

ELEXON

QUARTERLY PERFORMANCE ASSURANCE REPORT

Quarter 1 – 2021/22

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Contents

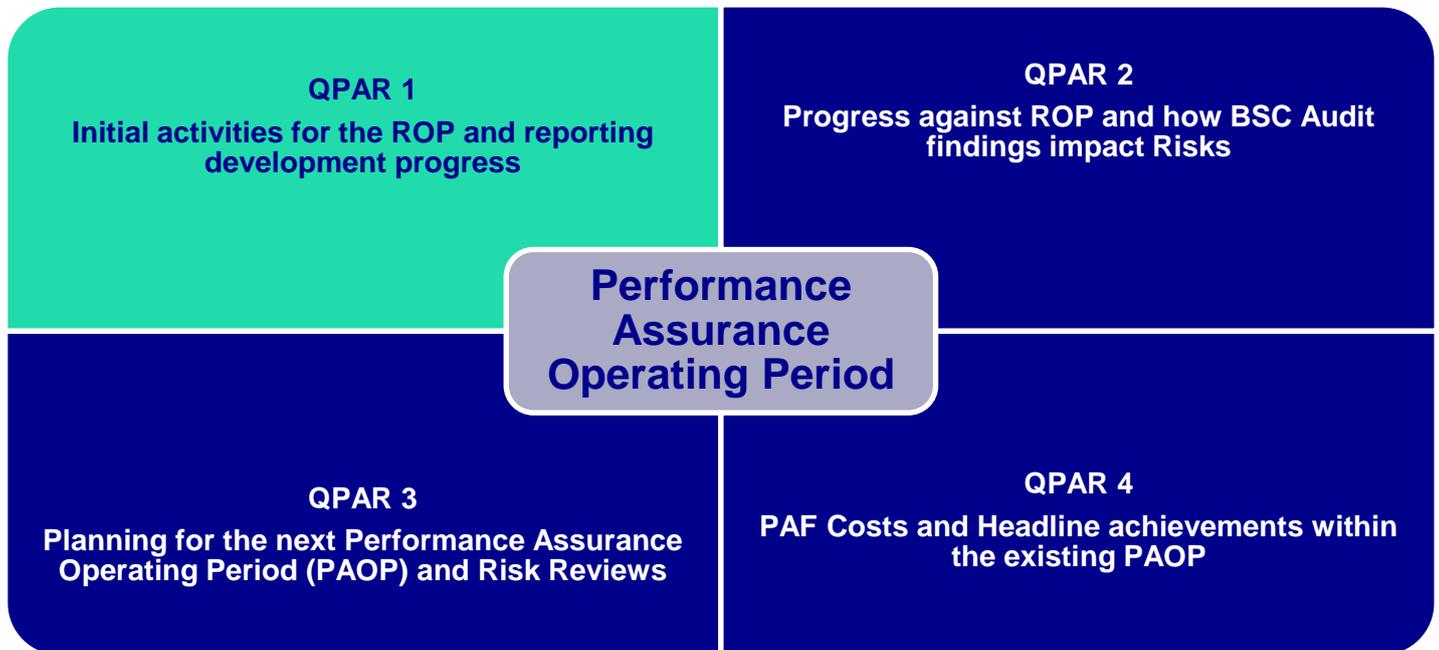
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Overview

The Performance Assurance Board (PAB) is required, by Balancing and Settlement Code (BSC) Section Z 8.1¹, to prepare an Annual Performance Assurance Report (APAR). Following a recommendation from the PAF Review, Elexon will also provide a Quarterly Performance Assurance Report (QPAR), which includes:

- Results from risk evaluation and risk assurance procedures focussing on the outcome of deployment of Performance Assurance Techniques (PAT);
- The actual costs associated in delivering the Performance Assurance Framework (PAF) compared with the estimated costs set out in the Risk Operating Plan (ROP); and
- Recommendations for modifying the Performance Assurance Techniques.

In addition, the content of the QPAR will focus on the Performance Assurance activities undertaken within the previous quarter. This may mean that, within each QPAR, the content and information provided changes or has a specific focus in line with activities undertaken. Elexon will, over the course of the four quarterly reports, cover the full scope of the Performance Assurance Framework and our Risk Operating Plan. As a guide, we anticipate the four quarterly reports to have focus on the following areas



¹ <https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/>

Key Points of Progress

Ongoing development of Risk Reporting

Elexon is continuing to produce reporting for all key Risk areas to support Performance Assurance activities. Elexon has streamlined the delivery of reporting by adopting the following principles:

- Scale back the level of detail of planned reporting;
- Focus only on data we already have available and which is most relevant to the material impact of each Risk area; and
- Schedule the delivery of smaller, but more frequent, products.

In response to the appetite expressed by the PAB to focus additional Assurance resource on the monitoring and mitigation of Central Volume Allocation (CVA) Risks, Elexon proposes further amendments to the development roadmap for our Risk Analytics and Monitoring Dashboards (RAMD). The proposed amendments would see work on dashboards for CVA Risks brought forward to be completed prior to work being resumed on additional Supplier Volume Allocation (SVA) Risk dashboards.

Unfortunately due to competing priorities (predominantly due to the development of the REC Assurance interactions and the on-going focus on ADR issues) delivery against our risk dashboard project has fallen behind schedule. The revised project timeline is below. The main factors contributing to this delay are:

- Resource has been focused on establishing enduring mechanisms by which PAB can more easily publically publish risk data (in line with the PAB's expressed appetite to do so);
- Work has been prioritised to mitigate potential errors flagged by ADR;
- An uptick in demand led risk management activity, such as the shortage of semiconductors, and REC Transition management; and
- Understanding how to interpret the available CVA data has taken longer than anticipated.

