

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

P391 'Introducing Desktop Audits'

This proposal seeks to expand the scope of the Technical Assurance of Metering (TAM) technique to include the use of Desktop Audits, the use of which will be decided by the Performance Assurance Board (PAB) as part of their annual audit scope.

The Self-Governance Appeal Window for P391 closes:

5pm on 30 October 2019

If no appeals are notified by this time, the Panel's decision is final.



The BSC Panel has **approved** P391 under Self-Governance

This Modification is expected to impact:

- Metering System Registrants
- Meter Operator Agents
- Licensed Distribution System Operators
- Technical Assurance Agent
- Performance Assurance Board
- Half Hourly Data Collectors
- Central Data Collection Agents



Contact

Ivar Macsween

020 7380 4270

Ivar.Macsween@elexon.co.uk



Contents

1	Summary	3
2	Why Change?	4
3	Solution	8
4	Impacts & Costs	10
5	Implementation	13
6	Panel's Initial Discussions	14
7	Report Phase Consultation Responses	16
8	Panel's Final Discussions	19
9	Recommendations	20
	Appendix 1: Glossary & References	21

About This Document

This is the P391 Final Modification Report, which ELEXON has submitted to the Authority, the Transmission Company and all BSC Parties. It includes a summary of the Panel's full views and the responses to the Panel's Report Phase Consultation.

As P391 is a Self-Governance Modification, it does not get submitted to the Authority for decision. Instead, the Panel approved P391 under Self-Governance. Parties have until 5pm, 30 October 2019 to object the Panel's decision, stating why they do not believe P391 meets the Self-Governance criteria (in accordance with BSC Section F Paragraph 6.4). If no objection is received by this time, the Panel's decision is final.

There are seven parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the approved redlined changes to the BSC for this Modification.
- Attachment B - D contains the approved redlined changes to the CSDs for this Modification.
- Attachment E contains the Business Requirements for this Modification.
- Attachment F contains the full responses received to the Panel's Report Phase Consultation.

P391
Final Modification Report

14 October 2019

Version 1.0

Page 2 of 22

© ELEXON Limited 2019

Why Change?

When a Metering System is selected for audit, the requirement for Inspection Visits to be carried out on-site (and for the Registrant and the Meter Operator Agent (MOA) to attend the Inspection Visit), is resource intensive for both the Technical Assurance Agent (TAA) to undertake and audited Parties to support.

The PAF Review reviewed the TAM technique from November 2018 to February 2019, with the findings of the review presented to the PAB on 28 February 2019. The PAB approved the review's recommendations ([TAM Recommendations Report \(217/13\)](#)). One of the recommendations was to introduce Desktop Audits, as a lower intensity audit check. These would supplement on-site Inspection Visits as directed within the annual audit scope set by the PAB. P391 will provide the PAB with another tool to investigate and mitigate risks to Settlement.

Solution

By amending the BSC and BSC Systems (namely the Technical Assurance Agent Management Tool (TAAMT)) to facilitate Desktop Audits, ELEXON can provide a flexible, pragmatic and cost-effective addition to on-site Inspection Visits.

Impacts & Costs

The introduction of Desktop Audits will require an enhancement of ELEXON's existing capability for delivering Technical Assurance of Metering.

System changes will be made to the TAAMT to accommodate Desktop Audits with ELEXON's costs to implement this proposal are approximately £80,000. These costs are driven by the TAAMT development costs, along with minor costs to amend internal processes and documents.

Implementation

P391 will be implemented on **27 February 2020** as part of the February 2020 BSC Release.

Recommendation

The Panel **unanimously** believes that P391 better facilitates Applicable BSC Objective (d) and so **approved** P391. Their recommendation is that P391 should be implemented as a Self-Governance Modification.



Background

The auditing of Metering Systems is a vital element of managing risk to Settlement. It provides assurance that calculations and allocations are in accordance with the BSC and its Subsidiary Documents

The Technical Assurance of Metering (TAM) technique is a Performance Assurance Technique (PAT) that monitors the compliance of Metering Systems with metering requirements. The TAM technique forms part of the Performance Assurance Framework (PAF).

