

Public

Issue 78

Measurement and monitoring of
Settlement Performance

24 April 2019
ELEXON



Health & Safety

In case of an emergency

An alarm will sound to alert you. The alarm is tested for fifteen seconds every Wednesday at 9.20am

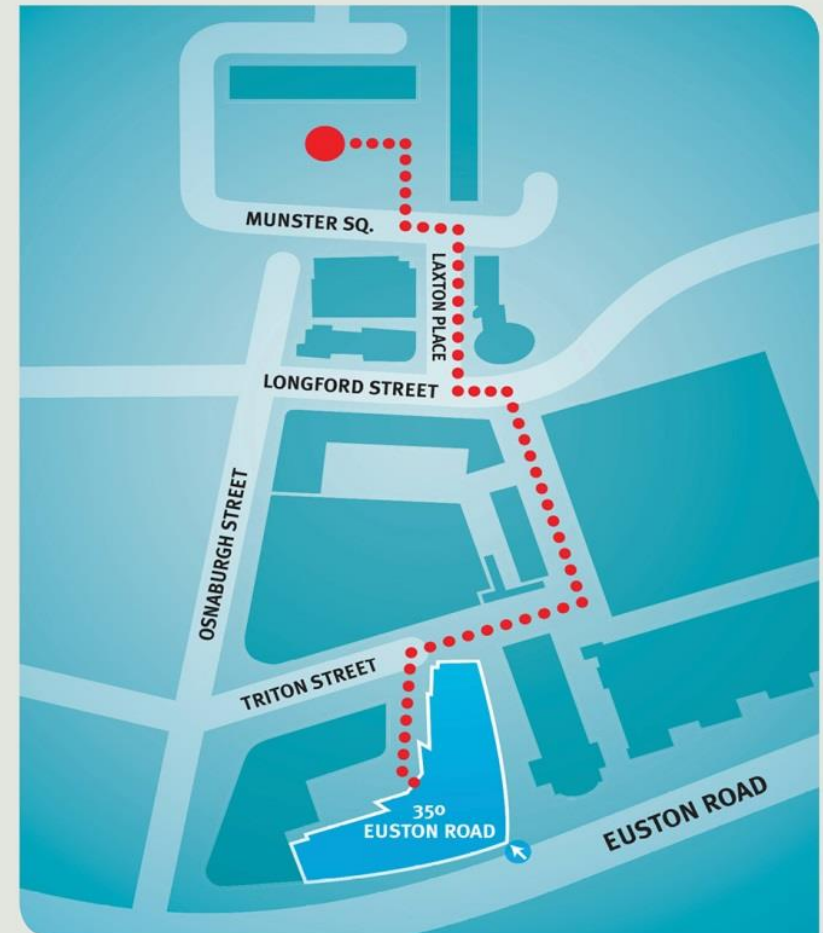
Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



Meeting objectives

- Identify the scale/impact of the Issue
- Explore potential solutions
- Agree next steps and Issue summary