Risk ID	Market	Risk Title - The risk that...	Release Schedule
19	CVA	A Volume Allocation Unit is registered incorrectly or not at all, such that the CDCA does not collect any or the relevant data	Aug-21
32	CVA	Manual adjustments to CVA Metered Data are not completed correctly, or at all	Aug-21
22	CVA	Changes to CVA Metering Equipment are not notified to CDCA	Oct-21
34	CVA	The SVAA does not process or transfer the correct data or does not use approved default data.	Oct-21
26	CVA	Aggregation Rules in CDCA are incorrect such that CVA Metered Data is not correctly aggregated and the energy volumes required for Settlement are incorrect or missing	Dec-21
30	CVA	The ECVAA does not carry out processes correctly, such that output files are inaccurate	Dec-21
27	both	Trading Parties do not or are unable to pay Trading Charges fully or at all, such that it triggers an Event of Default	Feb-22
16	SVA	The energisation status held in SMRS or by any party in the Supplier Hub does not match the physical energisation status of the SVA Metering System	Feb-22
13	SVA	Manual adjustments to Metered Data are not completed correctly, or at all	Apr-22
1	SVA	SVA Metering Point is registered incorrectly or not at all, such that metered data is not collected or aggregated	Apr-22

Risk Landscape

- Our Risk Evaluation Register (RER) contains a total of 34 Risks. 18 Risks relate to Supplier Volume Allocation (SVA) processes, and 16 to Central Volume Allocation (CVA).
- The operations of BSC Parties and their Agents were significantly impacted by COVID-19 during the period of lockdown in the 2020/21 PAOP, which extended into 2021/22. Since March 2020, there have been temporary derogations in place to allow Suppliers to ensure that estimated consumptions used in Settlement reflects known reductions in customer demand, as a result of the coronavirus lockdown and businesses closing. Following the recent loosening of restrictions across the UK, the Performance Assurance Board determined that the temporary derogations should end on 30 September 2021.
- During the 2021/22 PAOP, we will continue to focus on supporting the recovery of the market following the COVID-19 pandemic. In addition, we will focus on the following areas and associated Risks:
 - Providing improved Performance Assurance within the CVA Market
 - Understanding and mitigating, where possible, the impact of any potential transition of Risk to the REC
 - Addressing actions arising from Market Issues identified within the BSC Audit

Risk Manager Update

During this period of uncertainty for the Energy Market, we continued to develop supportive and appropriate Performance Assurance measures to manage the issues arising from COVID-19 as lock down measures continued to impact performance across all Market sectors and regions. We will continue to support BSC Parties and their Agents as temporary measures that have been in place to assist them at this time are removed, following the loosening of restrictions across the UK.

During the next quarter, in addition to the ongoing monitoring of market operations and providing support to the market, our Risk team will focus on the Risk areas highlighted in the new Risk Operating Plan (ROP). This includes providing regular updates to the Performance Assurance Board (PAB) on CVA Risks, and assessing the impact of the transition of Code requirements to the Retail Energy Code (REC).

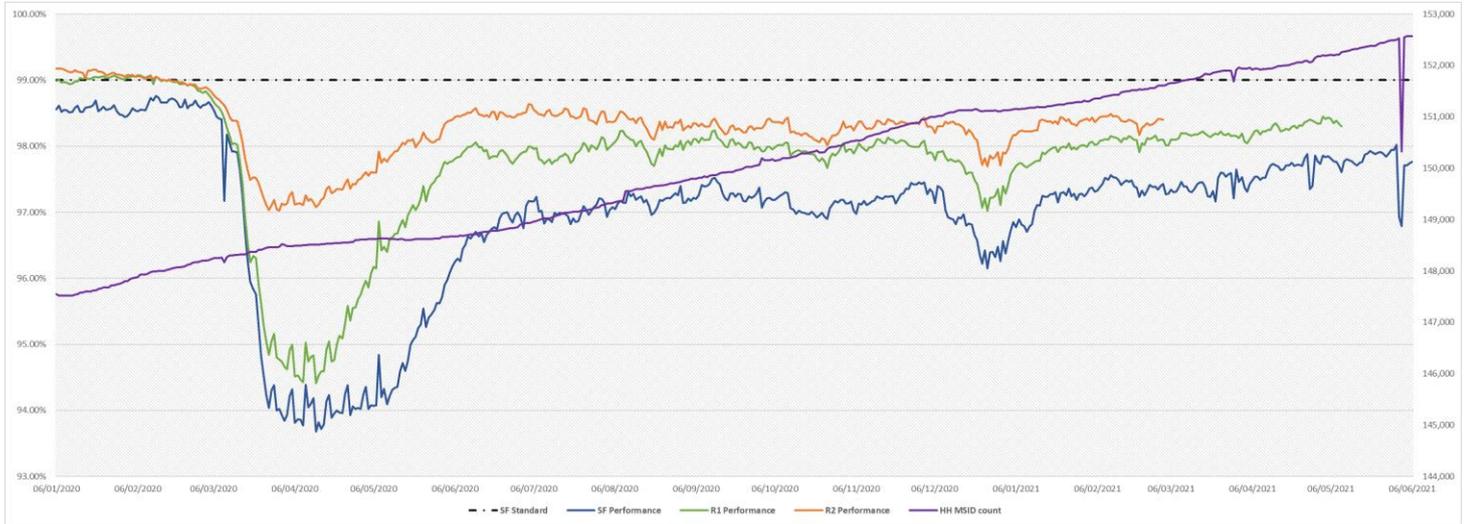
Our Risk approach within Elexon remains to re-assess and re-prioritise Risks in accordance with changes in how Risks impact the market. We will continue to deploy Performance Assurance Techniques (PATs) to monitor and mitigate Risks, in line with the 2021/22 ROP.

If you have any questions regarding Risk, please contact Risk@elexon.co.uk.