Technical Assurance of Metering

TAM remains an important technique to monitor the quality of Half Hourly (HH) physical Metering System installations and associated standing data.

The primary objective of TAM is to monitor compliance with BSC obligations to ensure Half Hourly metered data is complete and accurate. The secondary objective of TAM is to assess the overall health of all the HH Metering System population. The technique is delivered through onsite inspections of a sample of HH Metering Systems where the installation of the Metering Equipment and associated standing data are assessed against BSC requirements.

In accordance with strategy and risk appetite of the Performance Assurance Board (PAB), the scope and approach for each TAM audit is determined in the Risk Operating Plan (ROP), which outlines out how techniques will be deployed to mitigate Settlement Risks.

Role of the Technical Assurance Agent

The role of the TAA is to monitor compliance by Parties with the requirements of the BSC, Codes of Practice (CoPs) and Balancing and Settlement Code Procedures (BSCPs).

The TAA is appointed by the BSCCo (ELEXON) as a BSC Agent to deliver Half Hourly (HH) Metering Systems audits on a representative sample of the market place (by Grid Supply Point (GSP) Group, Meter Operator Agent (MOA) and Metering System type).

The TAA will inspect Metering Systems and identify cases where requirements are not being complied with. The TAA will ensure that the required actions are taken to rectify and clear any non-compliances identified following an Inspection Visit.

The TAA presents its audit findings to the PAB annually for its endorsement and to the BSC Panel, to provide an expert opinion on the health of the HH Metering market. The TAA will deliver expert advice and opinion, highlighting trends and issues, and provide recommendations to a non-technical audience and industry decision makers.

TAAMT

ELEXON has developed an online support tool to help organise site visits and share information with the TAA. The Technical Assurance Agent Management Tool (TAAMT) is a central database that contains all historical data and information for Metering System Inspection Visits performed by TAA Auditors.

What is a Metering System?

A Metering System is made up of items of Metering Equipment; voltage transformers, current transformers, Meters and Outstations, the wires and connections between each item and connections required to transfer metered data to the outside world (e.g. modems and communication lines). There are two types of Metering System; those which measure and record electrical energy flow for each half hour for Settlement (Half Hourly Metering Systems) and those which measure and record over longer periods of time, from which energy flows in each half hour can be estimated (Non Half Hourly Metering Systems).



What is the Performance Assurance Framework?

Part of ELEXON's role as administrator of the BSC is to monitor the compliance of all BSC Parties with the provisions of the BSC, and to run Performance Assurance activities. This is done through the Performance Assurance Framework and overseen by the Performance Assurance Board

Its role is to provide ELEXON with compliance information, as well as support the TAA and industry participants in scheduling Inspection Visits, recording results, raising non-compliances, Queries and Appeals. The TAAMT is also used to report on the status of these activities and the health of the market.

Inspection Visits

When a Metering System is selected for audit, the TAA notifies the relevant Parties/Party Agents prior to the date of the intended Inspection Visit and obtains confirmation of the Inspection Visit. The Parties involved are:

- Registrant;
- Meter Operator Agent (MOA);
- Licenced Distribution System Operator (LDSO) (or National Electricity Transmission System Operator (NETSO)); and
- Half Hourly Data Collector (HHDC) or Central Data Collection Agent (CDCA).

Prior to the Inspection Visit, the relevant Parties are required to provide relevant information (via TAAMT), such as Meter Technical Details (MTDs). Following the Inspection Visit, the TAA Auditor records its findings for the Inspection Visit on the TAMMT.

Review of the TAM technique

The PAF Review reviewed the TAM technique from November 2018 to February 2019. The findings of the review were presented to the PAB on 28 February 2019. The PAB approved the review's recommendations ([TAM Recommendations Report \(217/13\)](#)). One of the recommendations was to introduce Desktop Audits, as a lower intensity audit check. These would supplement onsite Inspection Visits as directed within the annual audit scope.

