Details of main contact at PAP for duration of the check
- Any other relevant information

**Form BSCP535/03 – Not used**

**Form BSCP535/04 – Not used**

**Form BSCP535/05 – Not used**

**Form BSCP535/06 – Check Results**

The Delegated Authority will provide the following details as appropriate in accordance with sections 3.2.4 and 3.2.6 and the PAP shall return confirmation of agreement of results in accordance with section 3.2.5:

- Check Reference (determined by BSCCo)
- Date of Check (and date of completion of check if different)
- Details of check including Settlement Risk Information Number(s)
- Details of any non-compliances
- Details of any observations
- Details of any compliances
- Details of contact at Delegated Authority issuing the results
- Details of contact at PAP agreeing the results (when agreed)
- Date of agreement of results (when agreed)
- Any other relevant information