

CP1537 Extending the timescales for agreeing Technical Assurance of Performance Assurance Parties (TAPAP) Findings Reports

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About This Document

This document provides information on new Change Proposal (CP) CP1537 and outlines our proposed progression timetable for this change, including when it will be issued for CP Consultation in the next suitable Change Proposal Circular (CPC) batch.

We are presenting this paper to the Performance Assurance Board (PAB) on 27 August 2020 and Supplier Volume Allocation Group (SVG) on 1 September 2020 to capture any comments or questions from Committee Members before we issue it for consultation.

There are 3 parts to this document:

- This is the main document. It provides a summary of the solution, impacts, anticipated costs, and proposed implementation approach, as well as our proposed progression approach for this CP.
- Attachment A contains the CP1537 proposal form.
- Attachment B contains the proposed redlined changes to deliver the CP1537 solution.

PAB235B/08, SVG235/07

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CP1537 Progression Paper

20 August 2020

Version 1.0

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1 Summary

Why change?

During the [Performance Assurance Framework \(PAF\) Review](#) completed in 2020, the project team concluded that the timescale allowed for Performance Assurance Parties (PAPs) to respond to a Technical Assurance of Performance Assurance Parties (TAPAP) findings report placed undue resource burden on the audited PAP. The review recommended an extension of that timescale.

Solution

This change proposes to increase the time allowed to respond to a TAPAP findings report from two working days to five working days.

It also proposes to clarify the timescale allowed for providing evidence in support of an appeal, providing an additional five working days for this step.

Impacts and costs

The impact of this change would be a central cost of £480 for amendments to BSCPs, and amendments to Local Working Instructions (LWIs) relating to the TAPAP process.

Implementation

This CP is recommended for implementation on 25 February 2021 as part of the February 2021 BSC Release.

2 Why Change?

What is the issue?

Under [Balancing and Settlement Code Procedure \(BSCP\) 535](#) section 3.2.6, PAPs have two Working Days (WD) to respond to a TAPAP audit check findings report, either by accepting the findings, or by appealing them. If the PAP appeals the findings, it must provide a reason for the appeal within the same two WD period after receiving the TAPAP results notification. This time frame is insufficient to allow for multiple levels of stakeholder review, and therefore Parties are unable to:

- fully consider the findings of the report, and;
- compose a fully justified and evidenced appeal.

This results in an unnecessary burden on the PAP in addition to that caused by COVID-19, industry change, and other code body work.

In addition, a number of inconsistencies in BSCP535 regarding response to a TAPAP audit findings report have been identified. Namely that section 1.4.1 states "In the case of a disputed non-compliance, the PAP must provide details of the dispute to the Delegated Authority within 10 Working Days of notification of the non-compliance.", conflicting with the two WD timescales detailed in 3.2.6 and 3.4.1. This change seeks resolve these issues, ensuring that the document sends a clear and consistent message to our customers.

Background

In 2016, the BSC Panel considered the Performance Assurance Framework (PAF) should be reviewed, anticipating challenges from a rapidly changing industry. The PAF review team worked with operational teams and stakeholders to identify strengths and weaknesses of the TAPAP process.

One of the recommendations presented to the PAB in [PAB233/11A in June 2020](#), proposed to "reduce the resource burden placed upon audited PAPs by Performance Assurance Technique (PAT) deployment". It was noted that the timescale in which PAPs must respond to a findings report is only two working days. The PAB approved extending this deadline to five working days.



What is a Performance Assurance Party? (PAP)

A "Performance Assurance Party" is any BSC Party that is subject to the Performance Assurance Framework due to its role under the BSC.



What is Technical Assurance of Performance Assurance Parties (TAPAP)

Technical Assurance of Performance Assurance Parties is an audit intended to check that market participants are compliant with Strategic Risk mitigation requirements. The specific scope of a TAPAP is determined by the PAB at the beginning of the technical assurance process.

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Proposed solution

Increase the timescale described in bullet point 10 of BSCP 535 1.4.1 regarding the amount of time allowed for audited PAPs to respond to the results of a TAPAP audit from two to five working days, to read "The PAP in question shall then respond to the results within 5 Working Days".

Increase the timescale described in BSCP 535 3.2.6 regarding the amount of time allowed for an audited PAP to respond to the results of a TAPAP audit from two to five working days. In the 'Information Required' section of action c, add a sentence to clarify that reason for the appeal must be included.

Increase the timescale described in BSCP 535 3.4.1 regarding the amount of time allowed for an audited PAP to provide evidence in support of an appeal from two to ten working days, and clarify that this time is allocated for preparation of a case supporting their appeal of the finding report. This timescale will be in line with that given in BSCP535 1.4.1 bullet point 11. In the 'Information Required' section, clarify that evidence in support of the appeal is required at this stage.

