PUBLIC

Technical Assurance Audit Report

Risk 007, Supplier Volume Allocation (SVA) Data Retrieval

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ELEXON

CONTENTS

Executive Summary

Suppliers are required to settle 97% of their total Non-Half Hourly (NHH) metered energy on Annualised Advances (AA) by the Final Reconciliation Run (RF). A Technical Assurance of Performance Assurance Parties (TAPAP) check was performed on some of the Parties in Error Failure Resolution for (EFR) that have highlighted retrieval (rather than processing of metered data) as the prime reason for under performance against the 97% standard.

The scope of the audit was to look at a sample of Meter Point Administration Numbers (MPANs) that had not had a D0010, Meter Reading for more than 14 month, and if a D0004, Notification of Failure to Obtain Reading had been received during this time, the reason code and information contained within that flow. The audit then looked to perform a deep dive investigation into each MPAN to find the root cause for not being able to obtain a Meter reading. This process relates to Risk 007, Supplier Volume Allocation (SVA) Metered Data which has been detailed in Section 1 of this report.

Common root causes and challenges identified through the audit	
Difficult to access sites for particular types of customer/site: • Council sites (Housing) • Water company sites • Housing association properties • Telecoms boxes/sites • Mobile phone signal masts • Ministry of Defence (MOD) • Public road pedestrian subways • Energy broker sites • Long Term Vacant (LTV) sites • Street lighting • Transmission sites • Church of England sites	Specific Automatic Meter Reading (AMR) related issues: • 'No comms' or failures in dialling Meter reported on the D0004 • Customer appointed Agents to inoperable Meters • Meter Technical Details (MTDs) missing, mismatched or contained errors or missing vital information • Meter 'dumb' • No SIM installed • SIM not migrated • Customers reluctant to switch off supply to allow for a Meter exchange to allow for new AMR Meters to be installed
Site Access issues - Lack of customer engagement	Gaps or failures within exception reporting
Site Access issues - Customer appointed Agents	Failure to follow own process
Process documentation and/or knowledge transfer does exist but is not formalised and/or version tracked	Strategy for obtaining reads has not changed despite continued failures in the process
Assurance activities are reactive	Assurance activities have not been performed or an absence of gap analysis within the process exists
Incorrectly appointed Agents	Lack of process documentation and/or knowledge transfer
Read cycles not running correctly	Site Access issues - Keys to site not available

Common root causes and challenges identified through the audit	
System migration caused MPAN to fall out of process	System migration has caused an interruption of the read cycle
MPAN set up on Supplier system incorrectly	Agents not turning up to sites
Customer ownership disputes	Failure to follow BSC process (non-compliance identified)
Incorrectly assumed action was being taken by Agents	Lack of relevant formalised processes
General Agent performance issues	Missing data due to multiple Change of Agent (CoA)
No access to vital information - e.g D0004 Data	No access to vital information - own internal departments because of current internal governance
System errors causing issues with process	Has not adapted read strategy for multiple visits with same 'no access' reason

Observed Non-Compliances	BSC/BSCP Ref
The Change of Supply (CoS) process was not followed which was caused by a lack of communication between teams within the business and a gap in the exception reporting.	BSCP504 – Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS 3.2.6 Change of Supplier for an existing SVA Metering System. 3.2.6.10 If the new NHHDC has not obtained a reading as instructed by the Supplier in time to achieve a read within Supply Start Date (SSD)-5 and SSD+5, the Supplier provides a remotely retrieved reading or the customer Meter register reading (which may include a PoS reading or an old Supplier Estimated reading) and sends the new NHHDC a D0010.

What worked well?	
Specialised/dedicated resolution teams	It was evident where a Party had created a specialised team to deal with the MPANs that have not had a D0010 for more than 14 months, there was a great deal of success. This team is made up of experienced members of staff that were good at resolving certain issues or working on certain types of sites. This team focuses on resolving the sites that are included in the exception reports for this issue. More than one audited entity within the complete set of checks illustrated that where they had done this, they were achieving the biggest results.
Adapting strategies	It was also evident where bespoke read retrieval strategies had been developed to address particular site types, this was achieving the best success. And then adapting the strategy when the current actions had been exhausted.

1. Background and Risk

Each year, the Performance Assurance Board (PAB) deploys the Performance Assurance Framework (PAF) to manage Settlement Risks. To do this, the PAB identifies, evaluates and prioritises the risks that may occur within Settlement and the extent to which they apply to each Performance Assurance Party (PAP). The PAB applies Performance Assurance Techniques (PATs) to PAPs based on the risk they pose to Settlement, this is published in the Risk Operating Plan (ROP).

For the 2019/20 BSC year, eight Risks have been identified by the PAB as being the focus of work under the PAF. Of these eight, five have been recognised as having TAPAP as a recommended technique to investigate the root cause of and/or manage the impact of these Risks.

