

Change Proposal – BSCP40/02	CP No: 93-F <i>Version No: 1.0</i> <i>(mandatory by BSCCo)</i>
Title (mandatory by originator) Switching off participant-reported PARMS Serials (excluding SP04)	
Description of Problem/Issue (mandatory by originator) <p>Working with industry colleagues through the Issue 69 workgroup and the Performance Assurance Board (PAB) Elexon concluded that some participant reported aspects of the Performance Assurance Reporting and Monitoring System (PARMS) are not adding sufficient value and we are unable to justify the investment to deliver improvements at this time due to upcoming market transformation activities. Those activities being Market-wide Half Hourly Settlement (MHHS) and the Retail Energy Code (REC), which present the potential to impact key BSC areas including all areas where there is existing data provision.</p> <p>These conclusions were drawn working collaboratively with industry through the Issue 69 Workgroup Elexon’s Performance Assurance Framework (PAF) review project team assessed the PARMS among other Performance Assurance Techniques (PATs).</p> <p>Elexon undertook the PAF review project on behalf of and reporting to the Performance Assurance Board (PAB).</p> <p>The PAB approved the PAF review’s recommendation to cease the operation of and remove the obligations associated with certain participant reported PARMS serials. The PAB also approved the proposed implementation approach which includes the raising of this CP to enact the approved recommendation.</p> <p>One of the work streams of the PAF review project 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 Performance Assurance Reporting and Monitoring System (PARMS) Performance Assurance Technique (PAT).</p> <p>PARMS is a database containing information about how Suppliers and their Supplier Hubs are performing.</p> <p>As part of the PAF, we use a set PATs to help mitigate the Settlement Risks. Elexon uses PARMS data to support the Performance Monitoring, Peer Comparison and Supplier Charge techniques, and to report to the PAB. PARMS data includes the following serials, reported either by participants or central systems:</p> <ul style="list-style-type: none"> • 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 HHDCs
- HM12 Missing HH MTDs
- HM13 Quality of HH MTDs
- HM14 Timely HH Meter Investigation Requests
- NM11 Timely Sending of NHH MTDs to 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 MOA Proving Tests
- CM02 CVA MOA Fault Resolution

As part of the PAF Review project, industry and PAB engagement was undertaken and it was found that - across the various industry participants which provide data for PARMS - an average of 10 FTE is spent supporting this reporting burden. This was found to cost industry around £250k per year.

The reporting of participant-provided PARMS serials has established weaknesses, for example, inaccuracy or inconsistency due to the participant-reported nature of the data, which relies on all participants reporting data consistently and accurately (which cannot be guaranteed). Considering these weaknesses, and the cost associated with the provision of this data, the PAF review project determined that the cost to industry is disproportionate to the value delivered by the associated PARMS Serials, in regards to the assurance provided.

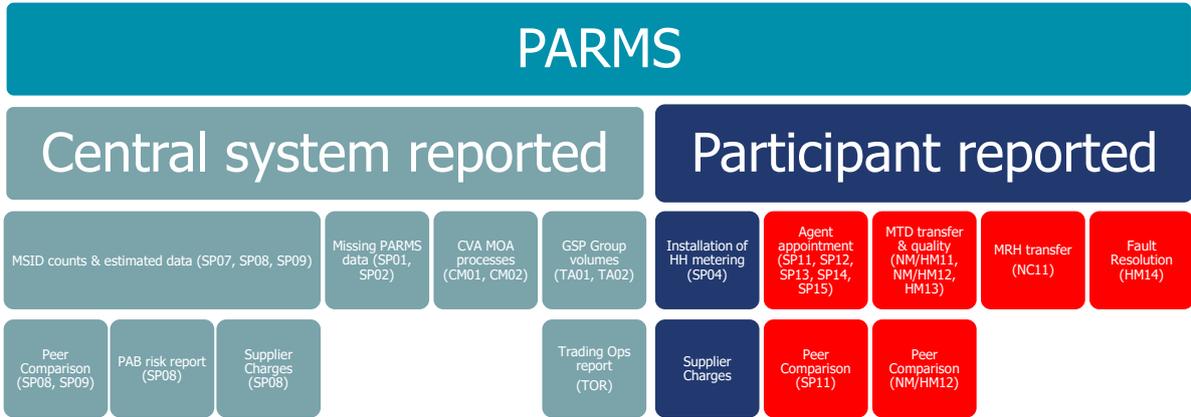
Proposed Solution (mandatory by originator)

