



BSC
Qualification
Service
Provider's
Approach to
the (Re)-
Qualification
Service

For the year ending 30 September 2024

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ELEXON

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1 Introduction

Qualification under the BSC allows an organisation to provide services in its Qualified role.

This document provides an overview of the Supplier Volume Allocation (SVA) Qualification process, activities and approach performed by the Qualification Service Provider (QSP).

This is a market entry technique that forms part of the Performance Assurance Framework (PAF) and is managed by Elexon in its role as the Balancing and Settlement Code Company (BSCCo). The process of Qualification is defined in Section J of the Balancing and Settlement Code (BSC), and in Balancing and Settlement Code Procedure (BSCP) 537 'Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs'.

The Qualification process aims to provide assurance that an organisation's systems and processes, which may interact with the BSC Systems and other participant's systems, developed outside of Elexon's control, are in line with BSC requirements and good practice.

The Qualification process ensures that all applicants will be assessed in line with the settlement obligations associated with the role they are applying for. The specific business model or operating model the applicant adopts is not in scope of testing. Additionally, the customer service, customer billing and contractual agreements with third parties are excluded from the scope of this process.

With the Retail Energy Code (REC) transition period having ended, all obligations under BSCP514 (now obsolete) sit outside of Elexon's, and therefore the QSP's, remit and under the responsibility of the REC. All SVA Meter Operator Agents (MOAs) applications that were in progress and covered by the transition period have all now completed, transitioned to the REC or been cancelled.

A consequence of making BSCP514 obsolete is that certain obligations have been removed for the Supplier to trigger, monitor or resolve Settlement impacting processes involving the MOA that were only present in BSCP514. The main processes impacted are:

- Fault Investigation and Resolution;
- Change of Measurement Class (CoMC);
- Installation, reconfiguration and removal of Metering Equipment;
- Change of Energisation Status; and
- Appointment and Deappointment of MOAs.

The Supplier Witness Testing scope has been amended accordingly.

2 Responsibilities

The Qualification procedures are followed by organisations wishing to operate under the BSC arrangements in one or more of the following capacities:

- Supplier (Non Half Hourly, Half Hourly);
- Meter Operator Agent - Central Volume Allocation (CVA);
- Data Collector (Non Half Hourly, Half Hourly);
- Data Aggregator (Non Half Hourly, Half Hourly);
- Meter Administrator;
- Licensed Distribution System Operator (LDSO) when acting in their capacity as Unmetered Supplies Operator (UMSO) or Supplier Meter Registration Agent (SMRA), and
- Virtual Lead Parties (VLP)
- Asset Metering Virtual Lead Party (AMVLP)
- Asset Metering Half Hourly Data Collector (AMHHDC)
- Asset Metering Meter Operator Agent (AMMOA)

A summary of high-level responsibilities for the various stakeholders involved in the Qualification process are provided below:

Applicant

- Establish contact with BSCCo (qualification@elexon.co.uk) to commence Qualification process.
- Liaise with BSCCo and QSP to understand the Qualification process.
- To complete a Self-Assessment Document (SAD) detailing its systems and procedures against the code and provide the required evidence to the QSP.
- Request the Performance Assurance Board (PAB) to provide advice or clarification or seek endorsement of the plans described in the SAD.

BSCCo

- Explain the Qualification process to the Applicant.
- Provide appropriate guidance and support to the Applicant (if requested) during the application.
- Maintains an up-to-date list of each Qualified person.
- Ensure the SAD is up to date with all changes in BSC obligations and that any new versions of the SAD are shared with the QSP and applicants (as required).
- Determine follow up actions to remediate findings from Witness testing.
- Review all reports received from the QSP prior to the PAB date to ensure that all required steps have been completed successfully for them to be able to provide a recommendation to PAB.
- Provide a recommendation to the PAB as to whether they support the applicant's application for the role they are applying for.

QSP

- Facilitate the Planning meeting with the Applicant and outline the process, timelines and milestones for an application.
- Carry out a risk-based review and assessment of the SAD.
- Assess any relevant matters including the risk posed to Settlement and the operation of the Code.
- Review any evidence and verification of the information contained in the SAD (including any test results).
- Conduct Witness Testing (where applicable) with the applicant onsite or remotely, completing a series of walkthroughs of the procedures undertaken at the applicant in line with the BSC obligations of the role.
- Provide the PAB with a report in relation to the Applicant's application for Qualification and outline the key points of the application and ongoing areas of risk (where applicable).

Performance Assurance Board (PAB)

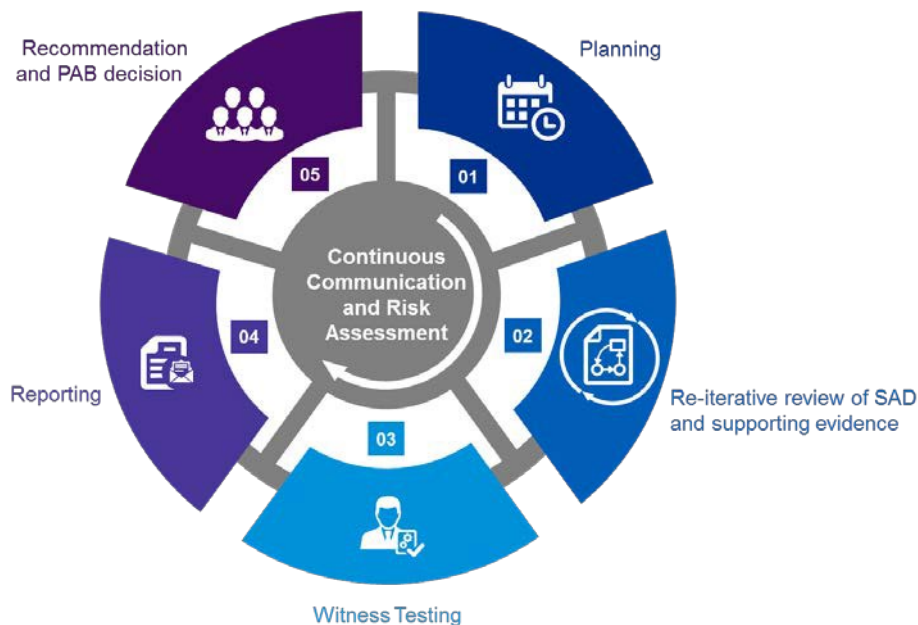
- Maintain responsibility for the Qualification Process, subject to BSC Section J and BSCP537.
 - Carry out the functions, duties and responsibilities relating to the Qualification, re-Qualification, Removal of Qualification and Surrender of Qualification processes in accordance with the Code.
 - Notify BSCCo when a person becomes Qualified.
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3 Overview of Qualification Process and Requirements

Qualification Service processes commence once BSCCo have received a Qualification Letter, or in the case of Suppliers and LDSOs, when they have acceded to the BSC. On confirmation from BSCCo, the QSP will commence planning for the application.

The Qualification 'Wheel' depicted below highlights the 5 core steps of the Qualification Process specifically:

- 1 **Planning:** Introduction to the processes and steps involved and establishing the timelines for completion up to the PAB meeting.
- 2 **Review of SAD and re-review of SAD:** Involves the completion of the Self-Assessment Document (SAD) by the Applicant and subsequent reviews by the QSP.
- 3 **Witness Testing¹:** Following the completion of the SAD, the QSP will perform on-site witness testing to review industry specific scenarios, systems and business processes. This may also include supplemental evidence that has not been provided as part of the SAD review.
- 4 **Reporting:** The QSP prepares an outcome report for the PAB. This report contains background information, outlines the key points of the application and ongoing areas of risk (where applicable).
- 5 **Recommendation and PAB decision:** BSCCo prepares a paper for the PAB with a recommendation to make a decision on the Applicant's Qualification. The PAB decides on the Applicant's suitability for Qualification.



