

Registrants of Central volume Allocation Metering Systems trial Audit Scope

Performance Assurance Board (PAB)

Date of meeting **29 July 2021**

Paper number **PAB246/08**

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Purpose of paper **Decision**

Classification **Public**

Document version **1.0**

Summary **The Performance Assurance Board is invited to approve the BSC Audit trial of Registrants of Central Volume Allocation Metering Systems for the 2021/22 Performance Assurance Operating Period.**

1. Background

- 1.1 At the March 2021 Performance Assurance Board (PAB), the paper [PAB242/05-Risk Operating Plan \(ROP\)](#) raised specific concerns regarding the Central Volume Allocation (CVA) Market. This area of the market continues to be a concern following recent investigations across Grid Supply Point (GSP) Metering. Whilst the Supplier Volume Allocation (SVA) market provided a great deal of data with which to monitor Party performance, there is currently less available data which could be used to pro-actively monitor and identify potential issues within the CVA market. The PAB wished to understand the risks within the CVA market in more detail and to ensure faults were rectified and errors were reduced.
- 1.2 The Risk Operating Plan (ROP) further details focus Risks and Events, highlighting Risk Event 020 the CVA Market Risk Event, as a focus for the 2021/2022 Performance Assurance Operating Period (PAOP). It also noted that Elexon would create a suite of Reporting enabling the PAB to better monitor and challenge performance within the CVA Market. In addition, high impacting risks would be a focus to reduce both risk impact and volatility. High impacting Risks identified include:

Risk	Risk Sub-Category	Impact	Upper Impact	Volatility	Control Strength
019	Registration	£2.9m	£12.4m	M	H
020	Metering Equipment installation, programming, maintenance and Commissioning	£1.1m	£2.6m	M	H
021	Retrieval and processing of Metered Data	£44.7m	£128.1m	M	H
022	Notification of change to Metering Equipment	2.3m	£26.2m	M	H
023	Fault resolution	£35.9m	£101.3m	H	H

- 1.3 The BSC Audit currently covers all CVA Meter Operator Agents (MOAs), the Central Data Collection Agent (CDCA) and the Central Registration Agent (CRA). This includes estimations, fault resolution, appointments, and Meter installation/modification/removals. Through the Technical Assurance Agent (TAA), Elexon audits 5-10% of CVA Metering Systems annually to detect non-compliances against obligations identified as the responsibility of the Registrant. PAB has requested that the BSC Audit scope also covers this role to gain a broader view of this area of the Market.

- 1.4 There are currently 138 Registrants operating in the CVA market covering a total of 938 CVA Meter Systems. Of those;
- 72 Registrants have only one CVA Metering System; and
 - 21 Registrants have over 10 Metering Systems.
- 1.5 Elexon propose an Audit trial of five to eight Registrants that are responsible for CVA Metering Systems in the 2021/22 PAOP covering key areas of concern. The results will be presented alongside the BSC Audit Process Assessment Report at the conclusion of the PAOP.

2. Registrants of CVA Metering Systems Scope Considerations

- 2.1 This section details the considerations of the BSC Audit trial for the BSC Auditor for the PAOP 1 April 2021 to 31 March 2022.
- 2.2 Elexon are responsible for setting the scope of the detailed on site work as well as the owner of the conclusions reached on the assessment. Testing at Market Participants will be performed in a similar way to previous years of the BSC Audit. Elexon will issue a report summarising the key findings alongside the Annual BSC Audit Process Assessment Report, which will be presented to the PAB in May 2022 unless otherwise agreed with the PAB.
- 2.3 Five to eight (dependant on budget) Registrants of CVA Metering Systems will be chosen based on Metering System Identification (MSID) count, total volume of energy, and information in the CVA Risk Analytics and Monitoring Dashboard (RAMD) reports.

Areas in Scope

The scope of the BSC Audit trial for 2021/22 will include the functions and processes described below.

