




Guidance Document: Risk Mapping

Summary

This document illustrates the mapping of the Top Settlement Risks from the 2018/19 Performance assurance Operating Period (PAOP), and the Focus Risks in the 2019/20 PAOP. The document identifies the cross over and differences between the PAOPs, and informs Parties of the rationale behind the judgment ELEXON has made.

Top Settlement Risks – 2018/19 PAOP

In the 2018/19 Performance Assurance Operating Period (PAOP), ELEXON assessed the Settlement Risks resulting in 'Net Significance' values between 1 and 25. We calculated the net significance in line with the approved [Risk Evaluation Methodology](#). The Performance Assurance Board (PAB) treated any Settlement Risk with a net significance of 12 or above as a 'Top Settlement Risk' in line with Section Z5.1.3. In the previous approach to Risk Management, we evaluated all CVA risks as significant for both their Probability and their Impact

Top Settlement Risk	New Risk Category	New Risk Title
<p>SR0024 - The risk that NHHMOAs do not provide Meter Technical Details to the correct NHHDCs resulting in Meter readings not being collected.</p> <p>SR0025 - The risk that HHMOAs do not provide Meter Technical Details to the correct HHDCs resulting in Meter readings not being collected.</p> <p>SR3019 - The risk that Half Hourly Meter Operator Agents (HHMOAs) do not provide correct Meter Technical Details (MTDs), including when HHMOAs make changes to MTDs, to the Half Hourly Data Collector, resulting in Meter readings not being collected or misinterpreted.</p>	 Metering	<p>R006 - On a change of agent, Meter Technical Details are not transferred or processed correctly or at all, such that parties do not use the latest Meter Technical Details</p>

<p>SR0116 - The risk that Import/Export Metering Systems are incorrectly installed/configured resulting in inaccurate data entering Settlement.</p> <p>SR2828 - The risk that non Half Hourly Import/Export Metering Systems are incorrectly installed/configured resulting in inaccurate data entering Settlement.</p>	→	Metering	<p>R003 - SVA Metering Equipment is installed, programmed or maintained incorrectly including where Commissioning is performed incorrectly or not at all</p>
<p>SR0112 - The risk that HHDCs use data from faulty Metering Systems resulting in incorrect data being entered into Settlement.</p>	→	Metering	<p>R005 - A fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved</p>
<p>SR0074 - The risk that NHHDCs do not collect and / or enter valid Meter readings resulting in old/default data entering Settlement.</p> <p>SR0081 - The risk that HHDCs do not process valid HH readings resulting in estimated data being entered into Settlement.</p>	→	Data Retrieval and Processing	<p>R007 - SVA Metered data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met</p>
<p>SR0072 - The risk that NHHDCs process incorrect Meter readings, resulting in erroneous data being entered into Settlement.</p>	→	Data Retrieval and Processing	<p>R008 -SVA metered data is not processed or transferred correctly, or at all</p>
<p>SR0073 - The risk that stolen energy notified by Revenue Protection units is not used in calculations by Suppliers and NHHDCs resulting in inaccurate data being entered into Settlement.</p> <p>SR0111 - The risk that NHH Metering Systems are tampered with resulting in under-accounting of energy in Settlement.</p>	→	Data Retrieval and Processing	<p>R018 - Revenue protection processes are not managed sufficiently, such that unrecorded energy volumes are excluded from Settlement</p>

Focus Risks – 2019/20 PAOP

In the 2019/20 PAOP, ELEXON Assessed Settlement Risks and calculated an Impact Value, in £GBP. This approach was set out in the [Risk Evaluation Methodology](#) (REM).

ELEXON will propose Settlement Risks to prioritise for each PAOP, to select these risks ELEXON considered the following criteria:

- The steer received directly from the Performance Assurance Board, including via the [PAB Strategy](#).
- The innate characteristics, the assessed impact and volatility; ELEXON has prioritised those with a large impact and high volatilities.
- The effectiveness of previous Performance Assurance Technique deployment against the risk, and the forecast effect of applying new approaches and undertaking additional analysis to the risk.

The PAB has approved eight Focus Risks for the 2019/20 PAOP; these risks fall into the Metering, Data Retrieval and Processing, and Registration and Appointments risk categories:

Risk Category	Risk Title	Selection Rationale
Data Retrieval and Processing	<p>R007 - SVA Metered data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met</p> <p>R021 - CVA Metered Data is not retrieved, or processed correctly, or at all, by the CDCA</p>	To provide further understanding around the poor performance that persists in these markets
Data Retrieval and Processing	R011 - Unmetered Supplies SVA volumes are calculated incorrectly or not at all	The Performance Assurance Framework currently does not have access to a detailed view of the risk in the Market
Data Retrieval and Processing	R018 - Revenue protection processes are not managed sufficiently, such that unrecorded SVAenergy volumes are excluded from Settlement	ELEXON does not yet have access to valuable data sources, such as RP data flows, and Theft Risk Assessment Service reporting which will improve ELEXONs Risk Assessment and mitigation efforts
Metering	R003 - SVA Metering Equipment is installed, programmed or maintained incorrectly including where Commissioning is performed incorrectly or not at all	ELEXON note significant changes to the management of the process have been implemented as part of the November 2018 Release. ELEXON will apply investigative techniques to monitor and quantify the impact of the changes on the Risk
Metering	<p>R005 - A fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved</p> <p>R023 - A fault with CVA Metering Equipment is not resolved, such that Metered Data is recorded incorrectly or cannot be retrieved</p>	ELEXON will carry out root cause analysis on the faults, and any delays in fault resolution
Registration and Appointments	R016 - The energisation status held in SMRS or by any party in the Supplier Hub does not match the physical energisation status of the SVA Metering System	ELEXON are seeking to better mitigate the risk thorough a re-assessment of the performance against this risk, ensuring the applied PATs identify and quantify the materiality of mismatches