Key principles that are an integral part of the approach adopted by the QSP include:

- **A risk-based review** of each application will be performed throughout the process to evaluate if the Applicant may pose any risk to Settlement. Based on the level of risk, the QSP will determine the scope of review performed during witness testing¹ as standard or tailored.
- **Advising Applicants** on the application stages and expected processes for Qualification. This helps to remove the perception that BSCCo and the QSP are 'barriers' for new entrants;

¹ VLP parties will not be required to undergo witness testing

- **Continuous interaction** with the Applicant throughout the lifecycle of the system implementation / change on commencement of the Qualification process. The aim is to mitigate risk and issues as early as possible.
- **Flexibility** in the submission of the SAD. The Applicant may choose to submit separate sections of the SAD to the QSP for review to increase efficiency or to submit all relevant sections at once; and
- **Secure and convenient data transfer** between Parties using the QSP's SharePoint service called 'Navigator', Sofy or encrypted emails in order to comply with the Applicant's Information Security Policy. The QSP strongly discourage the use of removable devices such as, USB Flash Drives, Compact Disks, etc., to limit the risk of a data breach.

3.1 RECCo Alignment

For Supplier, UMSO and SMRA applications, the QSP may work in conjunction with Retail Energy Code Company (RECCo) who are required to perform the MRA Entry Assessment and MRA re-Qualification process.

Whilst the market entry processes adopted by the BSCCo and RECCo are independent of each other and risk assessments are performed separately, there are several stages of the process where alignment can reduce duplicate effort by the Applicant. Activities, and evidence sharing, can be co-ordinated as outlined in the table below.

Qualification Step	RECCo Alignment
1 Planning	Joint briefing / planning sessions can be held to familiarise the applicant with the Qualification and MRA Entry processes and agree aligned milestones.
2 Re-iterative review of SAD and supporting evidence	Consideration can be given through use of joint storyboards that provide the Applicant with scenarios to run through testing.
3 Witness Testing	Evidence that the Applicant provides to support testing can be provided to both the QSP and RECCo. However, the QSP will attend the site independently to perform Witness Testing.
4 Reporting	Reporting is independent of each relevant Party.
5 Recommendation and PAB decision	Meeting dates for the REC PAB should be aligned.

3.2 Qualification Programme of Activities

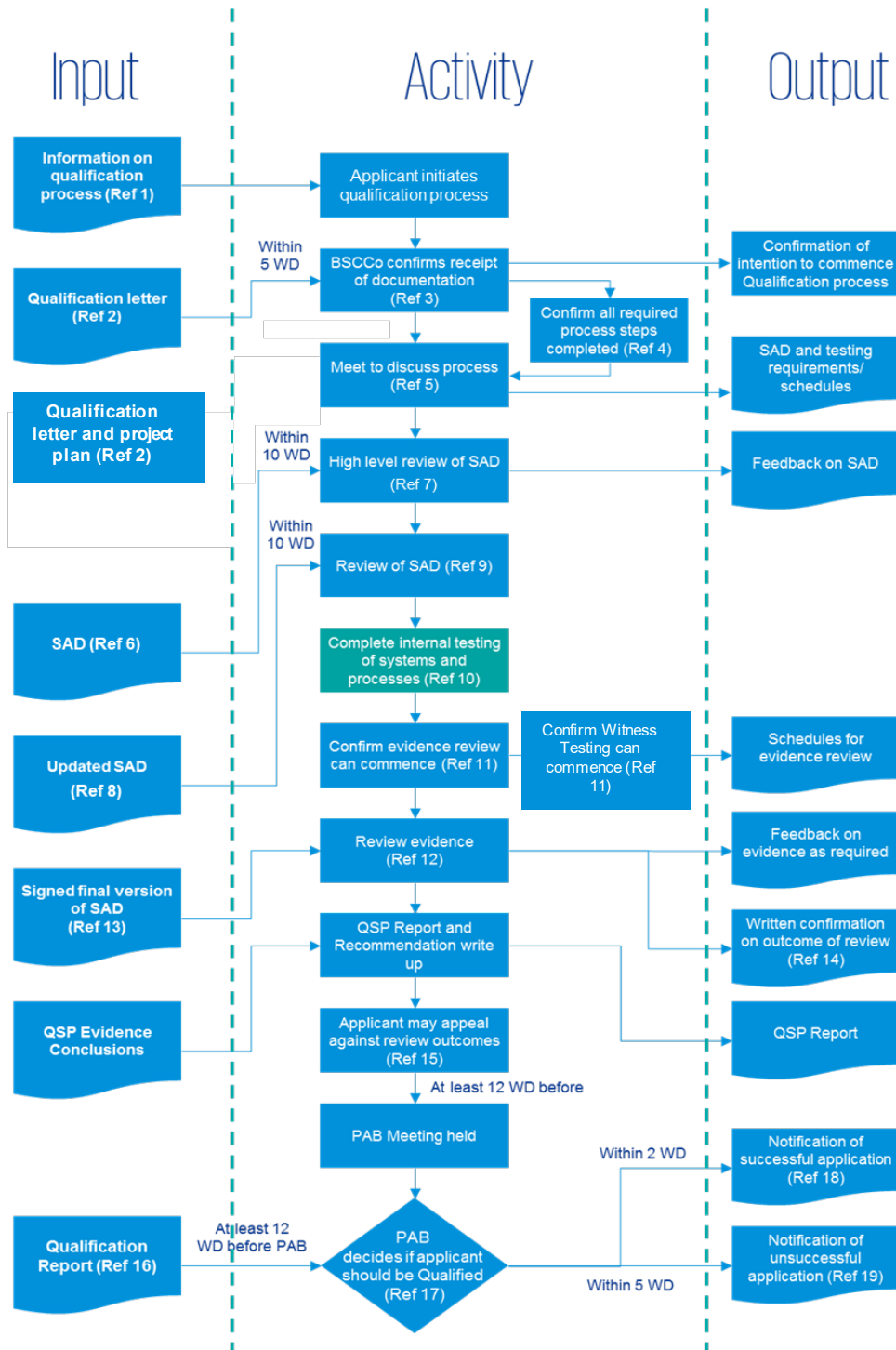
The following sections provide the programme of activities for Qualification. **The programme of activities is summarised from the BSCP537 and therefore does not refer to the QSP.** The BSCCo assign responsibilities for specific activities through to the QSP. These processes and steps are covered within section 5 of the document.

