

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

**ELEXON**



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### Contents

<b>1</b>	Summary	<b>2</b>
<b>2</b>	Why Change?	<b>3</b>
<b>3</b>	Solution	<b>4</b>
<b>4</b>	Impacts and Costs	<b>6</b>
<b>5</b>	Implementation Approach	<b>7</b>
<b>6</b>	Initial Committee Views	<b>8</b>
	Appendix 1: Glossary & References	<b>9</b>

### About This Document

The purpose of this Change Proposal (CP)1537 CP Consultation is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1537. The Supplier Volume Allocation Group (SVG) and Performance Assurance Board (PAB) will then consider the consultation responses before making a decision on whether or not to approve CP1537.

There are four 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 SVG's and PAB's initial views on the proposed changes.
- Attachment A contains the Proposal Form for CP1537.
- Attachment B contains the proposed redlined changes to deliver the CP1537 solution.
- Attachment C contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.

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CP1537  
CP Consultation

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7 September 2020

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Version v1.0

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Page 1 of 9

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# 1 Summary

## Why change?

During the [Performance Assurance Framework \(PAF\) Review](#) completed in 2020, the project team concluded that the Technical Assurance of Performance Assurance Parties (TAPAP) process placed undue resource burden on audited Performance Assurance Parties (PAPs) in the timescale allowed for PAPs to respond to a findings report. 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 BSC Procedures, and amendments to Local Working Instructions (LWIs) relating to the TAPAP process. Elexon anticipate no impact on market participants.

Parties subject to a TAPAP check will be positively impacted as will have an extended, and more appropriate, timescale to review TAPAP findings reports internally.

## Implementation

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



### 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.

### 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 multiple 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 COVID-19, industry change, and other code body work.

In addition, a number of inconsistencies in BSCP535 regarding response 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 our customers.

### 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.

### 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.

The proposed changes will ensure that BSCP535 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.

A survey was issued to PAP's who have recently received a TAPAP audit, asking if these timeframes were appropriate, and the majority of respondents confirmed they were.

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.

#### CP Consultation Question

Do you agree with the CP1537 proposed solution?

*Please provide your rationale.*

We invite you to give your views using the response form in Attachment C

### 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 B.

### CP Consultation Question

Do you agree that the draft redlining delivers the CP1537 proposed solution?

*If 'No', please provide your rationale.*

We invite you to give your views using the response form in Attachment X

## 4 Impacts and Costs

### BSC Party & Party Agent impacts and costs

#### Participant impacts

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.

### 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
<ul style="list-style-type: none"><li>• BSCP 535</li><li>• TAPAP LWI</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>

#### 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.

#### CP Consultation Questions

Will CP1537 impact your organisation?

*If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1537 and the CP1537 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.*

Will your organisation incur any costs in implementing CP1537?

*If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.*

We invite you to give your views using the response form in Attachment C

#### Impact on BSC Settlement Risks

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

CP1537  
CP Consultation

7 September 2020

Version v1.0

Page 6 of 9

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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 following financial year, in line with the beginning of the next Performance Assurance Operating Period (PAOP) beginning on 1 April 2021.

#### CP Consultation Question

Do you agree with the proposed implementation approach for CP1537?

*Please provide your rationale.*

We invite you to give your views using the response form in Attachment C

### PAB's initial views

We presented the progression paper to the [PAB at its meeting on Thursday 27 August 2020 \(PAB235B/08\)](#). The PAB noted that CP1537 has been raised and questioned why five working days was selected as the timeframe for response, with ten working days to assemble a case. Elexon highlighted that a survey had been issued to recently audited PAPs on this issue, with the majority of respondents agreeing the proposed timeframes were appropriate.

### SVG's initial views

We presented the progression paper to the [SVG at its meeting on Tuesday 1 September 2020 \(SVG235/07\)](#). The SVG noted that CP1537 has been raised, and noted the proposed progression time table, with no additional comments.



## 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 Instruction
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PAOP	Performance Assurance Operating Period
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	<a href="https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-framework-review/">https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-framework-review/</a>
3	BSCP 535	<a href="https://www.elexon.co.uk/csd/bscp535-technical-assurance/">https://www.elexon.co.uk/csd/bscp535-technical-assurance/</a>
3	PAB233 agenda item 11A	<a href="https://www.elexon.co.uk/documents/groups/pab/2020-meetings-pab/233-june/pab233-11a-technical-assurance-of-paps-recommendations-report/">https://www.elexon.co.uk/documents/groups/pab/2020-meetings-pab/233-june/pab233-11a-technical-assurance-of-paps-recommendations-report/</a>
8	PAB235B meeting	<a href="https://www.elexon.co.uk/meeting/pab235b/">https://www.elexon.co.uk/meeting/pab235b/</a>
8	SVG235 meeting	<a href="https://www.elexon.co.uk/meeting/svg235/">https://www.elexon.co.uk/meeting/svg235/</a>