Key Industry Metrics

Elexon has provided a high-level overview of the Market Performance across the most recent quarter of settled dates at each Settlement Run, for the Half Hourly (HH) Measurement Class C Market, the Sub-100kWh Half Hourly Market, and the Non-Half Hourly (NHH) Market. For a detailed analysis of the Market performance across each month, please find the recent [Risk Reports: Insight and Guidance on Settlement](#) available on the Elexon website.

HH Market



The HH Market recorded a gradual improvement in performance as the market resumed its recovery following the extended Covid 19 disruption. The table below excludes a recent fall and recovery in performance, which took SF performance to 96.79%, as a result of the late submission of data to SVAA by a HHDC.

Settlement Run	Lowest Performance	Date achieved	Highest Performance	Date achieved
SF	97.16%	23 March 2021	98.02%	31 May 2021
R1	97.20%	22 February 2021	98.45%	3 May 2021

Sub 100kWh HH Market



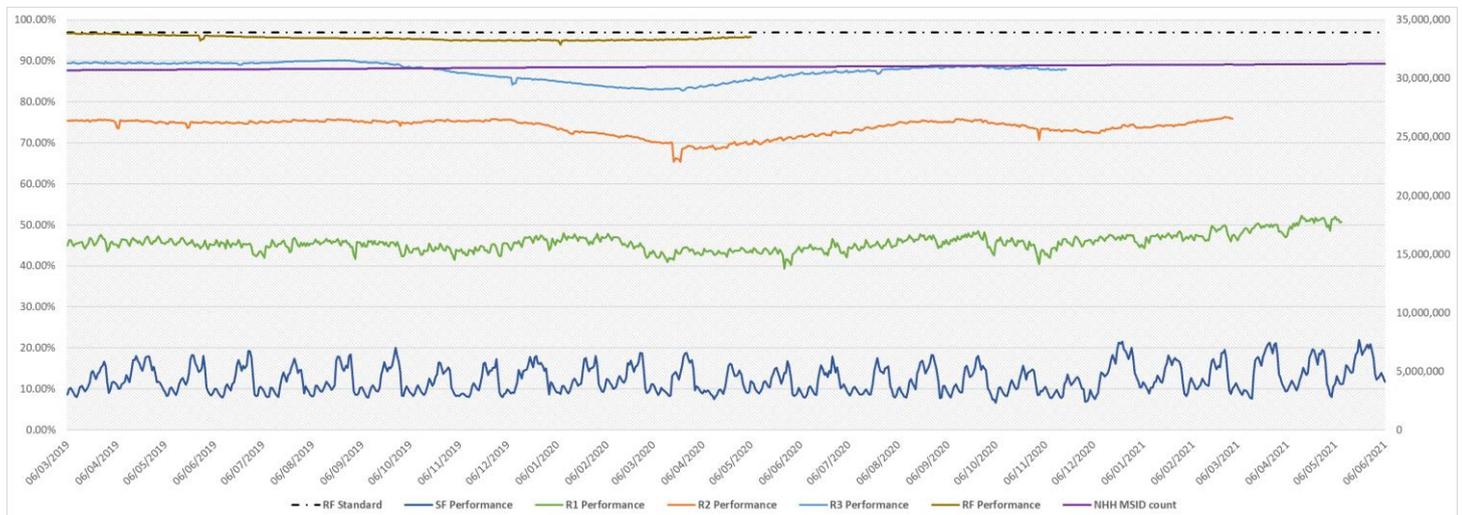
The Sub 100kWh HH Market recorded an improving but variable performance in the first quarter of the 2021/22 PAOP.

Quarterly Performance Assurance Report

The performance range for each of the runs is detailed below, including the dates on which the lowest and highest performance was achieved:

Settlement Run	Lowest Performance	Date achieved	Highest Performance	Date achieved
SF	92.33%	4 April 2021	94.28%	21 May 2021
R1	94.03%	21 February 2021	95.60%	3 May 2021

NHH Market



The NHH Market recovery has resumed following the disruption throughout the winter lockdowns.

The performance range for each of the runs is detailed below, including the dates on which the lowest and highest performance was achieved:

Settlement Run	Lowest Performance	Date achieved	Highest Performance	Date Achieved
R1	45.92%	2 March 2021	52.18%	15 April 2021
R2	72.97%	10 December 2020	76.26%	27 February 2021
R3	87.83%	10 November 2021	88.87%	27 September 2020
RF	94.98%	4 February 2020	95.94%	3 May 2020

Focussed Risk Event Overview

Risk Events

Support Recovery of the Market

Due to the prolonged impact of the COVID-19 pandemic Elexon are focusing on supporting the recovery of market performance and reinforcement of good practices as a priority for the 2021/22 PAOP.

The risks identified for focused support within this area:

- Risk 5 – Fault Resolution;
- Risk 6 – Meter Technical Details transfer and processing;
- Risk 7 – Retrieval of Metered Data;
- Risk 8 – Processing of Metered Data;
- Risk 10 – Meter read history; and
- Risk 12 – Metering Equipment Technical Detail Quality.

In order to support the recovery of the market in a responsible and managed manner, we aim to provide support for data retrieval through education. This supports the data retrieval of Hard to Read sites and the establishment of effective Meter communications. We will further support this with a TAPAP check to identify parties and issues that are preventing the effective retrieval of metered data, with those identified as underperforming having EFR applied. The EFR technique will be switched on for those parties that are consistently unable to achieve the performance standards

CVA Assurance Improvements

Elexon will focus on the CVA Risks to improve and strengthen the Assurance processes in line with Elexon's proactive and transparent assurance programme following the Performance Assurance Framework Review.

The risks identified for focused support within this area:

- Risk 19 – CVA Registration;
- Risk 20 – CVA Metering Equipment installation, programming, maintenance and Commissioning;
- Risk 21 – CVA Retrieval and processing of Metered Data;
- Risk 22 – CVA Notification of change to Metering Equipment; and
- Risk 23 – CVA Fault Resolution.