The PAF review project delivered a recommendations report in respect of Data Provision ([PAB234/12](#)). This report along with others produced as part of the project was presented to the PAB and approved following discussion. While three options were presented to the PAB in respect of PARMS, the PAB approved the first option which was to cease participant reported PARMS serials excluding SP04 (Installation of HH Metering).

At this time, the market is not in a phase of iterative updates; there are a number of initiatives that seek to wholesale redesign or in some cases remove elements of the market (e.g. NHH Settlement arrangements). The option approved by the PAB would remove the participant reported elements of PARMS and not replace them with an equivalent for the time being..

Until improvements can be delivered through MHHS, business as usual (BAU) performance monitoring will rely on existing data sources that are currently adding value with continued support from auditing techniques where necessary. Whilst this approach comes with limitations as outlined in the PAF review's Data Provision report, it provides a degree of flexibility to respond to emerging risks. In addition, whilst performance reports have already been updated to identify issues at earlier Settlement Runs, under this approach we'd have to accept that errors which preventative and incentive techniques failed to mitigate may not be

detected until later than they could have otherwise been. However this is actively being further mitigated through the development of new Settlement Risk specific monitoring and reporting solutions which are cheaper and more agile than equivalent PARMS solutions. The following diagram indicates which PARMS serials would be ceased by this change (serials to be ceased are highlighted in red).



In regards to SP04: the Supplier Charges review presented to the PAB in March 2020 ([PAB230/08](#)) did not conclude that this Serial, which is an old PARMS Serial and the only one reported by Suppliers, was redundant or that charges should cease. Despite the significance of the Serial being greatly reduced with Profile Classes 5-8 moving to HH under Modification [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) (given that the number of applicable Metering Systems has therefore been greatly reduced with numbers now so low as to preclude any significant material impact), we do still see volumes reported against SP04. This demonstrates that it is not yet redundant. Therefore, we propose that this Serial is left in its current form since will remain a useful form of monitoring and reporting until . This would continue to require Suppliers to report SP04 data in the meantime.

Justification for Change (mandatory by originator)

Disabling the relevant participant reported PARMS Serials will reduce the reporting burden on participants which industry spends an estimated 10 FTE per year (or ~£250k). At the same time the benefits seen in respect of the assurance delivered by the PARMS solution have declined since its original implementation. Likewise other more flexible reporting, monitoring and auditing solutions outside of PARMS have and continue to grow more effective in providing assurance against key Settlement Risks.

To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code? (mandatory by originator)

BSC Section S, Annex S-1: Performance Levels and Supplier Charges

Estimated Implementation Costs (mandatory by BSCCo)

Costs to update documents and central systems ~£13k - £15k

We expect low cost to industry initially and no on-going costs anticipated as they would no longer be required to submit PARMS data.

BSC Configurable Items Affected by Proposed Solution(s) (mandatory by originator)

[BSCP533 – PARMS Data Provision, Reporting and Publication of Peer Comparison Data](#)

[BSCP533 – Appendix A, PARMS Data Provider File Formats](#)

[BSCP533 – Appendix B, PARMS Calculation Guidelines](#)

[Supplier Volume Allocation Data Catalogue 1 – Appendix A – Main Index](#)

[Supplier Volume Allocation Data Catalogue 1 – Appendix B – Data Flows](#)

Impact on Core Industry Documents or System Operator-Transmission Owner Code
(mandatory by originator)

None

Related Changes and/or BSC Releases (mandatory by BSCCo)

None

Requested Implementation Date (mandatory by originator)

24 February 2022 as part of the February 2022 BSC Release

Reason:

Earliest possible Release to realise the benefits for industry

Version History (mandatory by BSCCo)

1.0

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Attachments: N (If Yes, No. of Pages attached:)

(delete as appropriate)