

Proposed Additional Performance Assurance Technique (PAT): Assurance Information Request (AIR)

Performance Assurance Board

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Purpose of paper **Decision**

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Summary **This paper seeks approval from the Performance Assurance Board (PAB) for the addition of a new Performance Assurance Technique (PAT) to the Performance Assurance Framework (PAF).**

1. Performance Assurance Framework

- 1.1 The PAF is a complementary set of preventive, detective, incentive and remedial PATs, which are used flexibly to address Settlement Risks¹. The PATs are deployed by the PAB on an annual basis via the [Risk Operating Plan \(ROP\)](#) in order to monitor and/or mitigate risk to Settlement.
- 1.2 [Section Z, Performance Assurance](#) contains the rules for the implementation of the PAF. Section 5.3, 'Performance Assurance Techniques' directs how PATs are to be prepared.
- 1.3 In addition, the Panel shall delegate relevant decision-making powers to the PAB in accordance with [Section B, The Panel](#) 5.5.1(a), therefore the PAB can perform the duties described in Section Z. This paper seeks approval from the PAB to add an additional detective PAT to the PAF.

2. Proposed PAT: Assurance Information Request (AIR)

- 2.1 In order for Elexon to better understand a Settlement Risk, it can be necessary to request information from BSC Parties. Under the current PAF, if Elexon requests information from a BSC Party, the Party is not obligated to provide a response. Instead, we can only deploy one of the more intensive techniques (such as Technical Assurance of Assurance Parties (TAPAP)) to mandate this engagement.
- 2.2 Elexon has identified that the addition of a new detective technique that facilitates a Request For Information (RFI) will provide a more efficient way of requesting vital information without the need for deploying one of the more intensive techniques.
- 2.3 An Assurance Information Request (AIR) is distinguishable by name as an Assurance tool and part of the PAF, rather than the RFIs that are routinely provided to industry for other Elexon processes such as with Change Proposals (CPs) and Modifications.
- 2.4 The AIR PAT will be used as a form of assessment and a detective technique to gain an understanding of how a certain process or Party operates.
- 2.5 The PAB will determine whether to apply this technique to a single Performance Assurance Party (PAP), or group of PAPs in order to gain further information in relation to:
 - Performance related issues;

¹ A risk of any failure or error in a process required under the BSC that may impact (or has impacted) Settlement.

- Settlement errors;
- Information provided by the BSC Panel or its sub-committees;
- A particular Settlement Risk; or
- Any other area related to the remit of the PAB or PAF.

2.5.1 The received information can then be used to make further risk management decisions, for further analysis, or provide support to or for the deployment of any of the other PATs.

3. What does this mean to our customers and how will it benefit the PAF?

3.1 This technique will enable the PAF to deliver assurance against industry in a way that other techniques are currently not able to. The AIR technique can be deployed quickly and will be less resource intensive for both Elexon and BSC Parties than the other detective techniques while still providing tangible results. It will complement the rest of the framework by enabling Elexon to obtain vital information to enable further risk management assessments and determinations.

4. Next steps

4.1 Upon the PAB's approval of the additional technique Elexon will;

- Raise a BSC CP to create a new BSC Procedure (BSCP) document that outlines the obligations for PABs and the deployment of the AIR technique.

4.2 Upon approval of the CP Elexon will;

- Update any PAF related guidance and simple guide documents to include the new PAT;
- Publish a dedicated webpage for the AIR technique on the Elexon website;
- Present a within period revision of the 2022/23 ROP to the PAB to include the assignment of the AIR technique to the identified focus risk areas; and
- Publish a newscast article to advise industry of the introduction of the new technique as well as the within period revision of the ROP.

5. Recommendations

5.1 The PAB is invited to

- a) **APPROVE** the addition of the Assurance Information Request (AIR) detective technique to the Performance Assurance Framework.

Attachments

Attachment A – Draft BSCP605, Assurance Information Request (AIR)

Attachment B – Draft AIR Change Proposal

For more information, please contact:

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