

Quarterly Performance Assurance Report

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Purpose of paper **Information**

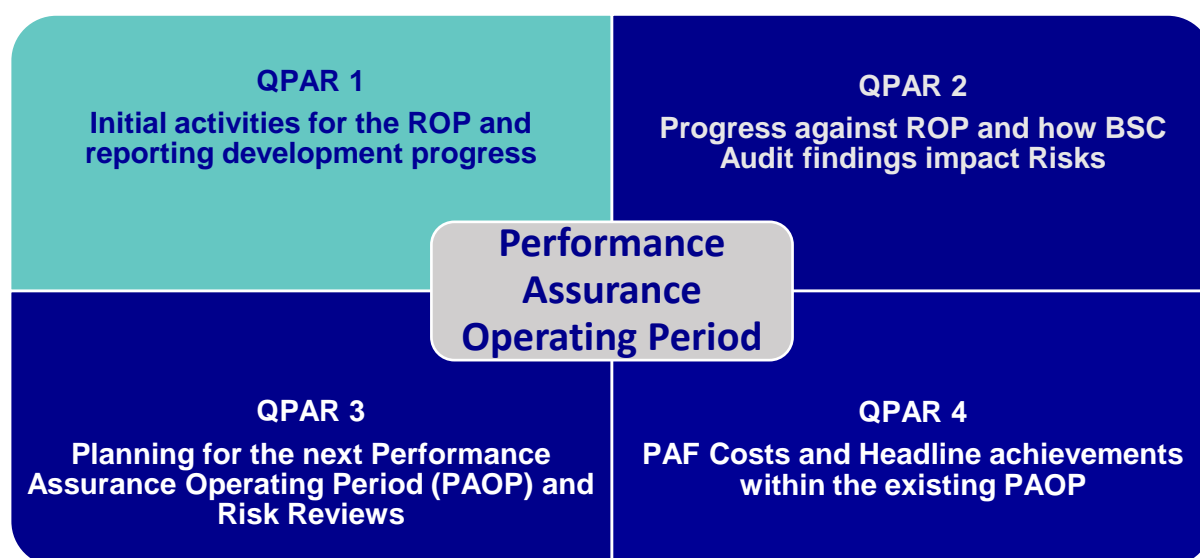
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Summary

This is the first of four Quarterly Performance Assurance Reports (QPARs) for the 2022/23 Performance Assurance Operating Period (PAOP), which will inform Industry of the activities that have been undertaken in each quarter.

This QPAR focuses on the initial Assurance activities undertaken against the [ROP 2022/23](#). These activities have included the improvement of educational guides, threshold reviews and the development of reports for monitoring purposes. Further information about these activities is captured below.



Risk Manager Update

During the first quarter of the 2022/23 PAOP, our Risk team has been focussing on implementing the new ROP.

In addition to monitoring the Risks associated with the three areas of focus described in the 2022/23 ROP, the Risk Team continues to monitor the Meter stock shortage impacting the correction of Meter faults.

In quarter two, the Risk Team will continue to monitor Meter stocks, the three focus areas as well as monitoring the Risks associated with the implementation of REC 3.0 (Faster Switching), which went live on 18 July 2022.

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

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Technique Manager Update

A review of the Performance Assurance Framework (PAF) concluded in 2020. A number of recommendations were made for enhancements to the framework, however, with the energy landscape continuing to change and develop, so should the PAF.

During the next quarter, Elexon will be looking at the Performance Assurance Techniques (PATs) to identify within their current deployment if any improvements or changes need to be made. Elexon will look at how the PATs work as a whole framework to complement each other as well as for individual deployment, if there are any new PATs that need to be created and if there are any that are now redundant.

This work will also feed into Elexon's Helix Programme in support of Market-wide Half-Hourly Settlement (MHHS) and to ensure an efficiently run PAF for our customers.

Progress against the ROP 2022/2023

The [Risk Evaluation Register \(RER\) 2022/23](#) identified multiple Risk Events that need assurance during the 2022/23 PAOP. The ROP 2022/23, through analysis and consultation, highlighted three main areas of focus for the year. Below details the activities that have been undertaken against these Risk areas over the last quarter in order to monitor and minimise the risk to Settlement.