This report outlines the findings from the Technical Assurance audit ELEXON undertook against one of this years' focus risks.

Risk 007, SVA Data Retrieval

The risk that SVA Metered Data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met resulting in erroneous or estimated data in Settlement.

Risk ID	Risk Category	Risk Sub-Category	Lower Impact	Forecast Impact	Upper Impact	Target Risk Impact	Volatility
007	Data retrieval and processing	Retrieval of metered data	£9.3m	£26.8m	£56.0m	£24.8m	High

A Risk Evaluation Supplementary Information Document for **Risk 007** is published on the ELEXON website with more information on this Risk. This document outlines the methodology used to assess the Settlement Risk related to the retrieval of Metered Data.

2. Who did we check and what did this check look at?

The key objective of our audit activity was to:

i) Obtain a central view of the root causes of NHH Meter reads not being retrieved;

ii) Perform a deep dive investigation and obtain granular information regarding different types of the root causes;

iii) Analyse the findings to be able to recommend any changes that may be required to improve BSC processes;

iv) Provide further advice to Parties who are not obtaining this standard;

v) Quantify the material impact of this issue; and

vi) Determine next steps in order to reassess, evaluate and address Risk 007.

There is no other requirement in the BSC that states how often a routine Meter read needs to be taken. Therefore, no more granular compliance measures exist that we can currently monitor to provide us with a central view of the root causes of NHH Meter Reads not being retrieved.

BSC Section S Annex S-1

Performance Levels and Supplier Charges

(…) the percentage of total energy attributable to a Supplier in respect of Non Half Hourly Metering Systems settled on the basis of Annualised Advances for each Settlement Day shall be not less than (…)

Final Reconciliation Volume Allocation Run 97%

If Suppliers are not succeeding to settle 97% of their total NHH metered energy on AAs by the RF Run, they may be placed in EFR and asked to submit an action plan detailing the problems and the solutions. This information is used to obtain an understanding of the root causes of metered data not being retrieved.

However, as this information is provided in numerous formats and is not audited, ELEXON recognises that a central check and analysis on the issues is desirable to give us more independent insight into the root causes of this risk.

The check was performed on a selection of Suppliers that are currently in EFR for not meeting the 97% requirement. Candidates were selected where the Parties in EFR had highlighted retrieval (rather than processing of metered data) as the prime reason for under performance against this standard.

Audit Sample

A deep dive investigation into a sample of no more than 25 Metering Systems was performed on MPANS that had not had a read within 14 months. We sought to determine the specific root causes and the actions taken to resolve them.

No Meter Reading within
14-18 months
18 months to 2 years
2-3 years
3-5 years
More than 5 years

The audit sample was selected using Data Transfer Network (DTN) data.

Sites were identified for the sample if it had not had a D0010 for 14 months or more. This set of data was then be divided between months and years as illustrated in this table. We then identified whether a D0004 had been received.

ELEXON requested evidence that robust controls were in place around relevant processes for tracking, monitoring and taking action on sites that had not had a D0010 for 14 months or more.

3. Market Wide Performance

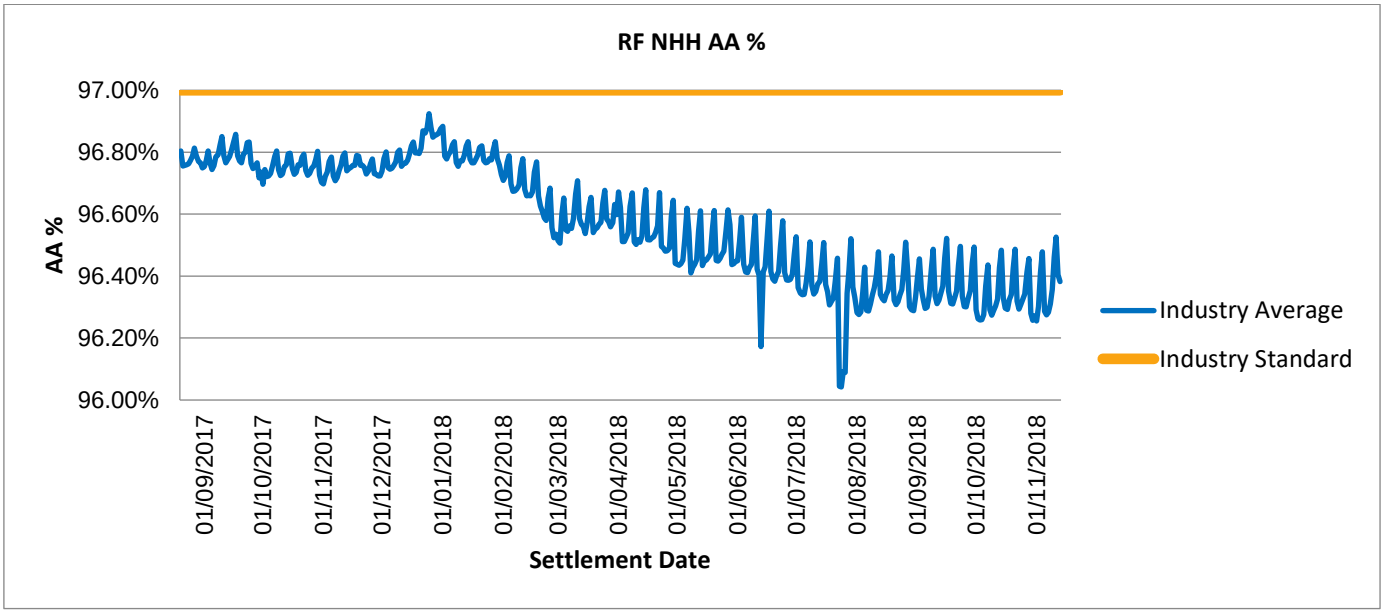
Risk 007 impacts all Meters in the SVA market. For each Grid Supply Point (GSP) Group, a Supplier is obligated to settle 97% of its total NHH metered energy on AAs by the Final Reconciliation Run (RF). Monitoring and measuring a Supplier's %AA performance is just part of the Performance Assurance ELEXON performs on behalf of the industry.

