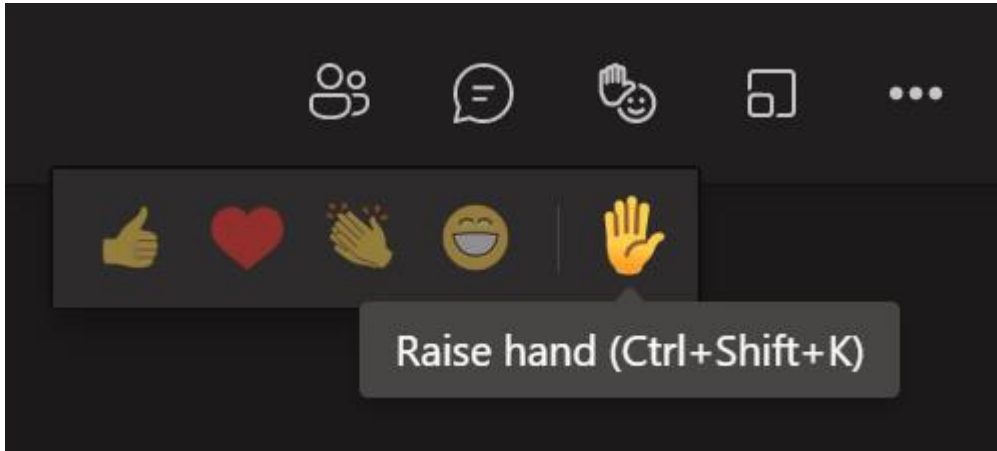


## P427 Digital Meeting Etiquette

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- Welcome to the P427 Workgroup meeting 4
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the Raise hand feature in the Menu bar in Microsoft Teams if you want to speak, or use the Meeting chat



- Lots of us are working remotely – be mindful of background noise and connection speeds

# ELEXION

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**P427**  
**Publication of Performance Assurance**  
**Parties' impact on Settlement Risk**

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Workgroup Meeting 4

10 May 2022

# Meeting Objectives & Agenda

## Meeting Objectives

- Recap of Workgroup meeting 3
- Agree and vote on the updated redlining
- Confirm next steps

Agenda Item	Lead
1. Welcome and meeting objectives	Douglas Alexander <i>(Chair)</i>
2. Recap of Workgroup meeting 3	George Crabtree <i>(Lead Analyst)</i>
3. Action updates from Workgroup meeting 2	Jason Jackson <i>(Elexon / Proposer)</i>
4. Discussion of updated redlining	Jason Jackson
5. Voting	Douglas Alexander
6. Next steps	George Crabtree
7. AOB & Meeting Close	Douglas Alexander



# RECAP OF WORKGROUP 3

## Recap of Workgroup Meeting 2 (1 of 2)

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- Workgroup Meeting 3 was held on 20 April 2022
- The Workgroup agreed that we should include a caveat that Trading Disputes data should only be published where Elexon is able to determine which party is the cause for the fault
- The Workgroup discussed if a PAP would be notified ahead of their data being published to which Elexon confirmed they would
- Elexon presented the drafted redlining which outlined the triggers for when data can be published
- The Workgroup agreed that there should be two thresholds for when data should be published:
  - The monetary value impacting one Party; and
  - The monetary value impacting the market as a whole.
- Elexon were asked to endeavour to align the De Minimis threshold for notices to be sent with other processes when determining the best values for these single and market-wide impacts.

## Recap of Workgroup Meeting 2 (2 of 2)

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### Voting

- The Workgroup voted that:
  - Data should be published both in terms of the aggregated performance across all GSP Groups but also in terms of the Performance in each GSP Group
  - P427 should not follow the Self-Governance route
  - P427 better facilitates the BSC Objectives C and D
  - P427 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC
  - P427 should be implemented 3 November 2022 as part of the standard November BSC release (subject to redlining)

### Actions

- **Elexon** to confirm whether SVA MOAs can be included within the scope of publishing data
- **Elexon** to review the thresholds that trigger data being published
- **Elexon** to circulate the Assessment Procedure Consultation for review
- **Elexon** to circulate the updated redlining



# ACTION UPDATES FROM WORKGROUP MEETING 2





CAN P427 BE  
APPLIED TO SVA  
MOAS?



