

'Switching off Participant-Reported PARMS Serials'

This Modification would permanently cease the operation of, and remove the obligations associated with, participant-reported Performance Assurance Reporting and Monitoring System (PARMS) Serials and associated Supplier Charges.



Elexon recommends the Panel raises the attached Modification Proposal in accordance with the provisions of Section F 'Modification Procedures' 2.1.1(d)(vi)



Elexon recommends this Modification progressed directly to the Report Phase with an initial recommendation to approve



Elexon does not consider that this Modification impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers
- Half Hourly Data Collectors (HHDCs)
- Non Half Hourly Data Collectors (NHHDCs)
- CVA Meter Operator Agents (MOAs)
- Elexon

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About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1, 4, 5 and 6
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments

This document is a recommendation to the Balancing and Settlement Code (BSC) Panel to raise a Modification Proposal (Attachment A) in accordance with BSC Section F 2.1.1(d)(vi). Elexon will present this paper to the BSC Panel at its meeting on 11 November 2021.

If the BSC Panel agrees to raise the Modification Proposal, this document will form its Initial Written Assessment (IWA), and the Proposal Form will be updated and published on the Elexon website accordingly.

There are three parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress.
- Attachment A contains the Modification Proposal Form.
- Attachment B contains the draft redlined changes to the BSC and its subsidiary documents to deliver the solution.



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1 Summary

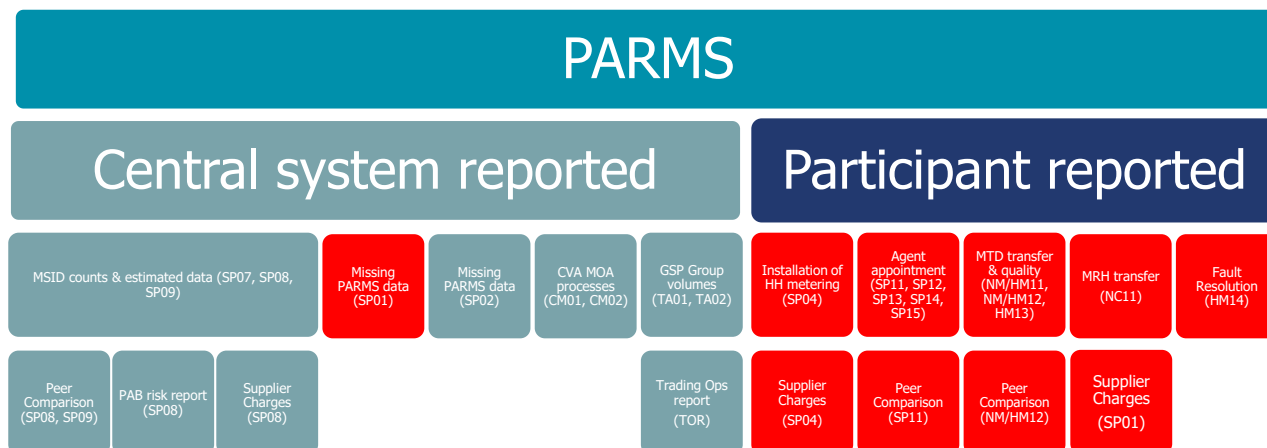
Why change?

The cost of reporting and processing participant-reported PARMS serials is thought to be disproportionate to the benefits provided. Evidence suggests the data that is reported is of limited value and has inherent weaknesses. Moreover, there are other Performance Assurance Techniques (PATs) that can be used to manage the associated Settlement Risks more effectively (e.g. the new Risk Dashboards). Therefore, the continued provision of PARMS data by industry participants may not be justified.

Solution

This Modification will remove the requirement for Data Collectors (DCs) and Meter Operator Agents (MOAs) to submit the impacted PARMS Serials. Suppliers will no longer be required to ensure that their Agents submit this data. Suppliers will also no longer be required to submit a Data Provider Information (DPI) file.

The solution will remove all obligations relating to the Serials highlighted in red within this diagram.



Impacts and costs

We estimate it will cost between £20k to £30k to deliver the document and PARMS system changes required for this Modification.

There may also be costs to Suppliers and BSC Party Agents where they need to update systems, processes or resource allocation on the basis that the data previously provided to support the participant reported PARMS Serials will no longer be required, but we expect these to be minimal. There will also likely be significant operational cost reductions, as impacted participants will no longer need to send the impacted reports or manage associated exceptions.

