

# SVA AGENT APPOINTMENTS

This document outlines the methodology used to assess the Settlement Risk related to SVA Agent appointments.

We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

**The risk that...** Agents are not appointed or de-appointed correctly, such that SMRS is not complete or up to date, members of the Supplier Hub do not hold the correct MPID of other Hub members or the appropriate agents are not appointed **resulting in...** Estimated data in Settlement

## Estimated impact in 2020/21

Lower	Middle	Upper
£1.3m	£3m	£8.5m

**Category:** Registration and appointments

**Sub category:** Agent appointments

**Covers:** Change of Supplier / Agent, New connection, Change of Measurement Class

**Does not cover:** Meter Administrators

## At risk population

As part of this assessment, we seek to understand the population at risk in the upcoming period, i.e. how many times will the underlying process occur where the risk can manifest.

The at risk population for this risk is changes of Meter Operator Agent (MOA) and Data Collector (DC), HH and NHH, concurrent or distinct.

## Data point considered

Quarterly extracts from the Supplier Meter Registration Service (SMRS) that ELEXON receives, show change of agent (MOA and DC) events. For the most recent full years available:

Market	2016/17	2017/18	2018/19
HH 100kW	21,947	30,997	32,841
HH sub-100kW	53,883	111,632	63,472
NHH	5,993,867	8,270,420	10,057,018

## Forecast

Below are the key considerations and assumptions when forecasting the at risk population in the 2020/21 period:

- NHH and HH 100kW CoA events will remain relatively static; a reasonable forecast equates to the average of the previous three years as above, with a slight decrease in the forecast for NHH as there were fewer COA events in the first two quarters of 2019/20.
- HH sub-100kW CoA events will be slightly fewer than the average as the exercise to move the NHH Profile Class 5-8 meters to HH has now completed (see [Modification P272](#)).

## Failure rate

From the population at risk, we need to estimate the proportion where the risk will manifest, i.e. the failure rate. To do this, we assess historical performance in the area and consider any upcoming changes that have the potential to impact future performance.

## Data points considered

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When assessing historical performance in the area, we used SMRS quarterly extracts, which provide a view of the percentage of CoA events where the change was notified late, by reviewing the Effective From Date of the change and the date the change was made in SMRS.

Market	2016/17	2017/18	2018/19
HH 100kW	3.30%	2.44%	2.22%
HH sub-100kW	2.81%	2.00%	1.93%
NHH	0.18%	0.48%	0.47%

Note:

- We have focused on the impact of late appointments on a change of MOA or DC. As there are central controls surrounding Data Aggregators' (DA) appointments via SMRS, there will always be a DA appointed to a site and therefore the risk appears less significant.
- We have assessed historical failure rates through late appointments. This does not cover where appointments are currently missing.
- This assessment covers the direct appointment of agents (i.e. through D0155 data flows). We have not assessed the impact for missing/late notification of changes (i.e. through D0148 data flows), as it is assumed generally immaterial, as concluded by the [Technical Assurance audit](#) in 2017/18.

### Forecast

Below are the key consideration and assumptions when forecasting failure rates in the 2020/21 period:

- The failure rate for CoA events will slightly rise based on the most recent data available at 2.5%, 2% and 0.5% for the HH 100kW, HH sub-100kW and NHH market segments respectively.
- There will be a similar failure rate and days impacted for new connections as that estimated for existing connections.

### Impact

To estimate the impact of a risk we need to understand the days impacted and error volume on average per instance. We have derived this data from the SMRS extracts.

#### Average days impacted

Market	2016/17	2017/18	2018/19
HH 100kW	82	112	98
HH sub-100kW	39	78	96
NHH	141	112	174

#### Average error per day

When estimating the error per day, we used the standard rate card related to estimated data. Please see the rate card for estimation inaccuracy for more details.

We convert the error volume into a monetary value by the forecast system buy and sell price for the upcoming period.