PAF Review Findings

The stakeholder engagement exercise undertaken prior to commencing the PAF Review did not highlight any fundamental issues with the TAM technique, and review activities largely confirmed the initial view from stakeholders that the TAM technique is effective at providing assurance and that it remains a required element within the assurance framework.

However, it identified a number of opportunities for improvement related to the scoping, deployment and delivery of the technique, including lower intensity desktop audits.

Recommendation to introduce Desktop Audits

One of the key recommendations was to introduce lower intensity desktop audits to supplement or replace onsite inspections as directed within the annual scope.

It was noted that a number of desktop-based activities (such as Meter Technical Detail alignment) are already undertaken as part of a TAM Inspection Visit. However, the PAB felt that a clearly defined, structured Desktop Audit process could supplement on-site Inspection Visits, on the understanding that such an activity would not provide the same level of assurance as an on-site Inspection Visit.

- The PAF Review envisaged a number of potential uses for Desktop Audits. The first being if the main sample was directed towards a particular market segment then Desktop Audits could be undertaken to provide limited assurance over the remaining HH market.
- Another area could be to determine whether an onsite Inspection Visit is warranted. For example, an onsite inspection could be triggered if a Metering System fails the desktop audit and is deemed a risk. Under such a use, members acknowledged that a Metering System may pass a Desktop Audit, but still have a non-compliance that is impacting Settlement.
- Finally, Desktop Audits could be used on a more exploratory basis where the risk is deemed low enough not to warrant onsite inspections at that time. For example, Measurement Classes E, F and G currently account for a low proportion of HH metered consumption (roughly 7%).
- ELEXON have not historically undertaken onsite inspections on these Measurement Classes due to the lower energy volumes involved. However, a desktop audit of these Metering Systems could be undertaken to provide initial insights into the health of the market segment.

At its meeting on [28 February 2019](#), PAB Members approved the recommendation to propose to the Panel that a BSC Modification is raised to include Desktop Audits in the scope of TAM.

What is the issue?

The requirement for Inspection Visits to be carried out on-site (and for the Registrant and the MOA (or a nominated representative) to attend the Inspection Visit), is resource intensive for both the TAA to undertake and audited Parties to support. There is not an audit check that is proportionate to HH sites with a lower energy consumption, such as those in Measurement Classes E, F and G.

Metering system audits currently can only be audited by an onsite inspection; in some paragraphs of Balancing and Settlement Code (BSC) Section L 'Metering' Clause 7 Technical Assurance of Metering Systems the requirement is explicit, and it is implicit throughout the section.

The introduction of Desktop Audits would have the benefit of reducing levels of no access visits and increasing confidence in the accuracy of Settlement due to an increased number of annual audits being performed.

By amending BSC Section L, BSCP27 and BSC Systems (namely the TAAMT) to facilitate Desktop Audits, BSCCo (via the TAA) can provide a flexible, pragmatic and cost-effective addition to onsite Inspection Visits.

The PAB has recommended that this proposal is raised to take forward these changes.

Benefits of lower-intensity Desktop Audits

The introduction of Desktop Audits as a pragmatic and cost effective alternative to onsite inspections has the benefit of reducing costs for certain audited Parties, as onsite inspections are resource intensive to centrally deliver and for participants to support.

The impacts on Parties of supporting onsite inspections involve supporting travel costs, inspection duration and the on-demand availability of a MOA, and LDSO if required.

There can be an additional impact if the TAAs have been unable to access the required Metering System sites, resulting in increased costs which the Metering Registrants are obligated to absorb.

It should be noted that the objective of the paper approved by PAB is to improve the quality of settlement by expanding the scope of the audit, allowing more systems to be assessed via a desktop audit, and is not to reduce cost by avoiding the need for onsite inspections.

The introduction of a less resource-intensive alternative to onsite inspections would allow the PAB to extend the scope of metering Audits to sites with lower energy consumption, where the cost of an onsite visit is disproportionate to the total cost of the energy measured by the system. This has the potential to significantly improve the assurance of metering systems on such sites.