This Modification removes obligations on BSC Parties and Party Agents it is anticipated that the Modification will result in a net benefit to market participants following the implementation in terms of cost saved (approx. 10 Full-time equivalent (FTE) per annum).

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Implementation

Elxon recommends an Implementation Date for this Modification of:

- 24 February as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
- 5WD following Authority decision (though no earlier than 3 March 2022) if that decision is received after 14 February 2022.

Please note that the recommended Implementation approach applies to the implementation of the legal text for this Modification, and the system changes will follow as soon as possible thereafter – this will be no later than 30 June 2022 if a decision is received on or before 14 February 2022.

Further detail on the rationale behind this approach can be found on pages 7 and 13 of this report.

Recommendation

It is recommended that this Modification is progressed as a Straight to Report Phase Modification, as the solution is deemed self-evident following thorough assessment from industry via both the Performance Assurance Framework (PAF) review project, the Performance Assurance Board (PAB).

2 Why Change?

What is the issue?

The cost of reporting and processing participant-reported PARMS serials is thought to be disproportionate to the benefits provided. Evidence suggests the data that is reported is of limited value and has inherent weaknesses. Moreover, there are other Performance Assurance Techniques (PATs) that can be used to manage the associated Settlement Risks more effectively (e.g. the new Risk Dashboards). Therefore, the continued provision of PARMS data by industry participants may not be justified.

Reporting Costs

As part of the [Issue 69 'The Performance Assurance Framework Review'](#), industry and Performance Assurance Board (PAB) engagement was undertaken and it was found that - across the various industry participants, the cost of reporting PARMS was found to cost industry approximately 10 FTE per year ([PAB234/12](#)). These costs fall directly on market participants, though Elexon also incurs costs by maintaining the Serials and processing the data albeit to a lesser extent.

Data Weaknesses

The reporting of participant-provided PARMS serials has inherent weaknesses. For example, the participant-reported nature of the data relies on all participants reporting data consistently and accurately – which cannot be guaranteed in practice. As a result, there cannot be absolute confidence in data provided or any conclusions drawn from it.

Alternative Techniques

New Risk Dashboards are being developed by Elexon that will report on the Settlement Risks using more reliable data than the Serials. This centralised approach will apply any calculations and analysis consistently across all participants. Supplier Volume Allocation (SVA) data will be pulled from the Data Transfer Network (DTN) and Supplier Meter Registration Service (SMRS), whereas Central Volume Allocation (CVA) data will be taken from the Central Data Collection Agent (CDCA) and Central Registration Agent (CRA). Elexon will take this data and translate it into actionable insights that support Elexon's risk management efforts.

A dashboard is being created to provide insight and assurance in respect of each of the 34 [Settlement Risks](#). At the time of writing, they have been completed for six Settlement Risks, and we aim to have them in place for all Risks by February 2023. We do not believe that there is any significant increase in the level of risk to Settlement in the interim period between the proposed implementation of this change and the completion of the Risk dashboards. Elexon is providing regular updates to the PAB and industry as to the development of these dashboards.

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Background

Through collaboration with industry via the PAF review workgroup and the PAB, Elexon concluded that some participant-reported aspects of the PARMS Serials are not adding sufficient value to justify their continued operation. The issue identified through this collaborative work with industry was that a number of the PARMS Serials currently in place are costly for market participants to support and these costs are disproportionate to the value of the assurance provided by these same PARMS Serials.

It was also noted that given the anticipated changes to our Assurance Framework and data driven by the transition to [Market-Wide Half Hourly Settlement](#) (MHHS) and the [Retail Energy Code](#) (REC), Elexon are unable to justify the investment to deliver sufficient improvements at this time.

One of the work streams of the PAF review focused on the provision and use of data under the PAF. This work stream sought to propose a recommended approach to future data provision under the PAF. One area identified for improvement was in the provision of data under the PARMS Performance Assurance Technique (PAT). The PAF review project delivered a recommendations report in respect of Data Provision ([PAB234/12](#)). The PAB approved Elexon's recommendation to cease participant reported PARMS serials excluding SP04 (Installation of HH Metering). The PAB also approved the proposed implementation approach, which includes the raising of this Modification to enact the approved recommendation.