Post-COVID-19 pandemic market recovery

At its May meeting, the Performance Assurance Board (PAB) undertook a review of its approach to managing the Settlement Performance standard. It approved changes to:

- Reduce the thresholds of non-compliant estimation for Suppliers to be considered for entry into the Error and Failure Resolution (EFR) technique to 1,500MWh for the Non Half Hourly (NHH) market and 1,000MWh for the Half Hourly (HH) market. These changes were made to continue the drive to improve industry performance recovery following the pandemic restrictions; and
- Approved a change of approach to performance monitoring data used to make Error and Failure Resolution (EFR) decisions. This will merge NHH (Measurement Class A) performance data with the domestic elective Half Hourly (Measurement Class F) volumes, with the combined total volume compared against the obligation to Settle 97% of energy on Actual Readings/AAs at the RF run. This change is intended to ensure that the PAB monitoring approach does not act as a disincentive to Suppliers who wish to move Metering Systems to elective HH Settlement. This change will be subject to industry feedback and a period of parallel running of the current and potential future approach.

Further details of the current approach to monitoring the Settlement performance standards and the expected future changes to the approach can be found [here](#)

Elexon has sent out a survey to obtain feedback from Suppliers on the merger of NHH and Measurement Class F data. The survey closes at 7:00 on Friday 29 July and you can provide your views using the following link:

[Respond to our survey on a potential new approach to the PAB's Settlement Performance Management](#)

Rising energy prices resulting in an increased number of SoLR events

A rise in gas and electricity price during the 2021/22 PAOP resulted in an increase in Supplier Defaults and, subsequently, an increase in Supplier of Last Resort (SoLR) events. The ROP detailed activities to undertake in the 2022/23 PAOP to mitigate this risk to Settlement as a result of increased SoLR events, an update on these activities are detailed below.

In May 2022, guidance on the SoLR process was updated to include best practice and further Agent advice. This guidance can be found [here](#).

In the first quarter reports were improved to track successful SoLR migration, these reports are monitored weekly. The MSID count weekly monitoring has already highlighted where some export Meters remained on a

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failing MPID which the Supplier was unaware of. The reporting flagged the remaining Export Meters, which have now been moved across to the Party's designated MPID.

Providing additional Performance Assurance within the Central Volume Allocation (CVA) Market

In line with our commitment in the 2022/23 Business Plan, Elexon is working to produce dashboards and analytics for all of the Risks it manages under the PAF. This includes new dashboards being developed in respect of some CVA risks and improvements being made to existing dashboards for others.

Elexon is working to progress a Change Point Analysis tool, developed in response to recent high value Trading Disputes into production, which will identify where errors may have occurred and require further investigation. The Change Point Tool will run automatically and issue notifications to relevant industry stakeholders as well as analysts within Elexon for review and investigation. Presently the Change Point Analysis tool is being run on an ad hoc basis with identified Change Points being manually passed to the relevant teams for review and investigation if required.

Elexon will also be working with the PAB and CVA stakeholders through our continued engagement in order to review existing CVA controls and processes in order to determine whether they are being operated effectively.

Elexon continues to work with a Distribution Network Operator (DNO) representative, to raise a BSC Issue seeking to address some of the key challenges which have contributed to these errors being introduced and remaining undetected for long enough to have such a material impact on Settlement. Further updates will be provided to Industry once the Issue has been raised. Elexon's view is that areas for consideration in respect of the appropriateness of the existing governance arrangements or potential BSC Changes should be covered under the BSC Issue being raised; while operational matters, such as existing controls and processes which may not be operating effectively and engagement and communication with CVA stakeholders should be managed and addressed via a proposed PAB subgroup.

Investigating Potential Issues Indicated by the Annual Demand Ratio (ADR)¹

Elexon continues to investigate of potential errors indicated by ADR on those Grid Supply Points (GSPs) that the data indicates are most likely to be driven by serious Metering errors and which should therefore be quickest to identify and resolve.

As notified by [circular on 23 June 2022](#), Elexon's new processes and tools have enabled the swift identification and resolution of a more recent Metering error in GSP Group _G which evidences that our revised processes are effective at identifying certain types of error before they have a serious impact on Settlement accuracy.

In order to assist our investigations, we are working with the relevant CVA Market Participants in order to schedule Technical Assurance Agent (TAA) site inspections of all GSP Metering within the _P GSP Group.

Elexon has also been facilitating engagement between Elexon, TOs, DNOs, CVA Registrants and CVA MOAs in order to promote improved collaboration in respect of ensuring Settlement accuracy and mitigating long standing Metering errors.