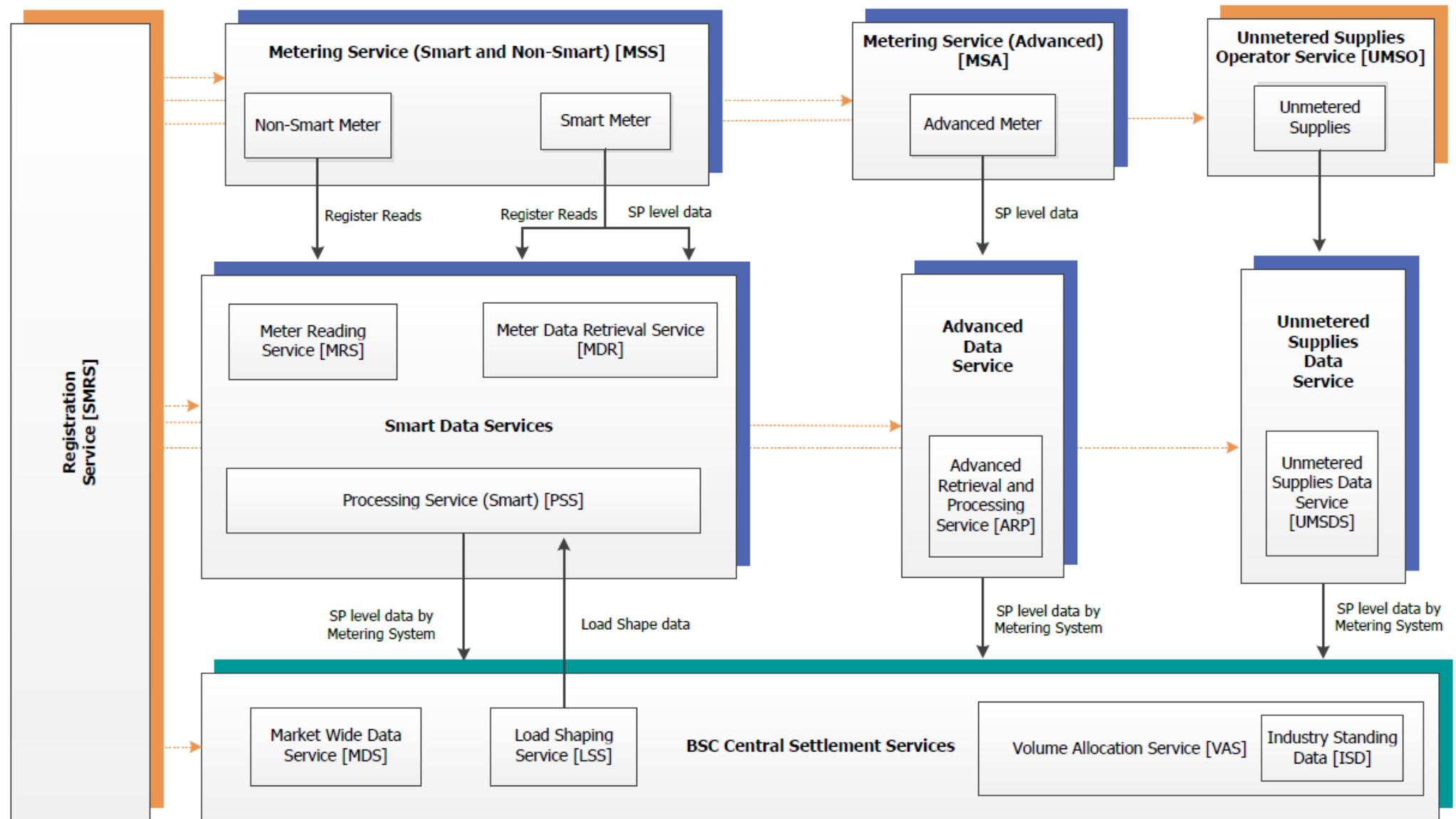


Design working Group update

Key differences from current arrangements

- SVA market split into 3 segments, all settled Half-Hourly (HH):
 - Smart + Legacy Meters
 - Advanced Meters
 - Unmetered Supplies
- NHH arrangements to be retired, potentially with faster run-off
 - Discontinuation of Standard Settlement Configurations, Time Pattern Regimes, Profile Classes, Annualised Advances and Estimated Annual Consumptions
- Metering Systems where only register reads available will have HH data produced as part of Data Processing, using actual HH data ('load shapes') from smart Meters
- BSC Central Settlement Services will receive disaggregated MPAN-level HH data and add this up (no separate Data Aggregators for Settlement purposes)

DWG's preferred TOM (variant of original TOM A)



DWG's reduced Settlement timetable for the TOM

Run	Timing
Interim Information (II) Run	4 WD
Initial Settlement (SF) Run	5-7 WD (depending on DCC read capability)
Interim Reconciliation Run	33 WD
Final Reconciliation (RF) Run	4 months
Disputes Final (DF) Run	12 months or longer

- Likely to require changes to Performance Assurance Framework (e.g. performance targets and measures)
 - May not be as simple as just replacing one number with another
 - For example, existing distinction between 'actuals' and 'estimates' no longer meaningful under the TOM

DWG's letter to PAB

- DWG has asked PAB to consider how best to identify, develop and implement the following PAF changes for the TOM:
 - Performance targets
 - Disputes Run timing / cut-off
 - Trading Disputes materiality threshold
 - Transition monitoring, reporting and enforcement (with Ofgem)
- High-level PAF/Disputes impact assessment needed by May 2019, to feed into Ofgem's Business Case decision through:
 - DWG's transition approach (consultation June/July 2019)
 - BSC impact assessment (June/July 2019)
 - Final DWG report (August 2019)
- ELEXON continuing discussions with PAB on whether this forms part of PAF Review or separate piece of work



