

A large wind turbine is the central focus, its silhouette standing against a vibrant sunset sky with orange and yellow hues. The sun is partially visible behind the turbine's blades, creating a bright lens flare. In the background, rolling hills and other smaller wind turbines are visible under a soft, hazy light. The overall mood is serene and modern, emphasizing renewable energy.

The BSC Audit

# SVA MARKET REPORT

PROCESS ASSESSMENT FINDINGS  
REPORT | 26 MAY 2022



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# Executive Summary

## Significant Findings

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There were 144 material findings across the Performance Assurance Parties (PAPs) in scope for testing this year, compared to 168 last year. A reduction of 24. However, 43 material findings (and 12 non-Settlement impacting (immaterial) findings) were closed due to Suppliers exiting the market as a result of Supplier of Last Resort (SoLR) activity and also due to a number of PAPs choosing to outsource some Agent roles.

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### Concentration of Findings and 'Hit Rate'

In previous reports we have highlighted the concentration of findings at a small number of PAPs. Whilst that is still the case this year with 40% of all material findings at just five PAPs (51% in 2020/ 21), what this statistic does not take into account is how many processes were audited at these PAPs. This year we have introduced the concept of a 'Hit Rate' (i.e. the number of findings raised compared to the number of workpapers tested) to provide an alternative lens on PAP performance.

This provides an alternative view of risk and highlights three additional PAPs that have a higher than 50% hit rate, where material findings are raised on more than half of the workpapers tested.

### Concentration of Risk and the SoLR Impact

This year has seen unprecedented flux within the market with 25 Suppliers ceasing trading, impacting over two million customers. This has not just added additional strain to those PAPs that remain in the market, but it fundamentally changes the make-up of the market itself. This can be seen most dramatically within the Non-Half Hourly (NHH) Agent market.

95% of the NHH market is now serviced by just seven PAPs, with one of those PAPs responsible for nearly half the market. There is a clear increase in concentration of risk. However it also means that a number of PAPs share just 5% of the market between them. There is therefore an increased risk that one or more of these PAPs becomes commercially unviable (it should be noted that the commercial viability of PAPs is not assessed as part of the BSC Audit). As there is no SoLR equivalent for Agents, there may a risk of losing vital Settlement data.

### Continued Change of Agent Findings

We continue to see problems with Change of Agent (CoA) activity, predominantly in response to the D0170 (Request for Metering System Related Details) flow. Testing this year has noted material findings at 15 PAPs (consistent with 2019/ 2020 findings) against Settlement Risk 6 (Meter Technical Details transfer and processing).

Missing Meter Technical Details (MTDs) from previous Agents is regularly quoted as a reason for not being able to provide the required information. We still continue to see problems with the transfer of D0313 (Auxiliary Meter Technical Details) data flows, causing Agents to have to replace working meters in order to be able to obtain future meter readings. This not only potentially impacts Settlements but also adds a further unnecessary cost burden on the industry.



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5


X


### Focus Risks for 2021/22


The following Focus Risks were identified:


- 5 – Fault resolution
- 6 – Meter Technical Details transfer and processing
- 8 – Processing of Metered Data
- 10 – Meter read history
- 12 – Metering Equipment technical detail quality
















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144

Material findings noted

144 material findings noted this year compared to 168 last year.

The number of High and Medium findings has decreased from 35 to 26 this year.

It should be highlighted while only 144 findings were noted, 43 findings were only closed from the previous year as a result of SoLR and Agent closure activity. This skews this figure slightly and should be noted.



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93%

**Of High and Medium findings improved**

This figure decreases to 53% when we exclude the findings that have closed due to Agents no longer operating in the market (1 High finding and 15 Medium findings were closed as a result).



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## 6

### Audits completed on Suppliers who have taken on failed Suppliers through the Supplier of Last Resort (SoLR) Process.

Since April 2021, 25 Suppliers ceased trading. A targeted audit of six Suppliers who have taken on failed Suppliers was undertaken, this covered 99% of the MPANs impacted in the SoLRs.

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 Continuing Agent Workpapers

769

(PY 985)

Workpapers completed

This year has seen a 21% decrease in the number of Workpapers completed compared to prior year. This has predominantly been due to the reduction of PAPs and reduced testing where Agent activity has been outsourced.

The additional capacity has allowed focus on auditing the Supplier of Last Resort (SoLR) process and the Central Volume Allocation (CVA) Registrants.





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68

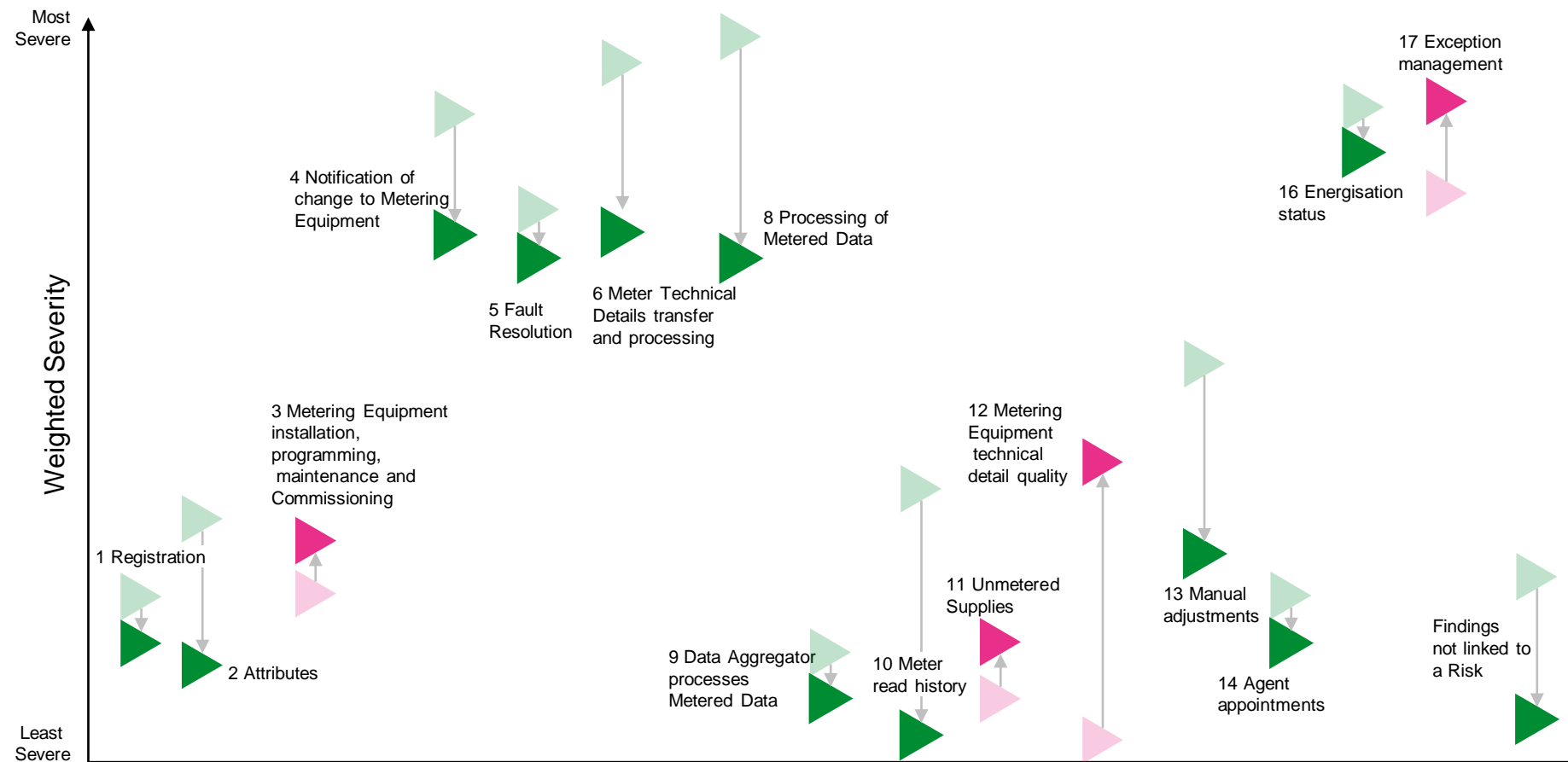
(PY 71)