PAB Endorsement

July 2021 Meeting

A potential Change Proposal (CP) was presented to the PAB its meeting in July 2021 ([PAB246/13](#)). The CP was seeking to deliver the recommendation described above (i.e. to cease participant-reported PARMS Serials excluding SP04). A member of the PAB highlighted that leaving SP04 in place would mandate Suppliers to submit Data Provider Information (DPI) files containing only the SP04 Serial, even if they did not have any mandatory Half Hourly (HH) metering. As such, they asked whether the solution could be amended to also cease SP04. Another member disagreed with this, noting that they would be happy for it to be turned off once all current transformer (CT) metering had moved to HH Settlement, but that they did not expect this to happen for a number of years. The PAB Member's rationale was that the original intent of leaving SP04 in place was on the basis that it could be repurposed to help monitor and provide assurance over the transition of Metering Systems to HH as part of MHHS. Given the differing viewpoints, the Chair put the inclusion of SP04 to a vote. The PAB subsequently voted by majority to include SP04 in the solution on the condition that this did not impact implementation. Elexon agreed to investigate the impacts of including SP04 and to report this back to the PAB.

This analysis determined that also removing SP04 as part of the change would require the amendment of the following Sections of the BSC:

- [Section S 'Supplier Volume Allocation'](#);
- [Section S, Annex S-1 'Performance Levels and Supplier Charges'](#); and
- [Section X, Annex X-1 'General Glossary'](#).

As such, it would need to be progressed as a Modification rather than as a CP. Inclusion of SP04 in the solution would also require the inclusion of SP01 'Delivery of Routine Performance Monitoring Reports' as it would no longer serve any functional purpose.

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October 2021 Meeting

At its meeting in October 2021 ([249/07](#)), the PAB considered the proposal form in Attachment A and unanimously agreed the recommendation that the BSC Panel raise the Modification on its behalf. The PAB also considered whether a derogation in regards to the submission of participant-reported PARMS Serials could be granted, in the event Ofgem approves this Modification. Members highlighted that there would be no benefit to the continued submission of the Serials in the period between approval and the June 2021 BSC Release if Ofgem agreed that they should be ceased.

Elexon considers that implementing the document changes as soon as possible brings the same benefits requested by the PAB as a formal derogation, noting that the system changes would be delivered after the document changes are implemented. This would ensure market participants are not required by the BSC to submit the Serials in the earliest instance. However, there are a significant number of changes assigned to the February 2022 BSC Release and implementation of this Modification before that would introduce a significant risk of error in the various documents being implemented. As such, Elexon believes that the legal text changes for this Modification should be implemented in the February 2022 BSC Release if a decision is received on or before 14 February 2022. If a decision is received after 14 February 2022, this Modification should be implemented 5WD following that decision (though no earlier than 3 March due to the proximity to the February Release).

The system changes would then be implemented as soon as possible thereafter, and if a decision is received on or before 14 February 2022, this is expected to be no later than 30 June 2022. If a decision is received after this date, the system changes will be implemented as soon as possible after 30 June 2022.

Though the requirement to submit the Serials will have ceased, market participants will continue to receive emails requesting submission in the interim period until the system changes are completed. If this Modification and progression route is approved, these emails can be ignored and will ultimately be ceased, and this would be communicated to industry through the appropriate channels.

Supplier Charges

In Elexon's analysis of the removal of SP01 and SP04, it considered the impact this change would have on Supplier Charges. SP01 and SP04 are two of the three Serials that account for Supplier Charges, and if these are ceased the Supplier Charges associated with the Serials will also be ceased. The following analysis is based on the last six months before Supplier Charges were ceased as part of [P406 'Temporary Disapplication of Supplier Charge Serials SP08 and SP04 due to Covid-19'](#) – June to November 2019.

The impact of removing SP04 on Supplier Charges is expected to be negligible. On average, each month there was a total of £9.75m of total, uncapped Supplier Charges incurred. Of this total, ~£11,300 was a direct result of SP04 charges, or 0.11%.

While the SP01 charge is currently temporarily multiplied by £0 thanks to [P393 Disapplication of Supplier Charge SP01](#) there is no immediate impact of ceasing SP01 charges. However the longer term impact of removing SP01 is more significant. This is the charge incurred when participants are late in making their submissions. Of the approximately £9.75m of Supplier Charges historically incurred per month, roughly £9.3m is attributed to SP01 charges. SP01 is the charge incurred when participants are late in making their submissions, and its purpose is to encourage the submission of PARMS data.