Information Flow				
Ref	Timeline	Actions	From	To
1	As required	Information and Guidance on processes provided.	BSCCo	Applicant
2	As required	Qualification Letter (if applicable) and detailed project plan, which outlines scope of activities, sent to the BSCCo.	Applicant	BSCCo

3	5 Working days after Ref 2	BSCCo confirms both receipt of documentation and acknowledges in writing that the Applicant intends to commence the Qualification Process.	BSCCo	Applicant
4	Prior to PAB Meeting	Applicant and BSCCo confirm that the Applicant intends to commence the Qualification Process.	BSCCo Applicant	
5	5 working days after Ref 3 (or as agreed)	Meet to discuss Qualification Process , e.g. SAD and (witness) testing requirements/ schedules.	BSCCo	Applicant RECCo
6	After Ref 5 (as agreed)	Complete and submit SAD	Applicant	BSCCo
7	Within 10 working days of Ref 6	High level review of SAD by BSCCo and provide feedback.	BSCCo	Applicant
8	After Ref 7	Applicant updates SAD and resubmits. If all requirements met, proceed to Ref 9.	Applicant	BSCCo
9	Within 10 working days of Ref 8	BSCCo reviews SAD.	BSCCo	Applicant
10	After Ref 6 (as agreed)	Applicant completes internal systems and process testing; BSCCo confirms that Applicant has met requirements through witness testing ¹ .	Applicant BSCCo	
11	With Ref 10 completed	Confirm that evidence review can commence and agree timescales.	Applicant BSCCo	
12	After Ref 11 and as agreed	BSCCo conducts witness testing to review systems, processes and supporting evidence ; feedback is provided where requirements have not been met.	BSCCo	Applicant
13	After Ref 12	Applicant submits final version of SAD signed off by their director.	Applicant	BSCCo
14	As required between Ref 5 and 13	BSCCo send written confirmation of the outcome of the reviews carried out at each stage.	BSCCo	Applicant
15	As required between Ref 5 and 13, but at least 12 working days before PAB	Applicant may appeal against aspects of the review and request that the PAB re-considers the Qualification application.	Applicant	PAB
16	As required after Ref 13, but at least 12 working days before PAB	BSCCo provides Qualification report , which recommends whether the Applicant should be Qualified.	BSCCo	PAB Applicant
17	At PAB meeting	The PAB decides whether Applicant should be Qualified.	PAB	BSCCo
18	Within 2 working days of PAB meeting (Ref 17)	Notification of the PAB's decision that application was successful; BSCCo develop RMP in line with section Z 5.7 of the Code and advise CRA to add relevant information to CRS.	BSCCo	All interested Parties. Applicant CRA
19	Within 5 working days of PAB meeting (Ref 17)	Notification of the PAB's decision that application was not successful; BSCCo provide feedback to Applicant.	BSCCo	Applicant

20	After Ref 2	Successful applicant may commence with MDD change request process ² .	Applicant	BSCCo
22	After PAB meeting (Ref 17)	Raise MDD Change Request to add successful applicant as a Qualified Person to MDD database in accordance with BSCP509.	BSCCo	SVAA

3.3 Qualification Process Flow



² A Supplier/LDSO does not have to be Qualified by the PAB before registering in MDD. A VLP does not register in MDD.

4 Overview of re-Qualification and Requirements³

Re-Qualification is triggered by a Material Change to a Qualified Person’s systems and processes and must be completed before the change is implemented.

All organisations who are Qualified, excluding Suppliers, VLPs, AMVLPs and LDSOs are required to maintain their Qualified status through the re-Qualification process. This involves maintaining compliance with their obligations under the BSC. Qualified Persons must also perform a Risk and Impact Assessment, prior to changes to their systems or processes to determine if any changes are considered as Material Changes.

The ‘Material Change and Triggers for re-Qualification’ guidance note provided by the BSCCo contains the key elements for assessing possible triggers for re-Qualification.

Various factors including operational, implementation and data quality issues should be assessed for their levels of risk and probability so that a view can be taken on the likelihood of the materiality of a change. Triggers for re-Qualification will vary on a case by case basis depending on factors such as market role, scale of operation and IT systems operated.

Under Section J of the BSC, a Qualified Person (with the exception of a Supplier in relation to its participation capacity as a Supplier) a Licensed Distribution System Operator (in relation to its capacity as a Licensed Distribution System Operator) and a Virtual Lead Party (in relation to its participation capacity as a Virtual Lead Party), shall on an annual basis provide to BSCCo a written statement signed by a Board Director stating whether or not they have been subject to a Material Change.

4.1 Possible triggers for re-Qualification, (but are not limited to):

Change Type	Unlikely Trigger	Likely Trigger	Highly Likely Trigger
System Change	Changes to non-Settlement interfacing systems Minor software upgrades Software changes that do not affect the structure, format or calculated content of data flows sent to other participants	A significant change or upgrade to Settlement IT systems Replacement of flow router or gateway Upgrade to server or operating system	Replacement of Settlement systems with a new, unproven system. Bulk migration of data with industry content between systems Upgrade to or replacement of systems which impacts inter-operation with other participants.
Process Change	Changes to non-Settlement interfacing processes	Manual process replaced by automated process (industry-facing) Process modifications that affect the calculation of any data items that are subsequently transmitted to another participant.	Multiple manual processes replaced by automated processes (industry-facing) Major rewrite of business processes used for the operation of the agency service.
Staff Change	Changes to appointed sub-contractors	Staff changes due to acquisition of new company	Relocation requiring total staff replacement.

³ This process does not apply to a Qualified Person acting in its capacity as a Supplier. BSCCo will provide guidance, assistance and clarification to the Applicant (where required) for all matters relating to the Re-Qualification Initiation Process.

			Moving part of the service impacting Settlement offshore
Growth	Step changes under an agent's previous maximum Certified volume would not require re-Qualification	Step changes in several Metering Systems for which the agent intends to be responsible over the agent's previous maximum Certified volume, or volume capabilities demonstrated previously.	N/A
Non Compliance			Where suggested by the PAB due to the number of non-compliances

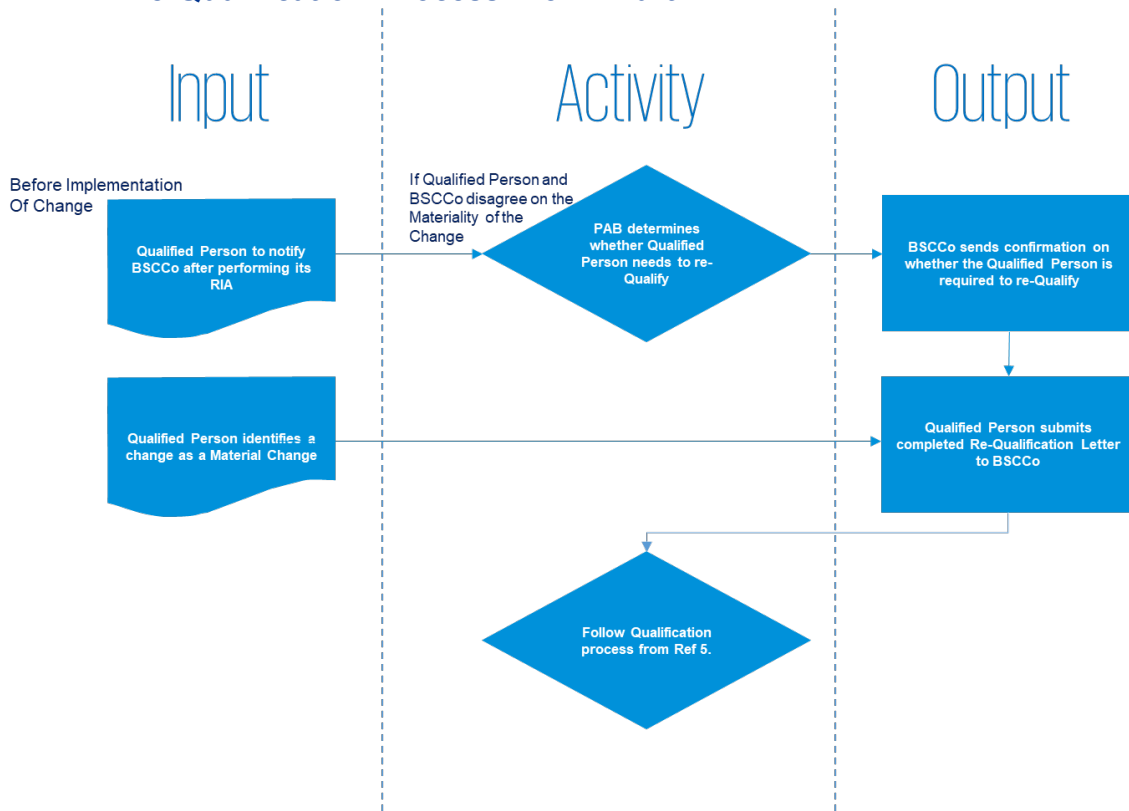
The QSP will undertake the re-Qualification process in the same methodology and approach as the Qualification process following identification and confirmation of a Material Change through review of a Risk and Impact Assessment (RIA) completed by the applicant.

