**SVA Qualification – Market Entry Process video transcript**

SVA Qualification is part of the PAF which is made up of the techniques used by the Performance Assurance Board (PAB) to mitigate risks to Settlement. Qualification is a preventive technique and it allows us to test that your systems and processes are sufficient to commence live operations.

The Qualification Service Provider (QSP) provides technical expertise, reviews your application and conducts witness testing at your offices. You will be introduced during the planning meeting).

After the planning meeting you will then be tasked with the Self-Assessment Document (SAD) - this is the main focus of the Qualification process, populating the SAD is also the most time consuming process within the Qualification process.

Following completion of the SAD, the QSP will then conduct Witness Testing to test that the correct approach has been followed by the applicant.

The final stage of SVA Qualification will be to gain approval from the Performance Assurance Board, the PAB.

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Once you’re ready to start SVA Qualification, please submit your project plan and let us know your availability in the coming weeks. We will then have a planning meeting with our QSP and we’ll use your project plan to determine a suitable application timescale.

The SAD is the key focus for Qualification Applications. It’s the most time consuming process because the applicants are required to have developed and tested their systems before SAD population and the business process would be required to have been decided before SAD completion.

SAD declarations demonstrate how new entrants’ systems and processes meet requirements of the Code and CSDs, and how existing participants’ systems and processes continue to meet those requirements.

The SAD can be completed in sections, so you can send those sections through to the QSP for review to get some feedback along the way. Please make sure you submit each section in full if you were to submit the SAD by section. Completion of the SAD is also an iterative process until the SAD is finalized

Once the applicant is ready to submit the SAD, the QSP will provide a password protected and secure transfer network for SAD submission.

As you can see the SAD is split into two parts, the Generic and Specific sections

All applicants are required to respond to all the questions in the generic section except for VLPs who are only required to complete sections 1 to 6. Applicants are advised to focus on **section 3 – Testing**. This is where applicants carry out internal testing of their proposed systems using the testing guidance lines in appendix 1 of the SAD and the joint story boards to ensure systems can send and accept all relevant flows for the role they wish to qualify for.

Then there’s the Roles specific sections **–** Applicants are required to provide responses for the role or roles they wish to Qualify, for example a VLP would only need to respond to section 19.

Each section of the SAD has a cover page which provides an objective statement for that section as well as some detailed guidance for answering the questions within that section.

Each question on the SAD has further guidance on the requirements and how to answer that question, then there are 2 blank spaces. The first blank space is for the applicant to answer the question and the second is to provide supporting evidence.

For example if the applicants is answering a question on security policies, the first blank space would be to answer the question by providing information about their security policies and the second blank space would be to attach a copy of their security policy.

The level of supporting evidence and witness testing required will vary per applicant depending on the risk assigned to their application.

Following review of the SAD the QSP will provide the scope of the tests to be witnessed in advance.

The aim of witness testing is to test that the approach has been followed and tests have been fully completed and any exceptions resolved.

The testing will be on a sample basis however we recommend testing all scenarios as part of your own internal testing.

The extent of Witness Testing will be dependent on a number of factors, including:

* the level of controls both documented and evidenced by the Applicant on the SAD;
* the risk of the proposed system to be used in provision of the Qualified service;
* the prior experience of the Applicant;
* the complexity of the proposed systems and service; and
* The number of issues identified during an applicant’s own testing

The QSP is able to carry out Witness Testing with applicants remotely. The QSP would look to accommodate your preferred method for Witness Testing, whether virtually or in person, depending on the risk of the application and government restrictions at that time.

After the witness testing, KPMG will produce an outcome report. VLPs do not undertake Witness Testing and their outcome report will be produced based on their SAD responses.

The Qualification process for a VLP is expected to take up to 4 months for applicants, but for other roles, it can take between 6-9months.