A meeting was held with these CVA stakeholders on 14 July 2022. The meeting was a success and lead to a great deal of useful discussion and a number of actions taken away by attendees, including:

- Elexon to produce a CVA stakeholder contact list and publish via the BSC Portal
- DNOs to provide details of which Embedded BMUs connect to which GSPs if possible
- Alerts to be issued to CVA Registrants at the same time as Elexon once the Change Point Analysis tool goes into production
- Elexon to share data and patterns in respect of previous errors to assist Registrants' investigations
- Elexon to produce and share a summary of work done in the past around Independent Connection Providers (ICPs)

¹ <https://www.elexon.co.uk/article/how-were-helping-to-spot-gsp-metering-errors-sooner/>

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Elexon continues to progress the action to establish a platform/forum where Transmission Owners (TOs), DNOs, Registrants, CVA MOAs and Elexon would be able to share data and documents for comment and discussion.

Further meetings are being arranged with CVA MOAs, Registrants, DNOs and TOs in order to workshop potential solutions and controls.

Impacts of the Meter Shortage on CVA Risk

Elexon is aware of the continued impacts of supply chain challenges and component availability on the availability of Metering Equipment. Elexon continues to engage with CVA MOAs in order to better understand these impacts. We have noted an increase in outstanding CVA faults which we believe to be driven in part by the availability of Metering Equipment required in order to resolve faults.

Elexon is undertaking a review of all known CVA faults and will be working with subject matter experts, the Central Data Collection Agent (CDCA), CVA MOAs, Registrants and the TAA in order to validate whether known faults are having a material impact on Settlement.

Additional Risk Updates

Addressing actions arising from Market Issues identified within the BSC Audit

At its June 2022 meeting, the BSC Performance Assurance Board (PAB) agreed to close Market Issue 2552 'A lack of BSCP defined timescales within the Supplier Disputed Meter Reading Process'.

It was agreed that, during the time that Market Issue 2552 had been open, progress had been made against the management of the issue. This included the introduction of the D0300 Data Flow 'Disputed Readings or Missing Readings on Change of Supplier' which allows Suppliers to challenge the Change of Supplier (CoS) readings they are provided. Additionally, there are ongoing assurance activities to monitor Risk 008 such as the Large EAC/AA reporting that is provided to industry on a monthly basis to investigate and correct erroneous instances.

Finally, due to the Disputed Meter Reading Process being governed by the Retail Energy Code (REC), it was agreed that Elexon would notify the REC of Market Issue 2552 and further monitoring of the issue would be the responsibility of the REC.

Risk dashboards

This section of the QPAR highlights a selection of the Settlement Risk dashboards that are used for internal monitoring of the Risks. These dashboards are used to manage Risk at a Party and industry level. They are being included in the QPAR to draw attention to the ongoing work Elexon do to identify error and, if unusual activity is identified, the dashboards that highlighted this will be included here to inform industry.

Risk 021 – CVA Retrieval and processing of Metered Data

The findings of the recent trial BSC Audit of CVA Registrants has validated the poor performance indicated by our risk dashboard and analysis.

Across all of the CVA Registrants included in the trial Audit (which covered the Registrants responsible for more than 50% of the CVA Metering Systems in the GB electricity market) the BSC Auditor found a wide variety of failures and concerns in respect of processes, systems and staff. Detail of these issues will be communicated via Elexon's response to the 2021/22 BSC Audit.

Our reporting continues to validate these concerns with CVA Registrants continuing to perform poorly against Risk Factors associated with Risk 021. Elexon will continue to work closely with CVA Registrants, the BSC Auditor and the CDCA in order to identify and mitigate the root causes driving this poor performance.

Risk Analytics & Monitoring Dashboard

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Risk ID:	021	Description:	This dashboard provides insight on whether the severity of a Settlement Risk is increasing from one month to another. The summary page provides the aggregated data in relation to each risk factor at an industry level. This is complemented by individual pages for each specific risk factor, which breaks down the data by different Metering Systems (e.g. MSID) and individual party level (e.g. Registrant, MOA).
Risk Title:	The risk that CVA metered data is not retrieved, or processed correctly, or at all, by the CDCA resulting in erroneous or estimated data in Settlement.	Data Sources:	CDCA-I015 (Reporting Metering Equipment Faults) CDCA-I038 (Reporting Metering Equipment Faults) CDCA-I037 (Estimated Data Notification) CDCA-I013 (Response to Estimated data) ELEXON Service Status Report
Risk Owner:	Anna Millar		
Reporting Month:	June 2022		
Last Refresh:	20 Jul 2022 01:52 PM	Limitation:	This report does not cover risk factors 21.2, 21.4, 21.6, 21.7, 21.8, 21.9 and 21.12.
Technical Support:	risk@elexon.co.uk		