As the Qualified Person has previous experience in the market and has already undergone Qualification, the QSP would expect to spend a reduced amount of time on a re-Qualification application compared to a new Qualification Applicant, although this can vary on a case by case basis.

4.1.1 Re-Qualification Programme of Activities

Information Flow				
Ref	Timeline	Actions	From	To
1.1	Before implementation of a Material Change(s)	The Qualified Person performs an RIA and determines whether any changes they wish to implement are Material.	Qualified Person	
1.1.1	After ref 1.1	BSCCo provides support and guidance to the Qualified Person regarding what might constitute a Material Change.	BSCCo	Applicant
1.2	As required	The Qualified Person determines if they need to re-qualify and inform BSCCo of their decision.	Qualified Person	BSCCo
1.3	After Ref 1.1. or 1.1.1	The Qualified Person submits a completed re-qualification Letter to BSCCo.	Qualified Person	BSCCo
1.4	After Ref 1.3	Follow Qualification process from Ref 5.		

4.1.2 Re-Qualification Process Flow Chart⁴



5 Qualification Process and Steps

All organisations applying for Qualification or re-Qualification will undergo the five-stage process outlined below, excluding VLPs, who are exempt from witness testing.

5.1 Step 1: Planning

Key Objective 'The BSCCo and QSP communicate the processes and required steps to the Applicant, and agree indicative timescales based on the average time to complete the application including the expected PAB delivery date'.

Common Pitfalls

- Insufficient information from the Applicant regarding the application leading to unmitigated risks.
- Applicant project plan and corresponding timeline is unrealistic to achieve their desired PAB date.
- Applicant is unable to forecast delays in procurement and/or testing while proposing target PAB date.
- Inadequate time factored in for the completion of the SAD.



The planning meeting is the first time the BSCCo, QSP and the Applicant collaborate in the Qualification process. For Supplier, SMRA and UMSO applications, the planning meeting may involve RECCo.

During the planning meeting, the QSP will communicate the process and the necessary steps required for the successful completion of the application. In addition, it gives an opportunity to set out: key dates (including proposed site visits for evidence review and witness testing); contacts; data requests; and other audit related information.

The following serves as a provisional standing agenda for the Planning meeting:

Planning Meeting Agenda	Primary/Secondary Input
1 Introduction and Objectives	QSP / BSCCo
2 Applicant Summary	Applicant
3 (Re-)Qualification Process a) SAD Completion b) Evidence review c) Site visit/witness testing	QSP / BSCCo
d) Risk Evaluation Register (RER)	
4 Timelines (& Milestones)	Applicant / QSP
5 Next Steps & AOB	QSP / BSCCo

The challenges surrounding timely completion of Qualification activities will be communicated to the Applicant to inform them on how timelines and ultimately the PAB's decision may be impacted. This includes:

- Overall timelines to go-live set by the Applicant;
- Risk and complexity of the systems/processes and the associated testing required;
- Quality of the submitted SAD and the supporting evidence provided;
- Timeliness of SAD completion; and
- Quality of testing output and extent of outstanding defects as a result of system/process testing.

A key date to agree (indicative) is the PAB meeting where the Qualification application for approval or approval with a determination will be presented.

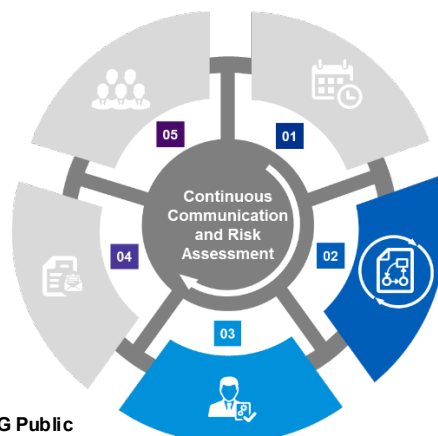
Where the planning meeting is conducted remotely, BSCCo may record the meeting and share the recording with all attendees to supplement the meeting minutes.

5.2 Step 2 & 3: Review of Self-Assessment Document (SAD) & Witness Testing

Key Objective *'The QSP performs a risk-based assessment of the SAD and corresponding evidence (documentation or witness testing¹) to provide assurance to the PAB that the Applicant has demonstrated compliance to the Code and Code Subsidiary documents prior to Go-Live'*

Common Pitfalls

- Lack of adequate responses, incomplete, or no responses to SAD questions.
- Inadequate time allocated for development of business processes and other procedural documentation required for compliance with BSCP537.



- Supporting evidence not submitted with the SAD, leading to additional site visit(s) to agree final SAD before determining the scope for witness testing.
- SAD is not completed on an iterative basis leading to delayed feedback from QSP, which ultimately delays agreed Qualification milestones. [Refer to Risk #13 in Section 6].
- SAD responses collated and sent for review prior to completion of testing leading to re-review once testing is completed.
- Inaccurate assumptions and insufficient risk identification leading to delays in testing and requirement of re-work, impacting agreed timelines for SAD agreement and witness testing.
- Issues identified during witness testing leading to further delay in the Qualification process.

The principle of self-assessment is central to the Qualification and re-Qualification processes. Applicants perform a self-assessment of their systems and procedures against BSC requirements. The Applicant will be required to undertake the majority of the work themselves (i.e. drafting the SAD responses, performing testing and providing evidence).

The SAD contains questions that relate to some of the Qualification Requirements for each type of Qualified Person. The SAD does not contain questions on all of the Qualification Requirements which each Qualified Person must comply with. The Qualification Requirements with which each Qualified Person must comply are contained in the Code and Code Subsidiary Documents; these are functions, duties and responsibilities that the Qualified Person must perform.

The SAD contains the following sections that also embody the minimum standards that a Qualified Person must meet:

- Introduction
- Project Management
- Testing
- Operational Security and Controls
- Change Management and Risk Assessment Process
- Management, Resource Planning and Local Working Procedures
- Initial Data Population and/or Data Migration
- Role Specific Sections (such as Data Collector, Supplier, etc.)

