ELEXON

Targeted Charging Review (TCR) – Risks, Mitigations and proposed next steps

BSC Panel

Date of meeting	**10 December 2020**	Paper number	**309/13**
Owner/author	**Karen Lavelle**	Purpose of paper	**For Information**
Classification	**Public**	Document version	**V1.0**

Summary	**This paper provides the Panel with an update on the progress made with the TCR implementation, Risks, Mitigations and proposed next steps.**

1. Background

1.1 At the November 2020 BSC Panel Meeting, Elexon presented paper 308/10 -Targeted Charging Review (TCR) – Risks, Mitigations and proposed next steps. Elexon took two actions away to progress:

- The BSC Panel Chairman, on behalf of the Panel, to write to Ofgem detailing the Panel's concerns on the timescales and approach (this letter was issued to Ofgem on 19 November 2020); and
- Elexon to provide a further update at the December Panel meeting to identify the mitigations that Elexon could put in place to help address the known potential risk around testing environments and timescales.

2. Progress to date

2.1 Elexon had a meeting with Ofgem, regarding the concerns raised within the Panel letter and understand that Ofgem intend to provide a response to the Panel's letter, after paper, 309/13 has been presented to the Panel. This is to ensure that the Panel have the same level of information that Ofgem has. Elexon have been meeting with Ofgem regularly to provide them with updates, whereas the Panel are only receiving monthly updates.

2.2 The November Market Domain Data (MDD) publication was successful and contained ~39,000 Line Loss Factor Classes (LLFC's) and new combinations, (one of the biggest publications) that successfully went live, as planned on 18 November 2020.

2.3 There were issues the week of the publication, due to a minor configuration issue following the Energy Market Data Hub (EMDH) upgrades carried out by Electralink. This resulted in seven files not being delivered to their intended recipients. This was communicated to BSC Parties in MDD Circular MDD00718 and MDD00719 and via Newscast on 23 November 2020. Elexon worked closely with Electralink during this period to support them in identifying the issues. Electralink investigated all other gateways and confirmed that this issue did not affect any other Data Transfer Service (DTS) users and that it will not cause any issues for Elexon in future. This issue was not related to the size of the D0269 file.

2.4 Elexon has also been working closely with its Service Providers to understand the mitigations around the test environments and timescales, and have a number of meetings to discuss how this could work.

2.5 At the 1 December 2020 SVG Meeting (SVG238), the SVG approved the Distributor Network Operator's (DNO's) TCR Change Request's (CR's) to be published in January 2021. These included ~29,000 TCR LLF's and new combinations. This decision was made on a risk-based approach, following a successful November Publication.

2.6   Elexon has now raised the CR regarding the automation to help support the data entry of the Independent Distribution Network Operators (IDNOs) submissions.

2.7   The intention is to complete Industry and Participant Testing (January to March 2021) ahead of progressing the remaining much larger IDNO's TCR MDD CR's from April 2021 onwards.

3.   Risks and Mitigations

3.1   MDD data entry is substantially a manual process. We have now raised a CR with our Service Provider to implement elements of automation into the MDD process. Once we understand the costs and timescales, we plan to progress with the automation and the Change Proposal (CP) to support this. We are working to try to deliver this in time to support the larger volumes we expect to receive from the IDNO's submissions, post testing.

3.2   The vast majority of the TCR related data will be effective from 1 April 2021, therefore we will not know until that point if the utilisation of the new LLFCs will create issues in the creation, sending, loading and processing of other Settlement data and data flows that will utilise the new LLFCs. The purpose of central and participant system testing being planned is to determine if there will be issues before they occur in live systems.

3.3   At the November 2020 Panel meeting, Elexon highlighted the potential risk around the test environments, and we continued to work with our Service Provider to understand what mitigations can be put into place. Since that meeting, we have had technical discussions with our Service Provider, regarding the test environments. This has provided Elexon with more confidence that our test environments have sufficient resources. The two test environments share the same hardware, but are virtually split, giving us the ability to easily switch resources between environments, if impacts on the performance of either environments, were to occur. Once the MDD testing plan has been received and signed off, both Elexon's Project Managers and those of our Service Providers are going to work together to overlay test plans to understand where we could utilise down time on the environments. We have also started discussions regarding working longer days or weekends, if required, to meet our deadlines. Our priority is to protect the February and April 2021 Releases, and to deliver the MDD Industry Testing by the end of March 2021.

3.4   Due to the unexpected issues with Electralink's EMDH upgrade issues in November 2020, Elexon have now set up meetings around the MDD publication dates for the next couple of months, which include our Service Providers, Electralink and Elexon to ensure that we continue to work together effectively.

3.5   IDNO submissions are expected to be larger volumes than the DNO's and as Elexon currently does not have visibility of all the actual IDNO's proposed TCR CR submissions, we raised a request at the TCR Steering Group to clarify submissions. We plan to arrange a work group with IDNO's, if possible before Christmas, to first explain the purpose of this MDD update (noting that future updates can be done) and to try and understand and constructively challenge if all of the combinations that they plan to submit are required. We will also highlight the timescales around the BAU process. We are hoping this will give the IDNO's time to complete more validation on requested LLFC's before we plan to take these to the SVG Committee for approval.

3.6   Although there is significant focus on Elexon and the success or failure of our system testing, there is still the unknown around Industry Testing and what mitigations, if any, Parties are able to put into place. In Newscast on 30 November 2020, we highlighted that testing for Industry is currently due to start in January 2021 and advised that once a plan has been agreed, Elexon will share the specific dates and information on how Parties can participate in the testing.

4.   Next steps

4.1   Our proposed next steps are as follows:

- Progress with Industry Testing;
- Continue engaging with the TCR Steering Group, Electralink and Industry; and
- Provide regular updates in Newscast, on the dedicated MDD webpage and to impacted committees, SVG and Panel.

5.   Recommendations.

a) **NOTE** the update provided.

For more information, please contact:

Karen Lavelle Participant Management Product Owner

karen.lavelle@elexon.co.uk

020 7380 4155