The below graph shows the industry average that has been recorded against the 97% Settlement target. Overall market performance has experienced a decline which is mostly due to two factors:

- A Change of Supplier migration of Metering System Identifier (MSIDs) following a Supplier of Last Resort[1] (SoLR):
  - The Change of Supply (CoS) flows were not all completed which resulted in the CoS reads not being retrieved for the defaulting Supplier.
  - This issue is time limited and in the coming months the affecting Settlement Days will move past RF. ELEXON has been working with the organisations involved to attempt actions to mitigate the issue.
  - The industry performance with this issue removed is 96.69% on Settlement Day 07/11/2018.
- Other large impacts on industry level performance relate to Suppliers within EFR and were subject to this audit.

Please note that there are also two troughs on this graph which are for RF Settlement Runs for 13 June 2018, and a period of 23 – 26 July 2018. These dates experienced a Non Half Hourly Data Aggregator (NHHDA) issue that impacted the RF Settlement Run for these days. Further information can be found via the links in Appendix C.

Figure 1: Market Wide Performance against Settlement standard of 97%, snapshot taken 7 January 2020.



Why does 97% matter?

Estimated data is bad for Settlement and for a Supplier's business because:

- There is a risk to being exposed to greater Imbalance Charges. If trading forecasts are based largely on estimated data, a Supplier may be buying too much or too little energy. The longer an estimated reading

[1] https://www.elexon.co.uk/guidance-note/defaulting-party-failing-supplier-process/

is used, the longer an MPAN will have been consuming and the longer a Supplier will have to wait to get its money back (e.g. the time between R3 and RF is more than four and a half months).

- Distribution and Transmission Use of System charges (DUoS & TUoS) are based on Settlement data.
- A Supplier agrees to settle 97% AAs when acceding to the Code.
- Suppliers are charged for any underperformance at R3 and RF via the Supplier Charges[2] technique.

[2] Please note Supplier charges are being reviewed by Issue 69 and The Performance Assurance Framework Review.

5. Key Audit Findings

ELEXON undertook a TAPAP check on seven Suppliers that are currently in EFR for not meeting the 97% standard.

This table shows the range of reasons that were identified through the audit for Suppliers not being able to obtain a Meter reading. This information was gathered through both questioning and evidence testing against an MPAN sample.

Findings/identified issues	Count of audited Suppliers experiencing these issues
Site Access issues - Lack of customer engagement	6
Gaps or failures within exception reporting	5
Site Access issues - Customer appointed Agents	3
Process documentation and/or knowledge transfer does exist but is not formalised and/or version tracked	3
Strategy for obtaining reads has not changed despite continued failures in the process	3
Failure to follow own process	2
Assurance activities are reactive	2
Assurance activities have not been performed or an absence of gap analysis within the process exists	2
Incorrectly appointed Agents	2
Lack of process documentation and/or knowledge transfer	2
Read cycles not running correctly/out of sync to set cycle	2
Site Access issues - Keys to site not available	2
System migration caused MPAN to fall out of process	2

System migration has caused an interruption of the read cycle	2
MPAN set up on Supplier system incorrectly	2
Agents not turning up to sites	1
Customer ownership disputes	1
Failure to follow BSC process (non-compliance identified)	1
Incorrectly assumed action was being taken by Agents	1
Lack of relevant formalised processes	1
General Agent performance issues	1
Missing data due to multiple Change of Agent (CoA)	1
No access to vital information - e.g. D0004 Data	1
No access to vital information - own internal departments because of current internal governance	1
System errors causing issues with process	1
Has not adapted read strategy for multiple visits with same 'no access' reason	1
Specific Automatic Meter Reading (AMR) related issues	
'No comms' or failures in dialling Meter reported on the D0004	4
Customer appointed Agents on inoperable Meters	2
MTDs missing, mismatched or contained errors or missing vital information	2

Meter 'dumb'	1
No SIM installed	1
SIM not migrated	1

Detail of the identified root causes

Most frequent problematic sites

The most frequent problematic site types that were highlighted through the audit were:

- Council housing (with some Metered public lighting);
- Water company sites; and
- Housing association properties.

