

Performance Assurance Board (PAB)

Meeting number **PAB267**

Venue **Remote / Elexon Office**

Date of meeting **Thursday 27 April 2023**

Classification **Confidential**

Attendees and apologies

Attendees

Oliver Meggitt	OM	PAB Chair
Victoria Moxham	VM	Elexon Executive
Sukh Berk	SB	Technical Secretary
Clare Hannah	CH	PAB Member
Sean Tierney	ST	PAB Member
Tom Chevalier	TC	PAB Member
James Murphy	JM	PAB Member
David Tod	DT	PAB Member
Phil Russell	PR	PAB Member
Fungai Madzivadondo	FM	Distribution System Network Operators Representative
Jon Dixon	JD	PAB Member
Gavin Gardner	GG	BSC Auditor

Apologies

James Evans	JE	PAB Member
Andy Knowles	AK	PAB Member
Alex Leyland	AL	PAB Member

Part I: Confidential Session – Decision

- 1. Surrender of Qualification Report – E.ON UK Energy Services Limited as Central Volume Allocation (CVA) Meter Operator Agent (MOA) (PAB267/04)**
 - 1.1 Elxon requested the PAB's approval for the Surrender of Qualification of E.ON UK Energy Services as CVA MOA.
 - 1.2 Key Discussions:
 - a) PAB Members unanimously agreed to remove the qualification status for E.ON UK Energy Services as CVA MOA.
 - 1.3 The PAB:
 - a) **REMOVED** the Qualified status of E.ON UK Energy Services Limited as CVA MOA using the 'MIDE' Market Participant Identifier (MPID) as of 24 June 2023.
- 2. Surrender of Qualification Report – OVO Energy Limited as Non Half Hourly Data Aggregator (NHHDA) (PAB267/08)**
 - 2.1 Elxon requested the PAB's approval for the Surrender of Qualification of OVO Energy Limited as NHHDA.
 - 2.2 Key discussions:
 - a) A PAB Member queried if there were any MSIDs appointed under OVO Energy Limited as a NHHDA. Elxon confirmed that if there was any MSIDs appointed that the 14 months surrender date wouldn't begin until the last MSID had been de-appointed.
 - b) PAB Members unanimously agreed to remove the qualification status for OVO Energy Limited as NHHDA.
 - 2.3 The PAB:
 - a) **REMOVED** the Qualified status of OVO Energy Limited as NHHDA using the 'HYDE' and 'SOUT' MPIDs as of 22 July 2024.
- 3. Surrender of Qualification Report - OVO Energy Limited as Non Half Hourly Data Collector (NHHDC) (PAB267/09)**
 - 3.1 Elxon requested the PAB's approval for the Surrender of Qualification of OVO Energy Limited as NHHDC.
 - 3.2 Key discussions:
 - a) PAB Members unanimously agreed to remove the qualification status for OVO Energy Limited as NHHDC.
 - 3.3 The PAB:
 - a) **REMOVED** the Qualified status of OVO Energy Limited as NHHDC using the 'HYDE' and 'SOUT' MPIDs as of 19 July 2023.
- 4. Surrender of Qualification Report - OVO Energy Limited as Half Hourly Data Aggregator (HHDA) and Half Hourly Data Collector (HHDC) (PAB267/10)**
 - 4.1 Elxon requested the PAB's approval for the Surrender of Qualification of OVO Energy Limited as HHDA and HHDC.
 - 4.2 Key discussions:
 - a) A PAB Member queried if there were any Settlement runs still needing to be carried out on MSIDs previously appointed to the HHDA. Elxon confirmed there had been no appointments since 2019, and therefore all Settlement Runs had been completed.
 - b) A PAB Member questioned what would happen if a Trading Dispute was raised after the normal 14 month Settlement Run period. PAB Members discussed the Disputes process, and Elxon noted that there are checks carried out during the Surrender of Qualification process as to whether the MPID was affected by a Trading Dispute.
 - c)
 - d) A PAB Member noted this application referred to the HYDE MPID only, and asked what was happening with the SOUT MPID. Elxon confirmed the SOUT MPID was not qualified as a HHDA or HHDC.

