

# ELELEXION

---

**MHHS – Performance Assurance Working  
Group**

---

Meeting 5

02 March 2023

## Agenda

	Agenda Item	Time	Page
1	Performance Reporting	9.30-10.30	
2	Break	10.30-10.45	
3	Enduring Qualification	10.45-11.45	
4	Next Steps and AOB	11.45-12.00	

# PERFORMANCE REPORTING

# Data Service Risk 1

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
1	The risk that the Data Service does not submit the best available UTC Settlement Period Data accurately, within the required timescales or at all leading to default data being used for Settlement or Change of Supplier or Change of Agent consumption not being provided	Data Services - Smart Data Service (SDS)	UTC Settlement Period Consumption Data	IF_021	BSC
		Advanced Data Service (ADS)			
		UMSDS			

- Do you agree this is a valid risk area?
  
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - Poor understanding/processes of estimation methods
  - System issues resulting in data not being produced or sent
  
- What are we able to monitor to determine if these events take place?
  - If no data is sent the data will be defaulted and included within the IF\_013 – this could be monitored against Suppliers and Data Services
  - We could construct a timeliness report against the IF\_021 against the relevant Settlement Runs the data is required for to ensure data is received on time.
  - Estimation methods could not be checked by performance reporting but the BSC Audit or Technical Assurance of Performance Assurance parties (TAPAP) could be used to check a sample for these processes.
  
- What does good look like and what is unacceptable?
  - 100% against BSCP timescales – will need to agree industry thresholds when we have more data
  
- How does this compare to what we have now?
  - An improvement with coverage of data being submitted
  - Estimation methods currently assessed under BSC Audit

## Data Service Risk 2

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
2	The risk that the Elexon Central Systems or Suppliers do not update systems within the required timescales or at all leading to default data being used for Settlement or Change of Supplier or Change of Agent consumption appropriately used	Elexon Central Systems (ECS)	UTC Settlement Period Consumption Data	IF_021	BSC
		Supplier			

- Do you agree this is a valid risk area?
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - System issues
  - Poor processes
- What are we able to monitor to determine if these events take place?
  - For Elexon Central Systems we could consider building a report for the internal flows to ensure that acknowledgements are received and build exception reporting from that. We could also request API DIP flow exception reporting to determine where high impact reports are not picked up.
  - For Suppliers we believe this would best be covered by the BSC Audit.
  - The flow is also sent to distributors but this is for DUoS purposes and not a Settlement Risk (Report 02 for Elexon Central Systems also provides DUOS reporting which mitigates the impact of issues with this reporting).
- What does good look like and what is unacceptable?
  - 100% against BSCPs and Settlement Calendar
- How does this compare to what we have now?
  - This data does not currently enter Central Systems at this level of granularity

## Data Service Risk 3

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
3	The risk that Suppliers do not send a Supplier Advisory Notification when required in a timely manner or submit inaccurate information within the notification resulting in erroneous consumption values entering Settlement	Supplier	Supplier Advisory Notification to Data Service	IF_024	BSC

- Do you agree this is a valid risk area?
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - Poor fault processes
  - Poor long term vacant process
  - Poor processes
- What are we able to monitor to determine if these events take place?
  - We believe a sample based audit activity rather than performance reporting would best capture this area. A sample could look at cases where Suppliers have received fault reports to determine if this flow was sent and also look at a sample of these flows to determine they were sent appropriately based on the audit trail of evidence kept by the Supplier. Suppliers long term vacant records should also be assessed against the flows. Elexon Central System does not receive these flows so would need an extract from the Suppliers systems to review these.
- What does good look like and what is unacceptable?
  - These flows should not contain inaccurate information
  - These flows should be sent in a timely manner when required
- How does this compare to what we have now?

Supplier fault reporting and the long term vacant process is currently covered by the BSC Audit

## Data Service Risk 4

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
4	The risk that Data Services do not receive or appropriately update systems in a timely manner or at all following receipt of a Supplier Advisory Notification resulting in erroneous consumption values entering Settlement	Data Services	Supplier Advisory Notification to Data Service	IF_024	BSC

- Do you agree this is a valid risk area?
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - Poor processes
  - System issues
- What are we able to monitor to determine if these events take place?
  - We believe a sample based audit activity rather than performance reporting would best capture this area. An audit could check a sample of the flows to ensure that evidence was checked and validated by the Data Service and its systems updated accordingly in the timescales set out in the BSCP. Elexon Central System does not receive these flows so would need an extract from the Data Services systems to review these.
- What does good look like and what is unacceptable?
  - Evidence of appropriate validation
  - Updates undertaken in the BSCP timescales
- How does this compare to what we have now?
  - Not a current process

## Data Service Risk 5

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
5	The risk that Suppliers do not send a Consumption Amendment Request when required in a timely manner or submit inaccurate information within the amendment resulting in erroneous consumption values entering Settlement	Supplier	Supplier Consumption Amendment Request	IF_027	BSC

- Do you agree this is a valid risk area?
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - Poor processes
  - Supplier “gaming”
  - System issue
- What are we able to monitor to determine if these events take place?
  - IF\_021 has a report contains amendment reasons and is received by Central Systems. From this we could produce a report which looks at numbers of MSIDs VS total as percentage of Supplier, per GSP Group and in aggregate. Report to compare new consumption to previous volumes would help to determine potential volume movements from amendments to help prioritise any Performance Assurance action required.
- What does good look like and what is unacceptable?
  - Proper use of the process would likely be caused by addressing faults and to account for any issues with the Load Shapes. We could try to use average fault numbers and knowledge of any Load Shape issues to feed into acceptable thresholds.
- How does this compare to what we have now?
  - An entirely new process



## Data Service Risk 6

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
6	The risk that Data Services do not receive or appropriately update systems in a timely manner or at all following receipt of a Consumption Amendment Request resulting in erroneous consumption values entering Settlement	Data Services	Supplier Consumption Amendment Request Resp	IF_028	BSC

- Do you agree this is a valid risk area?
  
