

Within-period revisions to the Risk Operating Plan (ROP) and the Risk Evaluation Register (RER)

Performance Assurance Board

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Purpose of paper **For Decision**

Classification **Public**

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Summary This paper provides a summary of proposed within-period updates to be made to the ROP and the RER. These updates are being proposed to remove references to BSCP514¹, which is now obsolete and to reflect potential Risk impacts that relate to the implementation of Ofgem's Faster Switching Programme in July 2022. In addition, we propose that the ROP is updated to reflect the delayed decision on whether to implement Modification P427² as a Risk management tool.

1. Background

- 1.1 The RER and ROP for the 2022/23 Performance Assurance Operating Period (PAOP) were approved and adopted by the PAB in March ([PAB254/03](#)) and April 2022 ([PAB255/07](#)) respectively.
- 1.2 In the 2022/23 ROP, Elexon noted that further consideration would be given to the effect that Ofgem's Faster Switching Programme, delivered by the Retail Energy Code (REC) 3.0 changes, could have on Settlement. The attached within-period revisions to the RER and ROP provide Elexon's assessment of the potential Risk impacts of the implementation of REC 3.0 on 18 July 2022.
- 1.3 We have removed references to BSCP514 in the RER, as it has been retired from the BSC as part of P420 'Retail Code Consolidation Significant Code Review' which moved certain BSC obligations from the BSC to the REC.
- 1.4 Additionally, we reflect in the ROP that the decision on whether to implement Modification P427 as a Risk management tool has been delayed. The Modification will require a longer consultation period than originally anticipated due to identified impacts on the European Electricity Balancing Guideline (EGBL).

2. Summary of proposed changes

- 2.1 A summary of the identified Risk impacts and the changes that have been made to the RER and the ROP are listed in the table below.

The implementation of REC 3.0 on 18 July 2022

Identified Risk Impact	Associated Risks	Revisions made

¹ SVA Meter Operations for Metering Systems Registered in SMRS (obsolete)

² Publication of Performance Assurance Parties' impact on Settlement Risk

The largest potential impact to Settlement is the potential for either the Central Switching Service (CSS) process not to work or the CSS synchronisation with SMRS not to work, which could result in SMRS showing the wrong Suppliers registered to the wrong MSIDs. We note that whilst this would cause significant impact, the likelihood is extremely low.	001 ³ , 002 ⁴	<p>RER: Updated to note the implementation of the CSS as a Risk event under Faster Switching.</p> <p>ROP: Updated to note that the CSS is being governed outside of the BSC, by the REC. Elexon will engage with the REC on whether the systems are working well following testing.</p>
Supplier Meter Registration Service (SMRS) Total Daily Processing timescales and Supplier liquidated damage payments will now be governed by the BSC (BSCP501, Section 2.2 and 2.3) from 18 July 2022.	001, 002	<p>RER Ledger: Updated to reflect that SMRS self-monitoring of service levels and associated liquidated damages are now noted controls against Risks 001 and 002.</p> <p>If there are performance issues with SMRAs in the future, the PAB will have the authority to complete a formal review of the liquidated damages as described in BSCP501, 2.3.6.</p>
Previously the Master Registration Agreement (MRA) governed procedure for Error Resolution and Retrospective Manual Amendments is switching to BSC governance, under new BSCP604. Elexon must therefore ensure that the procedure is assured from 18 July 2022.	001, 002	<p>RER Ledger: Updated to note the new BSCP604 as a relevant process for Risks 001 and 002.</p> <p>ROP: Updated to note that the BSC Audit technique will be utilised to audit SMRAs against the new BSC obligations in BSCP604.</p>

Removal of BSCP514

Identified Risk Impact	Associated Risks	Revisions made
The procedures that were previously governed by the BSC have now been moved to the REC.	All Risks that had previously listed BSCP514 as a relevant BSC procedure.	RER Ledger: Removed all references to BSCP514.

Modification P427

Identified Risk Impact	Associated Risks	Revisions made
The Modification will require a longer consultation period than originally anticipated and will therefore not be used as a Risk management tool until the 2023/24 PAOP if approved.	003 ⁵ , 007 ⁶	ROP: Removed the planned assurance activity to publish performance data for Risks 003 and 007 to monitor and improve industry performance.

3. Next Steps

³ The Risk that an SVA Metering Point is registered incorrectly or not at all, such that metered data is not collected or aggregated

⁴ SVA Metering System attributes held in the Supplier Meter Registration Service (SMRS) or by any party in the Supplier Hub are incorrect

⁵ The Risk that SVA Metering Equipment is installed, programmed or maintained incorrectly including where Commissioning is performed incorrectly or not at all

⁶ The Risk that A fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved

- 3.1 [Section Z](#) of the BSC, Sections 5.5.5 (b) and 5.6.4 (b) state that if the PAB considers that revisions to the RER and the ROP are not significant, it is not required that a draft of the proposed RER and ROP are sent to Performance Assurance Parties (PAPs) and other interested persons for comment.
- 3.2 Elexon does not consider that the changes to the RER and ROP require comment from PAPs and other interested parties. Elexon therefore recommends that (following PAB approval) the attached within-period revisions of the RER and ROP are published on the Elexon Website and adopted by the PAB for the remainder of the 2022/23 PAOP.

4. Recommendations

4.1 The PAB is invited to:

- a) **APPROVE** the within-period revisions to the 2022/23 RER and ROP; and
- b) **AGREE** that the within-period revisions to the 2022/23 RER and ROP will be published on the Elexon website.

Attachments

Attachment A – Risk Operating Plan 2022/23, July 2022 within-period revision

Attachment B – Risk Evaluation Register 2022/23, July 2022 within-period revision

Attachment C – Risk Evaluation Register Ledger 2022/23, July 2022 within-period revision

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