Performance Assurance Parties visited

This is reduced from 2020/21, however this was due to Suppliers and Agents exiting the market after initial scoping. The scope of the audit has changed dynamically to address the changing landscape of the market.



# Key Findings in SVA Market



Click on the solid triangles for further detail

## Summary

The chart shows the movement and weighted severity (compared to prior year) of findings categorised by Settlement Risks. The previous year's position of a finding is indicated by a partially transparent triangle. Arrows indicate the direction of change and the solid triangle dictates the current year impact position (where there has been no material change in weighted severity, the triangles remain in the same position as last year).

Weighted severity is calculated by multiplying the number of open findings by the finding rating.

# Key Findings in SVA Market

## Risk 1 – Registrations

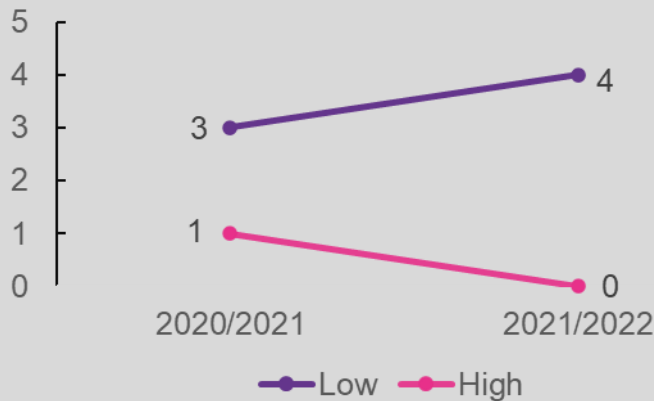
100% of material findings are rated as Low and are associated with the Supplier role only.

Two material findings were closed in the prior year, including one High finding, but two new findings were raised this year. There are the same amount of material findings as in the prior year.

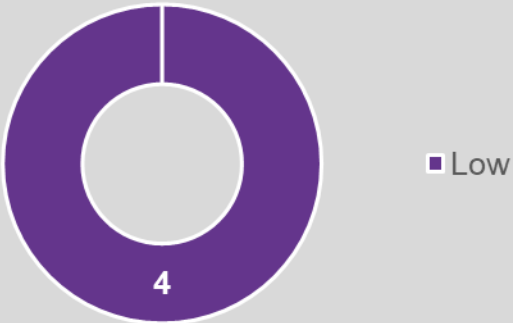
There are two root causes associated with the open material issues of this risk. These are associated with:

- Supplier processes operated daily; and
- Processing of registration details.

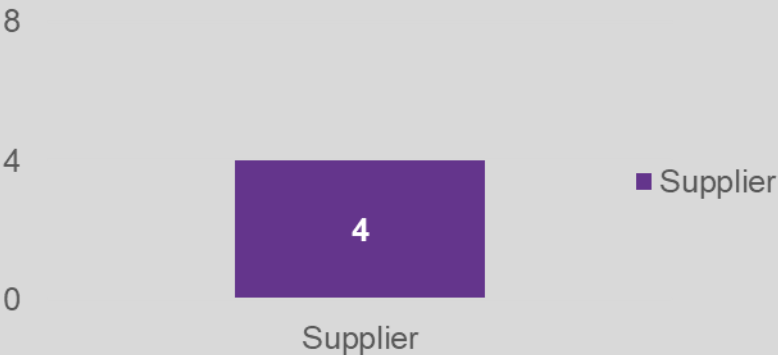
### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

# Key Findings in SVA Market

## Risk 2 – Attributes

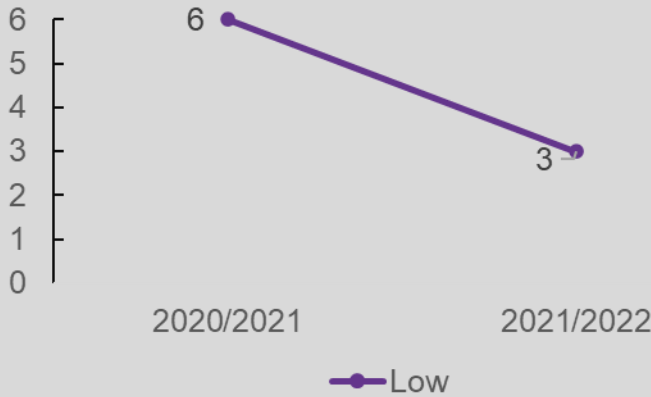
100% of material findings are rated as Low and are associated with the Supplier role only.

