

INTRODUCTION OF CATEGORY 1.5 NON-COMPLIANCES

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Purpose of paper	Comment
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Summary	ELEXON proposes creating a Category 1.5 non-compliance to introduce a risk based approach to Technical Assurance of Metering (TAM) non-compliance rectification. We invite the TAMEG to comment on the proposal to introduce a Category 1.5 non-compliance,

1. Background

- 1.1 ELEXON is reviewing the Technical Assurance of Metering (TAM) non-compliance rectification process. The purpose of the review is to implement Performance Assurance Framework (PAF) review recommendations and take a risk centric approach to rectification activities.
- 1.2 When we investigated long outstanding Category 1 non-compliances for consideration of Performance Assurance Board (PAB) escalation, we noticed that 71% of long outstanding (six months or more) non-compliances had no impact, or a low likely of impacting Settlement. This is because the site was either de-energised following the allocation of a Category 1 non-compliance, or the Agent advised the item of Metering Equipment could not be Commissioned following rectification of Category 1 non-compliance because of insufficient load.
- 1.3 The improvements we discuss in this paper are for Supplier Volume Allocation (SVA) Category 1 non-compliances only. Improvements would be inappropriate for Category 2 non-compliances due to their number and Central Volume Allocation (CVA) because of the volume-associated risks. The same process has not been considered for Desktop Audits.

2. Category 1 non-compliance sub-category

- 2.1 The Technical Assurance Agent (TAA) often encounters significant problems when chasing Parties so that Category 1 non-compliances can be closed on sites that are no longer under load, or under insufficient load, yet require Commissioning to validate the rectification of the non-compliance. Category 1 non-compliances cannot be removed until rectified and Commissioned.
- 2.2 To better understand the risk presented by long outstanding (six months or more) Category 1 non-compliances, we have split them into four categories:
 - Not currently affecting Settlement – evidence demonstrating non-compliance not affecting Settlement;
 - Low likelihood of affecting Settlement – awaiting Commissioning to confirm rectification;
 - Likely to be affecting Settlement – no, or minimal progress on rectification following identification; and
 - Affecting Settlement – evidence demonstrating non-compliance affecting Settlement.
- 2.3 The below table summarises the Category 1 non-compliances that currently exist and their risk based on the above criteria:

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Not affecting Settlement		Low likelihood of affecting Settlement		Likely to be affecting Settlement		Affecting Settlement	
1	7.14%	9	64.28%	4	28.57%	0	0.00%

- 2.4 Currently, 71% of the long outstanding Category 1 non-compliances are not, or have a low likelihood of affecting Settlement. ELEXON proposes the introduction a subdivision of Category 1 non-compliances, Category 1.5 non-compliances. The subdivision will allow Category 1 non-compliances to be re-categorised as Category 1.5 in certain scenarios, which will help focus resource on higher risk non-compliances.
- 2.5 Currently, we consider that two scenarios qualify Meter Point Reference Number (MPANs) for Category 1.5. There are:
- Where the MPAN has been de-energised in accordance with BSCP514 5.3.2¹ De-energise a Metering System; or
 - Rectified awaiting Commissioning, but there is insufficient load on site to complete Commissioning.
- 2.6 In order for an MPAN to qualify for Category 1.5, evidence must be submitted to the TAA for review. Furthermore, the Registrant, or an agent on behalf of the registrant, must submit a plan outlining continued monitoring of the MPAN, to demonstrate that conditions outlined in the original evidence submission have not changed. The TAA will review monitoring data on a regular basis.
- 2.7 ELEXON foresee two primary benefits from implementing this sub-category of a Category 1 non-compliance;
- It will reduce the resource ELEXON and the TAA spend chasing Parties to close non-compliances that pose minimal risk to Settlement; and
 - It will encourage Parties to rectify non-compliances, rather than committing to a monitoring program.
- 2.8 In order to implement the above improvements a Change Proposal (CP) would be required to modify BSCP27 1.14² Non-Compliance. We don't anticipate any changes for BSC Section L - Metering³.

3. Recommendations

3.1 We invite you to:

- a) **COMMENT** on the proposal to introduce a Category 1.5 non-compliance.

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¹ [BSCP514 Operations for Metering Systems Registered in SMRS](#)

² [BSCP27 Technical Assurance of Half Hourly Metering Systems for Settlement Purposes](#)

³ [BSC Section L – Metering](#)