CP Assessment Report

CP1537 'Extending the timescales for agreeing Technical Assurance of Performance Assurance Parties (TAPAP) Findings Reports'

Committee
PAB and SVG

Recommendation
Approve

Implementation Date
25 February 2021
(February 2021 Release)

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About This Document

This document is the Change Proposal (CP) Assessment Report for CP1537 which ELEXON will present to the PAB at its meeting on 29 October 2020 and the SVG at its meeting on 3 November 2020. The Committees will consider the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1537.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the PAB and SVG's initial views on the proposed changes and the views of respondents to the CP Consultation.
- Attachment A contains the proposed redlined changes to deliver the CP1537 solution.
- Attachment B contains the full responses received to the CP Consultation.

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1 Summary

Why change?

Following the Performance Assurance Framework (PAF) Review completed in 2020, the PAB concluded that the timescale allowed in BSCP535 for Performance Assurance Parties (PAPs) to respond to a Technical Assurance of Performance Assurance Parties (TAPAP) findings report placed undue resource burden on the audited PAP, which discourages PAPs from appealing identified non-compliances. The review recommended an extension of that timescale.

Solution

This change proposes to increase the time allowed to respond to a TAPAP findings report from two working days to five working days.

It also proposes to clarify the timescale allowed for providing evidence in support of an appeal, providing an additional five working days for this step.

Impacts and costs

The impact of this change would be a central cost of £480 for amendments to BSCP, and amendments to Local Working Instructions (LWIs) relating to the TAPAP process.

Implementation

This CP is recommended for implementation on 25 February 2021 as part of the February 2021 BSC Release. This release date will ensure the change is implemented for the beginning of the following financial year, in line with the beginning of the next Performance Assurance Operating Period (PAOP) beginning on 1 April 2021.

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2 Why Change?

What is the issue?

Under Balancing and Settlement Code Procedure (BSCP) 535 section 3.2.6, PAPs have two Working Days (WD) to respond to a TAPAP audit check findings report, either by accepting the findings, or by appealing them. If the PAP appeals the findings, it must provide a reason for the appeal within the same two WD period after receiving the TAPAP results notification. This time frame is insufficient to allow for appropriate levels of stakeholder review, and therefore Parties are unable to:

- fully consider the findings of the report, and;
- compose a fully justified and evidenced appeal.

This results in an unnecessary burden on the PAP in addition to that caused by industry change, and other code body work, or in an appeal not being made when one is justified.

In addition, a number of inconsistencies in BSCP535 regarding response timeframes to a TAPAP audit findings report have been identified. Namely that section 1.4.1 states "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.", conflicting with the two WD timescales detailed in 3.2.6 and 3.4.1. This change seeks resolve these issues, ensuring that the document sends a clear and consistent message to Performance Assurance Parties.

Background

In 2016, the BSC Panel considered the Performance Assurance Framework (PAF) should be reviewed, anticipating challenges from a rapidly changing industry. The PAF review team worked with operational teams and stakeholders to identify strengths and weaknesses of the TAPAP process.

One of the recommendations presented to the PAB in PAB233/11A in June 2020, proposed to "reduce the resource burden placed upon audited PAPs by Performance Assurance Technique (PAT) deployment". It was noted that the timescale in which PAPs must respond to a findings report is only two working days. The PAB approved extending this deadline to five working days.

What is a Performance Assurance Party? (PAP)

A "Performance Assurance Party" is any BSC Party that is subject to the Performance Assurance Framework due to its role under the BSC.

What is Technical Assurance of Performance Assurance Parties (TAPAP)

Technical Assurance of Performance Assurance Parties is an audit intended to check that market participants are compliant with Strategic Risk mitigation requirements. The specific scope of a TAPAP is determined by the PAB at the beginning of the technical assurance process.

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3 Solution

Proposed solution

Increase the timescale described in bullet point 10 of BSCP 535 1.4.1 regarding the amount of time allowed for audited PAPs to respond to the results of a TAPAP audit from two to five working days, to read "The PAP in question shall then respond to the results within 5 Working Days".

Increase the timescale described in BSCP 535 3.2.6 regarding the amount of time allowed for an audited PAP to respond to the results of a TAPAP audit from two to five working days. In the 'Information Required' section of action c, add a sentence to clarify that reason for the appeal must be included.

Increase the timescale described in BSCP 535 3.4.1 regarding the amount of time allowed for an audited PAP to provide evidence in support of an appeal from two to ten working days, and clarify that this time is allocated for preparation of a case supporting their appeal of the finding report. This timescale will be in line with that given in BSCP535 1.4.1 bullet point 11. In the 'Information Required' section, clarify that evidence in support of the appeal is required at this stage.

Justification

This change originated as part of the recommendations of the PAF review which were presented in 2020. Elexon is the proposer of this change on the direction of the PAB.

