

Updates to COVID-19 Guidance Notes

Performance Assurance Board (PAB)

Date of meeting	28 January 2021	Paper number	PAB240/02
Owner/author	Oli Meggitt	Purpose of paper	Decision
Classification	Public	Document version	V1.0
Summary	Following the announcement of further restrictions in England, Scotland and Wales due to COVID-19, Elexon is proposing an update to the published COVID-19 Guidance Notes in order to clarify or extend certain derogations.		

1. Background

- 1.1 To support the industry and Performance Assurance processes during the COVID-19 restrictions, Elexon produced a number of Guidance Notes throughout 2020. The Guidance Notes, including subsequent updates following Government announcements and changes in restrictions were approved by the PAB at the appropriate times.
- 1.2 These Guidance Notes provided a number of derogations to normal BSC processes and obligations, to reflect the ability of BSC Parties and their agents to meet those obligations under the restrictions imposed throughout Great Britain.
- 1.3 In November 2020, the PAB agreed to extend the NHH and HH estimation derogations following the four week lockdown for England announced by the government and to retract the three month notice period that had been given to the industry to end these.
- 1.4 The PAB also considered three options for ending the derogations in future:
 - 1 To operate the process as originally intended. Turning off the derogations and issuing a three month notice period after each lockdown. Re-applying the derogations if required for future lockdown periods;
 - 2 To raise a change to embed the criteria for adjusting the usual estimations process for HH and NHH sites, when there is evidence it is appropriate, in the relevant BSCPs. Include in the relevant BSCPs criteria for when these sites should exit the adjusted process;
 - 3 To wait until we are sure all national and local lockdowns have concluded prior to ending the derogations.
- 1.5 The PAB considered that the first of these options would create more administrative burden for Elexon, the PAB and industry participants which would not be cost-effective and could cause concern to Suppliers. It also noted that the first lockdown period did not have a clear end point but a gradual easing of restrictions over-time which made it hard to be sure when the lockdown officially ended.
- 1.6 The committee was concerned that the second option would be unlikely to be implemented by the time it needed to consider ending the derogations, and discounted it for that reason. However, it was noted that a BSC Party may wish to consider raising such a Change, particularly in relation to the Half Hourly process. This is because DCs have highlighted that a full range of estimation options for Half Hourly sites would be beneficial to ensure the estimation is as accurate as possible.
- 1.7 The PAB considered the third option would be the most efficient way of managing the estimation adjustment derogations process in response to COVID lockdowns.

- 1.8 However, the PAB and Elexon acknowledge that operating the estimation adjustment derogation process and the associated reporting to Elexon takes effort from DCs and therefore it will be important:
- To conclude the process in a timely way when we have confidence it should no longer be required; and
 - To regularly consider whether the frequency of DC reporting could be reduced and consider any suggestions by DCs to adjust the information provided in the reporting, whilst ensuring that the reporting approach still provides Elexon and the PAB with sufficient oversight.
- 1.9 At its September 2020 meeting, the PAB approved a three-month notice to end the grace period given for performing site visits to LTV locations, and the derogation for conducting HH and NHH Site Inspection Visits (PAB236/13).
- 1.10 This notice came into effect on 1 October 2020, meaning that it was expected site visits should resume from 1 January 2021.

2. Recent Developments

- 2.1 In December 2020 and January 2021, increased restrictions were announced by the Governments of Great Britain, including:
- England moving large areas to 'Tier 4' restrictions on 19, 24 and 30 December 2020
 - Wales entering a lockdown from 20 December 2020
 - Mainland Scotland being placed in 'Level 4' rules on 26 December 2020
 - England entering a lockdown from 5 January 2021
 - Mainland Scotland being placed under lockdown from 5 January 2021
- 2.2 Elexon notes that these restrictions, particularly the lockdowns announced by the respective Governments of Great Britain, may again significantly affect BSC Parties' ability to meet certain obligations.
- 2.3 Therefore, Elexon has proposed to amend some of the published Guidance Notes to reflect this situation.