The Qualification Process has been designed to enable Applicants to complete and submit the SAD either as a whole or by section. It is recommended that the SAD is updated on an iterative basis for the QSP to provide feedback and raise any potential observations at the earliest possible stage. This includes the mitigation of common pitfalls that could lead to operational and potential risks to Settlement, such as:

- Compliance requirements not clearly established or managed;
- End-to-end business processes focused on operations and not integrating compliance activities including clearance of data flow related exceptions;
- Roles and responsibilities for ensuring BSC compliance and the 'to be' business as usual processes are not clearly defined in the project;
- Testing scope is insufficient to cover end to end process flows (including coverage of storyboards expected);
- Volume and capacity testing performed is insufficient compared to scale of operation proposed; and

- Test exit and Go-Live criteria do not explicitly call out BSC compliance.

The QSP will perform a risk-based review of the responses to the SAD questions, and the supporting evidence shared to assess the completeness and robustness of the entries. The QSP may request further detail relating to the SAD responses and therefore timely completion of the respective SAD sections will aid prompt feedback from the QSP.

Subsequent to the review of the draft SAD, the QSP may determine that additional updates are required and on completion of these updates, the QSP will form a final review.

To ensure the iterative SAD review process is completed efficiently, the QSP will offer the Applicant an opportunity to hold a call to clarify the queries raised. The aim of this is to reduce the number of iterations required to complete the SAD.

For the Applicant to proceed through further stages of the Qualification process, it is essential that the SAD review is complete, and a final SAD is agreed.

5.2.1 Witness testing and evidence review

The QSP in conjunction with BSCCo will determine the extent of additional evidence reviews and witness testing required to support the review of the SAD. This is typically expected to take place at the Applicant’s site. A high-level description is provided for reference below:

- **Evidence review:** The QSP will review additional documents that support the SAD responses for each SAD section. There are typically a set of standard documents that are expected to be reviewed in addition to supplementary documents based on the individual application. To minimise impact on the Applicant, the QSP may determine that initial evidence is reviewed offsite to aid efficient and timely feedback. Further testing required on review of additional documentation may impact timelines agreed.
- **Witness testing¹:** The QSP will witness the execution of specified end-to-end test scenarios to ensure they are aligned with the obligations outlined in the BSC. BSCCo and RECCo have provided Joint Storyboards that may be utilised by the Applicant. The QSP may select a sample of the story boards for the applicant to execute during the witness testing. In addition, The Risk Evaluation Register (RER) will be used by the QSP to ensure that the witness testing scope covers the key focus risks for that role in the market. The QSP will share the witness testing scope with the Applicant prior to the site visit. Witness testing additionally may cover any element of BSCP537 and the role specific BSCP obligations (i.e. BSCP504 - NHHDC). This will also include review of governance and staffing arrangements in place to operate the service after go-live.
- **Witness testing environment:** The QSP will perform witness testing in the test/pre-production environment. It is the Applicant’s responsibility to ensure that the “test” infrastructure’s design, operation, and performance replicates the production / ‘live’ environment as much as possible for the purpose of witness testing. The Applicant should inform the QSP of any variances between the test/pre-production and the ‘live’/production environments and provide appropriate rationale and information on how this may affect scenario witness testing.

5.2.2 Key features of the approach to witness testing are:

Flexibility	Qualification has been designed to be a flexible process that can adapt to fit around the schedule of a particular Applicant, if their schedule aligns with the timescales to get to PAB.
Scalability	The scope of witness testing is scalable dependant on the assessment, during the SAD review, of an Applicant’s potential market risk.
Transparency	By agreeing and publishing its approach to witness testing, the PAB ensures that the Qualification Process remains transparent. Applicants will be able to form a reasonable expectation of the amount of testing that will be witnessed during their application and how this may vary if the risks that their application presents are not appropriately mitigated.

Consistency

The witness testing approach is consistently applied across applications, subject to variations due to risk assessment. Where there are variations in approach (due to insufficient risk mitigation) the methodology will be consistently applied to other applications in a similar situation.

In assessing application risk, the QSP will consider metrics including:

- Approach to testing, specification, plan, expected results;
- Defect/issue management process and volumes identified during system/process testing;
- Regression plans, the ability to roll back to previous systems or processes;
- Test evidence, sign off or authorisation process for test phase exit reports;
- Level of business process and IT controls both documented and evidenced by the Applicant;
- Previous experience of the Applicant and current roles operated in;
- Complexity of the proposed systems and service;
- Use of the proposed systems in the market by other Qualified Persons;
- Intended dimensions of operation and proposed year-on-year growth (for example volume of MPANS);
- Applicant's reliance on any outsourced services;
- The applicant has placed reliance on the witness testing procedures undertaken by RECCo⁴;
- Confidence in the supporting documentation already obtained during the review and re-review of the SAD.

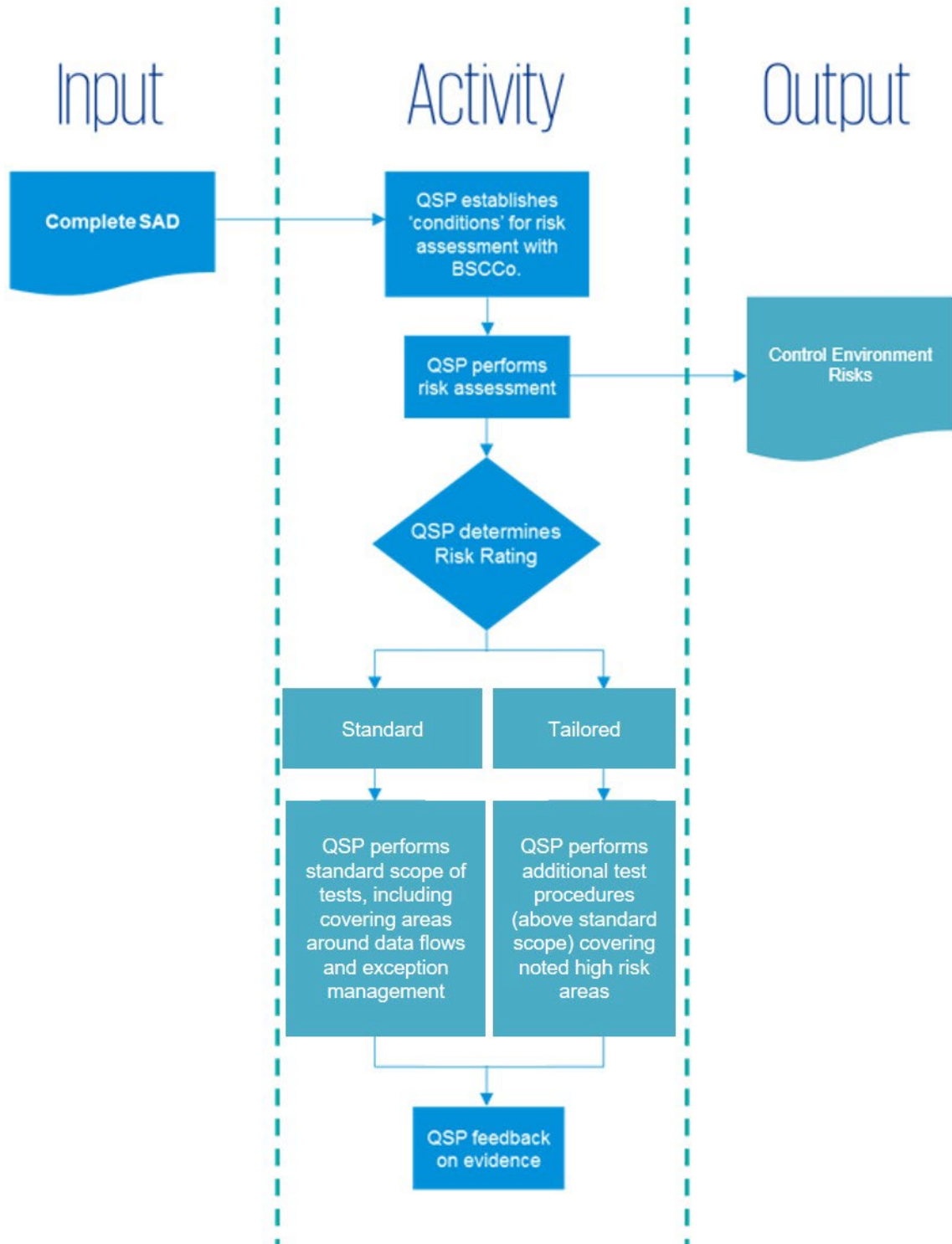
Where multiple applications are to be Qualified as "off-the-shelf" companies, the applicant is required to evidence that individual/separate (physical or logical) instances for each system is set-up for each MPID to be qualified under the BSC.