Four material findings were closed in the prior year, but two new findings were raised this year. Total material findings have decreased by 50% since the prior year.

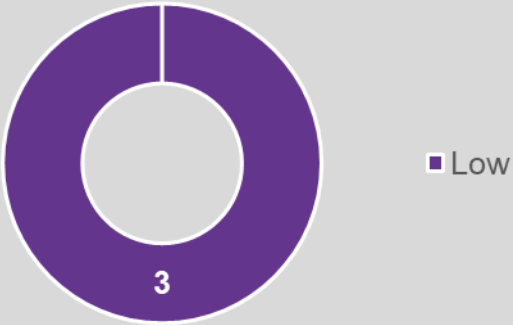
The root cause of the findings are:

- D0002 (Fault Resolution Report or Request for Decision on Further Action); and
- D0004 (Notification of Failure to Obtain Reading) backlogs volume and management.

### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close



# Key Findings in SVA Market

## Risk 3 – Metering Equipment Installation, Programming, Maintenance and Commissioning

X  
Close

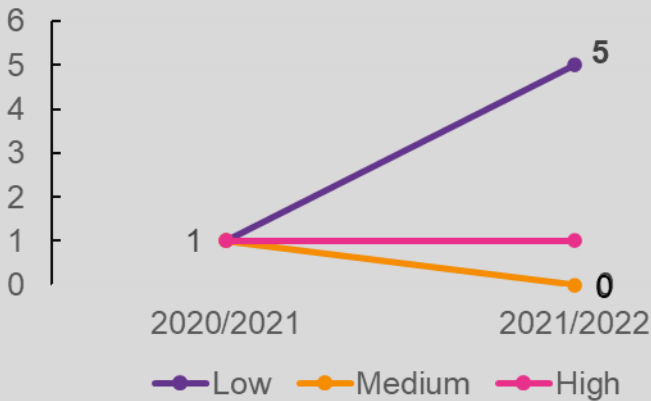
83% of material findings are rated as Low and are split across the Supplier, Half-Hourly Meter Operator Agent (HHMOA) and Licensed Distribution System Operator (LDSO) roles.

Two material findings were closed in the prior year, including a High and Medium finding, but five new findings were raised this year, including a High finding at a Supplier. There has been a 50% increase on the number of material findings since the prior year.

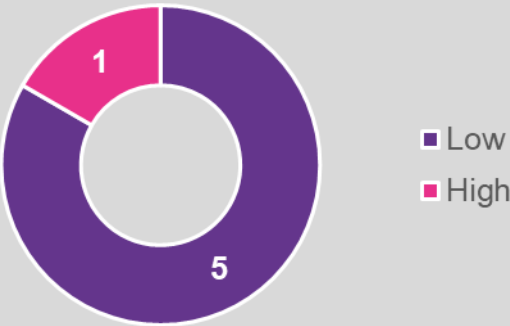
The main root cause of these findings is:

- The management around the process of Commissioning, including the sending of relevant flows.

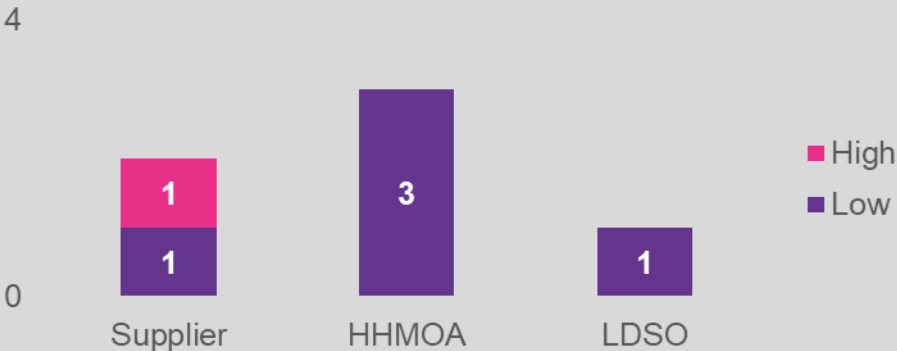
### Risk ID movement year on year



### Finding Rating



### Findings by Role



# Key Findings in SVA Market

## Risk 4 – Notification of Change to Metering Equipment

X  
Close

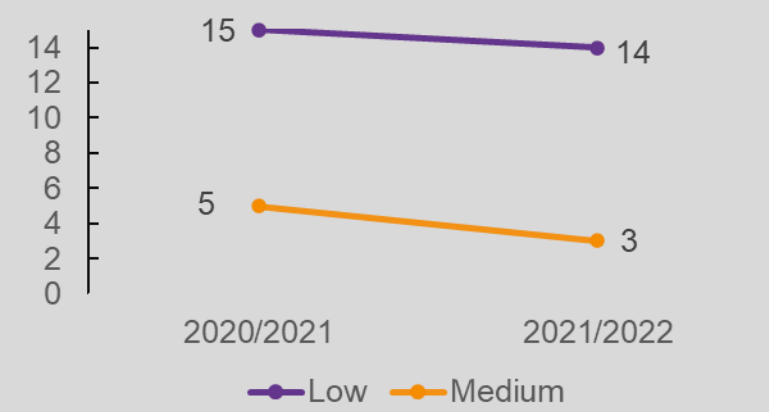
All material findings, bar two Low findings are associated with the Meter Operator Agent (MOA) role.

12 material findings were closed in the audit period, including three Medium findings but 11 new findings were raised, including two new Medium findings. A further Medium finding increased in severity from a prior year Low finding. Total material findings have decreased by 5% on the prior year and there has been a decrease of two in findings rated as Medium.

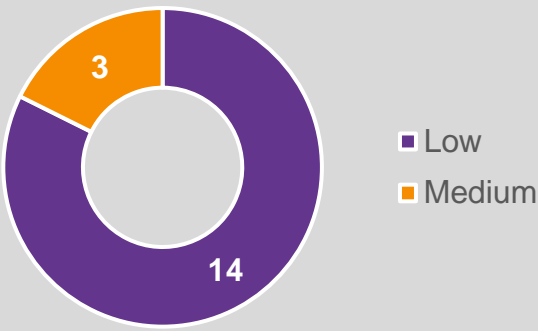
The main root causes for these findings are:

- D142s (Request for Installation or Change to a Metering System Functionality or the Removal of All Meters) not being responded to; and
- Relevant flows (e.g. D0221 - Notification of Failure to Install or Energise Metering System) not being sent to relevant Agents following a site visit, or D0150s (Non Half-hourly Meter Technical Details) from LDSO being forwarded on.