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## Can we include SVA MOAs within scope of P427?

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As requested by the WG we investigated whether the provisions of P427 could be applied to SVA MOAs

We can confirm that since SVA MOAs are outside of the scope of the PAF and are no longer considered as PAPs under the BSC the provisions of P427 could not be applied to SVA MOAs

In order to achieve this a corresponding change would need to be raised under the REC, Elexon will discuss this with REC Assurance and note the interest expressed by members of the P427 WG



# SETTING DE MINIMIS THRESHOLDS

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## De Minimis Thresholds

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As suggested by the WG Elexon considered how the thresholds for party level and market level impact could be aligned with existing measures such as credit cover and the BSC Audit Qualification threshold

### **Market Wide Impact De Minimis Threshold**

Elexon's proposed values are 0.05% of consumption in the preceding calendar year which is 10% of the BSC Audit Qualification threshold of 0.5% of the total energy consumption for the preceding calendar year

- This would make the threshold for 2022 approximately £40m (the approximate value of 0.05% of energy consumed in 2021)

### **Individual Party Impact De Minimis Threshold**

Elexon proposes this value should be set at the value above divided by the number of actively Trading Suppliers.

- This would align with the BSC Audit Qualification threshold and provide what we believe to be a reasonable threshold for individual Party impact of approximately £200k



# DISCUSSION OF UPDATED REDLINING

- 7.1.2 Without limitation, the Performance Assurance Board shall carry out the following functions, duties and responsibilities:
- (a) the conduct and administration of (including the making of determinations in relation to) the Qualification (or re-Qualification as the case may be) or the removal of Qualification of those persons referred to in Section J2.1.2, and in accordance with Section J3 and BSCP537;
  - (b) the determination of whether a Supplier has failed to comply with any of the Serials and of the associated charges payable in accordance with Annex S-1 and such other functions, duties and responsibilities as are accorded to it pursuant to that Annex;
  - (c) the conduct and administration of (including the making of determinations under) the performance assurance standards and tests set out or referred to in BSCP533, including the conduct and administration of, and publication of the results of, any peer group comparison associated with any such performance assurance standards and tests;
  - (d) the conduct and administration of (including the making of determinations under) the error and failure resolution process and requirements as set out in any relevant BSCP (including the publication of data or information);
  - (e) the carrying out of those functions, duties and responsibilities accorded to it in BSCP27 and BSCP535 together with such monitoring and technical assurance functions, duties and responsibilities referred to in Section L as are assigned to it by the Panel from time to time;
  - (f) the carrying out of such functions, duties and responsibilities assigned to it in relation to the BSC Audit by the Panel from time to time; and
  - (g) such other functions, duties and responsibilities as may be accorded to it from time to time under or pursuant to the Code.



### [P427]7.2 Publication of Certain Data

7.2.1 In carrying out its functions, duties and responsibilities in relation to applying and implementing Performance Assurance Techniques, the Performance Assurance Board (or the Performance Assurance Administrator where so authorised) may recommend to the Panel, and the Panel may determine, that data or information relating to a Performance Assurance Party's contribution to a Settlement Risk(s) should be published:

- (a) in accordance with paragraph 7.1.1 or 7.1.2 and/or any relevant BSCP, or
- (b) if the Performance Assurance Party's contribution to a Settlement Risk(s) results in:
  - (i) an aggregate financial impact on all Trading Parties equivalent to or greater than the value of 0.05% of the total annual electricity supplied across Great Britain in the preceding BSC Year; or
  - (ii) a financial impact on any single Trading Party equivalent to or greater than the value specified in paragraph 7.2.1(b)(i) divided by the number of Trading Parties at that time.

