

APPROACH TO ENDING LOCKDOWN DEROGATIONS AND RESUMING PERFORMANCE ASSURANCE TECHNIQUES (PATS)

MEETING NAME	Performance Assurance Board (PAB)
Date of meeting	Ex-Committee
Paper number	234/Ex-Committee 01
Owner/author	Anna Millar
Purpose of paper	To set out the approach to ending COVID-19 lockdown derogations and resuming Performance Assurance Techniques (PATS)
Classification	Public
Summary	Approach to ending COVID-19 lockdown derogations and resuming PATs.

1. Background

1.1 During March and April 2020, the PAB considered the impact on the industry of the COVID-19 lockdown and, in particular, the following issues:

- The extreme difficulty in gaining access to sites to:
 - Obtain routine Meter reads for Non Half Hourly (NHH) sites;
 - Obtain reads for Half Hourly sites that have Meter communication faults; and
 - Fix Meter faults and install new Meters;
- Concerns that data flows required by the Balancing Settlement Code (BSC) and its associated procedures may be delayed due to a reduction in operational staff if people become ill or need to self-isolate where the ability to work from home is not in yet in place; and
- Concerns that estimation and profiling arrangements, which are robust in normal circumstances, would not be effective in the circumstances. This could potentially result in cash-flow issues for Suppliers.

1.2 The committee made the following decisions:

- Following consultation with an expert group of Suppliers and Data Collectors (DCs), approved derogations to the usual process to enable adjusted estimates to be put in place which more accurately reflected lockdown consumption. Details of the derogations and adjusted process can be found in [this PAB paper](#) and the [Non Half Hourly \(NHH\) Estimation during COVID-19](#) and [HH Estimation during COVID-19](#) guidance notes;
- To postpone the application of Error and Failure Resolution (EFR) for all but exceptional cases
- Allowing existing EFR plans to be placed on hold, with the exception of those which Supplier and Supplier Agents identify to ELEXON they would like to continue. PAB escalation for missed milestones for existing EFR plans was suspended;
- A derogation to the DC requirement to undertake site inspection visits (in accordance with BSCP502 3.4.1.3 and BSCP504 3.4.1.1 footnote 99 on an annual basis for de-energised sites which do not have remote communications functioning and in accordance with BSCP502 4.1.8 annually for Measurement Class C polyphase Metering Systems and at least on a two yearly basis for single phase Metering Systems) during lockdown and for a period of three months after the ending of a period of restrictions (nationally, regionally or by sector) as notified by the PAB. This approach is set out in the [Site Inspection Visits during COVID-19](#) guidance note;
- The PAB also agreed that the BSC Auditor would take a pragmatic approach when assessing compliance with the Long Term Vacant (LTV) process in its assessments for the 2020/2021 audit period, as the ability to keep a property within the process is dependent on site visits. It agreed that a grace period should be applied during a lockdown and for three months following a lockdown. This was set out in the [NHH LTV during COVID-19](#) guidance note;
- Site visits by the Technical Assurance Agent (TAA) were suspended and the PAB agreed to continue the groundwork for Desktop Audits, so that they could be implemented in the event that restriction of movement became a long term countermeasure; and

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- TAPAP Checks for Risk 11, Unmetered Supplies due to take place between April and June 2020 were postponed to allow the selected Parties to concentrate on business critical work.
- 1.3 In addition to the decisions taken by the PAB, a [Modification \(P406\) "Temporary disapplication of Supplier Charges Serials SP08 and SP04 due to COVID-19"](#) was approved by the Authority.

2. Approach to ending lockdown derogations and resuming PATS following COVID-19 lockdown

- 2.1 Throughout May and June 2020 there have been a number of Government announcements which have resulted in the unlocking of businesses in England with further unlocking activity planned in England and Scotland and Wales in July 2020.
- 2.2 Feedback to ELEXON via its Operational Support Managers (OSMs) has also indicated that some site visit activity has resumed in May and June, with further increases to the deployment of site visit agents expected to ramp up throughout July.
- 2.3 As a consequence, the approach to ending derogations and suspensions of PATs was discussed at the June 2020 PAB meeting and the conclusions of the discussions set out here for formal approval.
- 2.4 The PAB agreed that setting these expectations out to the industry would be important to enable businesses to plan a resumption of site visit activities. The PAB therefore agreed that ELEXON should prepare this ex-committee paper to set out its conclusions so that this could be shared with the industry as soon as possible.

Ending of the COVID-19 Estimation adjustment derogation.