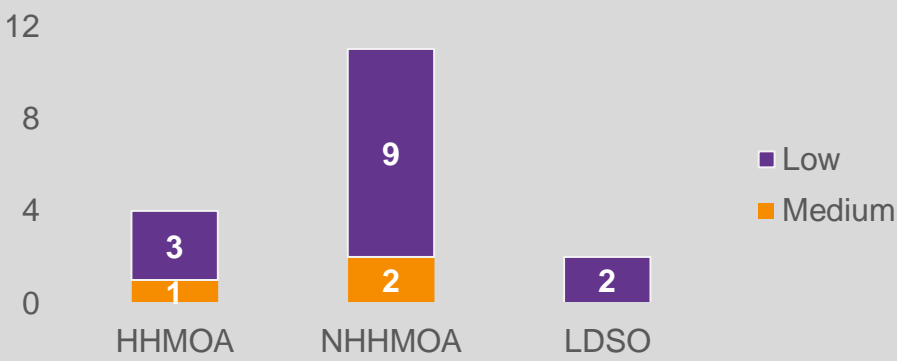
### Risk ID movement year on year



### Finding Rating



### Findings by Role



# Key Findings in SVA Market

## Risk 5 – Fault Resolution

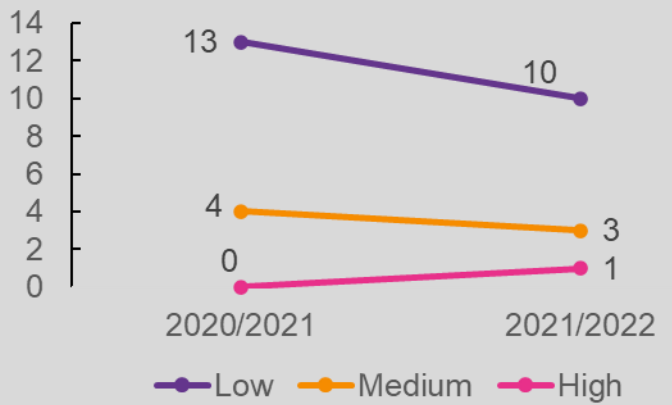
71% of material findings are rated as Low and are split across the Supplier, HHMOA, Non Half-Hourly Meter Operator Agent (NHHMOA) and Half-Hourly Data Collector (HHDC) roles.

11 material findings were closed in the prior year, including three Medium findings, but eight new findings were raised this year, including a new High and Medium finding. There has been an 18% decrease on the number of material findings since the prior year but three have got worse and had the rating severity upgraded since the prior year.

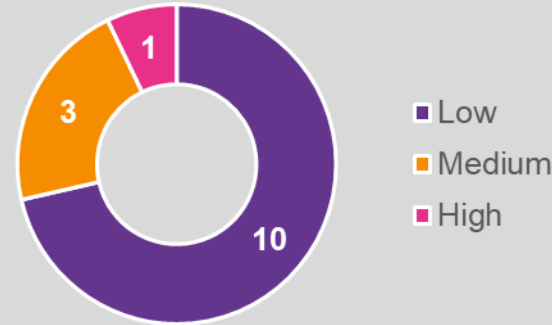
The main root cause of these findings are the:

- Management of faults including sending D0002s (Fault Resolution Report or Request for Decision on Further Action); and
- Responding to D0001s (Request of Metering System Investigation) and investigating consumption on de-energised meters.

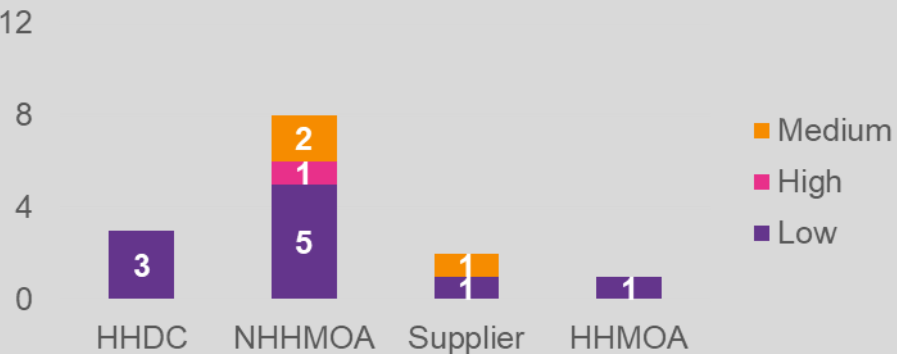
### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

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# Key Findings in SVA Market

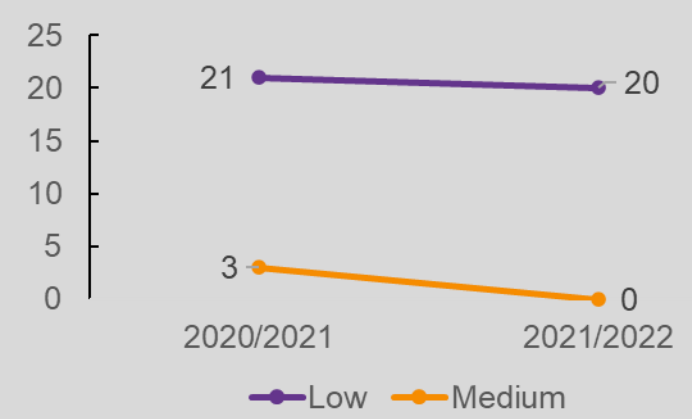
## Risk 6 – Meter Technical Details

All material findings are rated as Low and they are all associated with the Meter Operator Agent (MOA) role.

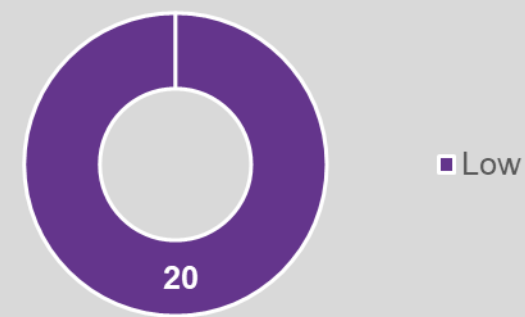
14 material findings have been closed in the audit period, including one Medium finding. This has resulted in a 17% decrease of overall material findings. Another positive outcome is that there are no High or Medium findings open in this audit period. However, nine new Low findings have been raised, in line with this risk. Three findings have also increased in rating severity and got worse since the prior year.