Risk Report 21: The risk that CVA metered data is not retrieved, or processed correctly, or at all, by the CDCA resulting in erroneous or estimated data in Settlement

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Reporting Month: June 2022

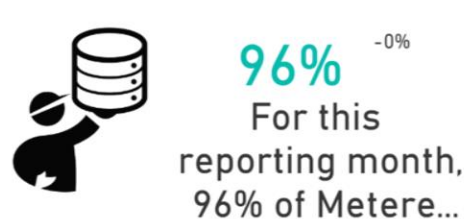
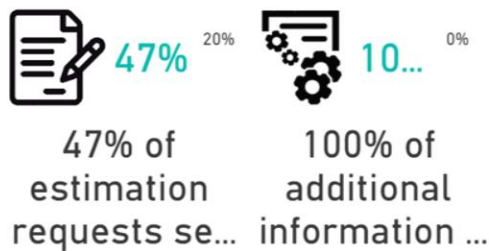
RF 21.1: Communication faults

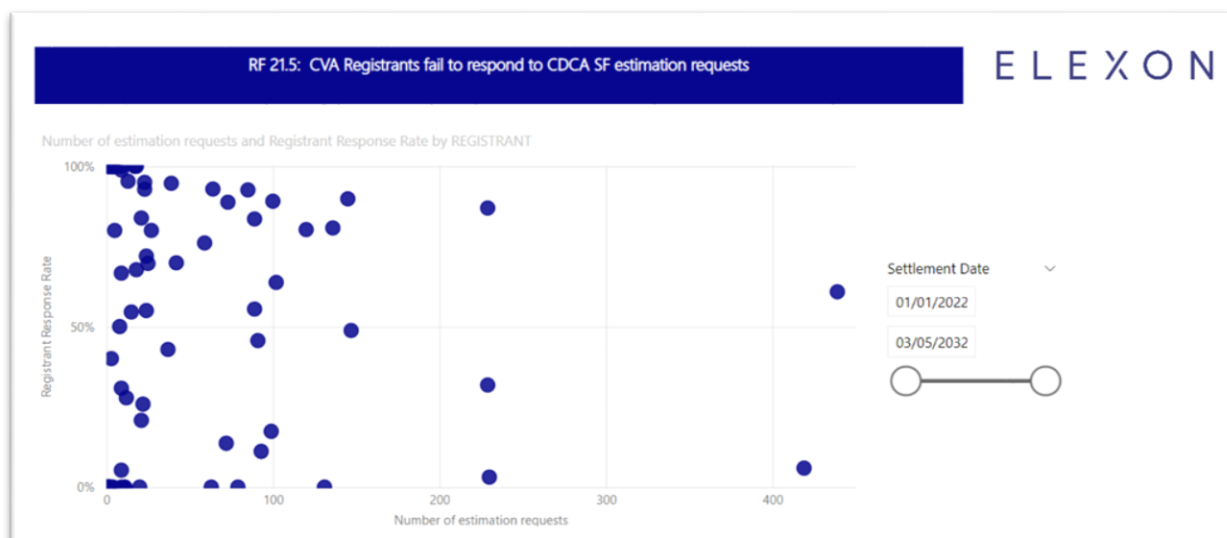
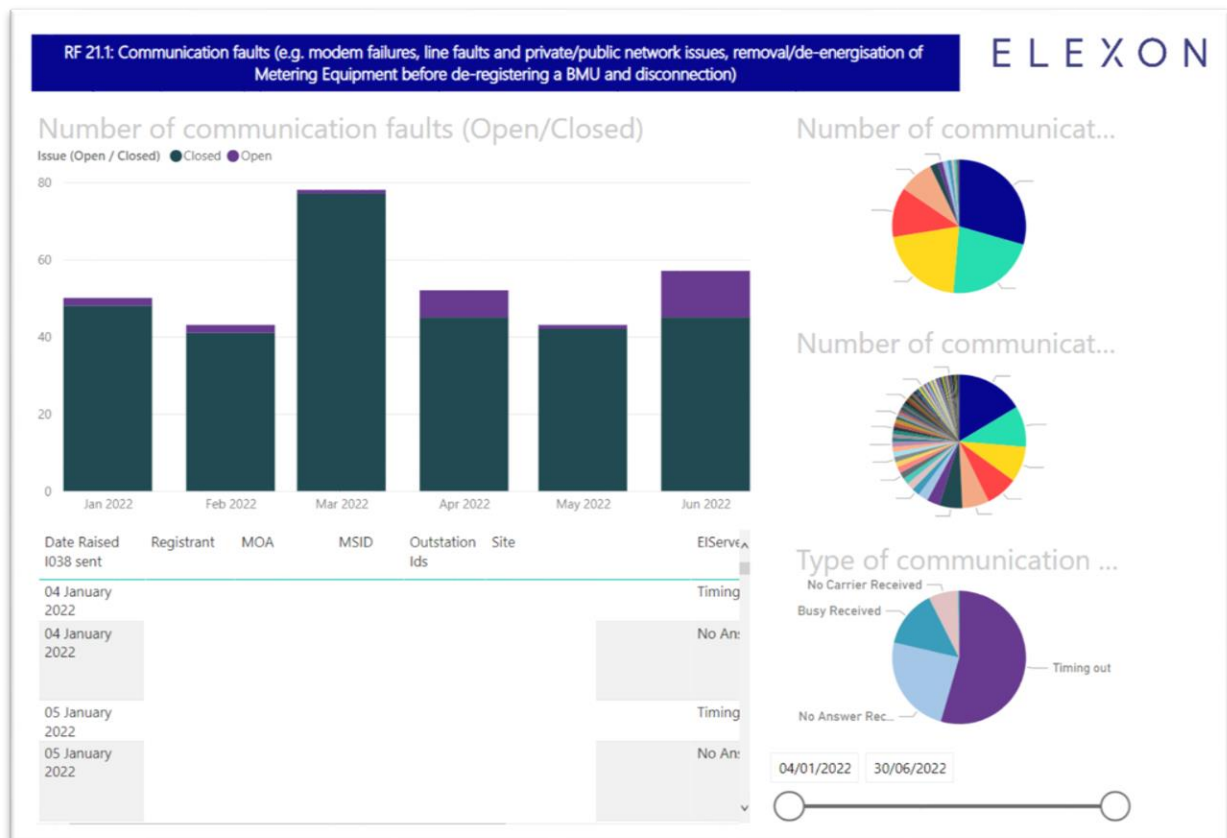
RF 21.3: Central data collection and processing systems failures