We aim to provide improved visibility and controls in order to enhance the current CVA Assurance programme by providing:

- CVA Risk Analytic & Monitoring Dashboards,
- Inclusion of CVA Risk into the Risk Report,
- Development of the CVA Backstop,
- TAPAP check on CVA Meter Technical Details,
- Improved CVA Work Papers for the BSC Audit, and
- Providing Registrants and their Agents a view of their Performance data in order to drive Performance improvements.

Quarterly Performance Assurance Report

Transition of Assurance to the Retail Energy Code (REC)

Elexon will focus on understanding and mitigating, where possible, the impact of any potential REC transition arrangements.

We have identified that this event will have the potential to impact all SVA Risks, however the below risks are identified as having the most significant impacts:

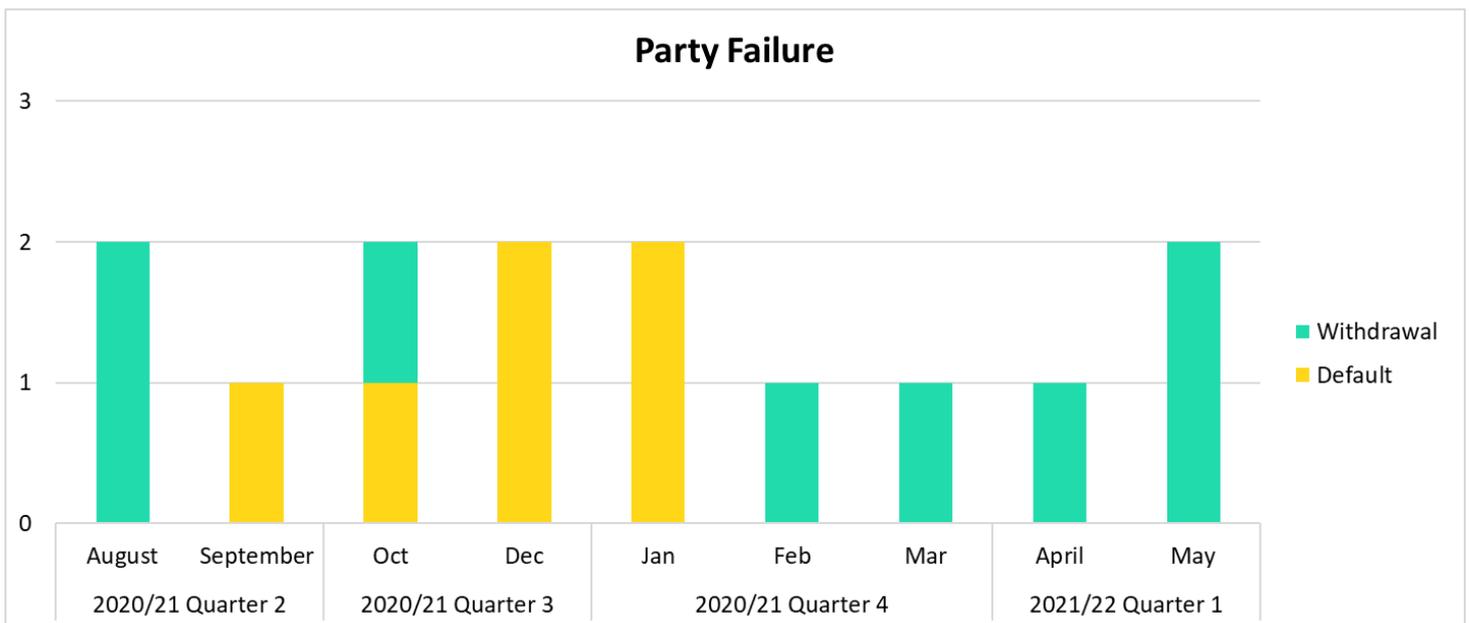
- Risk 1 – Registration;
- Risk 2 – Attributes;
- Risk 3 - Metering Equipment installation, programming, maintenance and Commissioning;
- Risk 4 – Notification of Change to Metering Equipment;
- Risk 5 – Fault resolution;
- Risk 6 – Meter Technical Details transfer and processing;
- Risk 7 – Retrieval of Metered Data;
- Risk 12 – Metering Equipment Technical Detail Quality;
- Risk 14 – Agent appointments;
- Risk 15 – Reference data; and
- Risk 16 – Energisation status.

We aim to prepare for a smooth and effective introduction of the REC by understanding the REC impacts to BSC responsibilities and processes, and preparing for a handover of responsibilities to the REC. We will also provide education to our Suppliers and Supplier Agents to ensure they are prepared and knowledgeable of the impacts of the introduction of the REC.

Party Failure

Elexon processed 11 Party Withdrawals from the BSC, two Parties were expelled from the BSC, and five Parties underwent default in the 2020/21 PAOP.

Elexon has processed three Party withdrawals in the first quarter of the 2021/22 PAOP.



Other Notable Risk Updates

Ending Derogations for COVID-19 Lockdowns across Great Britain

The three-month notice period required to end the COVID-19 Supplier derogations begins on 1 July. The Performance Assurance Board (PAB) made this decision at its meeting on 24 June 2021, taking into account feedback from industry and the loosening of COVID-19 restrictions.

The PAB believe that there is now a reasonable level of confidence that Government restrictions, which significantly impact Settlement operations, have concluded. The PAB noted that whilst some restrictions do remain in place, very few business premises are now required to remain closed. Subsequent to the PAB meeting, further announcements by the governments of Great Britain have indicated most, if not all, of the enforced closures of businesses will end in the summer of 2021.