- The root cause of the majority of the findings are related to:
- Response to D0170 (Request for Metering System Related Details) flows;
  - Weakness in responding to D0155 (Notification of Meter Operator or Data Collector Appointment and Terms) flows; and
  - Failure to respond to D0148 (Notification of Change to Other Parties) flows.

### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

vs the Settlement  
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# Key Findings in SVA Market

## Risk 8 – Processing of Metered Data

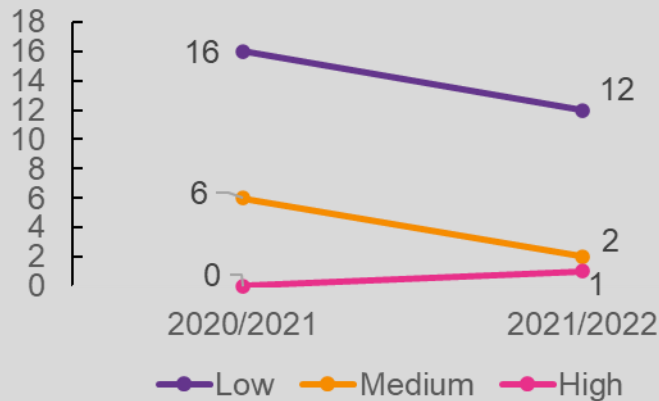
80% of material findings are rated as Low and primarily focused on the Non Half-Hourly Data Collector (NHHDC) role.

12 material findings were closed from the prior year but seven new findings were raised this year, including one new High finding. Total material findings have decreased by 32% on the prior year and there has been a decrease of four findings in findings rated as Medium. Five findings have also improved and decreased in severity since the prior year.

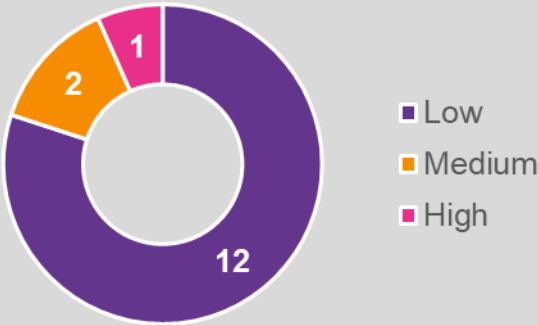
The main root cause of the findings are:

- Validity of meter reading withdrawals;
- Processing of D0010s (Meter Readings); and
- Processing and validity of Deemed Meter Advances (DMA).

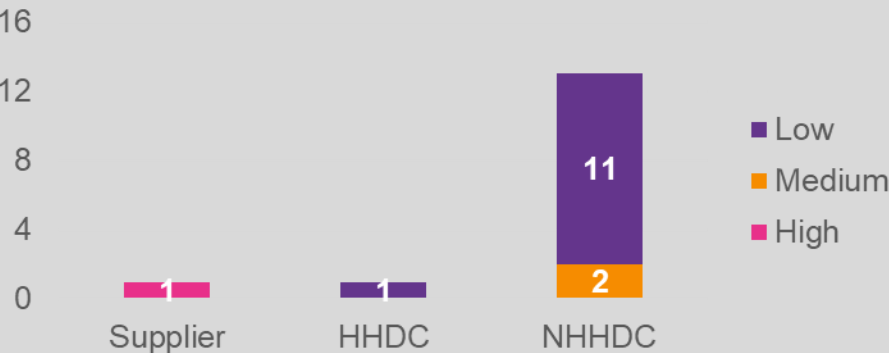
### Risk ID movement year on year



### Finding Rating



### Findings by Role



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Close

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# Key Findings in SVA Market

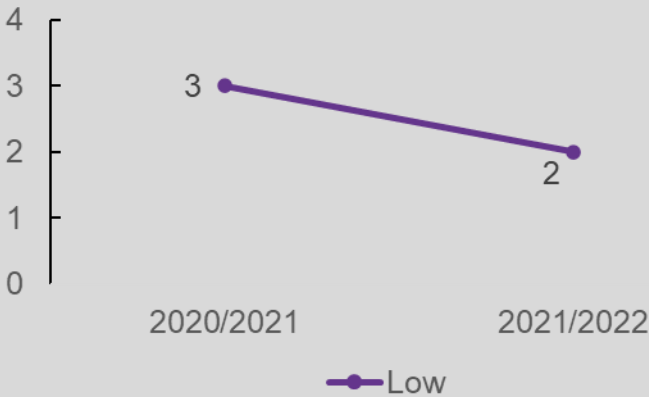
## Risk 9 – Data Aggregator Processes Metered Data

Three material findings were closed in the prior year, but two new findings were raised this year. There has been an 33% decrease on the number of material findings since the prior year.

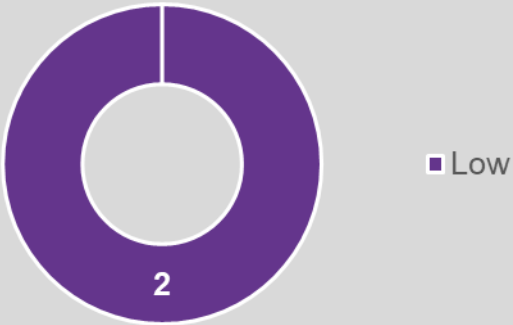
There are two root causes to these findings:

- No Estimated Annual Consumption / Annualised Advance (EAC/AA) information held on the system with no clear explanation as to why; and
- Supply Purchase Matrices (SPMs) were sent with default data due to improper monitoring controls.

### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

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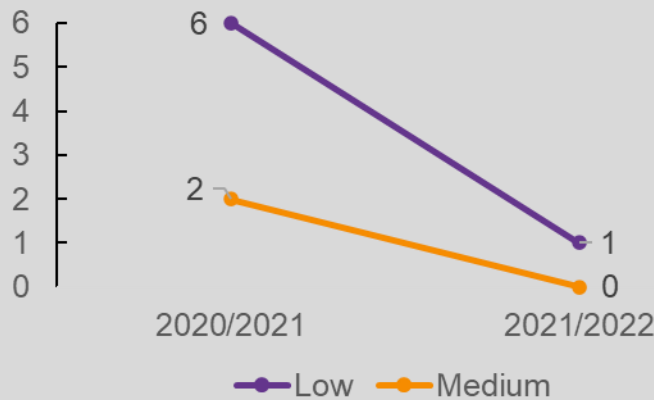
# Key Findings in SVA Market

## Risk 10 – Meter Read History

Significant movement has occurred with this risk since the prior year, with only one material finding remaining.