Approved solution

This Modification proposes to amend the BSC to expand the scope of the TAM technique to allow for Desktop Audits to act as a supplement to existing on-site Inspection Visits.

To facilitate the solution, Section L and BSCP27 will be amended to describe the high-level obligations for the undertaking of Desktop Audits respectively, while definitions of a Desktop Audit and On-Site Inspection will be introduced to Annex X-1.

This follows the PAF review that recommended that the scope of TAM be extended to include lower intensity Desktop Audits via a Modification to the BSC.

Corresponding Legal Text and redlined changes to CSDs are included in this paper as Attachments A and B-D, respectively. Attachment E details the business requirements for this solution.

Introducing Desktop Audits in Section L 'Metering'

In order to enable the TAA to conduct Desktop Audits as part of the TAM technique. BSC Section L 'Metering' must be modified to reference Desktop Audits when describing the activities of the TAA in relation to:

- Basic requirements for Metering Equipment;
- Access to property;
- Technical Assurance of Metering Systems, including the provision of information, site selection;
- Non-compliance; and
- Reporting.

To make the obligations and requirements for the two different types of audit (on-site and desktop) more transparent and accessible to Parties, Annex X-1 'General Glossary' will be altered to introduce definitions of Desktop Audit and On-Site Inspection.

BSCP27 'Technical Assurance of Half Hourly Metering Systems for Settlement Purposes'

While the BSC will be modified to outline the high level obligations resulting from Desktop Audits, BSCP27 'Technical Assurance of Half Hourly Metering Systems for Settlement Purposes' will be amended to facilitate the Desktop Audit process in detail.

Proposed Desktop Audit process

On an annual basis, the PAB will determine the size and scope of a Desktop Audit sample to be run in addition to onsite Inspection Visits.

Based on the audit scope provided by the PAB, the TAA will be required to randomly select the agreed number of each type of Metering System that comprises the agreed Desktop Audit Sample.

The TAA will be required to notify and provide an Evidence Request to the appropriate party, who will be required to provide evidence electronically.

Following the Desktop Audit, the TAA will record its findings and notify the relevant parties.

Where the TAA has been unable to complete a Desktop Audit, the reason for the failed audit will be recorded and these instances will be reported to PAB at the discretion of BSCCo.

The findings of a Desktop Audit will be recorded on a Desktop Audit Schedule and communicated to Registrants and relevant agents via the software system (TAAMT) used by the TAA.

BSCP27/06 'Desktop Audit Evidence Request'

A new form, BSCP27/06 'Desktop Audit Evidence Request', will be created and will be used by the TAA to inform the Registrant and relevant parties of impending Desktop Audits.

This form will capture the date, time, Metering System Identifier (MSID) and name of the site to be audited via desktop, as well as prompting the Registrant for details and documentation that the Registrant must send or facilitate sending prior to the Desktop Audit. The Registrant will be required to respond (by acknowledgement) to this request within 2 Working Days and failure to do so may result in the matter being escalated to the PAB.

Legal text

Approved changes to the BSC to deliver P391 is in Attachment A.

Code Subsidiary Documents

Approved changes to the Code Subsidiary Documents to deliver P391 are in Attachments B, C and D.

Are there any alternative solutions?

P391 proceeded straight to Report Phase and was not considered by a Workgroup. As such, there was no Alternative Modification.

4 Impacts & Costs

The introduction of Desktop Audits will require an enhancement of ELEXON's existing capability for delivering Technical Assurance of Metering.

This Modification Proposal aims to enable optional and supplemental Desktop Audits that will impact PAB, ELEXON and the TAA, as well as Metering System Registrants, Meter Operator Agents, Licensed Distribution System Operators, Half Hourly Data Collectors and Central Data Collection Agents.

