

DATA AGGREGATOR PROCESSES METERED DATA

This document outlines the methodology used to assess the Settlement Risk related to the Data Aggregator processing metered data. We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

The risk that... The Data Aggregator does not process metered data correctly or at all, including transfer to SVAA, such that the energy volumes required for Settlement are incorrect or missing **resulting in...** erroneous, missing or estimated data in Settlement.

Category: Data retrieval and processing

Sub category: Data Aggregator processing metered data

Covers: Maintaining data held within data aggregation systems, performing aggregation runs and transfer of aggregation files

Estimated impact in 2019/20

Market	Lower	Middle	Upper
NHH	£158.4k	£294.8k	£507.8k
HH	£322.3k	£2.7m	£6.1m

Does not cover: incorrect metered data provided to Data Aggregators and subsequently included within aggregation

Please note: We identified two main events that give rise to this risk. The first is where aggregation files are either missing or submitted in an incorrect format which results in the Supplier Volume Allocation Agent (SVAA) applying default data. The second is where metered data is erroneously included or excluded from aggregation runs due to system/processing issues which results in erroneous or missing metered volumes. We have assessed these two events separately and aggregated the results.

Failure rate

For the two events identified as the main contributors to this risk, we assessed historical performance and considered upcoming changes that have the potential to impact future performance.

Data points considered

For missing/incorrect DA submissions, we looked at previous instances where the SVAA had applied default data. The below table provides the number of defaulted Settlement Runs due to aggregation data not being available to the SVAA between April and October 2018.

Run	HH	NHH
SF	3	8
R1	1	13
R2	4	13
R3	4	6
RF	2	6
DF	1	0

- We only have detailed data regarding such defaults starting April 2018
- There have been a higher number of issues in the 2018/19 period than observed in previous years
- Whilst the table provides a count per Data Aggregator (DA) per run, the number of Metering Systems impacted per default varies considerably (from a few hundred to a few million)

For DA submissions where metered data is erroneously included or excluded, we considered previous Trading Disputes where this was the root cause. The below table provides the count of Trading Disputes in the last 3 years.

	2015/16	2016/17	2017/18
Count	4	1	3

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Forecast

Below are the key consideration and assumptions when forecasting failure rates in the 2019/20 period:

- For missing/incorrect DA submissions, we are forecasting fewer events (per annum) than for 2018/19, as we do not feel the current year is representative of other years

Impact

To estimate the impact of this risk we need to understand the impact on average per event.

For missing/incorrect DA submissions, we looked at previous Trading Disputes where impacted Settlement Runs were either RF or DF. This gave an average error per missing/incorrect DA submission of **755** and **124** MWh for the HH and NHH markets respectively.

For DA submissions where metered data is erroneously excluded, we considered previous Trading Disputes where this was the root cause. The below table provides the materiality of the number of Trading Dispute outlined in the previous table.

	2015/16	2016/17	2017/18
Materiality	£14.0m	£2.1m	£191.3k

➤ There were single Trading Disputes in the 2015/16 and 2016/17 periods related to erroneous HH DA submissions with materiality of £14m and £2.1m respectively

Forecast

Below are the key considerations and assumptions when forecasting impact in the 2019/20 period:

- For missing/incorrect DA submissions, we are applying average error for RF and DF instances to the other Settlement Runs
- For DA submissions where metered data is erroneously excluded, we are forecasting the potential for a similar but less severe instance as the one seen in 2015/16