
Risk Evaluation Register Summary 2022/23

Introduction

The [2022/23 Risk Evaluation Register \(RER\)](#) sets out and describes identified Risks to Settlement and our forecast of the material error of each Risk.

The RER identifies **events** that could impact Industry compliance with Balancing and Settlement Code (BSC) governed procedures in 2022/23, and evaluates the Settlement Risks that would be impacted if such events were to occur.

Events identified in the RER:

COVID-19 Impacts

The ongoing impact of COVID-19 may affect BSC Parties and Party Agents in the 2022/23 due to fewer site visits being performed, backlogs due to work which may have been delayed or deprioritised due to the pandemic and changes in consumer behaviour.

Rise in electricity prices

The number of Supplier of Last Resort (SoLR) events increased in 2021/22 due to the rise of electricity prices. Should the number of SoLR events continue to rise, an increased number of processes associated with SoLRs will be performed, which increases the likelihood of error. SoLR events also have a significant impact on Supplier's resources managing increased customer contact and transfer processes which can have a knock on impact on other processes. If electricity prices equalise there may be a rise of Change of Supply (CoS) events, thus raising the potential error in the BSC process involved with switching.

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. BSC Parties and Party Agents may be affected in 2022/23 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.

Faster Switching

Ofgem's Switching Program is due to be implemented in summer 2022. The Faster Switching Program will reduce switching timescales to allow the customers to switch Suppliers within 5 days, with the intent to reduce this further in the future. This may impact the operations of BSC Parties and Party Agents in 2022/23 due to shortened timescales to complete related processes.

Retail Energy Code (REC)

REC 2.0 was implemented in September 2021, resulting in Meter Operator Agent (MOA) obligations moving from governance under the BSC to the REC, which has impacted many of the Risks identified on the RER. There will be further impacts on Settlement Risks as further changes to the REC are released.

Providing Feedback

We are requesting feedback from Industry in two ways:

1. To tell us about which events you predict will impact Industry operations in 2022/23, please complete our [customer survey](#). Survey responses will help us to formulate our Risk Operating Plan (ROP) for 2022/23.

2. If you have feedback on or would like to suggest changes to the RER, please complete our [consultation response form](#) and email it to risk@elexon.co.uk. The PAB will consider your consultation response at its meeting in March 2022.

Thank you for your time.

Any questions?

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