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Through discussion with industry (via Issue 69), the majority of PAB members determined there is no clear evidence that the data provided via these Serials generates any tangible benefit in relation to incentivising industry performance.



What is the DPI file?

The Data Provider Information (DPI) file is for a single reporting period and contains information on which Supplier Agents a Supplier has appointed in each GSP Group, so PARMS knows what data to expect from those Agents.

Moreover, if SP04 and SP01 charges are removed, the only remaining Supplier Charges will be SP08 – that is charges coupled to actual Settlement performance (Non Half Hourly (SP08a), Half Hourly for 100kW Metering Systems (SP08b), and Half Hourly for non-mandatory 100kW Metering Systems (SP08c). For these Serials, a Party performing below the expected 97/99% standards get charged. Total charges for SP08 work out to be approximately £400k per month. Though historically there has been an average total of £9.75m in Supplier Charges per month, this is capped, and only £725k of charges are actually levied. Many supporters of Supplier Charges agree their effectiveness is restricted by this capping process. If only SP08 charges are used, two key benefits can be realised:

- Increased focus on improving performance
 - The only way for a Party to reduce their charges is to improve Settlement performance, meaning it will be easier to place further emphasis on this. Currently, the SP08 charges are 'lost' amongst the total charges, meaning actual Settlement Performance has very little impact on a Party's Supplier Charges
- Total Supplier Charges (after capping) will be reduced by around 40%. This is a significant amount, but it allows Supplier Charges to be fully transparent going forward.

P406 'Temporary Disapplication of Supplier Charge Serials SP08 and SP04 due to Covid-19'

Modification P406 was raised by the Panel at its meeting on 9 April 2020 to address the unprecedented challenges presented by the Covid-19 pandemic. It was progressed as an Urgent Modification and approved by Ofgem on 5 May 2020, and implemented on 11 May 2020 – 5WD following approval.

P406 set SP08a, SP08b, SP08c and SP04 Serials to £0 for all Suppliers from March 2020 to alleviate some of the pressures faced by Suppliers during the pandemic. This means that, in effect, Supplier Charges have been suspended since March 2020. The P406 solution stipulated that Supplier Charges would be reinstated by the PAB after this period following any changes to Government guidelines and restrictions which would allow for normal Settlement operations activities to resume.

The proposal to cease the operation of SP04 would essentially make the suspension of Supplier Charges permanent in relation to this Serial, though SP08 would be expected to resume at an appropriate time.

Peer Comparison

As well as Supplier Charges Elexon also operates and publishes public Peer Comparison for a number of PARMS Serials which would be discontinued as part of this Modification.

Peer comparison graphs are [published](#) in line with BSCP533, following the end of a PARMS Period (a calendar month). Following the submission deadline, there is a 5WD period for parties to query the submitted data.

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The Peer Comparison graphs are then produced and provided to Suppliers. If no queries to these graphs are received within 5WDs from receipt of the graphs, they will then be published. They will be updated monthly with data for the next reporting period.

Serials proposed to be discontinued as part of this solution which Elexon delivers Peer Comparison against include:

- SP11 Timely Appointment of Agents
- HM12 Missing HH MTDs
- NM12 Missing NHH MTDs

Performance Assurance Reporting and Monitoring System (PARMS)

PARMS is a database containing information about how Suppliers and their Supplier Hubs are performing. As part of the PAF, Elexon use a set of PATs to help mitigate the Settlement Risks. We use PARMS data primarily to support the Performance Monitoring, Peer Comparison and Supplier Charge techniques¹, and to report to the PAB. Data from PARMS supports the BSC Audit and we periodically provide information to the BSC Panel and other Panel Committees or Modification groups. In particular, PARMS helps ELEXON monitor potential breakdown in communication within the Supplier hub, which could adversely affect the accuracy of Settlement if left unattended.

Who provides the data?

PARMS data comes from a variety of sources including:

- Suppliers;
- Supplier Agents;
- Supplier Meter Registration Agents (SMRAs); and
- Supplier Volume Allocation Agent (SVAA).

Each data provider sends data to ELEXON from an authorised email address and contact.

How often is data provided?

PARMS data is provided monthly. Each calendar month is referred to as a reporting period.

