

PAB221/12 UPDATE ON MEASUREMENT CLASS E, F AND G PERFORMANCE

MEETING NAME	Performance Assurance Board (PAB)
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Date of meeting	27 June 2019
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Paper number	PAB221/12
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Owner/author	Anna Millar and Oliver Meggitt
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Purpose of paper	For decision
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Classification	Public
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Summary	This paper provides an update on Measurement Class (MC) E, F and G HH Performance at an industry level, an update on the progress of previous recommendations set out in February 2019 (PAB217/11) and recommends for further actions.
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1. Background

1.1 In February 2019, ELEXON provided the PAB with a review of MC E, F and G HH Performance (PAB 217/11).

1.2 The paper recommended that:

- Fortnightly updates on root causes and actions were provided to the Operational Support Managers (OSMs) for the three Suppliers with the largest volumes under the 99% standard at R1 for MC E and the three Suppliers with the largest volumes under the 99% standard at R2 for MC F and G and improvements monitored; and
- OSMs provide relevant Suppliers with a copy of PAB127/11 and note that it is an area the PAB is monitoring.

1.3 The PAB requested that in addition to the actions above, ELEXON also publicise the change to the performance level required for MC F and G from 90% to 99% at R1 on 1 January 2020 so that Suppliers are prepared.

1.4 This paper provides an update on industry level performance, progress on the recommendations and actions from the February meeting. It also proposes further recommendations.

2. Industry Level Performance

MC F and G

2.1 In February 2019:

- The Industry performance for MCs F and G (approx. 5% of the market) was above the standard of 90% at R1, with an average performance of 93.55%, but substantially below the R2 standard of 99% at just 93.83%;
- At R2 there were 58 Suppliers with volumes in MC E. Of these 9 (15% of Suppliers) were meeting the 99% standard;
- At R2, 49 Suppliers that were below the standard were producing a total monthly volume of 17,341 MWh that is settled on an estimate above the allowed 1%; and
- At R2, the three Suppliers with the largest volume beneath the standard collectively contribute 10,822 MWh of estimated volume beneath the standard (62% of the total estimated volume below the standard).

PAB221/12 UPDATE ON MEASUREMENT CLASS E, F AND G PERFORMANCE

2.2 Now (June 2019):

- The industry average at R1 is 95.04% (+1.49%) and 95.68% at R2 (+1.85%);
- There are now 64 Suppliers with volumes at R2 for these MCs (6 additional Suppliers). There are now 16 Suppliers over the 99% standard. Whilst this is still a very low number of compliant Suppliers the percentage of Suppliers with a compliant position has improved from 15% to 25%;
- The Suppliers under the standard have a total volume of 13,734 (-3607) that is settled on an estimate above the allowed 1%. It should also be noted that the total volume of energy for MC F and G has also increased from 330,008 to 389,476 (+18%); and
- The three Suppliers recommended for additional focused monitoring now contribute 8,356 MWh of energy under the standard (- 2466). This is 61% of the total volume under the standard and therefore indicates that, despite improvements, these are currently still the right Suppliers to focus on.

MC E

2.3 In February 2019:

- The industry performance was 95.93% at R1;
- At R1 there were 59 Suppliers with volumes at R1 in MC E. Of these 12 (20% of Suppliers) were meeting the 99% standard;
- The 47 Suppliers that are beneath the standard were producing an approximate total monthly volume of 31,932 MWh settled on an estimate above the allowed 1%; and
- The three Suppliers with the largest volume beneath the standard collectively contributed 21,050 MWh of estimated volume beneath the standard (66% of the total estimated volume below the standard).

2.4 Now (June 2019):

- The industry average at R1 is 96.58% (+0.65%);
- There are still 59 Suppliers with volumes at R1 for this MC .There are now 18 Suppliers over the 99% standard (improved from 20% to 31%);
- The Suppliers under the standard have a total volume of 20,964 (-10,968) that is settled on an estimate above the allowed 1%. It should also be noted that the total volume of energy for MC E has decreased from 907,328 to 859,654; and
- The three Suppliers recommended for additional focused monitoring now contribute 13,591 MWh of energy under the standard (- 7459). This is 65% of the total volume under the standard and therefore indicates that, despite improvements, these are currently still the right Suppliers to focus on.