BSC Parties requirements during the notice period

During the three-month notice period beginning 1 July 2021:

- No new adjustments are to be made under the derogations to Half-Hourly (HH) or Non Half-Hourly (NHH) Estimated Annual Consumption (EACs).
- Suppliers should review all HH EACs to ensure that they are reflective of the current level of operations at the site. In the absence of any actual data or register reads Data Collectors (DCs) should continue to use the COVID-19 EAC and follow the derogated estimation process through to the end of September 2021 unless instructed otherwise by the Supplier. Supplier Agents will be encouraged to provide any site level information to the Supplier that would help them update the EAC, for example where access to a site is refused but the site itself is open.
- Suppliers should put in place NHH EACs that replace the adjusted derogation EACs. 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 evidence is obtained by the Supplier that activity has now started at the site but at significantly reduced levels.
- A NHH 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 a 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.

Process at the end of the notice period

By the end of the derogated period in September 2021, Suppliers should submit to [Elexon Assurance](#) a list of all Metering System Identifiers (MSIDs) that have not returned to their pre-lockdown EAC. This should include the MSID number, initial and current EACs and their rationale for either continuing the derogated EAC or calculating a new EAC. Suppliers will be required to provide evidence for their decisions where Elexon determine that this is necessary for the purposes of Performance Assurance. Examples of acceptable evidence will be given in revisions to the relevant guidance notes.

Elexon will continue to monitor the status of supplies that have been entered into the process through the existing system of data submissions from DCs. Where necessary, Suppliers will be contacted through their Operational Support Manager (OSM) to ensure that plans are in place to remove supplies from the derogation process in line with the provisions of the guidance notes.

Site Inspection Visits

From 1 October 2021 Site Inspection Visits that are due are expected to resume and non-compliances will be raised against Parties that do not complete these going forwards.

Long Term Vacant (LTV) sites

Days after 1 October 2021 will count towards the 215 days for checking whether a site should remain in Long Term Vacant (LTV) process again. These sites should therefore be targeted for site visits to avoid them dropping out of the process.

Additional information

Quarterly Performance Assurance Report

The above changes have been reflected in updates to the relevant guidance notes:

- [HH Estimation During COVID-19](#)
- [NHH Estimation During COVID-19](#)
- [HH and NHH Site Inspections During COVID-19](#)
- [LTV Process During COVID-19](#)

Elexon and the PAB acknowledge that some commercial properties may, despite the legal restrictions being lifted, be difficult to access or DCs may be refused entry. However, we also note that this has at varying scales always been a hurdle for the industry to overcome and would expect Parties to have in place processes and procedures to allow them to maximise the success rate in obtaining actual reads.

Further information on [The Update to COVID-19 Guidance Notes can be found here.](#)

Monitoring the Settlement Performance Standards

The PAB have updated their approach to managing the Settlement performance standards for Suppliers during the disruption caused as a result of the COVID-19 pandemic.

The PAB is aware that the COVID-19 pandemic has resulted in significant difficulties for Suppliers that have impacted their ability to meet the performance standards. However, the committee is concerned that an increase in estimation can result in significant issues for Suppliers and other BSC Parties including:

- Incorrect Settlement volumes and Charges;
- Increased Imbalance Charges as Suppliers, where Suppliers are not using the correct Volumes to forecast;
- Increased issues with customer billing and complaints; and
- The impact of these problems exacerbating the existing financial challenges to Suppliers and resulting in an increase of failing Suppliers which places a further burden on BSC Parties.

The PAB has also reviewed analysis which indicates that the pandemic has led to changes in consumption resulting in Non-Half Hourly estimation becoming more inaccurate. This analysis was provided in the Performance Thresholds Review and is available to read in the documents section of on the [PAB244 meeting page.](#)

The committee is concerned about the Settlement impact associated with both increased estimation and increased estimation inaccuracy. In particular, the PAB noted that, whilst it is important to recognise that individual portfolios and Settlement performance for each Supplier will vary and therefore impacts vary too, at an industry level:

- There is an understatement in domestic consumption leading to an overstatement in non-domestic consumption;
- Conversely, there is a tendency for estimation to overstate non-domestic consumption and therefore there is a risk of over allocation of Settlement volumes to those Suppliers in this sector;
- Our monitoring suggested the overall dominance of under-stated domestic volumes led to an increase in GSP Group Correction Factors across the board which is shared evenly across all NHH Suppliers (predominately) ; and
- This was likely to result in a double impact to non-domestic Suppliers, the first through the under-allocation in Settlement and the second through the GSP Group Correction Factor application.

Whilst acknowledging the difficult circumstances, the PAB and Elexon is concerned about the volatility of estimates. During a time of such fluctuating consumption we will be closely monitoring the Suppliers with the largest volume of non-compliant estimation (the 'focus Suppliers') due to their impact on Settlement.

The threshold for focus Suppliers will be reviewed on a quarterly basis and is currently set at 4,000MWh of estimated energy a month below the standard for Half Hourly Measurement Class C, Half Hourly Sub 100kW and NHH performance. This threshold will next be reviewed in August 2021 when the PAB has indicated this is likely to decrease, potential to as low as 2,000MWh.

Suppliers with non-compliant energy levels above the threshold at the time of the quarterly reviews will be likely placed in [Error and Failure Resolution \(EFR\)](#) in accordance with [BSCP538 EFR](#) so that the issue can be monitored.

Quarterly Performance Assurance Report

However, due to the current level of restrictions and the level of challenge Suppliers are experiencing the approach to EFR will be a “light-touch” compared to that prior to the pandemic:

- Whilst Suppliers will be expected to provide root cause analysis, to set out the actions being taken against the areas of concern and to provide regular progress updates, detailed forecasts of Settlement performance uplifts will not be mandatory. However, the PAB has indicated it expects to request quarterly forecasts once again following the quarterly review in August; and
- Where Suppliers are able to provide performance forecasts to facilitate discussion and set out expectations to Elexon, failure to achieve the performance increases within these will not result in escalation steps being taken at the current time.