- e) A PAB Members unanimously agreed to remove the qualification status for OVO Energy Limited as HHDA and HHDC.

4.3 The PAB:

- a) **REMOVED** the Qualified status of OVO Energy Limited as HHDA and HHDC using the 'HYDE' MPID as of 19 July 2023.

5. Risk Report (PAB267/11)

5.1 This paper provided:

- An overview of Market level performance in each market segment;
- An update on Risks that are of current concern;
- CVA Risk Updates; and
- Performance Assurance Technique (PAT) updates.

5.2 Market Performance update

5.3 Key discussions:

- a) A PAB Member noted the dip in HH SF performance seen in last month's report was still present this month, and asked if the cause of this was known. Elexon responded that issues with one HH Supplier obtaining Actual data from some high-volume sites had been noted, was likely contributing to the overall industry position and was being monitored.
- b) A PAB Member asked if the MSID counts within the graphs represent the latest Settlement runs. Elexon confirmed that they do.

5.4 Additional Market Performance Updates

5.5 Key discussions:

- a) Elexon addressed the anomalies that occurred in the NHH MSID count in the NHH & Domestic HH graph and confirmed that this would be corrected when the dates pass through the next Settlement Reconciliation run. A PAB member requested that there was further investigation to the similarity of the two occurrences. Elexon agreed to investigate these and report upon this in the May 2023 Risk Report.
- b) A PAB member suggested that Smart Metered Data should be readily available at R1, given the published figures on the penetration of Smart Meters. The data suggests some Suppliers are not entering those reads at R1 and they should be encouraged to do so. Another PAB Member responded that whilst encouragement could be provided, Elexon would be unable to take any action unless performance did not meet the obligated standards. Elexon agreed to encourage Smart Metered Reads to be entered at the earliest possible convenience, but agreed that Suppliers would be under no further obligations to do so.

5.6 CVA Risk Updates

5.7 Key Discussions:

- a) A PAB Member asked if Elexon has obtained a contact at CVA Registrant SPDIS01 to ask about the previous issues with the Grid Supply Points (GSP). Elexon confirmed it has successfully made contact, has posed the questions to the Party, and will feed back responses.

5.8 EFR Deployment for the Large EAC / AA MEM

5.9 Key Discussions:

- a) A PAB Member commented that they have experienced issues with receiving the Monthly Large Estimated Annual Consumption/Annualised Advances (EAC/AA) Instance Reports as a NHHDC from Elexon, stating they had experienced similar problems within the last 12 months. The Member raised the concern over whether deployment of the Error Failure Resolution (EFR) technique was appropriate with this in mind. Elexon confirmed that discussions have taken place with OSMs to identify recent issues, and that it has addressed a technical problem from last month and implemented a contingency plan for future concerns.
- b) A PAB Member observed that the Market wide Materiality threshold in the graph was put in place a long time ago and whether this needs changing. Elexon confirmed that the Large EAC/AA report, along with the other Material Error Monitoring (MEM) reports, were created as a result of a Qualified BSC Audit back in 2006 and

the thresholds were derived from the BSC Audit threshold at that time. Elexon suggested that it can review the Large EAC/AA threshold in line with the 2024/25 Audit Scope in January 2024.

5.10 EFR Update

5.11 Key Discussions:

- a) A PAB Member asked if the zeroes shown on the graph of MPIDs that had been through a Supplier of Last Resort (SoLR) were because there were no Meter System Identifiers (MSIDs) left on the MPID, or because there was no consumption appearing. Elexon replied that it was the latter, but that the MSID counts had also dropped. Elexon took an action to provide a count of MSIDs remaining on the MPIDs.
- b) PAB Member asked if the gaining Parties had a plan for getting the MSID counts to zero, or if there was a danger of the last few remaining stuck because of the small volumes involved. Elexon answered that there was no evidence of a lack of effort from the gaining Parties; the last few MSIDs were typically harder to shift than the bulk.

