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## Risk Evaluation Register Summary 2023/24

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The 2023/24 Risk Evaluation Register (RER) sets out and describes identified Risks to Settlement. The RER identifies events that may happen during the 2023/24 Performance Assurance Operating Period (PAOP) that could impact industry compliance with Balancing and Settlement Code (BSC) governed procedures, and evaluates the Settlement Risks that would be impacted if such events were to occur. Below notes a brief description of the events identified in the RER:

### Reduced supply of gas

The reduced supply of gas has driven the wholesale prices of electricity up, subsequently forcing Ofgem to review and increase the price cap. This rise could lead to customers being unable to pay for their electricity. Conversely, if electricity prices reduce there may be an increase in Change of Supplier (CoS) events. This would also be the first time industry would see the effects of Faster Switching which was implemented in July 2022.

### Metering Systems shortage

There has been a global shortage of semiconductors and other electronic components, including those used in the manufacturing of Metering Systems. This has resulted in a reduction in the availability of Meters and therefore Fault resolution and installation processes have suffered. BSC Parties and Party Agents may be affected in 2023/24 whether the shortage ceases, in which case there could be a backlog of Meters that need to be installed, or prevails, in which case a reduced number of Meters being will be available for new installations and to fix faults.

### Observed market performance decline.

Since the COVID-19 pandemic there has been a reduction in market performance. Market performance decreases when there are higher volumes of estimated data entered into Settlement in proportion to the total volume of energy. Pre-pandemic Half-Hourly (HH) performance at R1 was consistently above 99%, it's now approximately 98.5%.

### CVA market errors

During the 2022/23 PAOP significant errors were identified in the Central Volume Allocation (CVA) market. In response, the Technical Assurance of Metering (TAM) audit has expanded to include a larger number of visits to CVA Grid Supply Point (GSPs) which could result in greater number of faults being identified.

### Market-wide Half Hourly Settlement

The implementation of the MHHS program will migrate the whole electricity market to settle HH. This change is intended to make Settlement data more accurate and reduce the Settlement reconciliation timescale to four months. Elexon are starting to consider how HH Settlement and the migration will affect the Risks to Settlement.

### Responses

To respond please complete our online survey [here](#)

The PAB will consider your consultation response at its meeting in November 2022.

Thank you for your time.

### Any questions?

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