

PAB235A/02 – PAF REVIEW: DATA PROVISION

MEETING NAME	Performance Assurance Board (PAB)
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Date of meeting	30 July 2020
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Owner/author	Nick Groves
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Purpose of paper	Decision
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Classification	Public
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Summary	We have concluded our review activities in relation to Performance Assurance data provision. This paper provides an executive summary of the review findings and recommendations.
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Executive Summary

Following a thorough review of data provision for Performance Assurance purposes, we have reached a set of recommendations that we believe provide the most practical and pragmatic approach to navigate the upcoming market transformation activities. Please see Attachment A for the full review findings which further summarises the rationale behind our recommendations and includes relevant supporting information.

Recommendations

We are recommending that:

- Some participant reported aspects of PARMS are ceased and not replaced at this time; and
- The process by which assurance data is obtained on an ad hoc basis through the Material Error Monitoring (MEM) technique is formalised within the BSC.

Rationale

We concluded that some participant reported aspects of the Performance Assurance Reporting and Monitoring System (PARMS) are not adding sufficient value and we are unable to justify the investment to deliver improvements at this time due to upcoming market transformation activities. Those activities being Market-wide Half Hourly Settlement (MHHS) and the Retail Energy Code (REC), which present the potential to impact key BSC areas including all areas where there is existing data provision. In addition, as the target operating model for MHHS would deliver some of the improvements identified with better access to data, we found limited scope to progress such improvements as an interim measure due to the lead times and impacts on participants. Removing aspects of participant PARMS reporting would allow participants to focus on delivering upcoming industry change and ELEXON, in its capacity as the Performance Assurance Administrator, to continue to engage with MHHS activities such that future assurance reporting requirements can be identified and fed in at the appropriate time.

In relation to formalising the processes by which ad hoc assurance data is obtained under the MEM technique, the absence of such a process has resulted in a lack of awareness of the technique and how it can be flexibly applied. By formalising this process within the BSC, we believe it will ensure a consistent and transparent approach for future ad hoc data acquisition.

Impact on assurance activities

Until improvements can be delivered through MHHS, business as usual (BAU) performance monitoring will rely on existing data sources that are currently adding value with continued support from auditing techniques where necessary. Whilst this approach comes with limitations as outlined in the report, it provides a degree of flexibility to respond to emerging risks. In addition, whilst performance reports have already been updated to identify issues at earlier Settlement Runs, under this approach we'd have to accept that errors which preventative and incentive techniques failed to mitigate may not be detected until later than they could have otherwise been.

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Next steps

Both recommendations require BSC Changes to deliver. We propose that the PAB recommends to the BSC Panel that these changes are raised. Following PAB approval, the changes would enter the change pipeline and prioritised appropriately. We propose that the change related to removing some aspects of participant reported PARMS be assigned higher priority so that the reporting burden on participants can be relieved.

Recommendations

We invite you to:

- a) **APPROVE** that the PAB recommends to the Panel that a Change Proposal is raised to cease the participant reported aspects of PARMS outlined in Attachment A; and
- b) **APPROVE** that the PAB recommends to the Panel that a Change Proposal is raised to formalise the process by which ad hoc data is obtained under the MEM technique.

Appendices

None

Attachments

Attachment A – Data Provision Workstream Report

For more information, please contact:

Nick Groves, PAF analyst

nick.groves@elexon.co.uk

020 7380 4342