7.2.2 Where the Panel determines that data or information should be published in accordance with paragraph 7.2.1, such data must be published in accordance with the process set out in any relevant BSCP, or as otherwise determined by the Panel.



### 1. INTRODUCTION

#### **[P427]1.1 Scope and Purpose of the Procedure**

This BSC Procedure covers the provision of Output Data and Market Indicator Data to the Performance Assurance Reporting and Monitoring System (PARMS) or the Performance Assurance Administrator (PAA). The data will be utilised within the following Performance Assurance Techniques (PATs):

- Technical Assurance
- Removal of Qualification
- Monitoring and Reporting
- Peer Comparison (public and non-public)
- Supplier Charges
- Error and Failure Resolution

The procedure will also cover the following techniques that are associated with the PARMS Service:

- (i) Monitoring and Reporting; and
- (ii) Peer Comparison (public and non-public)

The Peer Comparison technique may use data other than PARMS Service data.

The process will not cover internal activities carried out by the Performance Assurance Administrator.

### 1.3 Main Users of the Procedure and their Responsibilities

This procedure will be used by authorised staff from Suppliers, Supplier Agents<sup>2</sup>, SMRAs and BSC Agents. BSCCo will use this procedure for the provision of Market Indicator and standing data to the PAA. The procedure also provides an interface to data providers and to the BSC Panel and PAB (which will receive reports via this procedure).

The procedure will be used by the PAA for the collation and validation of data.

The procedure will also be used by the PAB and the BSC Panel for the publication of new sets of data under the Peer Comparison technique that are not associated with the PARMS Service.

### [P427]4.4 Selecting a New Public Peer Comparison Subject - PARMS

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.4.1	As required	Decide which new Serials/Standards appropriate for publication in public Peer Comparison Report(s)	PAB		Identification of a significant Settlement Risk, non-compliance or performance issue in accordance with the provisions of Section Z of the BSC	Internal process
4.4.2	At least 2 months before publication <u>of any new data set(s)</u>	Circulate details of new Serials/Standards to be published in public Peer Comparison Reports Circulate details of publication frequency	PAB	Supplier	Details of new Serials/Standards Details of frequency of publication Appendix 5.15	Email

## Redlining to BSCP533 (3 of 5)

### [P427]4.6 Public Peer Comparison - Non-PARMS Data

<u>REF</u>	<u>WHEN</u>	<u>ACTION</u>	<u>FROM</u>	<u>TO</u>	<u>INFORMATION REQUIRED</u>	<u>METHOD</u>
<u>4.6.1</u>	<u>In accordance with frequency determined by the BSC Panel in accordance with 4.7.5</u>	<u>Produce public Peer Comparison league table(s)</u>	<u>BSCCo</u>		<u>Public Peer Comparison data set(s)</u>	<u>Internal Process</u>
<u>4.6.2</u>	<u>In accordance with frequency determined by the BSC Panel in accordance with 4.7.5</u>	<u>Publish public Peer Comparison league table(s) on BSC Website</u>	<u>BSCCo</u>		<u>Copy of authorised public Peer Comparison league table(s)</u>	<u>BSC Website</u>
<u>4.6.3</u>	<u>Following 4.6.2</u>	<u>Notify any queries about data inaccuracies</u>	<u>Performance Assurance Party</u>	<u>BSCCo</u>	<u>Details of Query e.g. specific data items in question and explanation of inaccuracy</u>	<u>Email risk@elexon.co.uk</u>
<u>4.6.4</u>	<u>Following 4.6.3</u>	<u>Acknowledge query and discuss query with Performance Assurance Party and either:</u>	<u>BSCCo</u>	<u>Performance Assurance Parties</u>	<u>Query details, relevant public Peer Comparison league table(s)</u>	<u>Email/Phone</u>
		<u>(a) take corrective action and regenerate relevant public Peer Comparison league tables(s);</u>	<u>BSCCo</u>	<u>Suppliers</u>		<u>Email</u>
		<u>(b) determine that query can be resolved with no further action; or</u>	<u>BSCCo</u>			
		<u>(c) if query cannot be resolved, refer to PAB for decision</u>	<u>BSCCo</u>	<u>PAB</u>		<u>Email</u>
<u>4.6.5</u>	<u>If action (c): At next PAB following 4.6.4</u>	<u>Review data sets and determine whether data sets can be published in Peer Comparison league tables(s). Notify BSCCo</u>	<u>PAB</u>	<u>BSCCo</u>	<u>Public Peer Comparison league tables(s) from BSCCo. Authorisation by majority vote from PAB</u>	<u>Paper</u>