PAF Review Update

Performance Assurance Technique reviews

Detective – Audits

- Technical Assurance of Metering - done
- BSC Audit - underway
- Qualification / Re-Qualification – underway
- Supplier Charges (part 1) - underway

Autumn 2018 –
Summer 2019

Detective – Data

- Performance reporting and monitoring
- Peer Comparison
- Supplier Charges (part 2)

Summer 2019 –
Winter 2019

Remainder

- Breach & Default / Removal of Qualification
- Error & Failure Resolution / (escalation)
- Technical Assurance of Parties
- Bulk Change of Agent

Winter 2019 –
Spring 2020

Data PATs – provisional planning

Technique	Peer Comparison	Supplier Charges	Material Error Monitoring	PARMS
Objective	<ul style="list-style-type: none"> Redesign for new risks/KPIs 	<ul style="list-style-type: none"> Feasible to improve focus? Improved GPoL methodology. Alternatives? 	<ul style="list-style-type: none"> Single approach to data provision for data PATs? Review areas of focus. 	<ul style="list-style-type: none"> Full review. Better way of providing reporting?
Planned project approach / outcome	<ul style="list-style-type: none"> Propose principles of PC. Consider raising a Mod (to introduce flexibility to the PAT) in the review. 	<ul style="list-style-type: none"> Propose principles of SCs e.g. <ul style="list-style-type: none"> GPoL and/or punitive Re-distribution Capping Propose GPoL methodology Propose governance (change, delegation) 	<ul style="list-style-type: none"> Propose principles of Performance Monitoring & Reporting e.g. <ul style="list-style-type: none"> purpose & outcomes ease of flexing time to implement changes scope and cost Inputs / System functionality / Outputs Suggestions for focus areas in interim arrangements / transition to MHHS / full MHHS Consider raising changes to switch off some Serials 	
Implementation	Deliver operationally with 2020/21 ROP, using principles agreed by PAB	Deliver operationally after BSC Changes	Deliver operationally after BSC Changes	

**** DRAFT - Approach to be reviewed internally and confirmed with the PAB ****

Engagement

- Supplier Charges questionnaire open til 30 April
- Issue 69 working group sessions:
 - BSC Audit 10-15 May (reply if interested)
 - Supplier Charges 10-15 May (reply if interested)
 - Data Provision late May (TBC – teleconference?)
- PAB sub-group and PAB
- Webpages – PAF Review and Issue 69



P366 Update

P366 Update

- Assessment Report being drafted
- Proposed Solution:
 - Make SP08a charge £0.00
 - Applies to Domestic and non-Domestic NHH
 - Most respondents preferred this over the proposed
- Discounted solution:
 - Hard-to-read (HTR) criteria
 - Suppliers self declare
 - HTR data 'flagged' by NHHDA and SPAA
 - PARMS excludes HTR data from SP08a calculation
 - Only applies to non-Domestic non Half Hourly (NHH)
- In both cases:
 - Performance Assurance Techniques can monitor potential gaming
 - 97% target will remain



Background to Issue 78

Paul Bedford (Opus)



What is the Issue?

Issue 78 – what is/are the Issue(s)?

- Starting statement:

'Following the implementation of market-wide HH Settlement and smart Meter roll out, there will still be some Meters that are HTR. This will cause significant issue for Suppliers operating in the I+C Market'

- Is this the Issue?
- Why is this an issue?
- Who will it affect?
- What's the extent of the problem?
 - Effect on small Suppliers and Industry wide
- Why is it a problem specific to the I+C/non-Domestic market?
- Are small Suppliers subsidising large Suppliers?

Critical/route cause analysis – keep asking why



Potential Solutions

Potential Solutions

- Exclude HTR from 97% target
- Allow for 'all reasonable steps'
- Change the SP08a threshold
- Incentivise customers to provide Meter reads
- Measuring performance more in the round
 - Not by Profile Class?
 - Less aggregation of data?
- Any other ideas?

- Consideration of when changes should be made



Next steps

Next steps

- Further Analysis?
- Monitor progress with P366 and PAF Review
- Reconvene late May/early June, post Panel and PAB?
- Raise a Change?
- Issue Report
 - June Panel meeting