- The SVAA provides data within seven Working Data (WDs) of the end of a reporting period;
- SMRAs provide data within 10 WDs of the end of a reporting period; and
- Suppliers or Supplier Agents (on behalf of the Supplier) provide data within 20 WDs of the end of a Reporting Period.

These deadlines are in the PARMS reporting calendar, which we send to all identified data providers in November each year for the following calendar year. The calendar is also available on the [BSC Website](#).

¹ These processes are in [BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'](#) and [BSCP536 'Supplier Charges'](#).



What are PARMS Serials?

PARMS data is provided in reports referred to as Serials. A Serial is a defined area for measuring a Supplier or Supplier Agents' performance against key industry processes. The majority of PARMS Serials are submitted by Supplier Agents. The notable exceptions to this are the DPI file and the SP04 PARMS Serials which are submitted by the Supplier. The DPI file is for a single reporting period, and contains information on which Supplier Agents a Supplier has appointed in each GSP Group, so that PARMS knows what data to expect from those Agents.

The Serials are defined from obligations in the BSC or Code Subsidiary Documents. For example SP04 – 'Installation of Half Hourly (HH) Metering' – relates to the obligation to install HH metering at a site, which has qualified for HH Metering.

Each Serial has one or more Standards associated with it. A Standard is a performance measure contained within a Serial. Using the SP04 as an example again, the Standards are:

- The number of Days for which a HH Meter should have been installed;
- The number of Days for which a HH Meter was not installed, when it should have been; and
- The percentage of Days for which a HH Meter was not installed, when it should have been

Further information on PARMS reports and PARMS reporting can be found in [BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'](#) and its two appendices.

PAF review project

The Performance Assurance Framework review project was undertaken by Elexon on behalf of the Performance Assurance Board. The key objectives for this review were:

- Better engagement with parties about issues that do and don't matter to them (their risk appetite)
- Increase the quantity and quality of participation in consultations
- Meet the current and future assurance needs of the Panel, the PAB and the wider electricity industry e.g. smart metering, alternative business models, CVA risk
- Improve the measurability of Settlement error and the mitigating effect of assurance activities
- Deliver a valued and trusted assurance service to BSC Parties under the strategic and tactical guidance of the BSC Panel and PAB

The project was divided into four workstreams, the last of which was data provision. The aim of this workstream was to create Proofs of Concept to test the viability of alternative methods of data provision that place less burden on participants to provide data and that support more accurate risk appraisal. One of the areas of focus for this work was a review of PARMS with a view to identifying potential changes required to ensure that the system meets the present needs of the PAF and the risk climate across the market.

PARMS data includes the following serials

SP04 Installation of HH metering

SP11 Timely Appointment of Agents

SP12 Timely Notification of Changes of the Data Aggregator via D0148

SP13 Timely Notification of Changes of the Meter Operator Agent via D0148

SP14 Timely Notification of Changes of the Data Collector via D0148

SP15 Missing Appointments of Agents

HM11 Timely Sending of HH MTDs to Half Hourly Data Collectors (HHDCs)

HM12 Missing HH MTDs

HM13 Quality of HH MTDs

HM14 Timely HH Meter Investigation Requests

NM11 Timely Sending of NHH MTDs to Non-Half Hourly Data Collectors (NHHDCs)