5.12 The PAB:

- a) **NOTED** the Market Performance update;
- b) **NOTED** the CVA Risk update;
- c) **NOTED** the Performance Assurance Techniques update;
- d) **APPROVED** the use of the EFR technique against Risk 008;
- e) **AGREED** the entry and exit criteria for the deployment of EFR on the Large EAC/AA process, which will commence from the March 2023 reporting period; and
- f) **AGREED** that the ARR, AVRO, BORE, COLO, COMT, DESL, DIRA, EDDI, ENER, EUST, GOEF, IRID, MAEL, MONT, OREG, PILO, PION, ROSE, SYMB, THLE, TULP, WASH and ZPYR NHH Supplier IDs be removed from consideration for inclusion in the monthly list of worst performers below the threshold for the NHH market segment.

5.13 Actions:

Number	Description	Owner	Relevant Discussions
267/01	Elexon to investigate the similarities of the anomalies in the NHH MSID count found on the NHH & Domestic HH graph in the and report upon this in the May 2023 Risk Report	CHS	5.5 (a)
267/02	Elexon took action to determine that regularity of reporting for large EAC/AA is at a high standard and suppliers are being supported through consistent communication.	CHS	5.9 (a & b)
267/03	Elexon to provide a count of MSIDs remaining on the MPIDs that had been through a Supplier of Last Resort (SoLR).	SIW	5.11 (a)

6. Quarterly Non Public Peer Comparison (PAB267/13)

6.1 Elexon provided the Quarterly Non Public Peer Comparison graphs and sought approval for the circulation of the graphs to Suppliers.

6.2 Key discussions:

- a) A PAB member queried why quarterly graphs are being presented when the figures are published on a monthly basis. Elexon advised that this is a code requirement, however, the best way to present this can be looked into.

6.3 The PAB:

- a) **NOTED** the Quarterly Non Public Peer Comparison graphs; and

b) **APPROVED** the circulation of the Quarterly Non Public Peer Comparison graphs to Suppliers.

6.4 Actions:

Number	Description	Owner	Relevant Discussions
267/04	Elxon to look into code requirements for the Peer Comparison technique and determine the most appropriate way and frequency to present Peer Comparison data.	MAS	6.2 (a)

7. Supplier Charges (PAB267/14)

7.1 Elxon invited the PAB to approve the Supplier Charges for the January 2023 reporting period.

7.2 Key discussions:

a) A PAB member commented on the length of the document and enquired whether this process was necessary for PAB to review. The PAB Chair agreed and would look at how the process could be run differently.

7.3 The PAB:

a) **APPROVED** the net positions set out in the Payment Instructions for January 2023 (Attachment A); and

b) **AUTHORISED** that the Supplier Charges Reports for January 2023 are published, which Elxon will send to Trading Parties.

7.4 Actions:

Number	Description	Owner	Relevant Discussions
267/05	Elxon to look into the process for the production of the Supplier Charges report.	YIA	3.2 (a)

Part II: Confidential Session – Information

8. Settlement Accuracy Task Force (SATF) reporting dashboard (Verbal update)

8.1 Elxon demonstrated the Settlement Accuracy Task Force reporting dashboard to the PAB.

8.2 Key discussions:

a) A PAB Member noted that Participants having access to this data may result in them using the dashboard as a 'safety net' and would become reliant on Elxon identifying issues. Elxon noted this and mentioned Registrants have been more proactive recently in meeting their responsibilities.

b) A PAB Member added there should be a number of controls implemented by Market Participants and those controls should be measured against the SATF Dashboard. The PAB Chair agreed that participants should have their own controls to measure this process. Elxon confirmed there are Assurance activities and measures being implemented around the CVA Risks.

c) The BSC Auditor stated that Auditors would raise a concern if CVA Registrants rely on this control and do not have an independent process.

d) A PAB Member questioned what GSP_X was representing on the SATF Dashboard. Elxon took an action to identify what GSP '_X' was.

e) A PAB Member commented that the Annual Demand Ratio (ADR) report now showed more consistent performance, which should be beneficial. The Member further questioned Grid Supply Point (GSP) Group

correction data and whether Elexon should look at anomalies in this data. Elexon commented that Group Correction Factor is investigated by Elexon, however the root cause is not always identified. Elexon stated that any anomalies out of line will be raised.