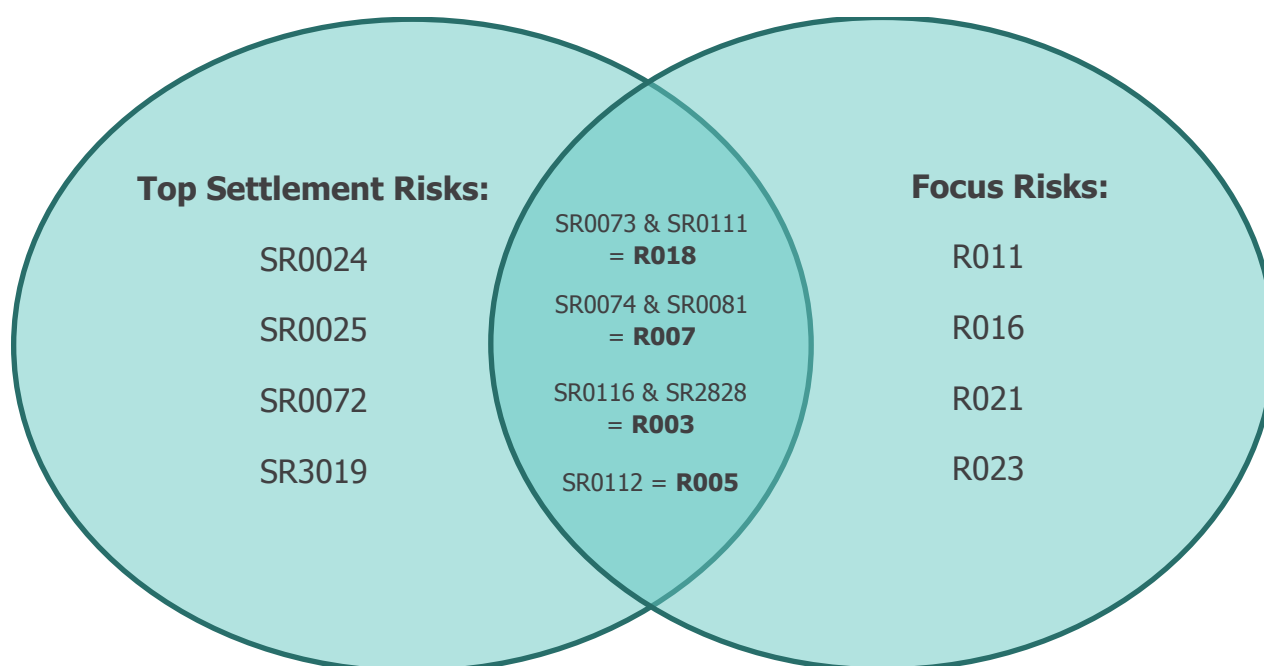
Top Settlement Risks represented in the Focus Risks

The Retrieval of Metered Data risks, Risk 007 for the SVA Market, and Risk 021 for the CVA Market, encompass SR0072, SR0074, SR0081 from the Top Settlement Risks from the 2018/19 PAOP.

The Revenue Protection risk, Risk 018 encompasses SR0073 and SR0111 from the Top Settlement Risks from the 2018/19 PAOP.

The Fault Resolution risks, Risk 005 for the SVA Market and Risk 023 for the CVA Market, encompass SR0112 and its corresponding CVA equivalent from the Top Settlement Risks from the 2018/19 PAOP.

The Metering Equipment installation, programming, maintenance and Commissioning risk encompasses SR0116 and SR2868 from the Top Settlement Risks from the 2018/19 PAOP.



Top Settlement Risks not represented in the Focus Risks

The Top Settlement Risks from 2018/19 that are not represented in the Focus Risks for 2019/20 PAOP are SR0024, SR0025, SR0072, and SR3019.

The risks SR0024, SR0025, and SR3019 are associated with the provision of correct MTDs, in the non-Half Hourly, Half Hourly, and SMART Markets respectively. ELEXON has not included these risks in its Focus Risks for 2019/20, in recognition of the work completed in 2018/19 PAOP. ELEXON presented the findings of the Missing MTDs TAPAP at [PAB208](#). From the conclusions of the TAPAP findings report, ELEXON proposed a rescoring of SR0024 and SR0025, which PAB accepted as a Within Period Revision to the RER in [PAB213](#).

The risk SR0072 is associated with the correct processing of Meter readings. Whilst the risk is not a Focus Risk, in recognition of its importance ELEXON are maintaining the established PATs associated with mitigating the risk. ELEXON aim to improve market performance against this risk over the 2019/20 PAOP.

ELEXON remind parties that Performance Assurance Techniques (PAT) are applied to maintain and improve all the Settlement Risks as outlined in the [Risk Operating Plan](#). The ROP details the PATs applicable to each Settlement Risk can be found within; ELEXON will provide regular reporting to the Performance Assurance Board across all Risks. The PAB can, through a Risk Management

Determination, apply a PAT, request the attendance of, and escalate any party, for any Settlement Risk, as has been the case through previous PAOPs.

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