Lack of customer engagement and customer appointed Agents

It was reported by many of the checked candidates that, despite making numerous attempts to obtain a reading or make contact with the customer or end user, engagement issues were a substantial barrier to obtaining a Meter reading. Suppliers hold reliance on the internal governance of the customer and how much engagement they choose to have. All of the audited Suppliers expressed that in many cases next steps are very dependent on this customer engagement.

For council housing and housing associations, in most instances a Supplier will never have contacted the end user of the supply. This is because the properties may contain protected or vulnerable occupants. These sites do need more direct customer engagement, but Suppliers have recognised that work is needed to address this issue due to the nature of the sites. In addition, it is clear that there is a strong Supplier drive for good customer satisfaction, so meeting regulatory needs above that is a challenge. Firmer measures are not favourable as it is deemed it may present a risk to the relationship and reputation.

Some sites also require engagement with multiple points of contact in order to gain access to the Meter or where key holders may not necessarily be the customer.

A number of the checked Suppliers advised that customer appointed Agents are difficult to manage. The Supplier is unable to influence the Agent to correct any issue because the work is driven by and paid for the customer. Not only is there a delay in any follow up action, but there can also be delays in customer Agent reports being provided to the Supplier on the sites that have not has a successful visit. This then puts a delay in the escalation process progressing. Issues such as AMR problems are also not addressed due to the customer expense that is required to fix the problem.

It was, however, evident that the use of bespoke read strategies, and adapting them as necessary, was what resulted in the biggest success. In addition, maintaining contact lists, assessing individual customer types and tailoring the approach for each customer based on information gained from historical site visits and previous contact with the customers were also approaches that work well.

Gaps or failures within exception reporting

Where a Supplier has a number of problematic sites across many types of customer, it is important that Suppliers identify, in exception reporting, all sites that require progression to get a Meter read. There were a number of the sample that had not been included in exception reporting or flagged for follow up, which presents a risk that there may be others that are not being identified for resolution

A gap in the controls within the exception reporting was identified covering a variety of site types and issues within the process:

- The detailed information from D0004 data flow was not available until recently
- Gaps in data as a result of transferring from two systems to one system
- Gaps in data as a result of transferring from a legacy to a new system
- Read cycle interruptions as a result of system transfers
- Clouded reporting as a result of system transfers
- Assumed action by Agents so no Supplier action took place
- Sites incorrectly recorded as AMR and assumed a read is being obtained
- A mismatch with Supplier information and Data Collector (DC) data where no MTDs were received
- Sites with incorrectly appointed Agents
- Sites with incorrectly de-appointed Agents
- MPAN dropped out of the reporting during the CoS process
- Internal departments not communicating so MPAN dropped out of reporting
- Internal processes not correctly followed so MPAN next steps were not actioned
- Internal processes followed but Supplier failed to identify issues preventing a reading
- MPAN dropped out of the reporting and/or not flagged for follow up with no reason that could be found

Process documentation and knowledge transfer

Audited Suppliers were asked to provide working instruction documentation for the checked process showing:

- Reporting and follow up procedures;
- Segregation of duties for each step in the process;
- System performance and batch jobs;
- Steps taken to mitigate errors in the process; and
- Agent and customer management processes and procedures.

Suppliers were also asked a number of questions around their policies for the maintenance of these documents and for ensuring that knowledge is retained within the business to successfully perform BSC obligations.

The TAPAP audit revealed that a number of the checked Suppliers had gaps in their process documentation or knowledge transfer procedures. It was evidenced in most cases that procedures existed within the internal governance of the Supplier for the creation, maintenance and version tracking of documents that would sit within a central library or dedicated location. However, not all of these procedures were followed.

Some documents were not saved in the dedicated location because they were still at draft stage or they had not been updated with recent changes to processes or did not contain any version tracking.

Some had current versions of the process that didn't correctly reflect their actual procedures. It was also not evident when the document was last reviewed or updated as they lacked any form of version tracking.

One Supplier also failed to demonstrate that any formal process mapping or documentation existed at all with regards to the checked process. It stated that the last formal documentation linked to Risk 007 was in 2015 and it did not reflect current practises and improvements made as part of the EFR plan for not meeting the 97% standard. Documentation of current live processes did exist but in the form of notes rather than a version controlled, signed off process documentation or mapping.

