

COLLATED CONSULTATION RESPONSES

Consultation: Risk Operating Plan 2019/20

Consultation issued: 4th February 2019

We received responses from the following 3 Parties:

Company	Number of BSC Parties/non BSC Parties Represented	Role of BSC Parties/non BSC Parties Represented
SSE Electricity Ltd	2/0	Supplier/Party Agent
Stark	0/1	HH/NHH Data Collector, HH/NHH Data Aggregator
Npower Ltd	2/0	Supplier/Party Agent

Question 1 What are your views regarding the changes to the Risk Operating Plan - do you consider it is overall a useful document for your organisation to understand how we plan to mitigate Settlement Risks?

Summary

Yes	No	Neutral/Other
2	0	1

Responses

Company	Response	Rationale
NPower	Yes	<p><i>We believe that the draft Risk Operating Plan (ROP) is an improvement on previous versions. It is easier to understand how it is derived and in combination with the revised Risk Evaluation Register is a helpful way of understanding Settlement Risks and proposed mitigation activities.</i></p> <p><i>It is also helpful to have visibility of the PAB strategy and how this links to the ROP, particularly the elements that relate to consideration of impacts of future industry change and the provision of clear and transparent communication. Will there be something in the BSC Change process that prompts a review to understand if a change impacts on the RER/ROP?</i></p>
Stark	Yes	<p><i>The ROP is intended to take the risks identified & approved in the risk evaluation register, sets out the techniques that could be used & the</i></p>

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		<p>costs involved.</p> <p>As with the improvements to the RER, which have naturally migrated through, the changes to the ROP are a significant improvement over previous iterations, providing a far more holistic view.</p> <p>The approach is more risk targeted, using plainer language and links the 3 risk documents rather than being considered 3 separate documents.</p> <p>It provides greater transparency to the process, particularly with regards to the expected PAB strategy and the risk appetite over the coming year.</p> <p>The ROP events is also a particularly good addition that has given focus to issues that may have been out of scope previously or result in too many fragmented risk areas i.e. commercial contracts, compliance & best practise.</p>
SSE Electricity Ltd	N/A	<p>We support the proposed changes in approach to assessment and review of risk to settlement in the refreshed Risk Operating Plan 2019/20. The ROP will provide useful insight for Performance Assurance Parties to understand the techniques to be used to control or mitigate settlement risks and the associated estimated costs of these techniques.</p>

Question 2 Do you have any comments on the accompanying Risk Operating Plan Ledger, containing actions for all Risks identified in the RER.

Summary

Yes	No	Neutral/Other
0	0	3

Responses

Company	Response	Rationale
NPower	N/A	<p>The ROP Ledger is a useful document for viewing the links between all Settlement Risks and their associated proposed Performance Assurance Techniques. It is interesting to be able to view a summary of the Risk Impact and Target Risk Impact and we support the use of a variety of PATs where the cost to the industry is proportionate to the potential mitigation of Settlement Risk impacts.</p> <p>It would be helpful to expand on the roles and responsibilities of the 'Risk Owner' as this is not evident from the ROP documentation in isolation (contained on PAT Deployment Detail tab).</p>

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Stark	N/A	<p>This is a very useful document which further demonstrates the more holistic approach mentioned before;</p> <p>It provides a clear, accessible & detailed identification of how the risks are to be managed techniques to be used in a logical manner, leaving a lot of the legal text to the main BSC documents.</p> <p>This is source of information Having risk managers should provide an indication of risk managements & give a potential point of contact in these specific areas, if that is the intention.</p> <p>The ledger also demonstrates the extent of the system wide considerations required of the risk & performance assurance processes.</p>
SSE Electricity Ltd	N/A	<p>The accompanying ROP Ledger is simple, clear and effective in setting out a brief overview of planned technique deployment for each risk.</p>

Question 3 Do you agree with the 8 targeted Settlement Risks and actions planned for them? Would you recommend focus on another risk or additional actions against these risks?

Yes	No	Neutral/Other
1	0	2

Responses

Company	Response	Rationale
NPower	N/A	<p>We agree with the majority of the targeted Settlement Risks identified but recognise that some are more of an 'unknown quantity' and have been highlighted as a focus to enable further analysis to be carried out. In these instances, it is difficult to agree/disagree with their inclusion, and whether the actions proposed are sufficient. For example, under Risk 18, the PATs relating to the provision of guidance and education are more appropriate than removal of qualification in 2019/20.</p>
Stark	Y	<p>With the impending market changes some of the legacy issues should be targeted.as the risks have been previously identified but not readily resolved perhaps due to sufficient available enforcement in risk areas.</p> <p>As the plan clearly states that there is a flexible review approach as year progresses, if changes are implemented that</p>

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		<p>reduces the impact of a particular risk, another should be brought forward for targeting.</p> <p>This could be elicited by stakeholder feedback to risk managers via OSM's or RFI's at stages during the year.</p> <p>As audits are one the management techniques, Audit results should also be a potential indicator if these are the correct risks to be focussed on.</p>
SSE Electricity Ltd	N/A	Yes, we agree with the eight targeted settlement risks.

Question 4 Do you agree with our list of events which may impact Settlement? Would you add any other events or recommend any additional actions for these events?

Yes	No	Neutral/Other
1	0	2

Responses

Company	Response	Rationale
Npower	N/A	<p>We welcome the inclusion of the Events Log, but this does include a large number of events with a wide scope across the industry. How will the prioritisation of any risk mitigation activity be determined? Only some of the events will impact in the 2019/20 period and we would therefore suggest that it is more appropriate that they are considered as part of potential future change to the RER/ROP.</p> <p>Some of the wording in the Events Log suggests that BSC Parties could be subject to re-qualification, rather than purely Party Agents. This should be clarified within the document and consideration given to other risk mitigation activities that may be required where requalification is not appropriate.</p>
Stark	Yes	<p>These are a good inclusion to the ROP; as stated in the document the events are a consolidation of a smaller risks that individually may not seem to have an impact or have be a consideration to all parties or agents</p> <p>.The list does seem to cover some frequently raised areas of concern & proposed increased peer reporting could go some way towards encouraging the use of best practises & BSCP compliance</p>

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SSE Electricity Ltd	N/A	Yes, we agree with the list of events identified which may impact settlement.
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Question 5 How would your organisation use the information within this Risk Operating Plan?

Yes	No	Neutral/Other
	0	3

Responses

Company	Response	Rationale
Npower	N/A	<i>The ROP can be used as a reference tool for settlement risk. It is unlikely that the whole document will be used for senior management engagement due to its length, but it is possible to use extracts and information derived from it for this purpose.</i>
Stark	Yes	<p>This information could be used should be useful for reference & educational use e.g. for staff development.</p> <p>Prioritise risk to Settlement awareness.; to identify within the business at all levels where clarification of processes required & could focus improvements to risk management & associated performance issues.</p> <p>In communication with industry peers mutual areas of concern that have been identified as risks when agreeing some SLA's that may have a positive impact on targeted risks.</p> <p>Towards evaluation of internal KPI's & risk assessments.or evaluation.</p>
SSE Electricity Ltd	N/A	The ROP will help inform our business views of risks to settlement and provide an understanding of potential wider impacts of specific risks through Elexon's analysis and associated reports.