Three material findings have been closed since the prior year, including one Medium finding. The other Medium finding has been downgraded to a Low finding. Four prior year findings rated as Low have been downgraded to a non-Settlement impacting rating.

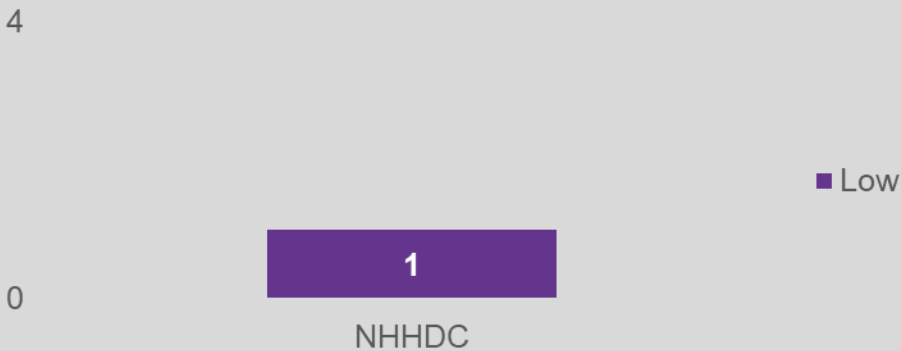
### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

# Key Findings in SVA Market

## Risk 11 – Unmetered Supplies

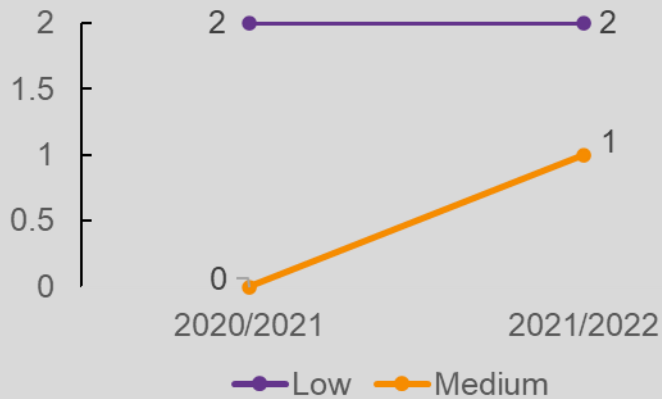
66% of material findings are rated as Low and are only associated with the Unmetered Supplies Operator (UMSO) role..

One material finding was closed for the prior year, but two new material findings were raised this year, including a new Medium finding. There has been an 33% increase on the number of material findings since the prior year.

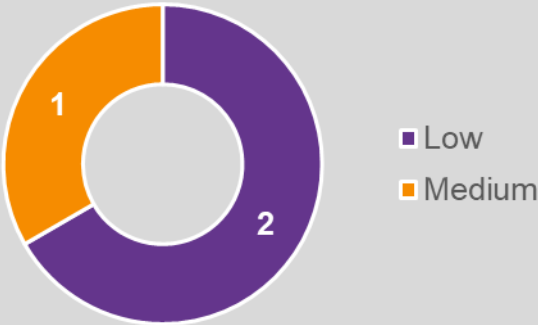
The main root cause of these findings is:

- The calculation of Estimated Annual Consumption (EAC) held by the Agent not matching the recalculation performed by the BSC Auditor.

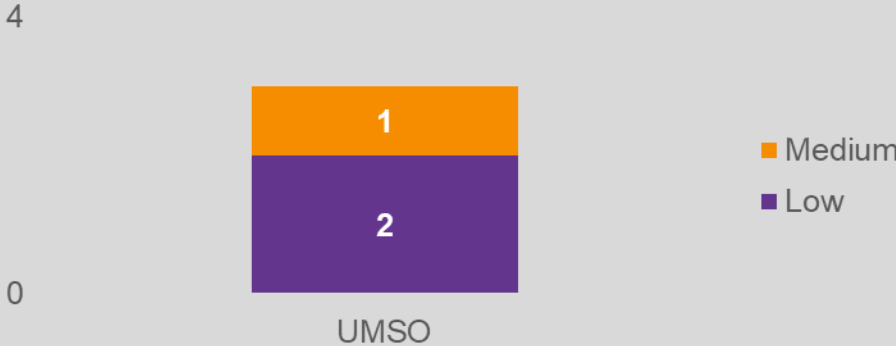
Risk ID movement year on year



Finding Rating



Findings by Role



X  
Close



# Key Findings in SVA Market

## Risk 12 – Metering Equipment Technical Detail Quality

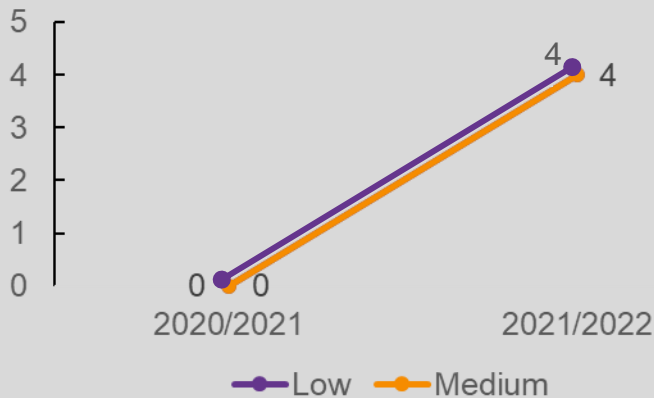
X  
Close

This is the first time this risk has been associated with findings raised during testing. All these findings are new compared to findings raised in the prior year. There is an even amount of both Medium and Low findings associated with the only role in scope, Non Half-Hourly Meter Operator Agent (NHHMOA).