Justification

This change originated as part of the recommendations of the PAF review which were presented in 2020. Elexon is the proposer of this change.

The proposed changes will ensure that the BSCP 535 document is consistent and clear on the timescales allowed following receipt of a TAPAP audit findings report.

The increased timescales would reduce the burden on PAP resources, allowing thorough consideration of the findings report before a response is issued.

The change to section 3.4.1 would make clear that additional time is allowed, if the PAP intends to appeal the outcome, to collect evidence and prepare a case for the appeal.

Proposed redlining

BSCP 535 is the only document to be redlined under the proposed solution. A copy of the proposed redlining can be found in Attachment B.

4 Impacts and Costs

BSC Party & Party Agent impacts and costs

| BSC Party & Party Agent Impacts | |
|-----------------------------------|--|
| BSC Party/Party Agent | Impact |
| Any party receiving a TAPAP audit | Reduction in resource burden as part of TAPAP by providing participants a longer period to respond to the outcomes of their audit. |

Central impacts and costs

Central impacts

The solution in this CP only affects BSC documentation. Therefore no BSC Central Systems will be impacted.

| Central Impacts | |
|---|--|
| Document Impacts | System Impacts |
| <ul style="list-style-type: none">BSCP 535 | <ul style="list-style-type: none">None |
| <ul style="list-style-type: none">TAPAP LWI | |

Central costs

The central implementation costs for CP1537 will be approximately £480 for the document only changes to implement this CP, including local working instructions

Impact on BSC Settlement Risks

| Impact on BSC Settlement Risks |
|--|
| We do not anticipate any impact on BSC Settlement Risks. |

5 Implementation Approach

Recommended Implementation Date

This CP is recommended for implementation on 25 February 2021 as part of the February 2021 BSC release.

This release date will ensure the change is implemented for the beginning of the following financial year, in line with the beginning of the next performance assurance operating period beginning on 1 April 2021.

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6 Proposed Progression

Progression timetable

The table below outlines the proposed progression plan for CP1537:

| Progression Timetable | |
|---|----------------------------|
| Event | Date |
| CP Progression Paper presented to PAB for information | 27 Aug 2020 |
| CP Progression Paper presented to SVG for information | 01 Sept 20 |
| CP Consultation | 12 Oct 20 – 06 Nov 20 |
| CP Assessment Report presented to PAB for decision | 26 Nov 2020 |
| CP Assessment Report presented to SVG for decision | 01 Dec 2020 |
| Proposed Implementation Date | 21 Feb 21 (Feb 21 Release) |

CP Consultation questions

We intend to ask the standard CP Consultation questions for CP1537. We do not believe any additional questions need to be asked for this CP.

| Standard CP Consultation Questions |
|--|
| Do you agree with the CP1537 proposed solution? |
| Do you agree that the draft redlining delivers the CP1537 proposed solution? |
| Will CP1537 impact your organisation? |
| Will your organisation incur any costs in implementing CP1537? |
| Do you agree with the proposed implementation approach for CP1537? |

7 Recommendations

We invite you to:

- **NOTE** that CP1537 has been raised;
- **NOTE** the proposed progression timetable for CP1537;
- **PROVIDE** any comments or additional questions for inclusion in the CP Consultation; and
- **NOTE** that CP1537 will be presented to:
 - the PAB on 27 August 2020; and
 - the SVG on 1 September 2020.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

| Acronyms | |
|----------|--|
| Acronym | Definition |
| BSC | Balancing and Settlement Code |
| BSCP | Balancing and Settlement Code Procedures |
| CP | Change Proposal |
| CPC | Change Proposal Circular |
| LWI | Local Working Instructions |
| PAB | Performance Assurance Board |
| PAF | Performance assurance Framework |
| PAP | Performance Assurance Party |
| PAT | Performance Assurance Technique |
| SVG | Supplier Volume Allocation Group |
| TAPAP | Technical Assurance of Performance Assurance Parties |
| WD | Working Day |

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

| External Links | | |
|----------------|------------------------|---|
| Page(s) | Description | URL |
| 2 | PAF review website | https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-framework-review/ |
| 3 | BSCP 535 | https://www.elexon.co.uk/csd/bscp535-technical-assurance/ |
| 3 | PAB233 agenda item 11A | https://www.elexon.co.uk/documents/groups/pab/2020-meetings-pab/233-june/pab233-11a-technical-assurance-of-paps-recommendations-report/ |
| | | |