

## New Modification Proposal 'Switching off Participant-Reported PARMS Serials'

### Performance Assurance Board

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Summary **A request for the PAB to recommend that the BSC Panel raises a Modification, which would allow the discontinuation of participant-reported Performance Assurance Reporting and Monitoring System (PARMS) Serials**

### 1. Issue

- 1.1 The cost of reporting and processing participant-reported PARMS serials is thought to be disproportionate to the benefits provided. Evidence suggests the data that is reported is of limited value and has inherent weaknesses. Moreover, there are other Performance Assurance Techniques that can be used to manage the associated Settlement Risks more effectively (e.g. the new Risk Dashboards). Therefore, the continued provision of participant-reported PARMS data may not be justified.

### 2. Background

- 2.1 Through collaboration with industry via the Performance Assurance Framework (PAF) review workgroup and the Performance Assurance Board (PAB), Elexon concluded that some participant-reported aspects of the PARMS Serials are not adding sufficient value to justify their continued operation.
- 2.2 The issue identified through this collaborative work with industry was that a number of the PARMS Serials currently in place are costly for Market Participants to support and these costs are disproportionate to the value of the assurance provided by these same PARMS Serials.
- 2.3 A potential Change Proposal (CP) was presented to the PAB at its meeting in July 2021 ([PAB246/13](#)). The CP was seeking to deliver the recommendation described above (i.e. to cease participant-reported PARMS Serials excluding SP04).
- 2.4 The PAB considered this CP and voted by majority to also include SP04 'Installation of HH Metering' in the solution. Elexon investigated the impacts of including SP04 and concluded that SP01 should also be included as it would no longer have any function – the PAB unanimously approved this inclusion.
- 2.5 The inclusion of SP01 and SP04 in the solution requires the amendment of BSC Sections and therefore this change must be progressed as a Modification.

### 3. Proposed Solution

- 3.1 This Modification would remove the requirement for Data Collectors (DCs) and CVA Meter Operator Agents (MOAs) to submit participant-reported PARMS Serials. Suppliers will no longer be required to ensure that their Agents submit this data. Suppliers will no longer be required to submit a (Data Provider Information (DPI) file. As a result SP01 will also be ceased as it will no longer have any function.

- 3.2 The solution will also amend the PARMS system to ensure that it is able to continue to operate as intended once Market Participants cease providing data against those highlighted Serials. The PARMS system will need to continue to operate as centrally reported PARMS Serials will continue to operate as per the diagram above.
- 3.3 This will be achieved by amending:
- [BSC Section S 'Supplier Volume Allocation'](#);
  - [BSC Section S, Annex S-1 'Performance Levels and Supplier Charges'](#);
  - [BSC Section X, Annex X-1 'General Glossary'](#);
  - [BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'](#);
  - [BSCP533, Appendix A 'PARMS Data Provider File Formats'](#)
  - [BSCP533, Appendix B 'PARMS Calculation Guidelines'](#)
  - [SVA Data Catalogue Volume 1 \(Appendix A & Appendix B\)](#)
- 3.4 The reduction in reporting obligations is expected to save industry approximately 10 FTE per year.
- 3.5 This Modification is also expected to provide benefits in relation to Supplier Charges, where the only Charges left are related to SP08:
- Increased focus on improving performance
    - The only way for a Party to reduce their charges is to improve Settlement performance, meaning it will be easier to place further emphasis on this. Currently, the SP08 charges are 'lost' amongst the total charges, meaning actual Settlement Performance has very little impact on someone's Supplier Charges
  - Total Supplier Charges (after capping) will be reduced by around 40%. This is a significant amount, but it allows Supplier Charges to be fully transparent going forward.

#### 4. Governance

- 4.1 Pursuant to [BSC Section Z8.2](#), the PAB may make a recommendation to the Panel that a Modification be raised in order to 'Establish a new Performance Assurance Technique or Modify an existing Performance Assurance Technique'. Elexon believe that switching off participant-reported PARMS Serials constitutes a change to an existing PAT to mitigate risk posed to Settlement.
- 4.2 Subject to the PAB agreeing to recommend to the Panel that this Modification be raised, we will present it to the Panel to be raised in line with [BSC Section F2.1.1\(d\)\(vi\)](#) at the Panel's meeting on 11 November 2021.
- 4.3 Given the significant industry input via the [Issue 69 'The Performance Assurance Framework Review'](#) and the PAB it is recommended that this Modification is progressed as a Straight to Report Phase Modification, as the solution is deemed self-evident.

#### 5. Recommendations

- 5.1 We invite the PAB to:
- a) **COMMENT** on the proposal to switch off participant-reported PARMS Serials; and
  - b) **RECOMMEND** to the Panel that the Modification in Attachment A be raised.

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#### Attachments

Attachment A – Modification Proposal Form

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#### For more information, please contact:

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