Indicative Industry Impacts

Respondents to the Report Phase Consultation identified a need for increased resource requirements to support potential Desktop Audits. Most respondents identified administrative resource or changes to internal processes to support the audit process. Given that the scope of Desktop Audits will be directed by the PAB and subject to change, respondents were unable to quantify any specific costs.

BSC / ELEXON Impacts and Costs

System changes will be made to the TAAMT to accommodate Desktop Audits and a new or amended Local Working Instruction (LWI) document must be created.

ELEXON's costs to implement this proposal are approximately £80,000. These costs are driven by the TAAMT development costs, along with minor costs to amend internal processes and documents:

- TAAMT development and implementation costs;
- 30 Working Day's effort to implement new internal processes, documents and training; and
- 3 Working Day's effort to implement document changes to the BSC and CSDs.

Impact on BSC Parties and Party Agents	
Party/Party Agent	Potential Impact
Metering System Registrants	Will be required to follow the process for Desktop Audits and provide all requested information to the auditor. The auditor will not need to access the meters directly.
Meter Operator Agents	
Licensed Distribution System Operators	
Half Hourly Data Collectors	
Central Data Collection Agents	

Impact on Transmission Company

None anticipated

Impact on BSCCo

Area of ELEXON	Potential Impact
Performance Assurance Board	The PAB will determine the size and scope of a Desktop Audit sample to be run in addition to onsite Inspection Visits on an Annual basis.
Metering and Disputes	Will need to provide training and support on the new process to BSC Parties and Agents. Metering Registrants will need to be made aware of the additional audit method, and how it will be progressed in combination with the standard on-site Inspection Visits. They will need to know what information is required to complete a Desktop Audit and how it compares to an on-site Inspection Visit. Guidance notes to educate and clarify the process will be developed in line with the Modification. Desktop Audit education days organised and communicated prior to and post implementation, including offering further ad-hoc educational materials.

Impact on BSC Settlement Risks

This proposal may impact Risk 003 - Metering Installation and Commissioning. Noted controls for Risk 003 are fault reporting processes, HHDC validation, Meter Sealing, CoP Compliance and Protocol Approval. This proposal may decrease this risk as it provides a view of physical Metering Systems quality and its adherence to the code and subsidiary documents.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
TAAMT	Will need to be amended to support this Modification Proposal's solution

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential Impact
TAA	Will be required to amend TAAMT to support this Modification Proposal's solution

Impact on Code	
Code Section	Potential Impact
Section L – Metering	Will need to be amended to allow Desktop Audits to function
Section X, Annex X-1 – General Glossary	

Impact on Code Subsidiary Documents	
CSD	Potential Impact
BSCP 27 - Technical Assurance of Half Hourly Metering Systems for Settlement Purposes	Will need to be amended to allow for Desktop Audits to function and to describe the Desktop Audit process.

Impact on other Configurable Items	
Configurable Item	Potential Impact
CVA TAA Service Description for CVA Technical Assurance	Will need to be amended to support this Modification Proposal's solution.
SVA TAA Technical Assurance Service Description	Will need to be amended to support this Modification Proposal's solution.

Impact on Core Industry Documents and other documents	
Document	Potential Impact
None identified	

Impact on a Significant Code Review (SCR) or other significant industry change projects
Ofgem confirmed that P391 is outside the scope of active SCRs on 5 September 2019.

Impact on Consumers
None identified

Impact on the Environment
None identified

Recommended Implementation Date

The Panel has approved an Implementation Date for P391 of:

- 27 February 2020 as part of the February 2020 BSC Release.

This ensures that this Modification is implemented in good time before the results of the 2019/20 TAA Audit are presented to the BSC Panel in June 2020 and to allow the new process to start being used in the 20/21 audit year.

Self-Governance

The Panel agreed that P391 should be determined under Self-Governance as it does not have a material impact on the Self-Governance criteria.

This Modification aims to increase confidence in Settlement, while placing a very small additional burden on any Party. As such it is unlikely to have a material effect on consumers, competition, system operation, sustainability, safety, security, management of emergencies or code governance; nor will it discriminate between different classes of party. Consequently the BSC Panel unanimously agreed that that this proposal does not impact on the Self Governance Criteria.