ADR Investigation and lessons learned

Following the Lessons learned exercise undertaken surrounding the Metering issue originally flagged by Elexon's [Annual Demand Ratio](#) (ADR) KPI which resulted in a Settlement Error in Grid Supply Point _A, and in response to potential errors highlighted by ADR for GSP Groups _J, _K, _L and _M, Elexon has taken a number of actions to enhance the assurance regime in this area. The actions we are taking include, but are not limited to:

- Thorough manual analysis of available data looking for potential issues², Elexon recognise this as a resource intensive process and seeks to develop an automated issue identification system within the second Quarter of the 2021/22 PAOP.
- Elexon will apply the automated issue identification system to available data for those GSP Groups that have been highlighted as having potential errors.
- Strengthening engagement with external industry forums and groups which have better visibility of potential errors that could impact Settlement.
- Elexon is currently engaging directly with Distribution Network Operators (DNO) to:
 - Share Lessons Learned findings following the metering issue in GSP _A;
 - Discuss DNO obligations where they are also the Registrant;
 - Explore the existing DNO controls in place that ensure they fulfil their obligations; and
 - Enhance cooperation between Elexon and DNOs to identify the root causes of the error indicated by the ADR Issue.
- Elexon has produced a proof of concept Automated Monitoring Solution that seeks to enhance and automate central monitoring which will provide a consistent and robust approach freeing up time spent manually reviewing data.
- The PAB has approved TAA site inspections for all GSPs within GSP Groups _J, _K, _M which have been highlighted by ADR. Elexon is working with the TAA to deliver these site inspections as quickly as practicable.

Further detail on the ADR issue and the Lessons Learned exercise can be found [here](#).

PAF Review Recommendations

Due to other operational priorities, including amending processes to cater for Retail Energy Code changes, has resulted in a temporary change in focus. Elexon will provide updates on the progression of PAF Review Recommendations in future reports.

Reference Data Risk

The Targeted Charging Review (TCR): Significant Code Review (SCR) is an Ofgem led project that assessed how residual network charges should be set and recovered in Great Britain by Licensed Distribution System Operators (Distributor Network Operator's (DNO's), Independent Distribution Network Operators (IDNOs)) and the National

² Values of less than 1 may result from the over-accounting of import energy in SVA, the under-accounting of export energy in SVA or under-accounting of Grid Supply Point (GSP) metering. Values of greater than 1 may result from the under-accounting of import energy in SVA, the over-accounting of export energy in SVA or over-accounting of GSP metering.

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Electricity Transmission System Operator (NETSO). The unprecedented growth in the size of the MDD and LLF datasets presents challenges for Elexon's Central Systems. In the first instance, the new LLFCs and valid set combinations simply need to be added to MDD and the LLF dataset, and communicated to Parties and Party Agents; Central Systems. Participants' systems must then receive, process and send the larger dataflows and datasets. In the December SVG Meeting (SVG238), the committee approved the Distributor Network Operator's (DNO's) TCR Change Request's (CR's) to be published in January 2021.

SVG and the BSC Panel decided not to progress any further Change Requests for TCR until testing had been carried out to mitigate the risk that Central Systems and Participant's systems cannot handle the growth in LLFCs and valid set combinations. This also poses a risk to industry processes, such as Imbalance Settlement, which could lead the process to fail.

The overall finding from Central system testing was that a combination of increased processing resources/coding changes were needed in order to handle the expected increased data volumes successfully. The Central System tests demonstrated that the relevant current BSC Central Systems applications solutions will not be able to handle the increase in data planned for the TCR. A combination of increased processing resources (system memory & CPU), code changes and configuration changes are being carried out in order to handle the expected increased data volumes successfully. During Q1, testing has been carried out to cover the TCR volumes and a second cycle of testing to see if there is any headroom. The required changes will need to be tested and implemented before the IDNO Change Requests will be recommended to the SVG for approval in August 2021.

Noting that as the limitations are resolved there is still a risk that limits are reached in other areas of the system.

We will continue to manage the risk of this system as with all Central Systems on a day to day basis. The risk is increasing on the legacy systems but is being addressed by progressing the Kinnect programme.

Technique Updates

Market Issues Update

The Market Issues process has undergone a change in the method of gathering data and presentation to PAB (PAB238/06 – Market Issues Review). The BSC Auditor has suggested four new Market Issues:

- AMR Meter Interoperability
- Missing or Delayed Meter Technical Details
- Smart Meter Details
- Improvements to Data Transfer Network Flows

The Issues for AMR Meter Interoperability and Missing or Delayed Meter Technical Details can both be merged with existing Market Issues, specifically Issue 5750 (Outstation passwords not communicated) Issue 7847 (Missing Meter Technical Details).

The Smart Meter Details Issue is being investigated by the Risk Owner and the relevant Parties will be contacted to determine the root cause, this will therefore be tracked through the BSC Audit Market Issues Action log.

The Improvements to Data Transfer Network flows issue noted concerns with a lack of an indicator within the D0155 flow showing whether a site/meter is a new connection. Furthermore, that a flag within the D0155 to indicate if a meter was import or export would be beneficial.

The Risk Owner noted the MOA should be able to interpret the D0148 that it receives from the Supplier to work out whether the appointment is in relation to a new connection.

The Risk Owner also noted that an Import/Export indicator has been discussed in various forums historically. The Risk Owner notes it is in scope to be added to the Central Switching Service (CSS) as part of REC 3.0 and Market Wide Half Hourly Settlement.

Therefore, Elexon would not be tracking this as a new Market Issue.