## Redlining to BSCP533 (4 of 5)

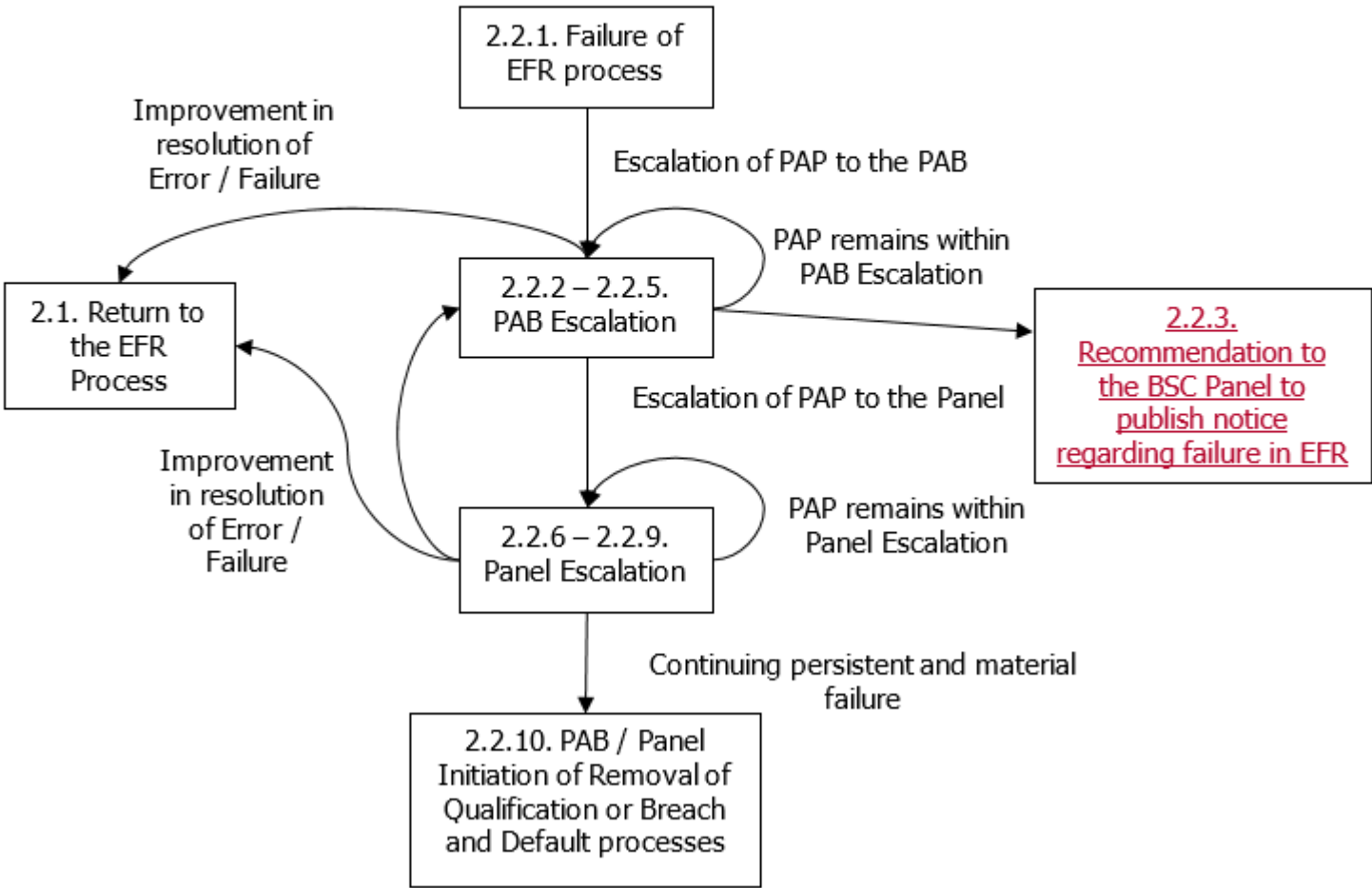
<u>REF</u>	<u>WHEN</u>	<u>ACTION</u>	<u>FROM</u>	<u>TO</u>	<u>INFORMATION REQUIRED</u>	<u>METHOD</u>
<u>4.6.6</u>	<u>Within 2 WD of receipt of PAB decision; or following 4.6.4(a) or (b)</u>	<u>Publish public Peer Comparison league table(s) on BSC Website</u>	<u>BSCCo</u>	<u>Website</u>	<u>Copy of authorised public Peer Comparison league table(s)</u>	<u>BSC Website</u>