In this same Supplier audit it was highlighted there was a high a risk around knowledge transfer. It was evident that a knowledge transfer process did not exist and there were key members of staff that were heavily replied upon.

There was no centralised or formal training collateral and no associated review process. Training is provided on an ad-hoc basis from the relevant Team Leader, Analyst and/or other staff who are already experienced in the process.

However, all other Suppliers checked in the audit did demonstrate existence of a concise training and knowledge transfer process that was rolled out across the business.

Strategy for obtaining reads has not changed despite continued failures in the process

It was not evident through the audit that all Suppliers were adapting or changing their strategy to obtain a reading for multiple 'No Access' sites with the same reason code. Some arrangements with Agents had also yet to be formalised.

Director level stakeholder engagement had been planned in some cases as part of an ongoing strategy but due to the lack of response from the relevant stakeholder, it was evident there was a high risk that this engagement would either not take place or would not be a success. An energy broker had advised one Supplier that reading data they had collected through their own customer portal could be provided. This Supplier had not planned any step beyond the receipt of this data so again was solely reliant on this external activity being fulfilled. Alternative steps are recommended so that the recovery of the readings was not solely dependent on this engagement.

One Supplier had historically struggled to adapt its read strategy for sites where the Data Retriever (DR) had been unsuccessful in obtaining a read and on multiple occasions for the same reason. At the time of the audit the Supplier was planning to undertake an adaptive learning exercise with its DR. This involves utilising site intelligence to improve the success rate of read attempts by increasing communications with the DR and the customer and obtain reads on a site-specific basis.

More than one Supplier that was audited had spoken about exploring a flexible pedestrian read strategy to improve read retrieval. This involves using field staff (typically Smart Meter engineers, energy theft or debt recovery teams) when carrying out their usual activities to attend sites that have not had a read. The engineer will be informed of the site and will attempt to retrieve a Meter read, or gather site intelligence. We were advised that this had been tested on a selection of sites, however ELEXON did not observe this read strategy in the audit sample.

It was best demonstrated a success when strategies were created, performed, re-assessed and then adapted to include any new information collected during the process, or to create an alternative route action.

Automatic Meter Reading (AMR)

Where the DC has been unable to obtain Meter reads remotely, the AMR communications faults were mostly attributed to SIM faults and dial failures. The audit identified that within this category a variety of issues were detected within the process:

'No comms'/ failures in dialling reported on the D0004

For most Suppliers, the information on the respective D0004 stated 'no comms' as the issue, meaning that the DC was not able to remotely communicate with the AMR Meter. It was also noted that for sites that had a physical visit, the D0004 most frequently contained a 'no access' reason code. There was no evidence provided during the audit of specific investigations into why the DC was not able to remotely communicate with the Meter. During the audit one of the Meter's numbers was dialled and it was proven to be accessible. This indicated that the Meter would accept the dial from the DC but perhaps the access password was not correct. Further investigation required.

There were also reported issues with installation on one AMR Meter because it was discovered that the Electricity Central Online Enquiry Service (ECOES) already had the Meter as a Remotely Configurable Automated Meter Reading (RCAMR). In the DTN the MTDs however, it stated the Meter type as type 'N' meaning it was not operable as an AMR Meter. This will need to be investigated.

Suppliers do hold weekly meetings with their respective DC to investigate resolving issues with communications and installing new AMR Meters. However, the TAPAP check identified issues with this such as:

- incorrect contact customer information being held causing delays in an AMR rollout project.

- additional project work that is required to replace SIM cards that is not getting done.

Customer appointed Agents on inoperable AMR Meters

MPANs that were with customer appointed Agents experienced the same issues as Supplier Agents. However, with these types of sites, a Supplier is unable to influence the Agent to fix the issue because the work is driven by the customer. In some cases the Supplier has tried to resolve the problem by sending a manually appointed read Agent. But in terms of fixing the issues with the AMR Meter, it will need a discussion with both the Agent and the customer.

MTDs missing, mismatched or contained errors or missing vital information

There were a large number of Meters reported by the audited Parties where there was no password or D0313: 'Auxiliary Meter Technical Details' flows provided. Without this information the Meter cannot be interrogated for the reading. The testing also revealed within the MPAN sample a 'dumb' AMR Meter. Agent visits were being arranged as if the Meter was not an AMR Meter. However, there were issues as with the rest of the portfolio with gaining access to retrieve a Meter reading.

This issue of a missing D0313 and its relevant data was investigated as part of a previous TAPAP check on AMR interoperability and is being monitored on a regular basis. The findings of this audit will also be provided to the Risk Owner for Risk 006, Meter Technical Detail transfer and processing: The risk that on a Change of Agent, Meter Technical Details are not transferred or processed correctly or at all, such that parties do not use the latest Meter Technical Details.

