

Risk Operating Plan (ROP) 2021/22

Performance Assurance Board (PAB)

Date of meeting	29 April 2021	Paper number	243/09
Owner/author	Kat Higby	Purpose of paper	For Decision
Classification	Public	Document version	V1.0
Summary	We invite the Performance Assurance Board (PAB) to approve the Risk Operating Plan (ROP) for 2021/22 following industry comment		

1. Overview

- 1.1 The PAB endorsed the [Risk Operating Plan \(ROP\) 2021/22](#) for industry comment on 25 March 2021. We published the ROP on the Elexon Website and invited industry comments over a three-week period between 26 March 2021 and 16 April 2021.
- 1.2 Direct invitations to comment on the ROP were sent to Parties via their Operational Support Managers (OSMs). Additionally, we highlighted in Newscasts and on social media that the ROP had been published for industry comment.
- 1.3 We received two responses to the ROP Consultation, from parties representing:
 - Supplier (Non-Half Hourly (NHH) / Half Hourly (HH)
 - Non-Half Hourly Data Collector (NHHDC)
 - Non-Half Hourly Data Aggregator (NHHDA)
 - Non-Half Hourly Meter Operator Agent (NHHMOA)
 - Energy Contract Volume Notification Agent (ECVNA)
 - Metered Volume Allocation Notification Agent (MVRNA)

2. Industry Response Details

- 2.1 Respondents agreed with and were supportive of the focus areas for 2021/22, highlighted in the ROP:
 - Supporting the recovery of the market, following the COVID-19 pandemic
 - Providing improved Performance Assurance within the CVA Market
 - Understanding and mitigating, where possible, the impact of any potential transition of Risk to the Retail Energy Code (REC)
 - Addressing actions arising from Market Issues identified within the BSC Audit
- 2.2 With regards to the recovery of the market following the COVID-19 pandemic, it was noted that consideration should be given to significant differences impacting domestic and non-domestic Suppliers during the easing of lockdown restrictions. It was noted that, when making determinations during the recovery of the market, alternative approaches should be considered by Elexon and the PAB in a timely manner if the planned easing of lockdown restrictions do not progress as expected.

- 2.3 It was noted that the retrieval of metered data should remain a key focus area, given the risk that is posed to Settlement accuracy by not collecting actual data. In terms of the recovery of Party performance, the respondent's preferred approach, given the challenges and pressures that Suppliers are currently facing, would be that requirements around performance-related activities and measures are introduced in a phased manner with sufficient lead times to ensure that they can be accommodated operationally.
- 2.4 With regards to the forthcoming REC transition as part of Retail Code Consolidation, a respondent noted that one of the intended focus areas should be to understand and to mitigate, where possible, the impact of any potential transition of risk. It was also noted that, whilst the remit of Elexon and its ability to monitor all associated processes is unclear, close communication with both Ofgem and the REC Code Manager should be frequent and open so that the risks and challenges posed by the transition can be understood and appropriate mitigations can be put in place on a temporary / transitional basis.

3. Conclusion

- 3.1 Elexon recommends that the PAB approve the 2021/22 ROP, given the positive responses received through the industry consultation.
- 3.2 Should any changes be required to the ROP during the 2021/22 Performance Assurance Operating Period (PAOP), these will be considered by the PAB as with-in period revisions.

4. Recommendations

- 4.1 We invite you to:
- a) **APPROVE** the Risk Operating Plan for 2021/22.

Attachments

Attachment A – ROP 2021/22

Attachment B – Collated responses

For more information, please contact:

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