

## Risk Evaluation Register (RER) 2024/25 Consultation Responses

### Performance Assurance Board (PAB)

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Summary **This paper provides the Performance Assurance Board (PAB) with an overview of the feedback received by Customers on the Risk Evaluation Register 2024/25.**

### 1. Overview and Approach

- 1.1 The PAB endorsed the Draft Risk Evaluation Register (RER) 2024/25 (included in **Attachment A**) for industry consultation on 27 October 2023. As required by Section Z (5.5.3) of the Balancing and Settlement Code (BSC), Elexon published the Draft RER on the Elexon website in November 2023, inviting BSC Parties and other interested parties to provide comments and feedback during the consultation period, which closed on 15 December 2023.
- 1.2 The RER is one of three key inputs<sup>1</sup> that feed into the Risk Operating Plan (ROP). When we create the ROP, we place emphasis on customer feedback to drive our focus. In order to achieve this, we require a large quantity and wide variety of feedback.
- 1.3 The feedback collated from the 2024/25 RER consultation will be used to create the ROP for 2024/25, which will be provided to the PAB in January 2024.
- 1.4 BSC Performance Assurance Parties (PAPs) and other interested parties were invited to complete the consultation to comment on which events (as identified in the RER) and Settlement Risks affected by each event, will most impact their operations in 2024/25 and subsequently hinder their ability to meet BSC obligations.
- 1.5 In order to encourage feedback via our consultation, we undertook the following actions:
  - Engaged with BSC Parties and Party Agents via their Operational Support Managers (OSMs);
  - Communicated to the industry via an Elexon Newscast; and
  - Social media engagement.

### 2. Responses

- 2.1 We received customer feedback from a total of seven Market Participants. The breakdown of roles were the following:
  - a) Three Half-hourly Suppliers;
  - b) Two Non Half-hourly Suppliers; and
  - c) Two Participants that categorised themselves as "Other".

<sup>1</sup> The Risk Assessments provided in the RER; feedback received from BSC Parties and other interested parties about areas of the market that are of concern; and the PAB Strategy and discussions held with the PAB during meetings throughout the year.

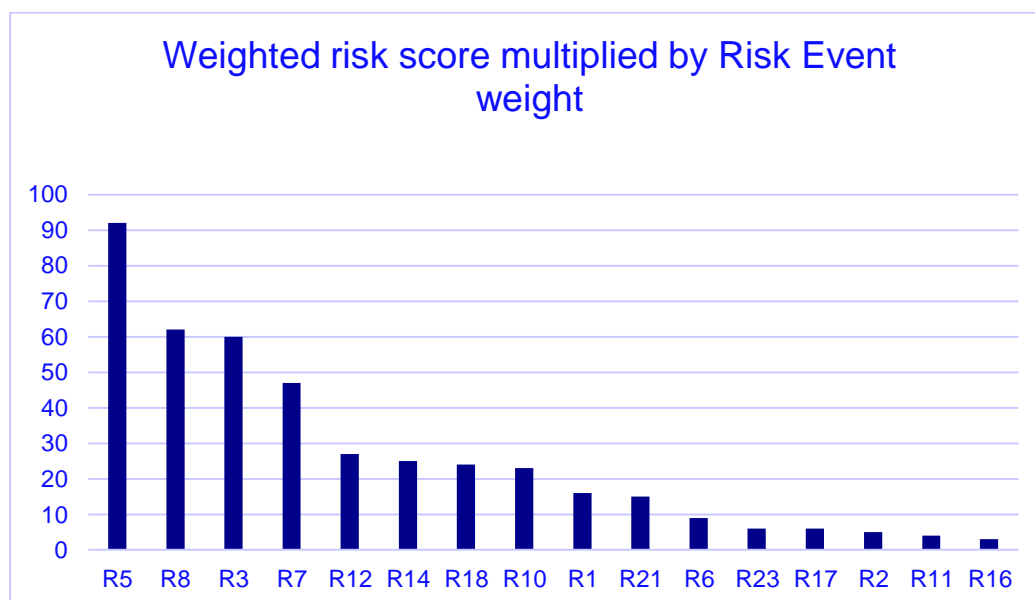
### 3. Results

- 3.1 The respondents to the RER consultation were asked, for each identified Settlement Risk event:
- Whether they predict that the identified Settlement Risk event will have an impact on their operations in 2024/25;
  - To rank the Risks that are impacted by each event as the most impactful to their operations, second most impactful and third most impactful; and
  - Any potential consequences to Settlement not identified in the Draft RER for a given Settlement Risk event.
- 3.2 The tables below give the weighted score for each identified Risk Event, both in terms of perceived impact and perceived likelihood. This was calculated by attaching a score of 3 to a 1<sup>st</sup> priority Risk Event, 2 for a 2<sup>nd</sup> priority and 1 for a 3<sup>rd</sup> priority.

Risk Event	Impact Score
Meter Operator Shortage	10
Market-wide Half Hourly Settlement (MHHS) roll-out	10
Reduced supply of Natural Gas	5
Phasing out of Public Switched Telephone Network (PSTN)	5
Unqualified systems	4
Cyber attacks	1

Risk Event	Likelihood Score
Market-wide Half Hourly Settlement (MHHS) roll-out	12
Meter Operator Shortage	8
Reduced supply of Natural Gas	3
Phasing out of Public Switched Telephone Network (PSTN)	5
Unqualified systems	4
Cyber attacks	1
REMA modifications	2

- 3.3 The roll-out of MHHS was scored consistently highest in terms of both potential impact and likelihood, followed by a noted Meter Operator shortage, and then the potential for reduced supplies of natural gas.
- 3.4 The chart below gives the weighted score for each Settlement Risk. This was calculated by attaching a value between 1 and 3 to the potential impact of each Risk Event, and multiplying this by a score attached to the placing of each Settlement Risk with regards to priority.
- 3.5 Overall Settlement Risk ranking, without context to a particular Risk Event, was given a higher score weighting, to factor overall customer sentiment regarding Settlement Risk priority.



- 3.6 Additional feedback on Risk Events not identified in the Draft RER included:
- a) A future switch off of 2G and 3G networks;
  - b) Potential interoperability of Metering assets between BSC Parties; and
  - c) The upcoming UK General Election and its impact on Energy Policy direction.

#### 4. Conclusions

- 4.1 Elexon has considered the feedback from Customers, and made changes to the RER as a result.
- 4.2 The feedback received will influence Settlement Risk prioritisation in the ROP for the upcoming 2024/25 PAOP.

#### 5. Recommendations

- 5.1 The PAB is invited to:
  - a) **NOTE** the feedback received on the Risk Evaluation Register; and
  - b) **APPROVE** the Risk Evaluation Register for 2024/25.

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#### Attachments

Attachment A – RER 2024/25

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#### For more information, please contact:

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