NM12 Missing NHH MTDs

NC11 Missing NHH Meter Reads & History from Old NHHDC to New NHHDC

SP07 SMRA & SVAA MSID Count – SMRA File

TA01 GSP Group Correction Factor

TA02 Annual Demand Ratio

SP07 SMRA & SVAA MSID Count – SVAA File

SP08 Energy and MSIDs on Actuals

SP09 NHH Defaults

CM01 CVA Meter Operator Agent (MOA) Proving Tests

CM02 CVA MOA Fault Resolution

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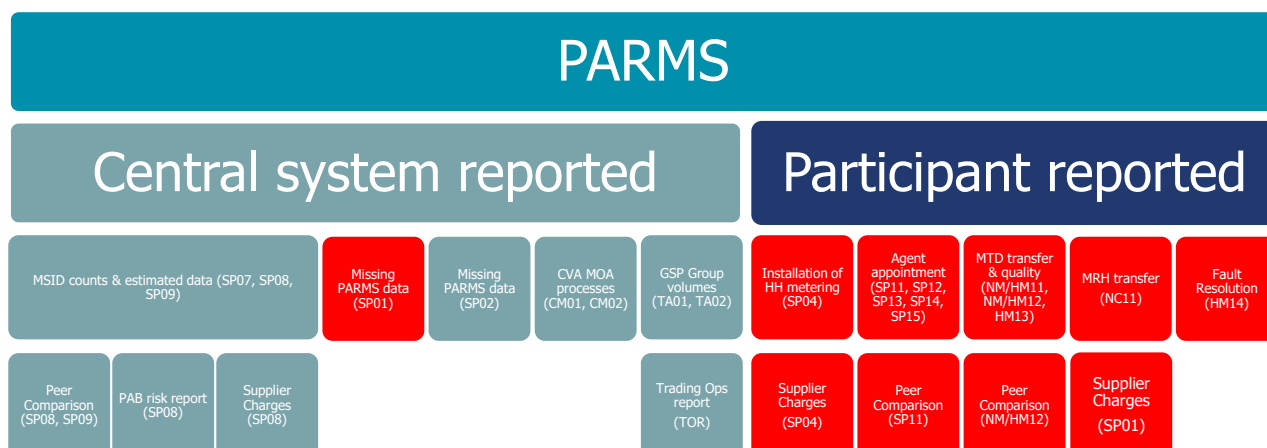
This work lead to the conclusion that certain PARMS serials (namely the participant reported Serials highlighted by this change) would require significant investment to enhance and update. Investment which cannot be justified until the impacts of REC implementation and the transition to MHHS are better understood. Since this investment cannot currently be justified and the cost to market participants to deliver these Serials has been found to be disproportionate to the value those Serials present in terms of Assurance in their current form, the recommendation was submitted proposing the cessation of those Serials.

3 Solution

Proposed solution

This Modification will remove the requirement for Data Collectors (DCs) and CVA Meter Operator Agents (MOAs) to submit the impacted PARMS Serials. Suppliers will no longer be required to ensure that their Agents submit this data. Suppliers will no longer be required to submit a DPI file.

The solution will remove all obligations relating to the Serials highlighted in red within this diagram.



The solution will also amend the PARMS system to ensure that it is able to continue to operate as intended once market participants cease providing data against those highlighted Serials. The PARMS system will need to continue to operate as centrally reported PARMS Serials will continue to operate as per the diagram above. Please note that if this Modification is approved and implemented, SP01 will also be ceased as it will no longer serve any function.

This will be achieved by amending the relevant BSC Sections and Code Subsidiary Documents to remove all references to the impacted Serials and associated processes. Full details of the impacted documents can be found in Section 6 of this paper.

Benefits

As part of the PAF Review project, industry and PAB engagement was undertaken and it was found that - across the various industry participants, the cost of reporting PARMS was found to cost industry approximately 10 FTE per year ([PAB234/12](#)). These costs fall directly on market participants, though Elexon also incurs costs by maintaining the Serials and processing the data (albeit to a lesser extent).

As in the previous section, this Modification is also expected to provide benefits in relation to Supplier Charges, where the only Charges left are related to SP08.

As this Modification removes obligations on BSC Parties and Party Agents, it is anticipated it will result in a net benefit to market participants following the implementation in terms of cost saved.

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Applicable BSC Objectives

This Modification is thought to positively impact Applicable BSC Objective (d) as BSCCo will no longer be required to process data that, per the PAF review project's conclusions, does not generate benefits equivalent or greater than the associated costs. It will also reduce the reporting burden on Supplier and their Agents.



What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

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Implementation approach

Elexon recommends an Implementation Date for this Modification of:

- 24 February as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
- 5WD following Authority decision (though no earlier than 3 March 2022) if that decision is received after 14 February 2022.

Please note that the recommended Implementation approach applies to the implementation of the legal text for this Modification, and the system changes will follow as soon as possible thereafter. The legal text approach is being taken as Elexon is looking to implement the changes as soon as possible, per PAB's recommendation. However, there are a large number of changes currently assigned to the February Release and the risk of implementing this Modification before that Release introduces significant risk of error in the various documents being implemented. If a decision is received after 14 February we recommend an implementation date of 5WD following that decision, though no earlier than 3 March 2022 due to the proximity to the February Release.