For (re)-Qualification, the Applicant should ensure that the quality of test data is representative of the live/production environment in preparation for scenario-based testing.

NB: An example of the witness testing scope is added to Appendix 2.

⁴ Only applicable to Supplier, UMSO and SMRA applications

5.2.3 The flowchart below demonstrates the high-level process to determine the extent of evidence review and witness testing required.



5.2.4 The table below summarises the variations in the extent of evidence review and witness testing required; based on the risk assessment performed¹.

	1. Standard Scope	2. Tailored Scope
SAD and Evidence review	<ul style="list-style-type: none"> — Standard Evidence — Full listing of key documents required including further support on test plans / scripts. 	<ul style="list-style-type: none"> — Standard Evidence — Full listing of key documents required including further support on test plans / scripts. — Selection of additional documents based on SAD responses
Witness testing	<ul style="list-style-type: none"> — Population of data flow, exception and report testing scenarios typically from integration testing. — May include supplemental testing for performance, controls and other test cycles. <p>Off-site review of standard documents* including and not restricted to:</p> <ul style="list-style-type: none"> — Project Initiation (PID) — Project and test plans — Control catalogues — Compliance Approach and requirements — Requirements mapping — Test Strategies, scenarios mapping and cycle exit reports — Go-Live criteria No/limited witness testing is performed 	<ul style="list-style-type: none"> — Standard witness testing procedure — Additional testing procedures from the standardised test catalogue over areas determined as higher risk.

* Full listing of standard documents may vary at the time of the application and the QSP will inform the Applicant of what these are during or after the planning meeting.

Any issues identified during witness testing will be communicated to the Applicant on the day. Where issues are identified during witness testing, BSCCo and the QSP will determine the appropriate mitigation steps to satisfy the obligation and resolve the finding. This will be communicated to the applicant with a deadline for completion set to continue to their desired PAB date without further delays. The performance of additional tests may be required to be witnessed by the QSP.

If at any point the QSP and BSCCo determine that there is insufficient information or evidence to continue with the process; a decision will be made by BSCCo to place the Application on 'Pause Point' until specified criteria are fulfilled by the Applicant. This will be communicated by the BSCCo and the application will not progress to the reporting phases.

Where findings remain outstanding with no tested or satisfactory mitigation path in place the QSP will recommend to not proceed with the application to PAB. The Applicant does have an option to proceed to PAB without the QSP support, however the BSCCo's recommendation will be to not approve the application.

5.3 Step 4 & 5: Reporting, Recommendation and PAB Decision

Key Objective *'For the PAB to make a clear decision on the outcome of the Qualification based on the evidence available and recommendation from BSCCo'*

Common Pitfalls

- The PAB date is not met as a result of delays in testing and outstanding defects leading to follow up work required from the QSP.
- Unrealistic timescales may result in missed milestones which will result in inability to meet the agreed PAB date.
- Insufficient contingencies for and last-minute notification of delay, leading to inability to re-plan at short notice



Following the final review of the Applicant's SAD, completion of all evidence reviews and witness testing, the QSP will issue a Qualification Findings Report (refer to Appendix 1). This report contains background information, outlines the key points of the application, confirms all required steps have been undertaken successfully and highlights any ongoing areas of risk. This will be provided to the BSCCo prior to the PAB meeting date.

Rationale of how the conclusion has been reached, assessment of the "Risk to Settlement" of the Applicant and an assessment of risk against each SAD section will also be communicated to the BSCCo. Settlement Risks and their net significance are captured on the RER. All the Settlement Risks identified are rated in terms of severity of impact and probability (including a weighting for the strength of controls) within the RER and where feasible, relevant references will be provided for these risks.

The QSP recognises the need to provide clear indications of how conclusions have been reached. Key principles that will assist the QSP in reaching these conclusions include:

- Has the Applicant demonstrated compliance to the relevant BSCPs;
- Has the Applicant demonstrated a sufficient risk awareness and maturity regarding their involvement in the market;
- Are there any risks or issues identified with the Applicant's processes and systems that will be pertinent to the BSC; and
- The overall risk to Settlement, specifically over completeness, validity and accuracy of data flows in and out of the applicant's systems.

As a result of the work performed by the QSP, the following will be reported to the PAB:

- Application background and scope – including the role to be applied for, rationale, intention of scale and operation, systems and project methodology adhered to;
- Summary – including confirmation of mitigation of key findings (including upon request a summary of the findings noted), any outstanding areas for consideration and;
- Supplementing this information will be details of witness testing performed / evidence reviewed and key points of each of the SAD sections.

NB: An example template of the report has been provided within Appendix 1.

The BSCCo and, where requested, the QSP will present the findings and recommendation to the PAB for a decision to be taken at the PAB meeting. The Applicant may arrange, with the BSCCo, to attend the PAB meeting when their report is being presented.

5.3.1 The Performance Assurance Board (PAB) decision making

The PAB can make judgements on an application when it is presented to them at the PAB meeting in accordance with Section J of the BSC (3.3.13) and BSCP537. The PAB shall make a determination as to whether:

- The Applicant's application for Qualification shall be approved; or
- The Applicant's application for Qualification shall be approved, but may also determine that certain matters are to be complied with or addressed including providing BSCCo Disaster Recovery Test Evidence where this could not be completed during the Qualification process; or
- The Applicant's application for Qualification shall be deferred (including so that the Applicant can provide further information, documentation, evidence, verification and/or testing) until such time as the Applicant can establish that it has satisfactorily completed the Qualification Process and met the Qualification requirements.
- For avoidance of doubt, the PAB in its capacity as a decision-making body cannot reject an application outright.

5.3.2 Derogations

Section J of the Code and BSCP537 set out the Derogations process whereby a temporary relaxation of certain aspects of the Qualification requirements as set out in the SAD may be granted by a Panel Meeting. The QSP will recognise and take account of any Derogations approved by the Panel and invoked by Applicants. Where those Derogations have been invoked by Applicants, the QSP will not Qualify the report in respect of such matters.

