

ANNUAL PERFORMANCE ASSURANCE REPORT 2019-2020

MEETING NAME	BSC Panel
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Date of meeting	13 August 2020
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Paper number	305/11
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Owner/author	Ryan Dale
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Purpose of paper	Information
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Classification	Public
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Summary	The Annual Performance Assurance Report (APAR) provides a summary of performance and delivery within the Performance Assurance Framework (PAF) during 2019/20. It has been presented to the Performance Assurance Board (PAB) and is now being provided to the Panel for information.
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1. Introduction

- 1.1 The Annual Performance Assurance Report (APAR) is produced by Elexon as a mechanism for providing the PAB and BSC Parties with an oversight of key activities, successes and costs of delivering the Performance Assurance Framework for each Performance Assurance Period. The APAR attached to this paper covers the 2019/20 period. It has been presented to the PAB, and is now being provided to the Panel for information.
- 1.2 The report covers an overview of Risk operations, improvement to Risk Management, a summary of Performance Assurance Techniques that have been applied during the year. It also includes a summary of costs of operating the Performance Assurance Framework.

2. Highlights and key achievements

- 2.1 The overview of Risk operations provides insight into our re-assessment of Settlement Risks following activities during 2019/20 in accordance with the Risk Operating Plan 2019/20. The tables in this section show how the financial cost of Risk Impact has changed during the year.
- 2.2 Improvements to Risk Management highlights key successes in light of process improvements and the implementation of recommendations following the Performance Assurance Framework review.
- 2.3 There is a full summary of key findings and deliverables provided by each Performance Assurance Technique, to mitigate or prevent Settlement Risk.
- 2.4 A summary of cost to deliver the PAF is the final section of APAR, providing BSC Parties with a transparent summation of both contractual and operational costs to deliver the various techniques and risk management procedures within the PAF.
- 2.5 Some key achievements delivered via the PAF and reported in the APAR include:
 - Improvements to Risk Reporting – providing better granularity and insight
 - Improved engagement with industry panels and work groups
 - Improved Risk assessment – using broader data sets to refine Settlement Risk scores
 - Refined deployment of techniques – using Risk priority to steer deployment
- 2.6 Through the re-assessment of all Settlement Risks, the total Impact (£) of all risks has reduced from £290m to £269m.
- 2.7 We present this number as a useful view of the scale of potential Settlement Error only - it would be misleading to sum the forecast error of each risk to a total amount of error, due to the amount of

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assumptions and as individual errors can manifest in multiple risks as the impact works along the “meter-bank” process.

- 2.8 This reduction in Total Risk Impact can be attributed to both improvements in our assessment of Settlement Risk and mitigations carried out by Risk Owners, who are specifically tasked with managing their risks.

3. Recommendations

- 3.1 We invite you to:
- a) **NOTE** the update provided in the APAR 2019/20.

Attachments

Attachment A – APAR 2019/20

For more information, please contact:

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