The system changes will be completed no later than 30 June 2021, on the assumption a decision is received on or before 14 February 2022 (in line with Elexon's internal delivery pipeline and capacity). If a decision is received after this date, we will endeavour to deliver the system changes as soon as possible following 30 June 2021. In the interim, parties will receive emails requesting the submission of Serials: these can be ignored and relevant communications to this effect will be issued via the appropriate channels.

This is in line with the PAB's view that there is no benefit in the continued requirement for the submission of the Serials following approval of the Modification

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PAB Endorsement

Following the PAF Review and the PAB's recommendation, Elexon provided a draft Modification Proposal Form to the PAB on Thursday 28 October. The PAB unanimously recommended to the Panel that the Modification be raised in accordance with [BSC Section Z 'Performance Assurance' 8.2](#).

It is recommended that this Modification is progressed as a Straight to Report Phase Modification, as the solution is deemed self-evident following thorough assessment from industry via both the PAF review and the PAB. It should not be progressed as Self Governance as it impacts (b)(i) and (ii) of the Self Governance Criteria due to the expected cost savings and impact on competition (as a result of Supplier Charges impacts).

Next steps

This Modification should be submitted for a 10WD Report Phase Consultation before the Draft Modification Report is presented to the Panel at its meeting on 9 December 2021.

Timetable

Proposed Progression Timetable	
Event	Date
Present Initial Written Assessment to Panel	11 Nov 2021
Report Phase Consultation	16 Nov 2021 – 30 Nov 2021
Present Draft Modification Report to Panel	9 Dec 2021
Issue Final Modification Report to Authority	14 Dec 2021

What is the Self-Governance Criteria?

A Modification that, if implemented:

- (a) does not involve any amendments whether in whole or in part to the EBGL Article 18 terms and conditions; except to the extent required to correct an error in the EBGL Article 18 terms and conditions or as a result of a factual change, including but not limited to:
 - (i) correcting minor typographical errors;
 - (ii) correcting formatting and consistency errors, such as paragraph numbering; or
 - (iii) updating out of date references to other documents or paragraphs;
- (b) is unlikely to have a material effect on:
 - (i) existing or future electricity consumers; and
 - (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
 - (iii) the operation of the national electricity transmission system; and
 - (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
 - (v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

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5 Likely Impacts and costs

This Modification is expected to have a low impact on Elexon, with an estimated cost of implementation of between £20k - £30k. This is due to system changes and associated testing, as well as the document changes required to implement the Modification.

There may also be costs to Suppliers and BSC Party Agents where they need to update systems, processes or resource allocation on the basis that the data previously provided to support the participant reported PARMS Serials will no longer be required, but we expect these to be minimal. There will also likely be significant operational cost reductions, as impacted participants will no longer need to send the impacted reports or manage associated exceptions.

Since this Modification removes obligations on BSC Parties and Party Agents it is anticipated that the Modification will result in a net benefit to market participants following the implementation in terms of cost saved (estimated to approximately 10 FTE per annum).

Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
Suppliers	Minor costs associated with updating systems and processes, but an overall net benefit due to reduced burden associated with reporting costs.	L
Half Hourly Data Collectors (HHDCs)		
Non Half Hourly Data Collectors (NHHDCs)		
Meter Operator Agents (MOAs)		

Impact on the NETSO	
Potential Impact	Potential cost
No expected impact on the NETSO	N/A

Impact on BSCCo		
Area of Elexon	Potential Impact	Potential cost
Participant Management	Reduction in resource requirement to deliver PARMS	L
Analysis & Insight		
Assurance		

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Impact on BSC Settlement Risks

The PARMS Serials proposed to be discontinued primarily provided data in respect of the following risks:

- Risk 004 – The risk that Agents are not appointed or de-appointed correctly, such that SMRS is not complete or up to date, members of the Supplier Hub do not hold the correct MPID of other Hub members or the appropriate agents are not appointed
- Risk 005 – The risk that a fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved
- Risk 006 – The risk that on a change of agent, Meter Technical Details are not transferred or processed correctly or at all, such that parties do not use the latest Meter Technical Details

Whilst the impacted Serials provided data in respect of Settlement Risks 4, 5 and 6, in practice they are no longer effective because of the unreliability of the data provided. Moreover, it is expected that the risk dashboards described on page 3 will provide the necessary insights against these Risks moving forward.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
PARMS	Requires amendment to end-date relevant Serials.