- f) Elexon advised that the dashboard will be in the Risk Report going forward and it will also be presented to the Trading Disputes Committee (TDC) monthly.

8.3 The PAB:

- a) **NOTED** the new report on Settlement Accuracy Task Force activity.

8.4 Actions:

Number	Description	Owner	Relevant Discussions
267/06	Elexon to clarify what GSP_X represents on the Settlement Accuracy Dashboard.	SIW	8.2 (d)

9. Unmetered Supplies (UMS) Material Error Monitoring (MEM) Q1 2023 Report (PAB267/05)

9.1 Elexon provided the PAB with a view of the latest UMS MEM data from Q1 2023.

9.2 Key discussions:

- a) A PAB Member asked for the root cause of the UMS MEM Error, Elexon responded saying they identified there was a mismatch of data in regards to the energisation status, and majority of the MPANS that had error over 5MWh belonged to NATP MPAN's. Elexon have also contacted the Supplier for more information. Elexon stated Supplier (NPOWER02) wanted us to make clear they are not over the 10,000 MWH threshold so are not under Elexon investigation however are willing to investigate and provide information.
- b) PAB Member questioned if there is a mismatch in statuses then there should be an investigation regardless of the threshold.

9.3 The PAB:

- a) **NOTED** the quarterly UMS MEM Q1 2023 Report.

10. Summary of Receipt of Annual Statements 2023 (PAB267/06)

10.1 Elexon provided the PAB with a summary of the Annual Statements received in 2023.

10.2 Key discussions:

- a) A PAB Member mentioned those Parties that had been undertaking a Surrender of Qualification did not provide an Annual Statement; therefore it was crucial that the Surrender was completed. Elexon agreed and will provide the PAB with updates via the Qualifications Actions log.

10.3 The PAB:

- a) **NOTED** the summary of the Annual Statements of Compliance.

Part III: Public Session – Decision

11. BSC Audit Approach – 2023/24 (PAB267/01)

11.1 The BSC Auditor outlined the planned approach for the BSC Audit 2023/24.

11.2 Key discussions:

- a) A PAB Member mentioned issues that have been outstanding for a number of years, asking if they would automatically be included again. The BSC Auditor confirmed that any Party with a Material Issue automatically has the relevant workpaper included in its Audit.

- b) A PAB Member questioned how mid-year BSC Releases would be captured. The BSC Auditor noted that it would assess a Party's change control processes and its ability to prepare for upcoming Releases. Elxon backed this up by confirming further activities, such as Technical Assurance of Performance Assurance Parties (TAPAP) checks, could be deployed if deemed necessary by a Release scope.
- c) A PAB Member returned to the earlier question and asked what would happen if a Party has an unresolved BSC Audit Issue for an area that is not in scope for that year. The BSC Auditor stated that immaterial issues are discussed with the Party, and if feedback is not substantial, it would remain open until it comes back into scope and tested again. If sufficient evidence is provided that demonstrated a resolution of the issue, it will be closed.

11.3 The PAB:

- a) **APPROVED** the BSC Audit Approach 2023-24.

12. P427 De Minimis Error Threshold (PAB267/07)

12.1 Elxon presented the PAB the proposed error thresholds for P427 reporting.

12.2 The PAB:

- a) **AGREED** to recommend to the BSC Panel that the aggregate and single Trading Party error materiality thresholds are set in line with Elxon's suggested values.

13. Market-wide Half Hourly Settlement (MHHS) Qualification Placing Reliance policy (PAB267/02)

13.1 Elxon and representatives from the MHHS Programme invited the PAB to approve the MHHS "Placing Reliance" policy.

13.2 The PAB:

- a) **APPROVED** the "Placing Reliance" policy.

14. Market-wide Half Hourly Settlement Qualification Approach and Plan (267/03)

14.1 Elxon provided a draft version of the MHHS Qualification Approach and Plan and requested comments from the PAB ahead of formal approval of the initial version at the May PAB meeting.