### [P427]4.7 Selecting a New Public Peer Comparison Subject – Non-PARMS Data

<u>REF</u>	<u>WHEN</u>	<u>ACTION</u>	<u>FROM</u>	<u>TO</u>	<u>INFORMATION REQUIRED</u>	<u>METHOD</u>
<u>4.7.1</u>	<u>As required</u>	<u>Decide which new data sets appropriate for publication via Peer Comparison Report(s)</u>	<u>PAB</u>		<u>Identification of a significant Settlement Risk, non-compliance or performance issue in accordance with the provisions of Section Z of the BSC</u>	<u>Internal process</u>
<u>4.7.2</u>	<u>As determined by the PAB</u>	<u>In accordance with BSC Section Z7.2, the PAB may propose for one or more data set(s) to be published via the Peer Comparison Performance Assurance Technique where the PAB anticipates it would have a positive impact on competition and overall market performance.</u>  <u>Before proposing a data set(s) for publication, the PAB will follow the process set out in BSC Section H11 (and any relevant subsidiary document referenced in Section H11) to assess whether the data should be disclosed as if references to the BCB were references to the PAB, and references to BSC Data were references to the data set(s) proposed for publication. The PAB will instruct BSCCo to perform the steps set out in BSC Section H11.</u>	<u>PAB</u>  <u>PAB</u>	<u>BSC Panel</u>  <u>BSCCo</u>	<u>Proposed data set(s)</u> <u>Justification for their publication</u> <u>Data disclosure recommendation from BSCCo</u> <u>Proposed frequency and duration of publication.</u>	<u>PAB recommendation</u>

<u>REF</u>	<u>WHEN</u>	<u>ACTION</u>	<u>FROM</u>	<u>TO</u>	<u>INFORMATION REQUIRED</u>	<u>METHOD</u>
<u>4.7.3</u>	<u>In conjunction with 4.7.2</u>	<p><u>BSCCo will review the candidate data set(s) proposed for publication by the PAB in accordance with the process and principles in BSC Section H11 and produce a data disclosure recommendation for the PAB.</u></p> <p><u>The PAB proposal to the Panel in respect of the data set(s) to be published must take into account the recommendation produced by BSCCo as to the potential commercial sensitivity of the data set.</u></p>	<u>BSCCo</u>	<u>PAB</u> <u>BSC Panel</u>	<u>Assessment of the data set(s) as to the potential commercial sensitivity of the data set – data disclosure recommendation</u>	<u>Internal process</u>
<u>4.7.4</u>	<u>At next appropriate Panel Meeting</u>	<u>The BSC Panel reviews the PAB's recommendations to determine whether any potential commercial sensitivity is balanced against the potential benefits in respect of transparency and competition, and whether the proposed data should be published.</u>	<u>BSC Panel</u>	<u>BSCCo</u> <u>PAB</u>	<u>Decision as to whether the data set should be published, and the frequency and duration of publication.</u>	<u>Panel decision</u>
<u>4.7.5</u>	<u>At least 2 months before publication of any new data set(s)</u>	<p><u>Circulate details of new data sets to be published in public Peer Comparison league tables</u></p> <p><u>Circulate details of publication frequency</u></p>	<u>PAB</u>	<u>Supplier</u>	<p><u>Details of new data sets</u></p> <p><u>Details of frequency of publication</u></p>	<u>Email</u>

