

P427 Public Peer Comparison for Settlement Performance

BSC Panel

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Purpose of paper **Decision**

Classification **Public**

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Summary **The BSC Panel is invited to approve the routine publication of Settlement Performance data via the Peer Comparison technique following the implementation of Modification P427.**

1. Background

- 1.1 Modification [P427](#): 'Publication of Performance Assurance Parties' impact on Settlement Risk' introduces triggers, which, if breached, would result in data and information relating to a Settlement Risk being made public, which has previously been considered confidential. These triggers are summarised below:
1. De Minimis error thresholds (aggregated market level impact and individual Trading Party level impact) for public notification of accountability for Settlement Errors;
 2. Error and Failure Resolution (EFR) escalation process triggers for public notification of EFR status and contribution to risk where a Performance Assurance Party (PAP) fails to meet a milestone in its EFR plan following escalation to the Performance Assurance Board (PAB) for the same EFR plan; and
 3. Publication of any data via the Peer Comparison technique, where recommended by the PAB and approved by the BSC Panel, where the PAB believes that making the data set(s) publically available would have a net benefit in respect of Settlement Performance.
- 1.2 Utilising the third trigger, this paper recommends to the BSC Panel (on behalf of the PAB) the routine publication of Settlement Performance data (estimated vs actual Settlement volumes) under the Peer Comparison technique.

2. Recommendation for the routine publication of Settlement Performance data

- 2.1 At its [January 2023 meeting](#) (26 January 2023), the PAB agreed to recommend to the BSC Panel that Settlement Performance data is published via the Peer Comparison technique. This recommendation was made following consideration of P427 Workgroup discussions, which supported this publication as a starting point.

Settlement Performance Data

- 2.2 An example of the data set that will be published is available in Attachment A of this paper. The published data will contain a monthly league table, showing the deviation from applicable Settlement standards¹ for each Supplier Market Participant Identifier (MPID). The statistics will show either positive performance (performing above the standard) or negative performance (underperforming against the standard), expressed in MWh. The published data set will also report the percentage of actual Settlement volumes by Supplier MPID.

¹ Suppliers are expected to settle 97% of their total Non-Half Hourly (NHH) metered energy on actual readings (rather than estimates) by the Final Reconciliation Run (RF), and 99% of their total Half Hourly (HH) metered energy on actual readings by the 1st Reconciliation Run (R1).

- 2.3 The PAB has requested that a Metering System ID (MSID) count is included within the .csv of the data made available, and that this data is also broken down by Grid Supply Point (GSP) Group. These additional items have not been included within Attachment A, however they will be added ahead of publication if the Panel approves this recommendation.

Intended Benefits

- 2.4 It is hoped that the publication of Settlement Performance will incentivise poor performing Parties to improve their Settlement Performance in order to avoid reputational impacts from poor performance. Improving competition through transparency.

Frequency of publication

- 2.5 Data will be published monthly, with data being published a month after it is calculated to allow time for BSC Parties to challenge data if they believe it to be erroneous prior to publication.

Duration

- 2.6 Data will be published on an enduring basis until such time as the BSC Panel determines that continued publication would no longer have a net benefit on Settlement Performance.

Publication Format

- 2.7 The data would sit under [Peer Comparison](#) on the Elexon website and will be available for download as a .csv file. We will also provide an interactive PowerBI report to enable users to review and filter the Settlement Performance directly on the webpage.

3. Expected Use of Peer Comparison Data by the PAB

- 3.1 As noted in the Final Modification Report, publication of this data is expected to deliver “improved efficiency of the PAF, swifter resolution rates to EFR plans and any other significant issues that impact Settlement”.
- 3.2 Therefore, Elexon and the PAB will monitor how Parties behaviours change as a result of the data publication and make further determinations regarding publication under the first two triggers noted in paragraph 1.1 above.
- 3.3 The PAB will also have access to the data and can utilise this in any other decision making processes. Having a clear sight of peer comparative data is also expected to ensure the PAB can make correct and proportionate decisions for further Performance Assurance Technique (PAT) deployment or escalation.
- 3.4 Elexon and the PAB will continue to keep track of performance (both at Party and Industry level), and use this to assess the impact of this Modification and whether the intended benefits are being realised. This analysis can be used to make subsequent adjustments to the Peer Comparison approach and set of data which is published.

4. Next Steps

- 4.1 BSCP533 (Peer Comparison), paragraph 4.7.5, requires Elexon (on behalf of the PAB) to provide Suppliers with two months’ notice that the data will be published. Should the BSC Panel approve this recommendation, Elexon will send a notification to Suppliers mid-March 2023. Data will be available for Suppliers to check in April 2023 and the data will be published in May 2023.

5. Recommendations

- 5.1 We invite the Panel to:
- a) **APPROVE** the routine publication of Settlement Performance data under the Peer Comparison technique, frequency of publication being monthly and duration of publication being until such time as the BSC Panel determines publication should cease.

Confidential Attachment

Attachment A – CONFIDENTIAL Sample of Data Proposed for Routine Peer Comparison

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