The request to raise this Modification was presented to the BSC Panel at its meeting on 12 September 2019 ([Panel 294/05](#)). The Performance Assurance Board (PAB) recommend that the Panel raise this Modification in line with BSC Section F2.1.1(d)(vi) and the Panel agreed to raise the Modification Proposal.

The Panel unanimously initially agreed with all recommendations as set out in Section 7 of this paper.

Desktop Audit clarifications

Several Panel Members asked for clarification on the nature of the Desktop Audits process, and how this would interact with traditional TAA Inspection Visits.

ELEXON clarified that Desktop Audits were not intended to replace TAA Inspection Visits but that, as an enabling Modification that aims to expand the range of tools at the PAB's disposal, the scope of the Desktop Audit sample would be ultimately decided by the PAB as part of their annual audit scope and could foreseeably change year-by year.

One Panel Member sought clarification on the Desktop Audit process, principally how issues of non-compliance might be identified in comparison to Inspection Visits.

ELEXON responded that the proposed process involves the submission of documentation by the audited Parties rather than physical inspections or need for the auditor to interrogate meters or systems, and that any mismatch in the requested documentation would enable ELEXON to identify any inconsistencies or non-compliances identified in these examples.

ELEXON further explained that Inspection Visits may be completed by the TAA following the Desktop Audits to seek clarification around the data or documentation mismatches.

One Panel Member noted that the Desktop Audit process would enable a more targeted approach to the auditing of certain segments and expressed his support of the proposal.

Potential impact on competition

One Member questioned whether the Desktop Audits process could actually have a detrimental effect on competition because Parties that are subject to Desktop Audits would save money as opposed to Parties that are subject to TAA inspection Visits, and thus potentially impact criterion (ii) of the Self-Governance Criteria.

This Member however noted that this would ultimately depend on how the PAB eventually chooses to use the proposed Desktop Audits, which this Modification merely proposes to enable as an optional tool.

ELEXON further clarified that, as Metering Systems are randomly chosen by the TAA from the agreed on-site and Desktop Audit Sample, this would mitigate this particular risk.

PAB Reporting on Desktop Audits

Finally, one Member requested for the PAB to report back to the Panel following a period of one year to report on the effectiveness of the new process, but was satisfied that this could be achieved as part of standard reporting processes ([TAA Annual Report](#)).

Panel views against the Applicable BSC Objectives

The Panel agreed that Implementation of P391 would positively impact Applicable BSC Objective (d) as the TAM audit process would be made more efficient and streamlined. It would allow Metering Registrants and LDSOs/MOAs to rectify issues of non-compliance at a faster rate.

The introduction of Desktop Audits would have the benefit of reducing levels of no access visits and increasing confidence in the accuracy of Settlement due to an increased number of annual audits being performed.

Panel views on Self-Governance

The Panel agreed that P391 should be determined under Self-Governance as it does not have a material impact on the Self-Governance criteria.

Panel Members noted that this Modification aims to increase confidence in Settlement, while placing a very small additional burden on any Party. As such it is unlikely to have a material effect on consumers, competition, system operation, sustainability, safety, security, management of emergencies or code governance; nor will it discriminate between different classes of party. Consequently they unanimously agreed that that this proposal does not impact on the Self Governance Criteria.

Panel's Initial Recommendations

The BSC Panel initially determined:

- That P391 should be treated as a Self-Governance Modification;
- That P391 better facilitates BSC Objective (d) and so should be approved;
- An Implementation Date for P391 of:
 - 27 February 2020 as part of the February 2020 BSC Release
- The draft BSC legal text for P391; and
- The draft changes to the Code Subsidiary Documents for P391.



What are the Self-Governance criteria?