Disputes

Q4 Summary

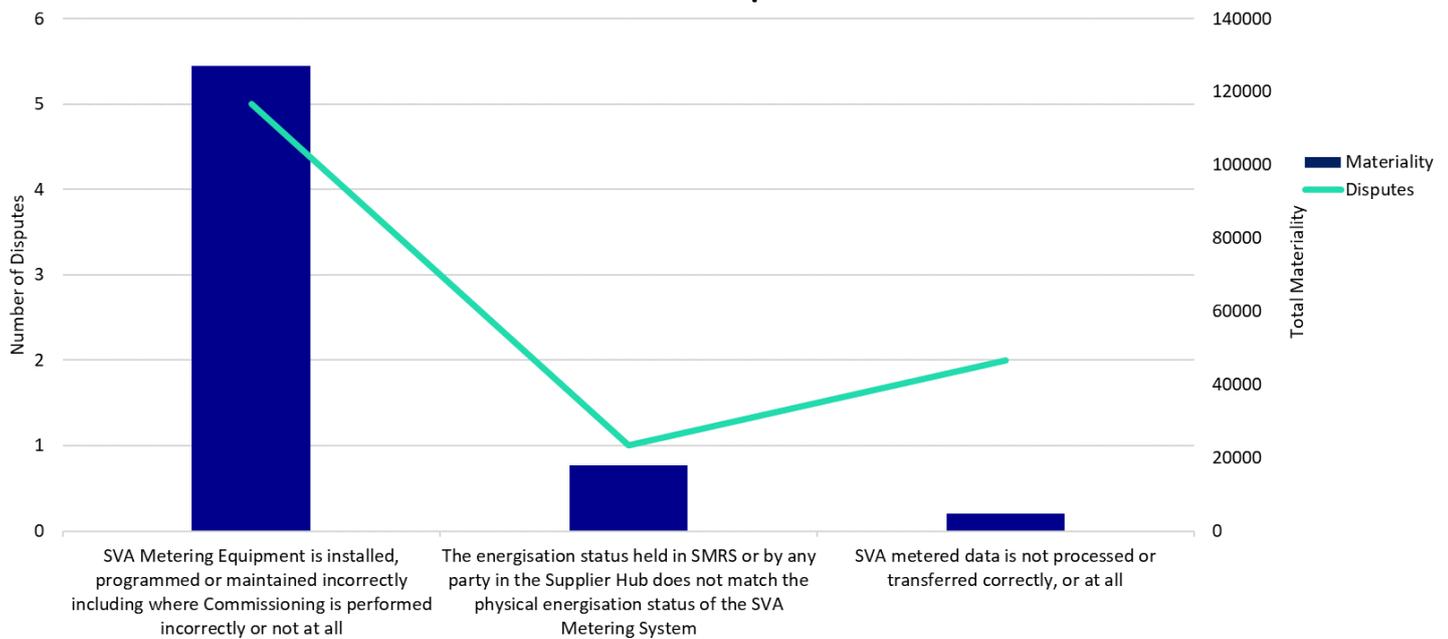
Elexon resolved 6 Trading Disputes between April and June 2021. The Trading Disputes Committee (TDC) upheld three of the Trading Disputes noting the material impact to Settlement. Three Trading Disputes were found to be invalid and were closed by Elexon.

Three of the Trading Disputes upheld by the TDC were related to Risk 3, with a combined materiality of £124,844.

The Trading Dispute Team's focus over the next three months will be on progressing 42 Trading Disputes that remain outstanding. The team will also be resuming work on the Trading Disputes Review project, with focus on the Internal Review and Market Wide Half Hourly Settlement.

Quarterly Performance Assurance Report

Closed Disputes



Error and Failure Resolution

Elexon and the PAB are reviewing their approach to managing the Settlement Performance standards on a quarterly basis. The last review took place at the May 2021 PAB meeting with the next review taking place in August. The recommendations were provided in the Performance Thresholds Review and is available to read in the documents section of on the [latest PAB meeting page](#).

The latest performance resulted in Suppliers with a non-compliant volume of estimation of 4,000MWh at RF in the NHH market and R1 for HH MC C or HH sub-100kW market being in focus and likely to have EFR applied.

Suppliers will remain in EFR until it is beneath the EFR exit criteria which is currently set at 1,000MWh of non-compliant estimated energy.

The following table highlights the current view of the numbers of Suppliers in EFR for issues with their performance against the standards.

Market Area	Number of focus Suppliers	Number of focus Suppliers within EFR technique	Number of Suppliers previously in focus that have not yet met exit criteria	Suppliers are in EFR but have met exit criteria this month	Total number of Suppliers in EFR
HH MC C	6	5	2	1	8
HH sub 100kW	2	2	1	0	3
NHH	8	8	5	1	14

Elexon has assessed the results of the BSC Audit and has turned on EFR for the 42 High- and Medium-rated Audit Issues. Elexon and the BSC Auditor are confirming which Audit Issues relate to each risk, and will provide confirmation of the impacted risks to the [August PAB247 meeting](#). Elexon will work with these BSC Parties to provide them with assistance to improve their performance and compliance in their processes.

Technical Assurance Audit

Mandatory Desktop Audits and Central Volume Allocation (CVA) onsite Inspection Visits

At its May 2021 meeting, the Performance Assurance Board (PAB) agreed recommendations for TAM Desktop Audits and CVA onsite Inspection Visits to become mandatory from Monday 5 July 2021. All TAM activities have been operating on an optional basis throughout the COVID-19 national lockdown.

Mandatory Supplier Volume Allocation (SVA) onsite Inspection Visits

At its May 2021 meeting, the PAB agreed recommendations for TAM SVA onsite Inspection Visits to become mandatory one month following the removal of all national lockdown measures. Following the UK government's announcement, delaying the removal of national lockdown measures until Monday 19 July 2021, the date at which SVA onsite Inspection Visits will become mandatory has been revised to Monday 16 August 2021.

Technical Assurance Agent Management Tool (TAAMT)

Elexon and the Technical Assurance Agent (TAA) are proud to announce that the upgraded TAAMT was successfully launched on 5 July 2021.

The new system maintains the same functionality as the previous model, but benefits from both front and back-end upgrades. This provides our customers with a brand new look and feel, improved system response times and a user experience that is in keeping with Elexon's other suite of digital services.