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential Impact
CGI	Immaterial reduction in resource requirement to deliver PARMS

Impact on Code

Code Section	Potential Impact
Section S	Amendments required to remove any references to participant-reported PARMS Serials and any associated processes
Section S, Annex S-1	
Section X, Annex X-1	

Impact on EBGL Article 18 terms and conditions

It is Elexon's view that this Modification would not impact on BSC provisions that constitute EBGL Article 18 terms and conditions, as listed in Section F Annex F-2. It would also not create any new provisions that could be seen to constitute EBGL Article 18 terms and conditions.

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Impact on Code Subsidiary Documents	
CSD	Potential Impact
BSCP533	Amendments required to remove any references to participant-reported PARMS Serials and any associated processes
BSCP533, Appendix A	
BSCP533, Appendix B	

Impact on other Configurable Items	
Configurable Item	Potential Impact
SVA Data Catalogue – Appendix A	Amendments required to remove any references to participant-reported PARMS Serials
SVA Data Catalogue – Appendix B	

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Ancillary Services Agreements	No impact expected
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Distribution Connection and Use of System Agreement	
Grid Code	
Master Registration Agreement	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

Impact on a Significant Code Review (SCR) or other significant industry change projects
An SCR exemption request was sent to Ofgem on 4 November 2021. At time of writing, we are awaiting confirmation.



What are the consumer benefit areas?

- 1)** Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?
- 2)** Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?
- 3)** Will this proposal support:
 - i) new providers and technologies?
 - ii) a move to hydrogen or lower greenhouse gases?
 - iii) the journey toward statutory net-zero targets?
 - iv) decarbonisation?
- 4)** Will this change improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.
- 5)** Are there any other identified changes to society, such as jobs or the economy.

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Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability No expected impact on safety and reliability	Neutral
2) Lower bills than would otherwise be the case Costs saved from reduced reporting burden expected to pass through to consumers	Positive
3) Reduced environmental damage No expected impact on the environment	Neutral
4) Improved quality of service No expected impact on quality of service	Neutral
5) Benefits for society as a whole No expected benefits for society as a whole beyond the expected cost savings	Neutral

6 Recommendations

We invite the Panel to:

- **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(vi));
- **AGREE** that this Modification progresses directly to the Report Phase;
- **AGREE** that this Modification:
 - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREE** an initial recommendation that this Modification should be **approved**;
- **AGREE** an initial Implementation Date of:
 - 24 February 2022 as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February; or
 - 5WD following Authority decision (though no earlier than 3 March 2022) if that decision is received after 14 February 2022;
- **AGREE** the draft legal text;
- **AGREE** an initial view that this Modification should not be treated as a Self-Governance Modification; and
- **NOTE** that Elexon will issue the draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 9 December 2021.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
BSC	Balancing and Settlement Code
CDCA	Central Data Collection Agent
CP	Change Proposal
CRA	Central Registration Agent
CSD	Code Subsidiary Document
CT	Current Transformer [metering]
CVA	Central Volume Allocation
DPI	Data Provider Information [file]
DTN	Data Transfer Network
EBGL	Electricity Balancing Guideline
FTE	Full Time Effort
GSP	Grid Supply Point
IWA	Initial Written Assessment
MHHS	Market-wide Half Hourly Settlement
MPID	Metering Participant Identifier
NETSO	National Electricity Transmission System Operator
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PARMS	Performance Assurance Reporting and Monitoring System
PAT	Performance Assurance Technique
REC	Retail Energy Code
SCR	Significant Code Review
SMRS	Supplier Meter Registration Service
SVA	Supplier Volume Allocation
SVAA	Supplier Volume Allocation Agent

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
5	Issue 69 'The Performance Assurance Framework Review'	https://www.elexon.co.uk/smg-issue/issue-69/
5	PAB Meeting (234/12)	https://www.elexon.co.uk/meeting/pab-234/
6	Market-wide Half Hourly Settlement	https://www.elexon.co.uk/operations-settlement/market-wide-half-hourly-settlement/
6	Retail Energy Code	https://www.retailenergycode.co.uk/
6	PAB Meeting (246/13)	https://www.elexon.co.uk/meeting/pab246/
7	PARMS Reporting Timetable	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/parms/
8	BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'	https://www.elexon.co.uk/csd/bscp533-parms-data-provision-reporting-and-publication-of-peer-comparison-data/