3. Fault Identification and Resolution

- 3.1 BSC Requirements:
- a) The Registrant has to appoint and be responsible for a CVA MOA, and ensure that the CVA MOA fulfils its duties ([Section L Metering paragraph 1.2 Meter Operator Agents](#)).
 - b) The Registrant of each Metering System shall ensure that Metering Equipment is installed, Commissioned, and maintained ([Section L Metering paragraph 2.1 Registrant Responsibilities](#)).
- 3.2 Further requirements that require specific Registrant action can be found in BSCP06:
- <https://www.elexon.co.uk/documents/bsc-codes/bscps/bscp06/>
- 3.3 The work paper will contain eight process/enquiry questions, and detailed testing will be carried out on specific data samples around the above requirements.

4. Data Estimation and accuracy

- 4.1 BSC Requirements:
- a) The Central Data Collection Agent (CDCA) shall notify the Registrant/ CVA MOA of any missing or invalid metered data, as per BSCP03. The Registrant can either agree to the Estimation, or provide alternative values. All Estimations are reported to the Registrant, CVA MOA, National Electricity Transmission System Operator (NETSO), and Licenced Distribution System Operator (LDSO) as appropriate ([BSC Section R Collection and Aggregation of Meter Data from CVA Metering Systems: paragraph 5.3 Estimation of Data](#)).
 - b) The Registrant owns the Metering data acquired from their Metering Equipment. The Registrant by default allows that Metering data to be used by various parties, i.e. BSCCo, CDCA, Settlement Administration Agent (SAA), CVA MOA, NETSO, (LDSO ([Section L Metering paragraph 5.1](#))).
- 4.2 Further requirements that require specific Registrant action can be found in BSCP03:
- <https://www.elexon.co.uk/documents/bsc-codes/bscps/bscp03/>
- 4.3 The work paper will contain five process/enquiry questions, and detailed testing will be carried out on specific data samples around the above requirements.

5. Registrations and Commissioning

5.1 BSC Requirements:

- a) There can only be one Registrant of a CVA Metering System at any one time ([Section X General Glossary; Section K Classification and Registration of Metering Systems and BM Units: Paragraph 1.2.7 \(b\), 2.1.6](#)).
- b) A Registrant has to register a CVA Metering System via BSCP20. It has to appoint and be responsible for a CVA MOA. CVA MOA installs, commissions and proves Metering Systems, and submits Meter Technical Details (MTD) on the Registrant's behalf. A Registrant must keep its registrations up-to-date ([Section K paragraph 2.2 Registration Requirements](#)).
- c) The Registrant of each Metering System shall ensure that Metering Equipment is installed, Commissioned, and maintained ([Section L Metering paragraph 2.1 Registrant responsibilities](#)).
- d) The Registrant of each Metering System shall ensure that Metering Equipment is installed, Commissioned, and Proven, before the relevant connection can be energised ([Section L Metering paragraph 2.3 New Metering Systems](#)).

5.2 Further requirements that require specific Registrant action can be found in BSCP20:

– <https://www.elexon.co.uk/documents/bsc-codes/bscps/bscp20/>

5.3 The work paper will contain six process/enquiry questions, and detailed testing will be carried out on specific data samples around the above requirements.

Potential outcomes of the BSC Audit trial

6. Following the trial Audit, Elexon will:

- 6.1 Determine whether Error Failure Resolution (EFR) is required for any of the selected entities;
- 6.2 Determine whether Registrants of CVA Metering Systems should be included in future BSC Audits;
- 6.3 Reassess the net significance of Risk Event 020; and
- 6.4 Review and enhance work papers for Registrants of CVA Metering Systems, CVA MOAs, and Central Systems.

7. Next Steps

- 7.1 If the PAB approves the scope of this Audit trial, the audit site work will be undertaken in the 2021/22 PAOP. Elexon and the BSC Auditor will present the findings as part of the annual BSC Audit Process Assessment Report at the May 2022 Meeting.

8. Recommendations

- 8.1 We invite you to
 - a) **APPROVE** the scope for the BSC Audit trial for Registrants of CVA Metering Systems; and
 - b) **PROVIDE** any additional comments for consideration when performing the Audit.

For more information, please contact:

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