No SIM installed or a failure to migrate SIM

A number of MPANs in the sample had an AMR Meter that was not working because it did not have a SIM card installed. It was also reported on the D0004 as having the Meter blocked. One Supplier advised that there is a significant amount of P272[1] AMR Metering that has been installed with AMR capable Meters but with no SIM card. This requires the Supplier to work with the Agent on an AMR refit program to rectify these issues.

One customer type within the sample had changed its AMR Agent at the same time as the change of supply. This resulted in the new Agent not being able to dial the AMR Meters because of a failure to migrate the SIM.

Many of the checked Suppliers held a preference to install AMR Metering onto their hard to read sites. However, many of these have significant access challenges that have affected the success of AMR Meter installations. Furthermore, as previously mentioned customers are often reluctant to switch off supply to a site, to allow for a Meter exchange.

Long Term Vacant (LTV) Premises

A number of the sample were evidenced as being potential LTV sites. There is only an optional process and a criteria to qualify a site as LTV contained in BSCP504, Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS so there is no obligation that this process needs to be part of Business as Usual (BAU).

A number of the audited Parties demonstrated that they had controls to check and maintain sites in the LTV process and that they are still vacant:

- Sites remain on the pedestrian read cycle where the DR can confirm whether the site is still vacant. Following failure to obtain a read due to the site being vacant a D0004 with a Reason Code 02: Site not occupied is received;
- Supplier maintains contact with the customer; and
- Sites undergoing a change of tenancy are managed by the Credit Control team, which processes billing and Meter reads. Failing to meet the Credit Control team's requirements could result in warrants and disconnections.

However, there were others that were audited that did not demonstrate the same level of focus on this process or did not have a process at all.

Non-Compliance

The audit had shown that one Party had failed to meet one of its BSC obligations within the CoS process therefore highlighting a Non-Compliance.

The process of sending a Supplier D0010 to the Non Half Hourly Data Collector (NHHDC) during the CoS process had not been followed in more than one instance. This is non-compliant with the steps and timescales contained within BSCP504[3].

What worked well?

Adapting strategies for resolution

A number of the Suppliers that were showing particular progress had divided their most problematic MPANs into projects or initiatives and by customer type, with different strategies applied for managing each group.. The audit indicated that this tailored approach results in the most success. However, the audit did highlight some risk areas that may cause MPANs to fall out of this process (as already discussed in the section regarding gaps or failures within exception reporting).

It was also evident that there is a requirement to change strategy as the number of no read sites reduces and when the DR has been unsuccessful in obtaining a read on multiple occasions for the same reason. Suppliers who struggled to adapt its read strategy in these instances became static with their progression and it was evident that additional measures were needed.

It was discovered that a number of the audited Suppliers had at times adapted the approach used to get a read based on feedback from historical read attempt visits. Suppliers then used this information in conjunction with using other processes like those used by field agents, energy theft or debt teams.

Specialised teams to deal with problematic sites

Suppliers who had created a specialised team with experienced staff to address specific issues with obtaining readings also had the most success.

One Supplier now manages day to day risk management of the process through its escalation team. Each person in the escalation team has a specific customer to manage and works towards getting reads. This person also provides support to this customer to target sites within the same area.

One Supplier has a team that is made up of experienced members of staff that were good at resolving certain issues or working on certain types of sites. This team focuses on resolving the sites that are included in the exception reports for this issue. This process now targets and escalates sites without a read before they are missing at the Final Reconciliation (RF).

Feedback of the D004 Data Flow

A number of Suppliers advised that the D0004 reporting back from Agents does vary in quality. For example 'No Access' is used for many of the visits and no additional information is provided. It was also suggested that DCs appear to have a small viewing window on the tablet they use on site visits, so a 'no access' reason was so frequently used as it was an easy option to find in the bigger list of reason codes. It was also suggested that the BSC has too many options and not enough guidance for putting each reason in the D0004, so the DC will automatically use 'No Access'. This was anecdotal rather than evidenced based, however it still provides a view from the users of the flow of what some of the potential issues may be.

One Supplier advised that a discussion around this did take place at the Improving Non-Half Hourly Settlement Performance (SR0074) Supplier Workshop that was held in 2017. There was a suggestion that better use of D0004s including working with Agents to make the information within them more effective should be put in place with better

[3] BSCP504 – Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS

D0004 commentary and categorisation. Should amendments need to be made to the flow, this would need to be raised by industry for a DTC change. ELEXON is not aware of any MRA Service Company (MRASCo) change that was raised to address this.