3. Proposed Updates to Guidance Notes and Approach to Ending Derogations

Non Half Hourly (NHH) and Half Hourly (HH) Estimation adjustment

- 3.1 Following the easing of restrictions, Elexon will start to request updates from Suppliers on the reasons that sites remain within the derogation process as part of the reporting and monitoring of the derogations process.
- 3.2 Elexon will review the likelihood of further lockdown periods being required and the number of sites remaining within the derogation process on a quarterly basis (April, July, October and January) to determine whether the derogations are still required, and provide the PAB with appropriate updates.
- 3.3 As part of these quarterly reviews, Elexon will also:
- Consider the frequency of DC reporting required; and
 - Request feedback from Suppliers.
- 3.4 When Elexon determines that the derogations are no longer required, we will recommend to the PAB that a three-month notice period for the ending of the derogations is issued.
- 3.5 The guidance for the estimation adjustment derogations will be updated to reflect this (Attachments A and B).
- 3.6 A DC highlighted concerns to Elexon regarding issues it identifies occurring during Change of Supplier (CoS) events for Metering Systems that had derogations applied. Therefore, Elexon has also highlighted these risks and potential controls/mitigations within the relevant guidance to help Suppliers prevent these issues:
- Disputed Reads – If a replacement read is agreed following a dispute between Suppliers and the Metering System is one that has had a derogation applied after the Change of Supply date, the agreed replacement read will "overwrite" the derogated EAC. Suppliers putting in place a process to cross check D300s against their lists of derogated MSIDs will help them identify such MSIDs and enable them to re-adjust the EAC after the CoS date if necessary.
 - CoS resulting in excessive reductions – If an MSID has been within the derogated process and is then subject to a CoS and if the new Supplier had not adequately assessed the usual annual consumption level at site and confirmed the right level of reductions for lockdown with its customer, the new Supplier may not

realise that the EAC has already been reduced through the derogated process and apply a further reduction. Suppliers ensuring they have good communication with their customers regarding their usual annual consumption levels and their current operational level, as part of their process for collecting evidence to support the EAC reduction put in place, will help to prevent this issue from occurring.

NHH Long Term Vacant (LTV) During COVID-19

- 3.7 Given the lockdown restrictions now in place, we anticipate that it may not be possible for the required site visits to take place (as was the case during the restrictions in place in Spring 2020), and therefore the grace period should be extended.
- 3.8 Since there is no clear indication of when the restrictions will end, Elexon proposes to also update the guidance (Attachment C) and review this on a quarterly basis, providing the PAB with appropriate updates.
- 3.9 As with the NHH and HH Estimation derogations, when Elexon determines that this grace period is no longer required, we will recommend to the PAB that a three-month notice period is issued to the industry.

Site Inspection Visits During COVID-19

- 3.10 Similarly to LTV sites, Elexon anticipates it may not be possible for the required site visits to take place. Therefore we propose to extend the derogation for this area and update the guidance accordingly (Attachment D).
- 3.11 Again, Elexon proposes to update this guidance and review on a quarterly basis, asking the PAB to approve issuing a three-month notice to the industry when Elexon believes the derogation is no longer required.

4. Next Steps

- 4.1 We will continue to update the PAB with feedback received from industry. Elexon would encourage feedback as well from any PAB members.
- 4.2 Elexon will provide updates to the PAB in line with the approaches outlined above. These will normally follow the quarterly process described, but, should there be (for example) any significant announcements from the respective Governments of Great Britain, an appropriate update will be provided..

5. Recommendations

- 5.1 We invite the PAB to:
 - a) **AGREE** the approach set out in the paper; and
 - b) **AGREE** the draft updates to the Guidance Notes to reflect this approach (Attachments A-D)

Attachments

Attachment A – Non Half Hourly (NHH) Estimation During COVID-19 Guidance Note

Attachment B – Half Hourly (HH) Estimation During COVID-19 Guidance Note

Attachment C – Non Half Hourly (NHH) Long Term Vacant (LTV) During COVID-19 Guidance Note

Attachment D – Site Inspection Visits During COVID-19 Guidance Note

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