The proposed changes will ensure that the BSCP 535 document is consistent and clear on the timescales allowed following receipt of a TAPAP audit findings report.

The increased timescales would reduce the burden on PAP resources, allowing thorough consideration of the findings report before a response is issued, or give an opportunity to lodge an appeal at all.

The change to section 3.4.1 would make clear that additional time is allowed, if the PAP intends to appeal the outcome, to collect evidence and prepare a case for the appeal.

Proposed redlining

BSCP 535 is the only document to be redlined under the proposed solution. A copy of the proposed redlining can be found in Attachment A.

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4 Impacts and Costs

BSC Party & Party Agent impacts and costs

Participant impacts

CP1537 will only impact participants in a positive way, by providing more time and reducing burden on PAPs receiving a TAPAP audit, or giving an opportunity to lodge an appeal at all.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Any party receiving a TAPAP audit	Reduction in resource burden as part of TAPAP by providing participants a longer period to respond to the outcomes of their audit.

Participant costs

Participants will not incur any costs due to CP1537.

Central impacts and costs

Central impacts

The solution in this CP only affects BSC documentation. Therefore no BSC Central Systems will be impacted.

Central Impacts	
Document Impacts	System Impacts
• BSCP 535	• None
• TAPAP LWI	

Impact on BSC Settlement Risks
We do not anticipate any impact on BSC Settlement Risks.

Central costs

The central implementation costs for CP1537 will be approximately £480 for the document only changes to implement this CP, including local working instructions.

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5 Implementation Approach

Recommended Implementation Date

This CP is recommended for implementation on 25 February 2021 as part of the February 2021 BSC Release.

This release date will ensure the change is implemented for the beginning of the next performance assurance operating period beginning on 1 April 2021.

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6 Initial Committee Views

The CP1537 Progression Paper was presented to the PAB on 27 August 2020 (PAB235/B), and to the SVG on 1 September 2020 (SVG235).

PAB's initial views

The PAB noted that:

- CP1537 had been raised, and;
- The progression timetable for CP1537.

A PAB member questioned why 10 working days had been suggested as the timescale for responding to TAPAP audit findings reports and providing evidence. In June 2020 a survey was issued to PAPs who had received recently received a TAPAP audit. The majority of respondents agreed with the timescale of 10 working days in all.

SVG's initial views

The SVG noted that:

- CP1537 had been raised, and;
- The progression timetable for CP1537.

There were no questions in relation to CP1537.

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7 Industry Views

This section summarises the responses received to the CP Consultation. You can find the full responses in Attachment B.

Summary of CP1537 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1537 proposed solution?	5	0	0	0
Do you agree that the draft redlining delivers the intent of CP1537?	5	0	0	0
Will CP1537 impact your organisation?	4	1	0	0
Will your organisation incur any costs in implementing CP1537?	0	5	0	0
Do you agree with the proposed implementation approach for CP1537?	5	0	0	0
Do you have any further comments on CP1537?	0	5	0	0

Impacts of CP1537 on respondents

Four of the respondents to the CP1537 consultation noted that the change would impact their organisations. All of these respondents stated that the impact would be positive, as they would have more time to consider the findings of a TAPAP audit, reducing burden on their organisations. This response is confirmed by all five respondents stating that there would be no costs incurred in implementing CP1537.

Comments on the proposed redlining

There were no additional comments from any respondent on the CP1537 consultation.

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8 Recommendations

We invite the **Committees** to:

- **AGREE** the amendments to the proposed redlining for BSCP535 for CP1537 made following the CP Consultation**;**
- **APPROVE** CP1537 for implementation on 25 February 2021 as part of the February 2021 Release.
- **NOTE** that CP1537 will also be presented for decision to the
  - PAB on 29 Oct 2020; and
  - SVG on 3 Nov 2020.

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Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedures
CP	Change Proposal
CPC	Change Proposal Circular
LWI	Local Working Instructions
PAB	Performance Assurance Board
PAF	Performance assurance Framework
PAP	Performance Assurance Party
PAT	Performance Assurance Technique
SVG	Supplier Volume Allocation Group
TAPAP	Technical Assurance of Performance Assurance Parties
WD	Working Day

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	PAF review website	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-framework-review/
3	BSCP 535	https://www.elexon.co.uk/csd/bscp535-technical-assurance/
3	PAB233 agenda item 11A	https://www.elexon.co.uk/documents/groups/pab/2020-meetings-pab/233-june/pab233-11a-technical-assurance-of-paps-recommendations-report/
7	Minutes on PAB meeting 235/B	https://www.elexon.co.uk/meeting/pab235b/
7	Minutes on SVG meeting 235	https://www.elexon.co.uk/meeting/svg235/

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