6. Follow up actions and Recommendations

The Performance Assurance Board (PAB) agreed the below recommendations:

- Feed TAPAP findings into the review and assessment of the associated Risk;
  - Results are consistent with our view of this risk and what we had seen within Supplier EFR plans, no direct reassessment is required but it has confirmed the root causes given within the EFR plans were accurate;
- EFR is already active for each checked entity. The result of each individual TAPAP check has been provided to the relevant PAP for inclusion in the current EFR plan;
- Determine if any of the BSC documents or processes require a review or if any new processes need to be created.
  - A review of the Supplier Guidance on Achieving 97% will be done to include root causes and contributing factors for why processes are not successful.
- Determine whether further analysis and TAPAP checks should take place;
  - The impact of sites that have not has a D0010 for 14 month or more is being considered in the 2020/2021 PAB strategy via the Risk Operating Plan, further analysis into this market impacting problem is recommended.
  - A number of Suppliers have expressed concern over the reason codes within the D0004s. ELEXON recommends that further work is done in conjunction with DRs and DCs. To investigate issues around the use of reason codes within the D0004s via a Request For Information (RFI). This will enable ELEXON to get a view of where changes may needed and where (for example a BSC or MRASCo change).

In addition the PAB requested the following:

- ELEXON to include DTN reason code analysis alongside the further work to investigate issues around the use of reason codes within the D0004s.
- ELEXON to feedback to Ofgem regarding the issue that was identified with Energy Brokers so this can be considered in the context of the Third Party Intermediaries (TPI) Programme.

Appendix A: What is a Technical Assurance of Performance Parties (TAPAP) Check?

TAPAP is one of the detective techniques in the Performance Assurance Framework (PAF). The aim of TAPAP is to detect where Suppliers and Supplier Agents are meeting their Balancing and Settlement Code (BSC) obligations. To identify if any instances of failure pose a risk to Settlement and if there are weakness in any of the BSC processes (and other processes as appropriate).

TAPAP checks are targeted at key market performance and risk areas on an annual basis. We conduct checks either via site visits or off-site reviews of information and data.

The following Performance Assurance Parties (PAPs) may be subject to checks at the discretion of the Performance Assurance Board (PAB):

- Suppliers
- Supplier Agents:
  - Half Hourly Data Collectors (HHDCs)
  - Non Half Hourly Data Collectors (NHHDCs)
  - Half Hourly Data Aggregators (HHDAs)
  - Non Half Hourly Data Aggregators (NHHDAs)
  - Half Hourly Meter Operators (HHMOAs)
  - Non Half Hourly Meter Operators (NHHMOAs)
- Licensed Distribution System Operators (LDSOs)
- Independent Distribution Network Owners (IDNOs)
- Licensed Distributors acting as:
  - Unmetered Supplier Operators (UMSOs)
  - Supplier Meter Registration Agents (SMRAs)
- Meter Administrators (MAs)

BSC Section Z

Performance Assurance

Contains the rules for the implementation of Performance Assurance Techniques (PATs).

It covers the procedures relating to Settlement Risks and Risk Management Determinations – including the Risk Evaluation Methodology (REM) and the Risk Evaluation Register (RER) and the Risk Operating Plan (ROP).

BSCP 535

Technical Assurance

This Balancing and Settlement Code Procedure Document (BSCP) defines the process for providing assurance that PAPs are meeting their obligations as stated within the BSC or Code Subsidiary Documents as appropriate.

Appendix B: BSC Settlement Risks and Evaluation of New Risks

Balancing and Settlement Code (BSC), Section Z 5.4, requires that the Performance Assurance Board (PAB) establish and maintain an annual Risk Evaluation Methodology (REM) that it will use to identify, evaluate and assess materiality of Settlement Risks.

BSC Section Z 5.1 sets out several key points with regards to Settlement Risk evaluation:

- A **Settlement Risk** is:

  "a risk of any failure or error in a step or process required under the Code (including in each case a risk which has materialised as an actual failure or an error) for the purpose of effecting Settlement or otherwise required in connection with Settlement in accordance with the provisions of the Code"

- The **significance of a risk** is set out both in terms of "the **probability** of the failure or error…. and its **impact** on settlement"

- The level at which a Settlement Risk is considered '**material**' is at the discretion of the PAB i.e.

  "of a level which the Performance Assurance Board determines (in its opinion) to be material"

- The Performance Assurance Framework (PAF) should have regard to two objectives:

  "(i) the **efficient, equitable and accurate allocation of energy** between Suppliers resulting from the aggregated consumption of Metering Systems for which each Supplier is responsible; and

- (ii) the **efficient, accurate and co-ordinated transfer of Metering Systems data** by Performance Assurance Parties between Suppliers and Supplier Agents."BSC Section Z, 5.1 also sets out several key points with regards to Settlement Risk evaluation and how we will capture this information in the.

The RER is reviewed at least annually by the PAB following the process described in Section Z and currently contains 34 Risks that relate to either Central Volume Allocation (CVA) or Supplier Volume Allocation (SVA) risks.