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - System issues
  - Poor processes
  
- What are we able to monitor to determine if these events take place?
  - There should be a natural incentive for Suppliers to check the data to ensure it has been updated as expected
  - We believe a sample based audit activity rather than performance reporting would best capture this area. An audit could check a sample of the flows to ensure that evidence was checked and validated by the Data Service and its systems updated accordingly in the timescales set out in the BSCP. Elexon Central System does not receive these flows so would need an extract from the Data Services systems to review these.
  
- What does good look like and what is unacceptable?
  - Evidence of appropriate validation
  - Updates undertaken in the BSCP timescales
  
- How does this compare to what we have now?
  - An entirely new process

## Data Service Risk 7

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
7	The risk that Suppliers or Supplier Agents do not submit Smart/Advanced Readings accurately, within the required timescales or at all leading to inaccurate data being used for Settlement or Change of Supplier or Change of Agent consumption not being provided	Supplier	Smart/Advanced Readings	IF_041	BSC and REC (for MS)
		Data Service			
		Metering Service (REC Governance)			

- Do you agree this is a valid risk area?
  
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - Poor processes
  - System issues resulting in data not being produced or sent
  
- What are we able to monitor to determine if these events take place?
  - We believe a sample based audit activity rather than performance reporting would best capture this area. An audit could check a sample of the flows to ensure that readings were sent by the Supplier or Data Service in the timescales set out in the BSCP. Elexon Central System does not receive these flows so would need an extract from the Data Services systems to review these.
  
- What does good look like and what is unacceptable?
  - 100% against BSCP timescales – will need to agree industry thresholds when we have more data
  
- How does this compare to what we have now?
  - Similar checks in place for readings in existing BSC Audit

## Data Service Risk 8

Risk Id	Risk Description	Impacting Party	Interface Name	IF Ref	Code
8	The risk that Suppliers or Supplier Agents do not receive or process Smart/Advanced Readings within the required timescales or at all leading to inaccurate data being used for Settlement or Change of Supplier or Change of Agent consumption not being provided (please note that the LDSO also receives this data for the purpose of DUoS charging but this is not a Settlement Risk).	Data Service	Smart/Advanced Readings	IF_041	BSC and REC (for MS)
		Supplier			

- Do you agree this is a valid risk area?
  
- What are the likely events that would result in this risk taking place when MHHS is implemented?
  - System issues
  - Poor processes
  
- What are we able to monitor to determine if these events take place?
  - We believe a sample based audit activity rather than performance reporting would best capture this area. An audit could check a sample of the flows to ensure that readings were sent by the Supplier or Data Service in the timescales set out in the BSCP. Elexon Central System does not receive these flows so would need an extract from the Data Services systems to review these.
  - The flow is also sent to distributors but this is for DUoS purposes and not a Settlement Risk (Report 02 for Elexon Central Systems also provides DUOS reporting which mitigates the impact of issues with this reporting.
  
- What does good look like and what is unacceptable?
  - 100% against BSCPs and Settlement Calendar
  
- How does this compare to what we have now?
  - This data does not currently enter Central Systems at this level of granularity

---

## Risk areas highlighted by member of the Working Group

---

Suppliers deliberately withholding volume peaks from that submitted to the SDS to “game” Imbalance Charges or GSP Group Correction factor.

- This area is the MDR and within SEC governance
- Elexon can put in place reporting which can see volume movements by run type by Supplier and GSP Group to consider any odd trends
- Central Systems will also have the default reporting in place which would highlight where this were missing

**BREAK**

# QUALIFICATION

---

## Enduring Qualification 1

---

- Renewal of Qualification Process
  - Initiated by: Elexon
  - When: Every two – four years
  - How: Tranches to reduce the high number at the start into Year 2, Year 3 and Year 4. This would spread out the workload at the first year and the ongoing ones too.
  - After the complete set of the tranches, we will then carry it on every 3 years.
  - We have a subset of testing scenarios to make sure that the parties still have the system capabilities to meet the BSC Obligations.
  - If parties need a deeper dive, then we can follow the Re-Qualification process.
  
- For New Applicants
  - Initiated by: Elexon/Applicants
  - When: After 6 months of no activity and then it becomes operational.
  - How: By completing a subset of testing requirements.
  - Why: This is ensure that new applicants still have the processes and system capabilities in place to meet the BSC Obligations

---

## Enduring Qualification 2

---

- Surrender of Qualification
  - We believe the only change to the process is to update the timeframe relating to the process as it currently is set at 3 months whereas we believe it should be matching with the new RF dates and the new settlement calendar.
- Supplier Market Exit
  - This currently does sit under the Market Exit process under Section A of the BSC.
  - Currently, when Ofgem removes parties licences these parties are still BSC Parties until the Party has withdrawn from the code.
  - This would mean that we have some BSC Parties that do not have a Ofgem licence are still classed as a Supplier under the BSC.
  - We would appreciate the working groups views on whether in this situation we should have a process in place to remove the Parties from the Code unless they respond to state why they wish to keep the BSC Party in place.
- Annual Statement Process
  - We believe that due to the Renewal of Qualification Process that we can terminate the Annual Statement process from the BSC as the Renewal of Qualification will replace it.