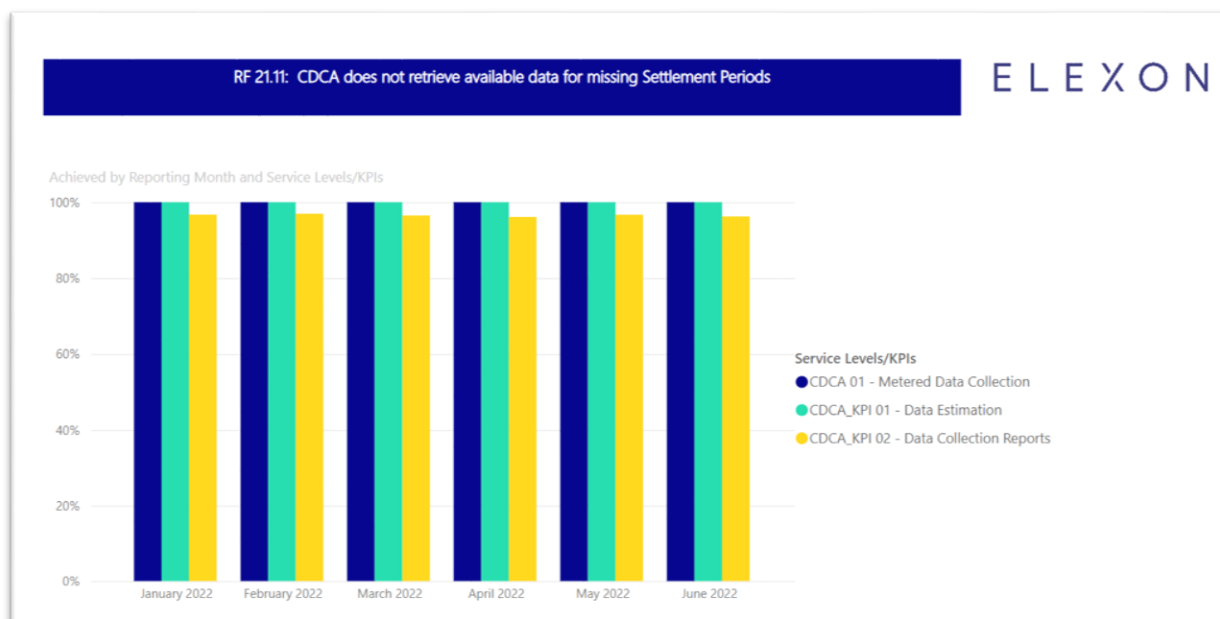
RF 21.5 & 21.10: CDCA estimation requests & reprocessing of metered data

