

PROPOSED TIMETABLE FOR ENDING COVID-19 LOCKDOWN DEROGATIONS

MEETING NAME Performance Assurance Board (PAB)

Date of meeting 27 August 2020

Paper number PAB235B/06

Owner/author Anna Millar

Purpose of paper Decision

Classification Public

Summary This paper sets out a proposed timetable for ending the COVID-19 lockdown derogations for comment and for a decision in principle.

1. Background

- 1.1 In July 2020, the PAB approved an [ex-committee paper](#) which set out an approach to ending the COVID-19 lockdown derogations that the PAB had approved during April 2020 and to resume the Performance Assurance Techniques (PATs) that had been suspended.
- 1.2 Whilst the paper proposed that the timescales for resuming the PATs be confirmed, the paper also proposed that the PAB considers the views of an expert group of Suppliers and Data Collectors, taking account any relevant comments from the industry, before agreeing a firm timescale and process for ending the derogations.
 - 1.1 The expert group met on 28 July 2020 and:
 - Agreed a proposed timetable for each of the derogations:
 - Proposed that the PAB reviewed the group's recommendations for comment and agreement in principle at its August meeting; and
 - Agreed that if there are no significant changes to the COVID-19 response by the Governments of England, Scotland and Wales, the timetable will then be presented to the PAB in September for formal approval and implementation.

2. Ending the Half Hourly (HH) Derogation

- 2.1 For the HH derogation, the expert group agreed that any remaining estimated volumes during the lockdown period agreed for the derogation are permitted to stay in place if no site specific information has become available with which to replace or improve such estimations
- 2.2 However, the ability to change the order of precedence in the BSCP will need to cease when the derogation is stopped. It was noted that some DCs or Suppliers may believe that greater flexibility outside of the usual precedence criteria in the BSCP, which was allowed by the derogation should be available to DCs within normal operations in the future. This would enable more options to be considered when estimating. It was agreed that any Supplier would have the option of raising a Change Proposal to explore this.
- 2.3 The expert group agreed with the proposal that on 1 October 2020 the PAB would issue three month notice period and that the derogation will be stopped at the end of December 2020.
- 2.4 Suppliers should review all EACs within the three month window or before (and as good practice thereafter) to ensure they are reflective of the current level of operations at the site. The expert group noted that DCs should continue to use the COVID-19 EAC and follow the derogated estimation process, in the absence of any actual data or register reads, through to the end December unless instructed otherwise by the Supplier. However, the group also highlighted the importance of good Supplier Hub communication and wished to

PROPOSED TIMETABLE FOR ENDING COVID-19 LOCKDOWN DEROGATIONS

encourage Supplier Agents to provide any site level information to the Supplier for such sites which would help the Supplier to update the EAC, for example, where access to a site is refused by a customer for hand-held read however the site is open.

- 2.5 Suppliers should start to reassess the estimation for the derogated sites and review EACs as early as possible. Suppliers do not need to wait until the PAB notice period is formally provided to do this.
- 2.6 At its meeting on 28 July 2020, the expert group agreed that updated EACs should be sent from Suppliers to DCs before the end of the derogation but noted there may be instances where this is not possible or yet appropriate. Therefore, the guidance was updated to reflect this.
- 2.7 The 'HH Estimation During COVID-19' guidance note has been updated to reflect this approach (Attachment A).

3. Ending the Non Half Hourly (NHH) Derogation

- 3.1 For the NHH derogation, the expert group agreed that on the 1 October 2020 the PAB should issue a three month notice period that derogation will be stopped at the end of December 2020. EACs to replace the adjusted derogation EACs need to be put in place between 1 October and end of December 2020.
- 3.2 The default expectation would be that EACs return to those used prior to the lockdown. However, an EAC value between the lockdown EAC and the pre-lockdown EAC can be applied where there is evidence, retained by the Supplier, that activity has now started at the site post-lockdown but at significantly reduced levels.
- 3.3 The EAC used for the derogated period can remain in place if the Supplier has evidence that this is the most appropriate EAC at the time the derogation ends and in these circumstances there is no need to deem the read again. However, Suppliers should undertake every effort to obtain reads rather than leave these EACs in place. It is expected that this should only be required for a minimal number of sites. The Supplier should submit a list of such MSIDs including the MSID number, EAC and rationale for the derogated EAC remaining in place to ELEXON by the end of the derogated period, December 2020.
- 3.4 The expert group noted that, as Meter Advances which cover periods of the lockdown will be used in calculating new EACs, this could result in EACs that are not as reflective of post lockdown consumption. Obtaining actual reads as frequently as possible post lockdown is advised to mitigate this. This will mean that the post lockdown Meter Advances are used in the forward-looking EACs generated.
- 3.5 The 'NHH Estimation During COVID-19' guidance note has been updated to reflect this approach (Attachment B).

4. Ending the Derogation for HH and NHH Site Inspection Visits

- 4.1 The expert group agreed that the PAB should issue a three month notice period on 1 October 2020, after which the derogation for the suspension of Site Inspection Visits will end.
- 4.2 From 1 January 2021 Site Inspection Visits due are expected to resume and non-compliances will be raised against Parties who do not complete these going forwards.
- 4.3 The 'HH and NHH Site Inspections During COVID-19' guidance note has been updated to reflect this approach (Attachment C).

5. Ending Audit Grace period for Long Term Vacant (LTV) process

- 5.1 Whilst not a derogation, the PAB agreed a grace period for the LTV process, in relation to the BSC Audit, would be appropriate. The PAB agreed that lockdown days should not be counted towards the 215 days allowed before checking that a site should remain in the LTV process.

PROPOSED TIMETABLE FOR ENDING COVID-19 LOCKDOWN DEROGATIONS

- 5.2 The expert group agreed that the PAB should issue a three month notice period, starting on 1 October 2020, of the ending of this grace period.
- 5.3 Therefore, days after 1 January 2021 will count towards the 215 days for checking a site should remain in LTV process again. These sites should therefore be targeted for site visits to avoid them dropping out of the process.
- 5.4 The expert group also noted that the economic effects of the pandemic may result in an increase in future LTV sites, which will require site visits to establish the status.
- 5.5 The 'LTV Process During COVID-19' guidance note has been updated to reflect this approach (Attachment D)

6. Recommendations

- 6.1 We invite the PAB to:
 - a) **COMMENT** on the draft timetable and approach set out in the paper;
 - b) **AGREE** in principle the draft timetable and approach set out in the paper. This decision will be confirmed at the September PAB meeting subject to there being no significant changes to the COVID-19 response by the Governments of England, Scotland and Wales; and
 - c) **AGREE** in principle the draft updates to the guidance notes to reflect this approach (Attachments A-D)

Attachments

Attachment A – Draft updates to HH Estimation During COVID-19 guidance note

Attachment B – Draft updates to NHH Estimation During COVID-19 guidance note

Attachment C - Draft updates to HH and NHH Site Inspections During COVID-19 guidance note

Attachment D - Draft updates to LTV Process During COVID-19 guidance note

For more information, please contact:

Anna Millar, Risk and Technique Analyst

anna.millar@elexon.co.uk

020 7380 4368