

4.7 Issue Form

Issue Form - BSCP40/04	Issue Number: 103 <i>(mandatory by BSCCo)</i>
Issue Title <i>(Mandatory by originator)</i> Meter Registrants and Settlement Risk – A New Way	
Issue Description <i>(Mandatory by originator)</i> The Settlement system is crucial to the smooth operation of the GB energy market. Data used within that system is fundamental to Settlement accuracy. Preventative and detective assurance of the Settlement data is required at all stages of Settlement from Metering and Registration onwards to maintain accuracy and reduce the variation of data at later stages of the Settlement process. This assurance is required as Settlement errors can have a significant financial impact on Parties where they have over/under paid Settlement charges. The Proposer believes that there would be value in reviewing existing controls for Settlement error prevention. It is critical to the Proposer that we address these problems prior to the Settlement timetable being shortened by Market-wide Half Hourly Settlement (MHHS) as the opportunities to readdress will be reduced thereafter.	
Justification for Examining Issue <i>(Mandatory by originator)</i> To ensure that errors to Settlement are prevented, and in the event that they do occur, are identified and resolved as early as possible.	
Potential Solution(s) <i>(Optional by originator)</i> This Issue should look at Grid Supply Points (GSPs), Distribution Network Operator (DNO) to DNO connections, other Central Volume Allocation (CVA) sites, and the broader Supplier Volume Allocation (SVA) customer base. The Issue Group should review the existing controls Elexon has in place to detect and mitigate Settlement errors, and to further investigate these three main areas: <ol style="list-style-type: none"> 1. Metering <ul style="list-style-type: none"> • Who has operational influence and responsibility of works on Metering Systems at GSP sites? • Who is best placed to ensure overall metering system accuracy? • Is the current allocation of responsibilities, which is 30 years old, relevant and fit for purpose? Are contractual obligations clear, aligned, and transparent? 2. Performance Monitoring and Investigations <ul style="list-style-type: none"> • Line Loss Factor (LLF) Calculations – Would there be a case to explore whether the calculation methodology for LLFs are fit for purpose in light of increased embedded generation, behind the meter consumption and, in some networks, exporting GSPs? 	

<ul style="list-style-type: none"> • Monitoring of customer consumption, including embedded CVA sites and SVA portfolios – who is/are best placed to monitor and manage their impact on GSP volumes? • Supplier Volume Allocation Agent (SVAA) Tolerance Checks – Are there other monitoring and diagnostic tools which can complement or enhance? • Estimation of CVA data – Are the estimation rules appropriate? Is estimation to zero a suitable option? Do Registrants have robust processes for approving estimates? • Models – Can load flow models be used to identify locational changes? How can the models across GSP Groups identify Distribution Systems Connection Point (DSCP) issues? <p>3. Roles and Responsibilities</p> <ul style="list-style-type: none"> • What controls are checked through the work of the BSC Auditor and Technical Assurance Agent (TAA), and are roles and responsibilities sufficiently clear for an auditor to be able to properly define and allocate non-compliances under the Code?
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