RF 21.11: CDCA does not retrieve available data for missing Settlement Periods





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Note that shortfall in performance in respect of CDCA_KPI 02 – Data Collection Reports are due to known Faults which have been passed to the Registrant and CVA MOA by the CDCA.

Risk 023 – CVA Fault Resolution

As noted in respect of the Meter shortage impacts we continue to see the anticipated impact of reduced availability of Metering Equipment on the resolution of CVA Metering Errors. Elexon is working closely with CVA Registrants, CVA MOAs and the TAA in order to identify and resolve material Metering errors as quickly as possible.

While we have seen an increase in aged CVA faults (after a significant reduction of aged faults to record lows at the start of 2022) the recent BSC Audit indicates that processes and systems are being operated effectively by CVA MOAs and that CVA MOAs are meeting their obligations under the BSC. No new material Issues were raised by the BSC Auditor against CVA MOAs in the 2021/22 Audit with good performance by this role across the board.

Risk Analytics & Monitoring Dashboard		ELEXON	
Risk ID:	023	Description:	This dashboard provides insight on whether the severity of a Settlement Risk is increasing from one month to another. The summary page provides the aggregated data in relation to each risk factor at an industry level. This is complemented by individual pages for each specific risk factor, which breaks down the data by different Metering Systems (e.g. MSID) and individual party level (e.g. Registrant, MOA).
Risk Title:	The risk that a fault with CVA Metering Equipment causes metered data to be recorded incorrectly or cannot be retrieved resulting in erroneous or estimated data in Settlement.	Data Sources:	CDCA-I015 (input - Reporting Metering Equipment Faults) CDCA-I038 (output - Reporting Metering Equipment Faults)
Risk Owner:	Katherine Higby	Limitation:	This risk report does not cover risk factors 23.1 and 23.4.
Reporting Month:	June 2022		
Last Refresh:	20 Jul 2022 01:53 PM		
Technical Support:	risk@elexon.co.uk		

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Risk Report 23: The risk that a fault with CVA Metering Equipment causes metered data to be recorded incorrectly or cannot be retrieved resulting in erroneous or estimated data in Settlement

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Reporting Month: June 2022

RF 23.2: MOA does not act on the fault alerts within BSC timescales or instruction on action flows, or unreasonably delays resolution

RF 23.3: Site access issues (hard to access sites (e.g. nuclear site), Equipment Owner or customer not providing access, weather condition & site safety)



91% 1%
91% of fault alerts sent by the CDCA ...

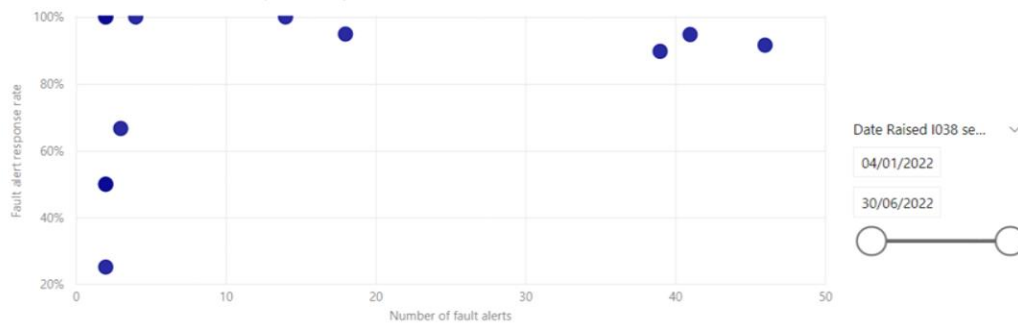


0
0 site access issues were encountered...

RF 23.2: Registrant, MOA does not act on the fault alerts within BSC timescales or instruction on action flows, or unreasonably delays resolution

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Number of fault alerts and Fault alert response rate by MOA



RF 23.3: Site access issues (hard to access sites (e.g. nuclear site), Equipment Owner or customer not providing access, weather condition & site safety)

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Count of Date scheduled for MOA visit by MonthDate