14.2 Key discussions:

- a) PAB Member questioned if the legal team have been asked to provide advice on potential changes to the approach to the tranche allocation based on market size to just Suppliers or also the market size of Agents. Elxon confirmed that currently this is a question on Suppliers only but noted that for Suppliers to undertake migration the Agents they use will also need to be qualified.
- b) A PAB Member noted that prioritising larger Suppliers for the earlier tranches was discriminatory and exactly why the non-discrimination clause was added to the BSC. They noted that this would also be unfair for new entrants.
- c) The Member highlighted the tranche process currently is not flexible around the Qualification and testing stages and believed Qualification could start far earlier. Elxon clarified that there are clear boundaries of responsibilities between Elxon as the BSC Code Body and the MHHS Programme.
- d) Elxon noted that the comment raised related to programme level planning decisions which could not be addressed by the Code Bodies in the Qualification Approach and Plan. The BSC requires Elxon BSC to include the timelines and milestones for MHHS Qualification set by the MHHS PMO (BSC Section C 12.11.2(a))
- e) PAB Members discussed the tranche process and added it should be based on readiness, allowing Parties to move to an earlier tranche if a space becomes available and they are ready. Elxon noted this.

14.3 The PAB:

- a) **COMMENTED** on the MHHS Qualification Approach and Plan.

Part IV: Public Session – Information

15. MHHS Update (Verbal Update)

- 15.1 Elxon provided an update on the impact of MHHS migration on BSC Assurance activities and noted that assurance activity for migration requirements on legacy Suppliers and Supplier Agents was required.
- 15.2 Key discussions:
- a) A PAB Member questioned where the transitional requirements will be placed, and if new BSC Procedure documents (BSCPs) will be created. The Member asked if the PAB would continue to have the authority to undertake checks (noting this would require clear Code requirements to be in place). Elxon noted that there would be Code/BSCP drafting undertaken by the MHHS Programme which would be the basis of the assurance activity.
 - b) A PAB Member commented on whether there is clarity on the key high-risk areas. Elxon noted this would be considered and discussed further with the MHHS Programme.
 - c) A PAB Member highlighted the deployment of techniques for migration should be dynamic. The PAB Chair noted that, in particular, the TAPAP and Assurance Information Request (AIR) technique will allow for flexibility.
 - d) A PAB Member stated that they believed the BSCP should be made live at the M6 milestone to give clarity. Elxon confirmed that the M8 milestone is the implementation date only, and the MHHS representative highlighted the key dates of the Programme, including the information release date being available at M6.
 - e) The PAB Chair asked whether any further Code changes could occur after M6. The MHHS representative clarified any changes from M6 would need a Programme Change Request. They also noted that the design artefacts are available now; the code drafting will be written in line with these.
 - f) A PAB Member highlighted the quality of industry data from Suppliers is currently low, and felt that the Programme is not actively doing anything to resolve this. The Member raised a concern there is a lack of Supplier data, which could impact timelines. Elxon noted they will work with the MHHS to further understand the data cleanse activity.
 - g) Another PAB Member asked whether Elxon's assurance team is involved in the data cleanse. Elxon confirmed the team is not currently involved. The MHHS Programme representative mentioned there is a focus on the data that is required for the Programme going forward in the Data Working Group. The programme representative noted that participants could join this group by emailing PMO@MHHSPROGRAMME.CO.UK
- 15.3 The PAB:
- a) **NOTED** the update; and
 - b) **COMMENTED** on the suggested approach.

16. Quarterly Performance Assurance Report (QPAR) Q4 (PAB267/12)

- 16.1 Elxon provided a summary of the QPAR for the fourth quarter of the 2022/23 Performance Assurance Operating Period (PAOP).
- 16.2 The PAB:
- a) **NOTED** the updates provided in the Quarterly Performance Assurance Report.