**[P427] 1.3.2 Escalation**





## Redlining to BSCP538 (2 of 3)

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.2.3	Within 5 WD of PAB meeting.	Send notification of PAB's determination in respect of the Error(s)/Failure(s).	PAB	<u>BSCCo</u> PAP	Details of the PAB's determination and the next required actions.	Written communication.
		<p>If the PAB requires that the PAP should remain within PAB Escalation, continue at step 2.2.4.</p> <p>If the PAB is of the view that the PAP is making sufficient efforts to rectify the Error/Failure, cease the escalation and continue using EFR process set out in section 2.1.</p> <p>If the PAB requires that the PAP should be escalated to the Panel, go to step 2.2.6. (The PAP may wish to, or will be requested to attend the Panel meeting and present its position.). In this situation, the Panel will be informed.</p> <p><u>If the PAP has previously been escalated to the PAB for the same EFR plan then the PAB may make a recommendation to the Panel to publish a notice in respect of the Performance Assurance Party's Error and Failure Resolution plan (including the status of the Performance Assurance Party's Error and Failure Resolution plan(s), details of the Performance Assurance Party's contribution to Settlement Risk and specific reasons for the Performance Assurance Board's concern with regard to the outstanding Error and/or Failure) in accordance with BSC Section Z7.2.</u></p>	PAB <u>BSCCo</u>	Panel	<p>Details of the PAB's determination and the next required actions.</p> <p><u>If required in accordance with Section Z7.2, information and data relating to the status of the PAP's EFR plan, their contribution to Settlement Risk and the concerns raised by the PAB in respect of the outstanding Error and/or Failure.</u></p>	Written communication.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.2.7	Within 5 WD of Panel meeting.	<p>Send notification of the Panel's determination in respect of the Error(s)/Failure(s).</p> <p>If the Panel requires that the PAP should continue being monitored by the PAB, go to step 2.2.4.</p> <p>If the Panel requires that the PAP should continue being monitored by the Panel, go to step 2.2.8.</p> <p>If the Panel is of the view that the PAP is making sufficient efforts, cease the escalation and continue using EFR process set out in section 2.1.</p> <p>If the PAP fails to meet the requirements prescribed by the Panel satisfactorily within the agreed timescale, go to step 2.2.10. *In this situation, <u>Ofgem</u> will be informed.</p>	Panel	PAP <u>BSCCo</u> PAB <u>Ofgem</u> *	Details of the Panel's determination and the next required actions.	<p>Written notification.</p> <p><u>If the Panel determines that information or data should be published in accordance with a PAB recommendation. Publish via circular (and/or such other method directed by the Panel, if any)</u></p>



# VOTING

## Voting

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Does the Workgroup agree the draft legal text to the following:

- BSC Section Z
- BSCP533
- BSCP538



NEXT STEPS

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## Next Steps

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- Consider any actions from this meeting
- Meeting notes to be sent to Workgroup Members
- Assessment Procedure Consultation to be sent round to Workgroup members for review





ANY OTHER  
BUSINESS

# ELEXON

## THANK YOU

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**George Crabtree**

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10 May 2022