5.3.3 Post Qualification Closure

Where determined by the PAB, BSCCo and potentially the QSP may perform additional evidence review and witness testing due to potential operating risks noted that require monitoring. Examples of prior risks include:

- The Applicant has utilised a third Party extensively throughout its application and concerns have arisen as to the ability of the applicant to operate independently;
- Significant problems or delays have occurred during the Qualification process and appropriate evidence should be obtained that these do not arise during the go-live operation of the service; and
- Detailed disaster recovery testing has not been performed prior to go-live and a risk remains on the absence of outbound and inbound flows to the market should a disaster occur.

5.3.4 Future Change Implementation

The QSP will adopt a flexible approach to implementing future changes that can lead to the following:

- Efficiencies in processing of applications without compromising the quality of work undertaken;
- Greater alignment to the risk to settlements and new risks registered within the RER; and
- Consideration and therefore alignment to emerging trends in the market and specific focus areas of the PAB;

The QSP will refer all changes through to the BSCCo for consideration in line with the standard change management processes and controls adhered to by the BSCCo. The BSCCo will complete an initial full review of all obligations in the BSCP to ensure all obligations are covered in the SAD for the relevant role. The BSCCo will propose changes to the QSP following initial discussions and the QSP will thereafter follow a standard change control process including logging of a change request to the Qualification Service, tracking of changes, review of changes and subsequent sign off. All approved CPs will be impact assessed against SAD obligations and witness testing approach. All changes will be agreed and signed off with BSCCo prior to implementation.

Any changes that impact the Qualification Approach adopted by the QSP will be reflected upon in the next release of the Qualification Approach Document (this document).

Implemented changes to BSCP537 and the SAD will put an obligation for the Applicant to respond to any additional questions to support the new or amended BSCP requirements. The QSP may, as a result, require additional testing to be conducted.

5.3.5 Additional QSP Guidance

QSP Guidance for an effective Qualification

- 1 Prepare and submit a Project Plan for Qualification prior to the planning meeting.
 - 2 Seek guidance within planning stages on expected timelines and depth of responses.
 - 3 Complete the SAD section by section. Please note though that some sections should be submitted before others. For example, section 1 should be submitted before section 6. (NB: Multiple sections can be submitted at the same time).
 - 4 The QSP encourages the use of Navigator/Sofy and/or encrypted emails.
 - 5 Track and action any observations raised by the QSP.
 - 6 Responses should be 'stand-alone' and require no further explanation (except where QSP determines further evidence needs to be reviewed).
 - 7 Timelines agreed should be adhered to, while proactively keeping the QSP informed of any delays.
 - 8 Ensure all relevant sections and questions within the SAD are completed.
 - 9 Ensure no personal data is submitted within the SAD. If any supporting evidence contains personal data, it must be anonymised or redacted.
 - 10 If the Applicant is unsure of what constitutes personal data, they must consult their own Data Protection/GDPR Officer.
 - 11 Ensure a Privacy Policy is in place, which sets out the permissions regarding processing of personal data.
-

6 Service Risks and Mitigations

The QSP have previously noted common pitfalls in the Qualification process; many of these are typical for system-based implementations and we would expect the Applicant to follow a robust and effectively managed RAID (Risk, Assumptions, Issues and Dependencies) process.

The focus of this section is therefore on the high-level risks potentially impacting successful and timely completion of the Qualification application. These risks may not be the responsibility of the QSP; however, the QSP has described the mitigations that will be followed to minimise the impact of the risk becoming an issue during the application.

Risk No	Risk Description	Service Risk Rating	QSP Mitigations
1	Inadequate understanding of the Qualification process and steps	High – can lead to expectations not being managed and delays in completing the application	<ul style="list-style-type: none"> — Walkthrough of processes and steps during the planning meeting — Guidance and key documents provided to the QSP — Ability to complete SAD online on an iterative basis
2	Non-compliance with the timelines stated within the BSCP537	High – various Qualification steps can be delayed if key dates are not met	<ul style="list-style-type: none"> — Timetable communicated during the planning meeting — QSP will not commence evidence review and witness testing until confirmation of timelines from Applicant received
3	SAD Sections are not completed to standards expected	Medium – non-compliance to the Qualification Requirements and further iterations required	<ul style="list-style-type: none"> — Guidance provided during planning meeting — Ability to update SAD on an iterative basis allows for sufficient review and for comments to be shared — Opportunity to have a call with QSP to clarify queries raised on SAD submission
4	Supporting evidence is not provided with the SAD sections submitted	Medium – review of supporting evidence may change the level of risk evaluated.	<ul style="list-style-type: none"> — The review of evidence is essential prior to determination of witness testing scope — Applicants are strongly encouraged to share supporting evidence along with their SAD submission — Elexon and QSP have non-disclosure agreements in place to ensure client data is secure — Where essential, QSP will work with the Applicant to arrange for evidence review via technology supporting screen sharing
5	Limited evidence available onsite	Medium – delays in reaching a recommendation for the PAB	<ul style="list-style-type: none"> — In this occurrence the application would be placed 'on hold' until the evidence is available — Early visibility of expected documents, such as the 'standard evidence', will assist in preparation
6	Testing does not align to Test Strategy and requirements initially set	Medium – Evidence and witness testing require follow up and therefore delays application	<ul style="list-style-type: none"> — 'Requirements traceability' is within the standard evidence set to be requested and ideally viewed in advance — In this occurrence the application would be placed 'on hold' until the evidence is available

7	Testing does not align with the intended scale of operation	Medium – Evidence and witness testing require follow up and therefore delays application	<ul style="list-style-type: none"> Volume and performance testing forms a part of the testing requirements specified in the SAD In this occurrence the application would be placed 'on hold' until the evidence is available
8	Lack of compliance requirements	Medium – Inability to align compliance to the code to work performed and further evidence required	<ul style="list-style-type: none"> The importance of establishing compliance requirements based on the Code will be highlighted during the planning meeting Review of 'standard evidence' includes compliance requirements and therefore applicant is made aware.
9	Applicant submits application before QSP believe they are ready	High – QSP recommends not to proceed	<ul style="list-style-type: none"> This is rare in occurrence. The robustness of the process ensures the Applicant is aware of what is required to before the application can be taken to the PAB
10	Delays in implementation of Project plans	Medium – Qualification steps are delayed due to deferments in the application	<ul style="list-style-type: none"> The QSP will investigate any substantial delays in project or implementation plans and determine the overall risk and agreed timescales for the application Applicants are encouraged to factor in contingencies for delays while drafting their project plan
11	“Test” environment does not mirror the “live”/production environment	Medium – Application may be delayed until the “test” environment is updated/refreshed.	<ul style="list-style-type: none"> The Applicant is responsible for communicating to the QSP that the “test” environment is standardised and in close alignment with the target environment where witness testing scenarios are to be executed
12	Outstanding BSC Audit issues	Medium – Outstanding BSC Audit issues could impact the risk posed by the applicant	<ul style="list-style-type: none"> For re-Qualification, the QSP will investigate any outstanding BSC audit issues and request a description of rectification plans that are in place from the Applicant For Applicants Qualifying for additional roles, the QSP may enquire about open BSC audit issues and EFR plans while assessing the risk to Settlement
13	Delays in Qualification process	Medium – Delays in meeting milestones set by the BSCCo may impact on the agreed PAB date for the application	<ul style="list-style-type: none"> The Applicant is responsible for meeting milestones set by the BSCCo Where deadlines are missed or the application is delayed, a new future PAB date will be communicated to the Applicant A further planning meeting may be required
14	Inadequate assessment of RAID	High – QSP recommends the Applicant to revisit their risk assessment before proceeding with the application.	<ul style="list-style-type: none"> Inadequate identification of risks, assumptions, issues and dependencies can cause delays in the project leading to requirement of re-planning or even re-work. Unforeseen delays and insufficient
15	Late or no communication of delays	Medium – Tight timelines will restrict the QSP's ability to accommodate delays from applicant.	<ul style="list-style-type: none"> The Applicant is responsible for notifying the BSCCo and QSP if they are struggling to meet agreed timelines. Re-planning may be required at this stage and the current pipeline managed by the QSP will need to be taken into consideration.