3. Progress of Suppliers with focused monitoring in place

- 3.1 The three Suppliers being closely monitored in MC F and G are the same three Suppliers being closely monitored in MC E although, in February, the impact of the performance of the Suppliers on industry performance varied across the MCs. A high level anonymised update of the performance progress and information is provided below for MC F and G and E. The relevant Supplier Ids are provided for the PAB in Confidential Attachment A.

PAB221/12 UPDATE ON MEASUREMENT CLASS E, F AND G PERFORMANCE

Supplier	February Performance	Current Performance	Improvement	Root causes and actions
Supplier A MC F and G	92.91% - Was second biggest negative impact on industry performance	94.38% - Now biggest negative impact on industry performance	+1.5% performance and reduction in volume by 19%	A full regular root-cause breakdown has been provided to ELEXON for all sites estimating at R2 for MC G and at R1 for MC E and full details of agent performance for all agents used has also been provided. The vast majority of estimation is a result of communication issues and the associated resolution is to discuss and agree arrangements for alternative communication arrangements with HHMOAs.
Supplier A MC E	94.91% - Was third biggest negative impact on industry performance	95.93% - Now second biggest negative impact on industry performance	+1% performance and reduction in volume by 30%	ELEXON has requested a schedule of expected clearances agreed with HHMOAs.
Supplier B MC F and G	81.53% - Was biggest negative impact on industry performance	91.10% - Now second biggest negative impact on industry performance	+10% performance and reduction in volume by 40%	A full regular root-cause breakdown has been provided to ELEXON and full details of agent performance for all agents used has also been provided. Communications issues are the biggest impact and the key actions involved include: Freezing appointments for poor performing agents, working with agents to address issues that have led to Meters unsupported, working with communications providers to reactivate Sims cards and a site visit programme.
Supplier B MC E	89.88% - Was biggest negative impact on industry performance	94.65% - Now third biggest negative impact on industry performance	+4.7% performance and reduction in volume by 51%	
Supplier C MC F and G	92.47% - Was third biggest negative impact on industry performance	93.4% - Now third biggest negative impact on industry performance	+1% performance but increase in volume by 2%	ELEXON requested, but has not received a recent or regular root cause breakdown or details on agent performance from this Supplier in relation to E, F and G. The Supplier has informed ELEXON that separate resource has now been put in place to address MC E, F and G issues and completed training last week. Work will begin to address estimating sites based on those with the largest volume of energy.
Supplier C MC E	92.38% - Was second biggest negative impact on industry performance	93.64% Now biggest negative impact on industry performance	+ 1.2% performance and reduction in volume by 22%	

3.2 All three of the Suppliers with focussed monitoring in place have improved over the period and ELEXON recommends that the monitoring continues for another three months.

PAB221/12 UPDATE ON MEASUREMENT CLASS E, F AND G PERFORMANCE

- 3.3 However, Supplier C has not provided a updated detailed root cause breakdown since March and is now the biggest impact for MC E industry performance. Therefore, ELEXON recommends that Error and Failure Resolution is applied if the root causes of estimating Metering Systems have not been updated and further improvement evident within two months.

4. Further considerations

- 4.1 ELEXON has been providing monthly reminders that the R1 standard for MCs F and G will change from 90% to 99% on 1 January 2020 in its Newscast emails. ELEXON also reminded all Suppliers at its HH Workshop on 12 June about this.
- 4.2 At the HH Workshop, a Supplier representative noted that improvements to MC G were challenging as customers were reluctant to arrange outages when these are required to address Metering issues. If a future workshop is arranged it would be helpful to discuss the problems and potential actions to address this along with further discussion on improving MC E, F and G performance more generally.

5. Recommendations

- 5.1 We invite you to:
- a) **AGREE** to a further three months focussed monitoring for the three Suppliers in MC E F and G with the largest volume under the standard;
 - b) **AGREE** that Supplier C will have Error and Failure Resolution applied if root cause analysis and further improvement is not evident by the end of August; and
 - c) **AGREE** that ELEXON will provide a further update on MC E, F and G performance at the September PAB meeting.

Attachments

Attachment A – Confidential Attachment setting out Supplier Ids of Supplier A, B and C and the performance and energy volumes under the standard for all Supplier Ids for MC E and F and G.

For more information, please contact:

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