A proposal that, if implemented:

- a) is unlikely to have a material effect on:
 - i. existing or future electricity consumers; and
 - ii. competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
- iii. the operation of the national electricity transmission system; and
- iv. matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- v. the Code's governance procedures or modification procedures, and
- b) is unlikely to discriminate between different classes of Parties

P391
Final Modification Report

14 October 2019

Version 1.0

Page 15 of 22

© ELEXON Limited 2019

7 Report Phase Consultation Responses

This section summarises the responses to the Panel's Report Phase Consultation on its initial recommendations. You can find the full responses in Attachment F.

Summary of P391 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial unanimous recommendation that P391 better facilitates Objective (d) and so should be approved?	10	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P391?	10	0	0	0
Do you agree with the Panel that the redlined changes to the Code Subsidiary Documents deliver the intention of P391?	10	0	0	0
Do you agree with the Panel's recommended Implementation Date?	10	0	0	0
Do you agree with the Panel's initial view that P391 should be treated as a Self-Governance Modification?	10	0	0	0
Will P391 impact your organisation?	10	0	0	0
Will your organisation incur any costs in implementing P391?	5	2	1	0
Do you have any further comments on P391?	8	2	0	0

Ten responses were received to the Report Phase Consultation, with ELEXON responding to provide clarity, confirm views and answer queries on the future process where possible.

Responses were received from 3 Suppliers, 3 Distributors and 6 respondents responding as Supplier Agents.

Views on the Panel's recommendation to approve P391

All respondents agreed with the Panel's initial unanimous recommendation that P391 better facilitates BSC Objective (d) and so should be approved. One respondent noted that they were aware of access issues in on-site auditing and the addition of Desktop Audits would allow the audit sample percentage to increase. Another respondent believed that desktop audits are an efficient way to provide further assurance as to the accuracy of settlement.

Views on redlined changes to the BSC

Respondents unanimously agreed that the redlined changes to the BSC deliver the intention of P391.

One respondent agreed but suggested additional wording to make clear that both MOA and HHDC are able to provide relevant auditable information. ELEXON responded that the guidance note would be an appropriate location for listing responsibilities for data provision of this type.

Views on redlined changes to the Code Subsidiary Documents

Respondents unanimously agreed that the redlined changes to the Code Subsidiary Documents deliver the intention of P391.

Views on the Panel's recommended Implementation Date

Respondents unanimously agreed with the Panel's recommended Implementation Date of 27 February 2020 as part of the February 2020 BSC Release. It was noted that the implementation of Desktop Audits is sensible to coincide with the start of the new audit period.

Views on Self-Governance

Respondents unanimously agreed with the Panel's initial view that P391 be treated as a Self-Governance Modification. Several respondents noted that the Modification meets the criteria for progression as Self-Governance.

Views on impacts to respondent's organisations

Respondents unanimously identified impacts on their organisation resulting from the requirement to support future Desktop Audits. As the eventual scope of their deployment is decided by the PABs audit scope and subject to change year-on-year, respondents felt that these impacts are unquantifiable at this time.

Potential impacts were administrative, describing additional strain caused by provision and rectification of documents under potential future Desktop Audits.

Several respondents noted that any additional audits would require resources to manage and monitor. Changes to internal processes to support Desktop Audit requests and ensure necessary documents were received by the TAA were also described.

Views on costs incurred by respondent's organisations

Seven respondents identified potential costs associated with the supporting Desktop Audits, while two did not.

Two respondents noted that there would be increased costs and resource requirements should a Desktop Audit trigger an on-site inspection, but did not provide any indication of the magnitude of these costs as these were viewed as unquantifiable at this time.

Several respondents identified the impact that the need for training on the new process would incur. ELEXON has already provided one industry training day on the proposed Desktop Audits process. Further training session will be offered to BSC Parties prior and following the start of the new audit year.

One respondent noted that they accept reasonable costs as part of conforming to the audit process and, when contacted, several others confirmed this view.

Further comments

Several respondents expressed their belief that Desktop Audits should not replace on site visits, and ELEXON clarified that the aim of P391 is not to replace traditional on site audits but to supplement and provide additional assurance over settlement.

