
Trading Dispute DA1395

Trading Disputes Committee (TDC)

Date of meeting	7 March 2024
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Paper number	TDC308/08
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Purpose of paper	Information
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Classification	Public
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Document version	1.0
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Summary	Elxon is informing the TDC of incorrect profile data issued by the Supplier Volume Allocation Agent (SVAA) having raised this dispute in accordance with BSCP508 (SVAA).
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1. Overview of the Trading Dispute

- 1.1 Between 27 January 2023 and 24 September 2023, the Supplier Volume Allocation Agent (SVAA) issued incorrect Daily Profile Coefficients to Data Collectors (NHHDCs) on 85 Settlement Days. Estimates of Annual Consumption (EAC) and Annualised Advances (AAs) calculated by NHHDCs using these incorrect Coefficients were incorrectly apportioning the volume to each Settlement Period.
- 1.2 Further, following re-publication of the profile data to the NHHDCs on 1 December 2023, there are expected mismatches between the profile data used by the NHHDCs and SVAA for the same periods resulting in an over/under calculation of Settlement volumes for affected Suppliers.
- 1.3 Elxon has validated the Trading Dispute against the three criteria for a Trading Dispute (Dispute Deadline, Materiality and Settlement Error) and considers this is a valid Trading Dispute providing that the TDC accept Elxon's claim for exceptional circumstance as detailed below.
- 1.4 Due to the complexity of the analysis required to determine the impact of the error, the analysis is ongoing.

2. Trading Dispute Detail

- 2.1 Elxon is aware that 85 Settlement Dates in 2023 had incorrectly calculated profiling data. This breaks down to the following Settlement Dates:
 - a) 27 January 2023 – 25 March 2023
 - b) 31 July 2023, 30 August 2023 – 4 September 2023
 - c) 5 September 2023 (the Autumn/Winter Start Date) – 24 September 2023
- 2.2 Elxon first became aware of an issue on 18 September when a Party notified its OSM of unusual patterns in its Profiled NHH consumption for Settlement Dates in September 2023.
- 2.3 At the same time, another Party raised a customer query noting inconsistencies in the Sunset Time offset (difference between the Sunset Time and 1800 GMT) included in the D0018 flow for multiple Settlement Dates in 2023.
- 2.4 Further investigation by Elxon's Assurance and Settlement & Insight teams between 20 – 22 September 2023 confirmed that the queries raised by both Parties were the result of incorrect Daily Profile Coefficients, and the set of Settlement Dates impacted are those highlighted in 2.1. An issue with the Sunset Time has impacted

Settlement Dates in 2.1a), b) and c). An issue with the Autumn/Winter 2023/24 Regression Coefficients has impacted Settlement Dates in 2.1c).

- 2.5 The SVAA re-calculated and issued corrected Daily Profile Coefficients for the affected dates on 25 September 2023 via D0018 data flows using the corrected Autumn/Winter Regression Coefficients.
- 2.6 However, the first set of re-calculated Profile Coefficients for Settlement Dates 4 – 15 September 2023 and 18 – 20 September 2023 continued to use the incorrect Sunset Time variables. This issue was promptly identified and therefore the SVAA subsequently issued a further set of corrected D0018s on 26 September 2023.
- 2.7 In the standard Daily Profile Production Run, the SVAA would issue both D0018 and D0039s, along with other files. D0018s are sent from SVAA to Suppliers and NHHDCs. As part of ongoing dialogues with Parties, Elexon became aware that the corrected D0018s were insufficient to correct the inaccuracies within their NHHDC systems on their own. Therefore, corrected D0039s with the correct Daily Profile Coefficients (in-line with the 26 September created D0018s), were issued to NHHDCs on 1 December.
- 2.8 Whilst this action ensured the upcoming Autumn/Winter Profiling Seasons were using the correct profiling data in Settlement and thus preventing issues for future Settlement Dates in the season, continued engagement from BSC Parties and analysis from Elexon highlighted that there remained an existing material impact to Settlement. Elexon are therefore bringing this matter to the attention of the TDC in order to involve industry in an appropriate resolution.

3. Dispute Deadline

- 3.1 Trading Dispute DA1395 is a Profile Coefficient type dispute and has a valid Dispute Deadline of 3rd Working Day following the Settlement Day in which the affected Settlement Period(s) occurred.
- 3.2 This Trading Dispute was raised on 6 February 2024, and has therefore not been raised in accordance with regular Dispute Deadlines. The Dispute will only be valid if the TDC agree to Elexon's request for Exceptional Circumstances (see Section 5 below).

4. Dispute End Date

- 4.1 As NHHDC systems will have been updated with the corrected coefficients by 4 December 2023, Elexon proposes that the TDC sets this as the end date for Trading Dispute DA1395.

5. Exceptional Circumstances

- 5.1 Elexon claims exceptional circumstances on the basis that the Trading Dispute was raised when it became apparent that the material impact could not be resolved through the Timetabled Reconciliation Settlement Runs and that the only viable method will be via corrective activities outside of regular Elexon and BSC party operational activities.

6. Materiality

- 6.1 Elexon is in the process of estimating the materiality of Trading Dispute DA1395.
- 6.2 Note that this estimate is derived for the purpose of assessing whether Trading Dispute DA1395 is expected to meet the materiality threshold of £3,000.
- 6.3 Elexon needs to understand what profile data was used on what day throughout 2023 to determine the full impact and possible corrections. A request for assistance has been published to NHHDCs to provide this information. Settlement Error.
- 6.4 A Settlement Error exists as the SVAA failed to comply with its Obligations under the SVAA Service Description to issue correct Daily Profile Coefficients. BSCP508 Settlement Volume Allocation reference 3.1.11 requires the

SVAA to send relevant Daily Profile Production (DPP) reports to the Suppliers and NHHDCs on a daily basis. Any query or dispute of the DPP reports is referred to BSCP11 Trading Disputes.

7. Validity

- 7.1 Elexon has identified DA1395 as a valid Trading Dispute. Provided that the TDC accepts Elexon's claim for exceptional circumstance, the Trading Dispute does meet all three criteria set out for Trading Disputes.

8. Rectification

- 8.1 The rectification process has not been determined at this stage. The software used by NHHDCs and SVAA is technically restricted from making retrospective changes to the profile reports.

9. Recommendations

- 9.1 We invite you to:

- a) **NOTE** the information in this paper;
- b) **NOTE** that a public version of this paper will be published following the meeting.

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