16	Insufficient contingencies for migration	High – The Applicant will need to prove they have sufficient contingencies in place for migration in order to progress their application.	<ul style="list-style-type: none"> — The Applicant must ensure they have performed sufficient pre-migration testing and resolved all issues to minimise risk to Settlement. — The Applicant must have a robust rollback plan to demonstrate their ability to manage risks during migration.
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Appendix 1 Qualification Reporting Template

Overview of the reporting structure provided to the PAB for application consideration.

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Applicant Name

(Re-)Qualification Report

Market Participant Identifier (MPID): [XXXX]

Company number: [company number]

Applicant Role(s): [role(s)]

PAB: [date]

Executive summary

Scope

Applicant Background

Is the applicant an existing Qualified Party?
[...]

What is the trigger for this (re-)Qualification?
[...]

Any other information of relevance to this Qualification?
[...]

Details of System

What systems have been deployed?
[...]

Are the systems currently in use in the industry?
[...]

Is this a standard deployment or are there any customisations?
[...]

NB: For details please see [Appendix A, Section 1](#)

In scope

- [...]

NB: For details please see [Appendix C](#)

Exclusions

- Anything beyond scope of the SAD and BSCP537.
- [...]

NB: For details please see [Appendix D](#)

[Applicant Name] (MPID)

[Roles applied for]

[Route to Qualification]

SAD version [...]

[Additional role specific info/accreditation]

Contracted third party	Role
[...]	[...]
[...]	[...]

Scale of operation

Details of testing to support intended scale of operation:
[...]

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Findings



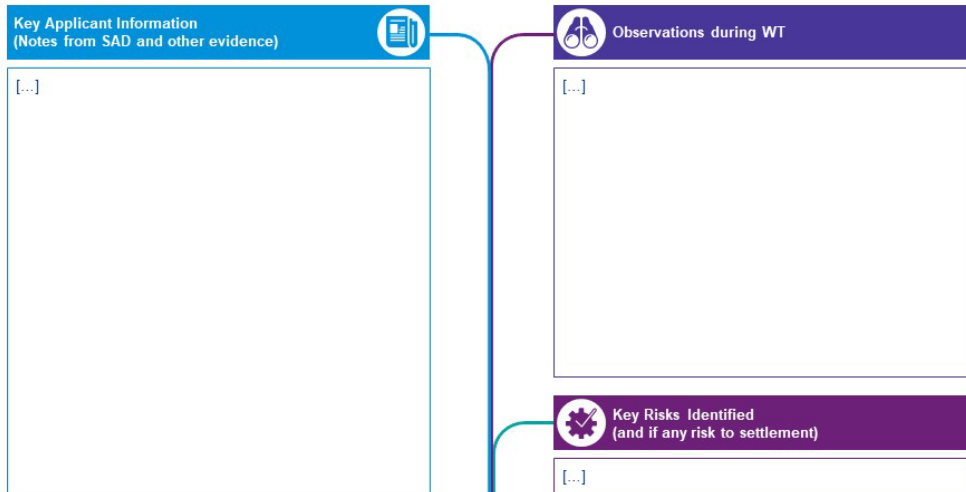
Observation Log				
Type	Observations	Risk	Recommendation	SAD Section
Finding	[...]	[...]	[...]	[...]
Finding	[...]	[...]	[...]	[...]
Outstanding area	[...]	[...]	[...]	[...]
Outstanding area	[...]	[...]	[...]	[...]
Outstanding area	[...]	[...]	[...]	[...]



Generic Sections



X. [Name of section]



Appendix B

Role Specific Sections



X. [Name of section]

Key Applicant Information
(Notes from SAD and other evidence)



[...]



Observations during WT

[...]



Key Risks Identified
(and if any risk to settlement)

[...]



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Appendix C

Evidence reviewed



SAD Section	Evidence reviewed	With SAD or during witness testing?
[...]	[...]	[...]
[...]	[...]	[...]
[...]	[...]	[...]
[...]	[...]	[...]



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Details of scope



Reference	Description	Rationale
[...]	[...]	[...]
[...]	[...]	[...]
[...]	[...]	[...]
[...]	[...]	[...]



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Appendix 2: Witness Testing Scope example

Below is a typical witness testing scope for a Supplier.

SAD reference	Relevant data flows	Scenario to test
N/A	N/A	<p>Overview of the proposed team structure and key people involved in operations with clear distinctions of roles and responsibilities.</p> <p>Confirming any changes of structure of the organisation since receipt of supporting documents.</p>
N/A	N/A	System implementation overview, ensuring the test environment replicates the live/production environment.
N/A	N/A	<p>Overview of:</p> <ul style="list-style-type: none"> i. Processes and controls for receiving and sending inbound and outbound flows. ii. Process of validating inbound and outbound flows for integrity of structure, and completeness and accuracy of instructions contained. <p>NB: Validating flows at file and instruction level</p>
18.1.2	D0269, D0270	Walkthrough of process for receipt and processing of Market Domain Data
18.1.2	D0134, D0139, D0132, D0125, D0205, D0171, D0151	Walkthrough of disconnection of supply including de-energisation of a metering point.
18.1.3	D0155, D0151, D0153, D0261, D0011, D0148, D0302, D0149, D0150/D0268, D0010, D0086	Walkthrough of Change of Supplier gain/loss
18.1.9	All flows	Overview of audit trail process.
18.1.10	All flows	Overview of backup procedures including schedule of backups, checks in place for monitoring the backup interface and processes to escalate any backup failure.
18.2.1	All flows including rejection flows (D0057, D0261, D0203, D0310)	<p>Overview of the process of identifying, monitoring and resolving unprocessed data flows/backlogs.</p> <p>NB: Include dataflows stuck/held in system and also follow up of rejections.</p>
18.2.1	D0019	<p>Overview of the process for handling and monitoring of erroneous large values of EACs and AAs.</p> <p>NB: Include processes and controls to manage exceptions flagged in the monthly large EAC AA report from Elexon.</p>
18.2.2, 18.2.3, 18.2.4	D0001 (HH only), D0002 (HH only), D0004, D0005, D0095, D00235	Walkthrough of procedures for Meter Irregularity Investigation and exception management, including processes in place for fault detection and notifications from other parties.

18.2.5	All flows	Overview of procedures in place to monitor and improve standards for data quality.
18.1.2	D0149, D0150, D0010, D0139	Walkthrough of a Change of Meter Technical Details
18.1.6	N/A	Overview of Agent Management Procedures: - Monitoring and reporting of key performance indicators - Controls to ensure agents are qualified and their qualified status is maintained. - Monitoring of MOCOPA accreditation for appointed MOAs
N/A	N/A	An overview of your plans around Market Wide Half Hourly and how you have planned for the changes.
N/A		Any outstanding actions remaining from the SAD

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