Future monitoring and review

One respondent suggested that care be taken to monitor the benefits brought by Desktop Audits versus the extra administrative costs they may incur.

ELEXON responded to clarify that there would be a review of the new process at the conclusion of the audit year.

It was additionally noted that the PAB's presentation of the [TAA Annual Report](#) to the BSC Panel provided a further opportunity for monitoring and assessment.

Future engagement and implementation activities

Several respondents stressed the need for ongoing training and engagement as to what is expected from Parties undergoing a Desktop Audit when they are deployed. Several respondents linked this to a rise in costs.

In responding to confirm their views, ELEXON reminded respondents of training sessions offered to BSC Parties prior to and following the start of the new audit year, with the aim of minimising the strain on resources due to the need for organisational training on the new process.

It was also noted that guidance notes are scheduled to be developed in line with this Modification, along with further communications to ensure BSC Parties are kept up to date and informed of the requirements for Desktop Audits.

Capturing industry views

The Report Phase Consultation for P391 received a high level of industry engagement with multiple comments and pieces of feedback on the future scope of the process.

In responding, ELEXON confirmed that a paper for information would be presented to both the PAB and Technical Assurance of Metering Group (TAMEG) containing the feedback and suggestions for future Desktop Audits provided by the Report Phase Consultation for this Modification.

8 Panel's Final Discussions

The Draft Modification Report for P391 was presented to the BSC Panel at its meeting on 10 October 2019 ([Panel 295/08](#)).

One Panel Member noted that the proposed Desktop Audit process would likely lead to an initial increase in costs but noted that this would decrease over time as Parties become more used to the new process.

Another Panel Member desired clarification on the next steps regarding the Desktop Audits process following approval of P391. ELEXON confirmed that the Desktop Audit scope for audit year 2020/21 will be discussed at the Technical Assurance of Metering Expert Group (TAMEG) at its 16 October 2019 meeting. ELEXON will present the TAA scope for audit year 2020/21 to the PAB at its December 2019 meeting. This will provide industry sufficient time to prepare resource for the audit year and for ELEXON to deliver the required training.

The Panel views remained unchanged since providing its initial views. The Panel **unanimously** agreed with all recommendations as set out in Section nine of this report and made no other comments.

The BSC Panel:

- **AGREED** that P391:
 - **DOES** better facilitate Applicable BSC Objective (d); and
- **DETERMINED** (in the absence of any Authority direction) that P391 is a Self-Governance Modification Proposal;
- **APPROVED** P391;
- **APPROVED** an Implementation Date of:
 - **27 February 2020** as part of the February 2020 BSC Release;
- **APPROVED** the draft legal text in Attachment A;
- **APPROVED** the draft redlined changes to the Code Subsidiary Documents in Attachments B, C and D; and
- **APPROVED** the P391 Modification Report.

Appendix 1: Glossary & References

Acronyms

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

Acronym	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCCo	Balancing and Settlement Code Company
BSCP	Balancing and Settlement Code Procedure
CDCA	Central Data Collection Agents
CoP	Code of Practice
CSD	Code Subsidiary Document
HH	Half Hourly
HHDC	Half Hourly Data Collectors
LDSO	Licensed Distribution System Operators
LWI	Local Working Instruction
MRS	Metering System Registrants
MOA	Meter Operator Agents
MTD	Meter Technical Details
MSID	Metering System Identifier
NETSO	National Electricity Transmissions System Operator
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PAT	Performance Assurance Technique
ROP	Risk Operating Plan
TAA	Technical Assurance Agent
TAM	Technical Assurance of Metering
TAAMT	Technical Assurance Agent Management Tool
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
5	Review of the Performance Assurance Framework	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-framework-review/

P391
Final Modification Report

14 October 2019

Version 1.0

Page 21 of 22

© ELEXON Limited 2019

External Links		
Page(s)	Description	URL
5	PAB 217	https://www.elexon.co.uk/meeting/pab217/
15	Panel 294	https://www.elexon.co.uk/meeting/bsc-panel-294/
17	TAA Annual Report	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-reports/