Each year, PAB deploys the Performance Assurance Framework (PAF) to manage Settlement Risks. To do this, the PAB identify, evaluate and prioritise the risks that may occur within Settlement and the extent to which they apply to each Performance Assurance Party (PAP). The PAB applies Performance Assurance Techniques (PATs) to PAPs based on the risk they pose to Settlement, this is published in the Risk Operating Plan (ROP).

For the current BSC year, eight Risks have been identified by the PAB as being a focus of work under the Performance Assurance Framework (PAF).

Of these eight, five have been recognised as having TAPAP as a recommended technique to investigate the root cause of and manage the impact of these Risks. The scope of this check relates to one of this years' focus risks.

What's changed for 2019/20

The risk register for 2019/20, and the evaluation methodology was revised as part of the Performance Assurance Framework (PAF) Review.

There are now **34 Risks** (down from 208), a forecasted financial impact for each risk, and a new format of the register with additional fields to provide useful information about each risk.

Each old Settlement Risk has been mapped to a new Risk. You can find the mapping of the old and new Risks on the ELEXON website.

Performance Assurance Risk Mapping

A Risk Evaluation Supplementary Information Document for **Risk 007** is published on the ELEXON website with more information on this Risk. This document outlines the methodology used to assess the Settlement Risk related to the retrieval of metered data.

New Risk R007

The risk that SVA Metered Data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met.

OLD Settlement Risks

SR0074

The risk that NHHDCs do not collect and / or enter valid Meter readings resulting in old/default data entering Settlement.

SR0081

The risk that HHDCs do not process valid HH readings resulting in estimated data being entered into Settlement

More information on all of the current risks is available through ELEXON's new Risk Visualisation Tool (RVT). ELEXON developed this tool to help customers identify where Settlement Risks commonly occur in the BSC processes. The diagrams in conjunction with the RER provide a guide to where Settlement Risks may occur in BSC processes.

Appendix C: Relevant Balancing and Settlement Code Sections

BSC Section S, Annex S-1: Performance Levels and Supplier Charges

2.2 Energy and Metering Systems on Annual Advances and Actual Readings at Each Volume Allocation Run - Serial SP08

2.2.1 In relation to each GSP Group, the percentage of total energy attributable to a Supplier in respect of Non Half Hourly Metering Systems settled on the basis of Annualised Advances for each Settlement Day shall be not less than the percentage set out in the table below against the applicable Volume Allocation Run:

Volume Allocation Run	Performance Level
Initial Volume Allocation Run	n/a
First Reconciliation Volume Allocation Run	30%
Second Reconciliation Volume Allocation Run	60%
Third Reconciliation Volume Allocation Run	80%
Final Reconciliation Volume Allocation Run	97%

BSC Section S Supplier Volume Allocation

2 Responsibilities of Suppliers & agents

BSC Section S Annex S-2 Supplier Volume Allocation Rules

3 HH Data Collection and Aggregation

4 NHH Data Collection and Aggregation

BSCP502 Half Hourly Data Collection for SVA Metering Systems Registered in SMRS

1.2 Users and responsibilities

3.2.1 New connection

3.2.3 & 3.2.7 Change of Supplier

3.2.4 & 3.3 Change of HHDC [various]

3.4 Collection activities

BSCP504 Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS

1.2 Users and responsibilities

3.2.1 New connection

3.2.6 & 4.4 Change of Supplier

3.3 Change of [various]

3.4 Collection activities

4.20 Remotely read Meters

BSCP514 SVA Meter Operations for Metering Systems Registered in SMRS

2.4 Interface to other parties

5.2.2 & 6.2.2 New connection

5.3 & 6.3 Metering activities

5.4.1 & 6.4.1 Metering System investigation process

9.3 Remotely read Meters

BSCP515 Licensed Distribution

3.5 Energisation

3.6 De-energisation

ELEXON Portal news stories that refer to the troughs shown on the graph in figure 1:

News Story 31 August 2019

Default Data used for Half Hourly and Non-Half Hourly Data Aggregator (RF 13/06/2018)

News Stories 11 September 2019

Missing Files in HHDA for MIDE & NORW Data Aggregator (RF 23/07/2018) and Defaulting Data Aggregators (RF 24/07/2018)

News Story 12 September 2019

Missing Files in NHHDA for NORW Data Aggregator (RF 25/07/2018)

News Story 13 September 2019

Missing Files in NHHDA for NORW Data Aggregator (RF 26/07/2018)

Appendix D: Reporting and Breaches

Check results included any observations identified, but also if a particular aspect of the check was incomplete or was found to be non-compliant. Each failure or observation was be graded as below;

 Full assurance (no actions required)	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed. No further action required in addition to the current Error Failure Resolution (EFR) plan.
 Substantial assurance (action required)	Some specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed. However, some further action is required in addition to the current Error Failure Resolution (EFR) plan.
 Limited assurance (major improvement needed)	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed. Additional action is required in addition to the current Error Failure Resolution (EFR) plan.