- 2.5 The PAB agreed that as lockdown measures ease and site visits start to recommence throughout July and August, it would expect that the estimation adjustment derogation could cease on 1 October 2020.
- 2.6 In accordance with the NHH Estimation during COVID-19 advice, NHH Suppliers and agents would then have a three month period to ensure that new, appropriate Estimated Annual Consumptions (EACs) were processed, using the normal methods for estimation as set out in BSCP504, with an Effective From Date of 2 October 2020 or before.
- 2.7 The PAB noted that this time frame would provide sufficient time to address any issues emerging following the end of the derogation and prior to the Final Reconciliation Settlement Run for the start of the lockdown period.
- 2.8 However, the committee noted that there may be issues and exceptions (such as regional and sector based lockdowns) that need to be considered further prior to determining whether to end the derogation on 1 October 2020.
- 2.9 It concluded that it would be helpful to reconvene the expert group of Suppliers and DCs that helped to shape the COVID-19 estimation derogation process to consider these, as well as the group considering any feedback from the industry via OSMs.
- 2.10 The PAB expects to make a decision on whether or not to end the COVID-19 estimation derogation and set out any details on dealing with exceptions at its meeting on 24 September 2020.

Ending of site inspection visits derogation and LTV grace period.

- 2.11 The PAB also agreed that 1 October 2020 would be a sensible date to consider issuing the three month notice period to end the site inspection derogation and LTV grace period. However, as with the estimation derogation, the PAB will consider the views of the expert group and feedback via OSMs prior to making a decision at their meeting on 24 September 2020.

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Plan to resume EFR

- 2.12 The PAB discussed the importance of setting out a schedule to resume EFR plans that were put on hold and to address new issues that have occurred. It agreed the following approach and dates for re-starting the technique.

Action	When
Existing EFR plans for issues -which do not relate to 99% and 97% performance standards -expected to resume with updated plans expected by this date	1 September 2020
EFR to be considered for new issues (arising since the suspension of EFR in which do not relate to 99% and 97% performance standards such as Technical Assurance of Performance Assurance Parties (TAPAP) non-compliance plans and plans to address BSC Audit issues	1 September 2020 date of formal EFR requests for plans but ELEXON may begin discussions with PAPs earlier
Existing EFR plans for issues relating to Risk 7 & 8 (99% and 97% performance standards) expected to resume with updated plans expected by this date	1 November 2020– to allow Suppliers to review access rates and issues with agents and formulate new approaches to issues
EFR to be considered for new Risk 7 & 8 (99% and 97% performance) issues based on analysis of performance over the preceding three months to determine the highest priority issues. However exceptionally concerning emerging issues may have EFR applied earlier than this date.	1 January 2021

Plan to resume TAPAP

- 2.13 The PAB agreed that TAPAP audits should resume but that ELEXON should take care not to overly burden PAPs initially. It noted that in the forthcoming months ELEXON plans only to undertake the Risk 11 TAPAP for which PAPs are already prepared and undertake TAPAP audits to investigate the COVID-19 estimation adjustments, where required.

Plan to resume TAA site visits

- 2.14 The PAB agreed that some TAA sites visits could resume but that the current priority for the industry was to undertake site visits to fix Meters and obtain Meter Reads and that the audits should not distract from that objective. ELEXON will continue to monitor the situation and report any developments to the PAB in the Risk Report.
- 2.15 ELEXON and the TAA will be considerate of PAP's individual circumstances when arranging audits and will require confirmation from Party representatives of the appropriate seniority that resources are available for audit participation. Furthermore, we do not expect to complete all of the sample visits planned for this audit year.

Supplier Charges

- 2.16 The PAB noted that consideration of the criteria for the re-starting of Supplier Charges would need to be considered but, in accordance with P406 the final decision to resume Supplier Charges would be taken by the

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BSC Panel. A paper which considers the criteria/triggers for resuming Supplier Charges will be presented to the PAB at its July meeting.

3. Next Steps

- 3.1 The PAB agreed that after formal approval of the plans set out here, the decisions should be communicated to PAPs via the ELEXON Newscast and by OSMs.
- 3.2 The PAB noted that if further Government announcements are made, these decisions may require reassessment and communication to the industry.

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the contents of the paper;
 - b) **AGREE** that the PAB will make a decision at its September 2020 meeting to either end the COVID-19 Estimation Derogations, the site inspection derogation and the LTV grace period on 1 October 2020, or to agree it should continue for a further period.;
 - c) **AGREE** to resume the EFR Technique in line with the timetable set out in section 2.12;
 - d) **AGREE** to resume the TAPAP technique; and
 - e) **AGREE** to resume some TAA site inspection visits where this does not distract PAP's focus from undertaking site visits to fix Meters and obtain Meter Reads in the short to medium term and in consideration of individual organisations' circumstances.

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