

## P427 Public Peer Comparison for Settlement Performance

### Performance Assurance Board

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Purpose of paper **Decision**

Classification **Public**

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Summary **The Performance Assurance Board (PAB) is invited to consider recommending to the BSC Panel that Settlement Performance data should be routinely published via the Peer Comparison technique following the implementation of Modification P427.**

### 1. Background

- 1.1 Modification [P427](#): 'Publication of Performance Assurance Parties' impact on Settlement Risk' introduces a number of triggers, which would result in data and information relating to Settlement Risk being made public, which has previously been considered confidential. These triggers are summarised below:
- De Minimis error thresholds (aggregated market level impact and individual Trading Party level impact) for public notification of accountability for Settlement Errors
  - EFR escalation process triggers for public notification of EFR status and contribution to risk where a Performance Assurance Party (PAP) fails to meet a milestone in its EFR plan following escalation to the PAB for the same EFR plan
  - Publication of any data via the Peer Comparison technique, where recommended by the PAB and approved by the BSC Panel
- 1.2 PAB Members noted during initial discussions of P427 and within the P427 Workgroup that the PAB would be keen to see the benefits expected from the implementation of P427 as early as possible.
- 1.3 Elxon is progressing the required actions to ensure the provisions of P427 are ready for the implementation date of 23 February 2023. These actions include updating relevant local working instructions and guidance notes to ensure that the first two triggers are in place.
- 1.4 In respect of the third trigger it is up to the PAB to put forward a recommendation to the BSC Panel where the PAB believes that making one or more data sets publically available via Peer Comparison would have a net benefit in respect of Settlement Performance. Our recommendation to the PAB is that Settlement Performance data should be considered for publication via the Peer Comparison technique.

### 2. Public Peer Comparison of Settlement Performance

- 2.1 Through P427 Workgroup meetings a number of data sets were considered for publication under P427. The data set which had the most support from the Workgroup was Settlement Performance. Settlement Performance also seems like a natural starting point for new public Peer Comparison, given that improving performance against all Settlement Risks is ultimately intended to improve overall Settlement Performance.

#### Intended Benefits

- 2.2 It is hoped that the publication of Settlement Performance will incentivise poor performing Parties to improve their Settlement Performance in order to avoid reputational impacts from poor performance. Improving competition through transparency.

## 2.3 Frequency

2.4 We recommend that Settlement Performance is published monthly, with data being published a month after it is calculated to allow time for BSC Parties to challenge data they believe to be erroneous prior to publication.

## 2.5 Publication Format

2.6 In line with the Workgroup's suggestion we propose to make the data available for download as a .csv while also providing an interactive PowerBI report to enable users to review and filter the Settlement Performance directly on the webpage.

2.7 The data would sit under [Peer Comparison](#) on the Elexon website, however during the initial phase of publication we would expect to notify industry of the new data approved for publication and where to find it following approval by the BSC Panel for the data to be published via Peer Comparison.

2.8 The data would also be available to download as a .csv or similar to make it easier for interested parties to undertake their own trend analysis in line with the recommendation from the P427 Workgroup.

## 3. Public Peer Comparison of Other Data Sets

3.1 While P427 does provide for the publication of any data set recommended by the PAB and approved by the BSC Panel, it is important that any such public Peer Comparison is fair and equitable to all PAPs whose data is being published and reflects a view of market performance.

3.2 While many data sets were considered by the P427 Workgroup across a number of Settlement Risks it was noted that the majority of data sets did not meet the criteria above due to limited sample sizes or reliance on the DTN (which does not provide a complete market wide view of performance).

3.3 It was noted that while Technical Assurance of Metering (TAM) data would be a useful form of Peer Comparison, the sample sizes would not provide for an accurate reflection of market performance and so TAM data was discounted.

3.4 Apart from Settlement Performance the other candidate data set which many Workgroup Members believed would be of value in making public was the Central Volume Allocation (CVA) Fault Log provided by the Central Data Collection Agent (CDCA). The PAB may wish to consider including the CVA Fault log for public peer comparison in future, however our initial recommendation is to progress Settlement Performance Peer Comparison first as a proof of concept to test the new procedures prior to additional data being included.

3.5 It was also noted by the P427 Workgroup that industry would need time to become aware of and come to understand the new data being published and for the benefits to be seen. It was also noted that sparing use of the provisions introduced by P427 would make the data published more impactful.

## 4. Recommendations

4.1 We invite you to:

- a) **AGREE** that a recommendation should be submitted to the BSC Panel at its first available meeting on [9 March 2023](#) after the implementation of P427, asking the BSC Panel to approve the routine publication of Settlement Performance data under the Peer Comparison technique.

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## Confidential Attachment

Attachment A – Sample of Settlement Performance Data Proposed for Routine Peer Comparison

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## For more information, please contact:

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