We normally ask applicants to allow for approximately 6 weeks at the end of the timeline of the Qualification process to allow ELEXON and QSP to complete their internal processes. During the planning meeting we try to agree an appropriate PAB meeting date for the applicant and work backwards from that date. So, for instance, if an applicant is aiming for a November PAB meeting, ELEXON is expected to send the PAB paper out to PAB members 1 week before the PAB meeting. The QSP is expected to send the outcome report to Elexon, 2 weeks before the papers are sent to PAB members.

The table on the right shows the PAB meeting dates for 2021. They are held on the last Thursday of every month except December which is brought forward due to the holiday period.

It is then ultimately the PABs decision to approve the applicant’s application to enter the market at its meeting.

Market Domain Data (MDD) is the central repository of supplier volume allocation (SVA) market information. It’s used by all market participants and it contains information such as the market participant IDs and roles. New party agents will need to populate the MDD with details of their company after receiving PAD approval of the SVA qualification. This is done by submitting the relevant MDD forms. If you have one in mind at the planning meeting stage then you can email us to reserve. All changes made to MDD are scheduled. The table on the right contains key dates for 2021 MDD release schedule. A copy of this schedule can also be found on the MDD section of our website. This will help you decide on a target go-live date.

The Master Registration Agreement (MRA) is the multi-party agreement between all licensed electricity Distribution Businesses and Suppliers.

It is mandatory for Suppliers and Distribution Businesses within the Electricity Industry to accede to the MRA in order to fulfil their licence obligations.

It sets out terms for the provision of Metering Point Administration Services (MPAS Registrations), and procedures in relation to the Change of Supplier to any premise/metering point

We work in conjunction with MRASco for Qualification applications for the role of Supplier and Distribution Network Operator, the latter of which covers the SMRA, UMSO, LDSO. The aim is to reduce overhead for the applicant and reduce the amount of tests the applicant would be required to complete.

Some of our interactions are outlined on this slide.

As you can see the initial briefing or planning meeting is conducted jointly.

The applicant completes questions for both industry codes, BSA for MRA and SAD for BSC.

Some of the evidence from the Market scenario testing with MRASCo would need to be used as supporting evidence for the SAD.

Finally, the MEC approves the MRA market entry assessment and the PAB approves the BSC Qualification application.

MEC meetings are held on the last Tuesdays of every month and PAB meetings on the last Thursdays. If there are delays on the MRA side and we complete all relevant BSC testing, we would still take the BSC Qualification to the PAB.

As of September 2021 the MRA will crease to exist and the Retail Energy Code will take on the applications for Suppliers, LDSOs and Meter Operators. We will continue to work with the REC in a similar way to the MRA, however we suggest that you contact the REC separately to discuss your application.

Here are some extra considerations for applicants. The EMR carries out the settlement of Contract for Difference (CFD) and Capacity Market (CM) agreements.

ElectraLink’s Data Transfer Network (DTN) supports data transmission across the electricity industry.

The CUSC is the contractual framework for connection to, and use of, National Grid’s high voltage transmission system.

There are also other industry codes and you can will find a full list on OFGEMs website.

Some post Qualification techniques which can be applied once you become operational are:

* + **Annual BSC Audit** – this is conducted annually by the BSC Auditor, normally for Qualified Persons who have at least 50,000 metering point for NHH and/or 500 for HH.
  + **Technical Assurance Check** - This is where ELEXON identifies a market wide issue and perform a sample base audit to understand if that issue is a potential risk to settlement.

You can sign up to the BSC Portal which provides market wide data and party specific data. We encourage Parties especially Suppliers and LSDO’s to attend the Introducing ELEXON seminar. These are usually held 5 times a year in our offices. However, due to restricted office use under the Covid climate, the next seminar dates are yet to be confirmed. In the meantime, we have published a free online version of the seminar. You can find the video course on our website.

You can also sign up to our communication channels, these are Newscast to get industry news and Circulars to get information on more immediate news such system changes or down times.

Finally here are some contact emails you may find useful depending on your market role.