Furthermore, the new system will support our switch to an agile change approach, allowing for quicker implementation of process and system improvements. This will allow Elexon to better respond in a rapidly evolving energy landscape, to ensure we continue to deliver the best value for our customers.

TAA 2020/21 Annual Report

At its June 2021 meeting, the PAB approved and endorsed the TAA 2020/21 Annual Report for presentation to the July BSC Panel. Furthermore, the PAB also approved the Elexon response to the TAA 2020/21 Annual Report.

The Technical Assurance of Metering Expert Group (TAMEG) will be discussing the key findings from the TAA 2020/21 Annual Report at its July 2021 meeting. Following conclusion of the discussions, Elexon will make the report available on its website.

Supplier Charges

The Supplier Charges Technique remains suspended.

Technical Assurance of Performance Assurance Parties

The Technical Assurance of Performance Assurance Parties (TAPAP) technique is continuing to operate throughout the winter lockdowns, but only where Parties are able to facilitate the checks and with the consideration of prioritising BAU.

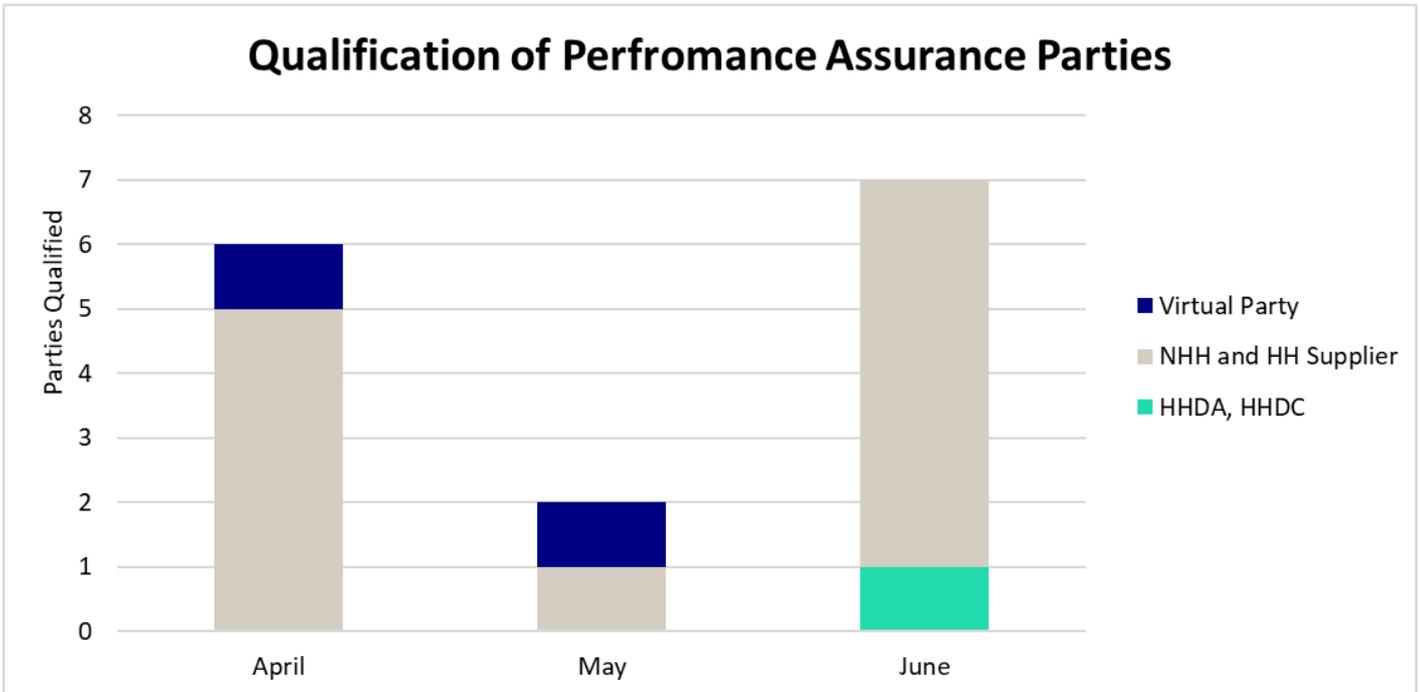
Elexon implemented the Risk 11 set of checks as remote audits during the COVID-19 disruption. Initial feedback from Parties is that these have been well received. Elexon noted specific praise that the remote audits provided flexibility that allowed Parties to accommodate their BAU priorities throughout the pandemic and the audit period. A remote audit has always been an option as part of the TAPAP technique but site visits had been mostly used on previous checks. Elexon will continue to provide this as an option for future TAPAPs, to support our Customers and provide a bespoke audit service.

Elexon has now completed all checks that were scheduled for the Risk 11 TAPAP and are finalising individual Party reports. The collated findings report will be reported to the PAB once all of the individual findings have been agreed. The collated findings report will be reported to the PAB at its August 21 meeting.

Qualification

The Qualification process aims to provide assurance that an organisation's systems and processes have been developed in line with BSC requirements and good practice. Qualification also helps check that systems won't pose a risk to settlement.

Elxon has processed and the PAB approved the Qualifications of 12 HH and NHH Suppliers, two Virtual Parties, and one HHDC & HHDA in the first quarter of the 2021/22 Performance Assurance Operating Period.



Plans for Next Quarter

Supporting the development on Market Wide Half Hourly Settlement

Elxon has been selected as the Programme Manager responsible for the progression of Market Wide Half Hourly Settlement (MHHS). The Assurance function will support the development and transition to MHHS.

Understanding and Mitigating the Impact of any Potential Transition to the REC

Elxon continues to liaise with the REC assurance provider to ensure that Elxon is able to respond effectively to the transfer of responsibilities.

Addressing Market Issues identified within the BSC Audit

Elxon will continue to respond to the Market Issues that were presented to the PAB in the first Quarter of the 2021/22 PAOP.