Part V: Confidential Session – Standing Updates

17. REC Update

- 17.1 A PAB Member provided an update on the impact of the Retail Energy Code (REC) on BSC Assurance activities.
- 17.2 Key discussions:
- a) A PAB Member sought clarification regarding the audit report, specifically whether an individual organisation would benefit from the audits or if REC would receive any related reports too. REC confirmed that although they serve different purposes, both sides can still be included.

- b) PAB Member inquired about the agreed format structure of the report for Wilcox. REC confirmed that it aligns with the contractual requirements and they are willing to provide feedback on the estimated time needed.
- c) The PAB member also inquired with Elexon about their feedback on the information requested from Wilcox. Elexon intends to coordinate with REC to understand the specific focus areas of both the BSC PAB and REC PAB.

17.3 The PAB:

- a) **NOTED** the update.

18. Panel Update

18.1 Elexon provided the PAB with an update on the most recent BSC Panel meeting.

18.2 The PAB:

- a) **NOTED** the Panel Update.

19. Big Ticket Items

19.1 Elexon requested updates on any Big Ticket Items.

19.2 Key discussion:

- a) No Big Ticket items this month.

19.3 The PAB:

- a) **NOTED** the Big Ticket Items.

20. Actions and Qualification Actions

20.1 Elexon provided an update on the Actions and the Qualification Actions.

20.2 Key discussions:

- a) A PAB Member questioned whether an escalation for failing to de-appoint an organisation who had surrendered its Qualified status would involve only a Supplier being asked to attend the PAB, or its Supplier Agents also. Elexon confirmed the obligation sits with the Supplier.
- b) A PAB Member noted they would encourage escalation of CVA Registrants who failed to appoint an active MOA.
- c) A PAB Member highlighted NORW MA reaching zero appointments, and asked if they will be removed from Market Domain Data. Elexon replied that this will be presented to the next Supplier Volume Allocation Group (SVG) meeting, with an intended MDD release date of 17 May 2023.
- d) A PAB Member mentioned the MHHS Programme having access to monthly copies of the Electricity Enquiry Service (EES) data and asked if Elexon now has access to monthly data. Elexon confirmed it does not have access and continue to receive data quarterly.
- e) **261/17** A PAB Member asked a question regarding HHDC using data from a non-protocol approved device. Elexon will provide an update for the next PAB meeting.
- f) **265/04** A PAB Member asked for an update on this action as it is still labelled as "In Progress". The PAB Chair confirmed a letter had been drafted and would be issued to industry shortly.
- g) **265/11** A PAB Member questioned if this issue should be raised as a Trading Dispute as the consumption data is missing from Settlement. Elexon will contact the REC and obtain updates.
- h) **266/08** Elexon noted the main blocker in decommissioning RTS Meters was issues around site access. Another blocker included issues with Suppliers Customer Relationship Management (CRM) systems not having the capability to have two Import MPIDs associated two one property. Energy UK, the company working with Ofgem to encourage the decommissioning activity, was working with Suppliers to understand and rectify the CRM issues. It was agreed that Elexon would invite Energy UK to the May PAB meeting to further discuss the RTS decommissioning activity.
- i)

20.3 The PAB:
a) **NOTED** the Actions and Qualification Actions.

20.4 Actions:

Number	Description	Owner	Relevant Discussions
267/07	Elxon to consider inviting Registrants with no active CVA MOA appointed to sites to attend PAB.	SIW	20.2 (b)
267/08	Elxon to discuss on how to obtain monthly EES data.	MAC	20.2 (d)
267/09	Elxon to invite Energy UK to the May PAB meeting to further discuss the RTS decommissioning activity.	JED	20.1 (h)

21. Minutes from previous meeting

21.1 The PAB:
a) **APPROVED** the minutes from PAB266.

22. Any Other Business

22.1 The PAB:

22.2 Key discussions:

- a) A PAB Member mentioned difficulties they are encountering with SOUT MA. Elxon will discuss this with the PAB member and investigate further.
- b) A PAB Member expressed their concerns about IMPO missing their next EFR milestone. Elxon stated that the performance improvements expected appear unlikely, and would invite the Party to attend the next PAB meeting if they failed to meet the milestone at the end of April.