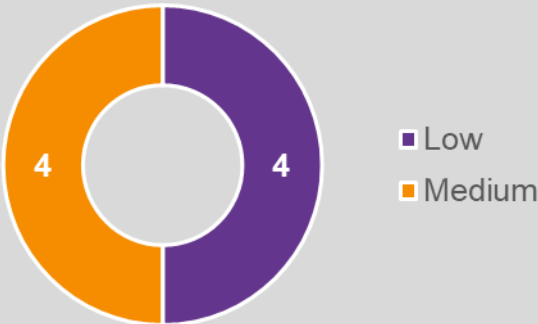
The root cause of these findings is:

- The management of the Zero Final Reads process.

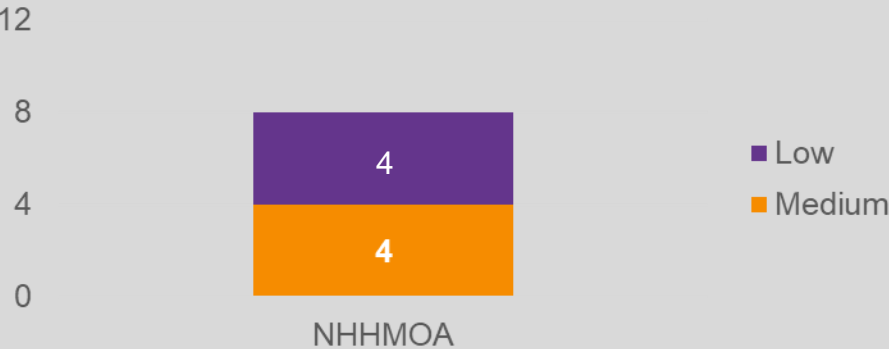
### Risk ID movement year on year



### Finding Rating



### Findings by Role



# Key Findings in SVA Market

## Risk 13 – Manual Adjustments

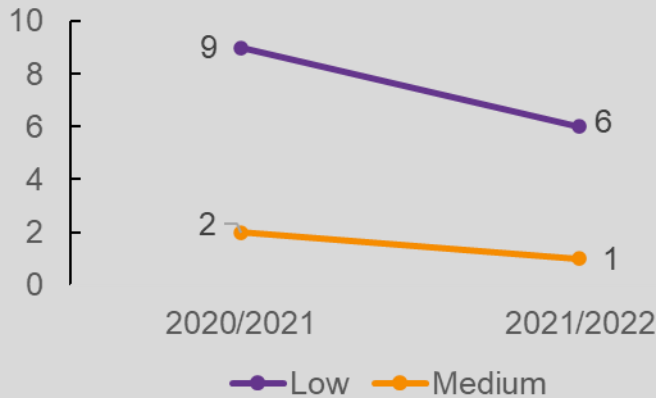
86% of material findings are rated as Low and are evenly split between the Non Half-Hourly Data Collector (NHHDC) and Supplier roles.

Eight material findings were closed in the prior year, including one Medium finding, but four new findings were raised this year, including one new Medium finding. Another Medium finding has had its rating downgraded to Low rating. Total material findings have decreased by 36% on the prior year.

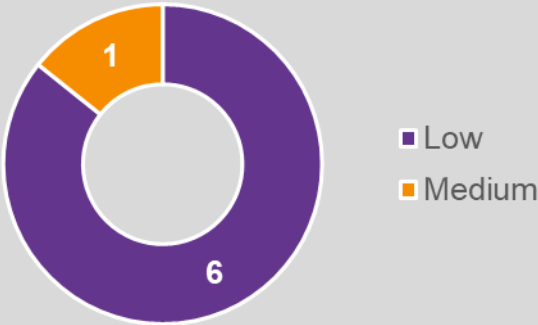
The root cause of some findings are:

- Management of the large Estimated Annual Consumption/ Annualised Advance (EAC/AA) report; and
- Management of the Long Term Vacant (LTV) process.

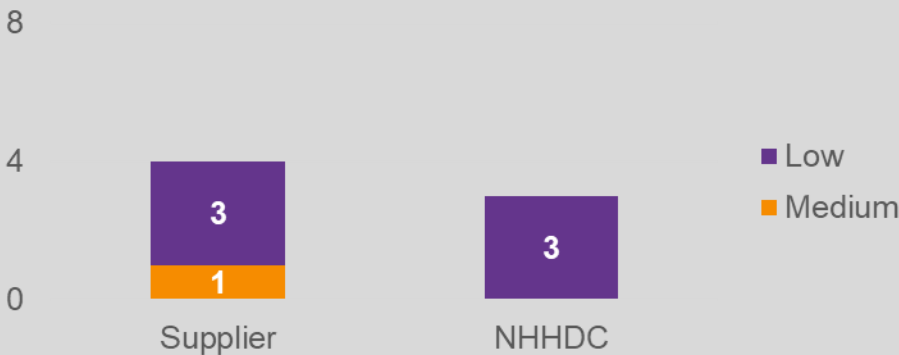
### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

vs the Settlement  
is open for current  
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# Key Findings in SVA Market

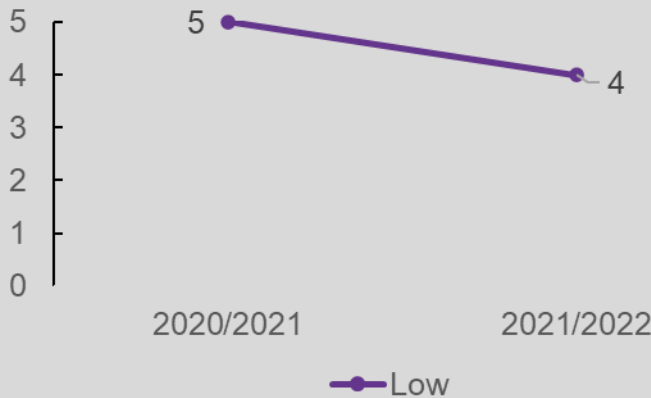
## Risk 14 – Agent Appointments

Two material findings were closed for the prior year, but two new material findings were raised this year. There has been a 20% decrease on the number of material findings since the prior year. This is because a previous finding had its rating downgraded.

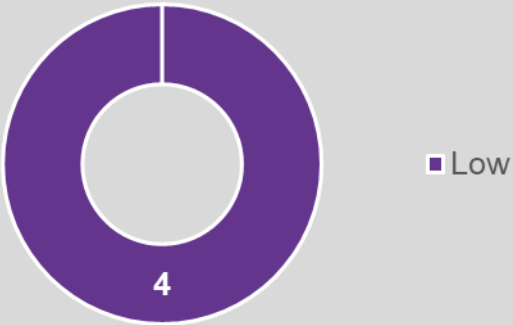
The main root cause of these findings is:

- Weaknesses in the Change of Measurement Class (CoMC) process.

### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

# Key Findings in SVA Market

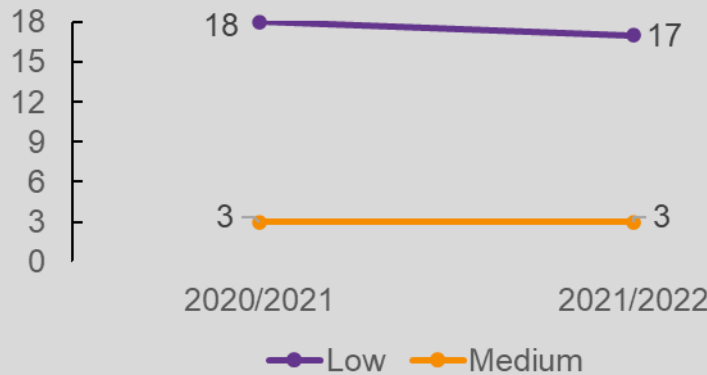
## Risk 16 – Energisation Status

61% of material findings are rated as Low and are primarily focused on the Meter Operator Agent (MOA) role, but also include Supplier and Licensed Distribution System Operator (LDSO).

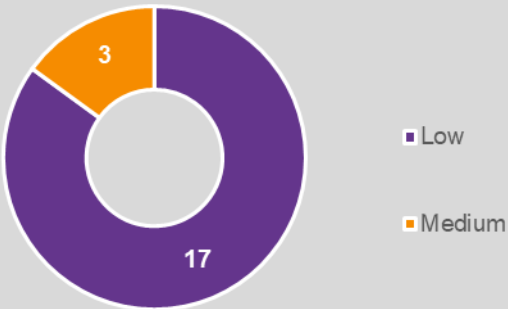
All Medium findings are associated with the MOA role. One finding has been upgraded from a non-Settlement impacting rating to Medium since the prior year. One Medium finding is new and the remaining Medium finding has rolled forward from the prior year.

The total number of material findings has decreased to 20. However, the same number of Medium findings remain, despite two Medium findings being closed in the current year.

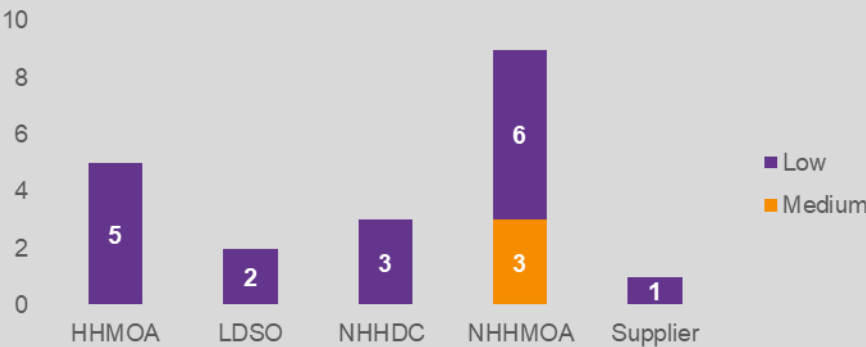
### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

the Settlement  
is open for current  
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# Key Findings in SVA Market

## Risk 17 – Exception Management

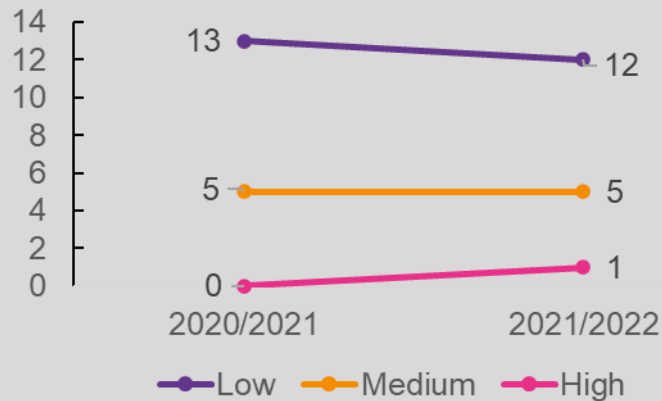
67% of material findings are rated as Low and primarily focus on the Supplier role.

Eight material findings were closed in the audit period but ten new findings were raised, including two new Medium findings and a High finding.

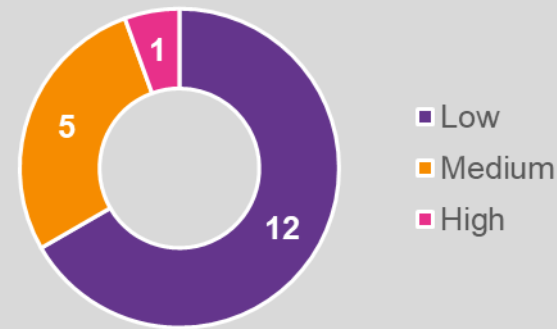
Th root cause of most findings raised relate to:

- The management of D0095 (Non Half Hourly Data Aggregation Exception Report);
- D0235 (Half Hourly Aggregation Exception Report) exceptions.

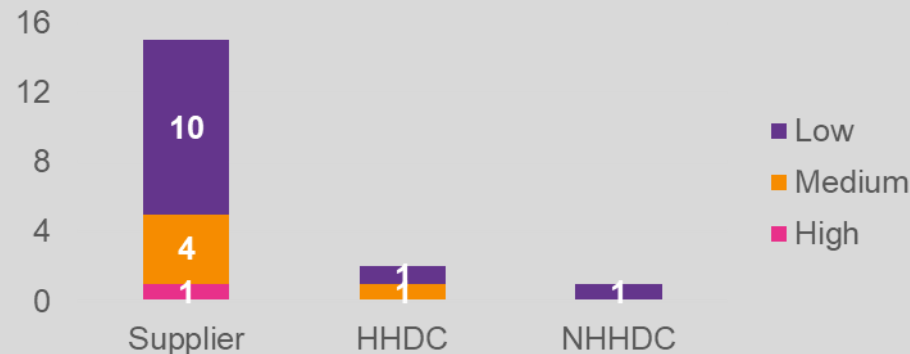
### Risk ID movement year on year



### Finding Rating



### Findings by Role



X  
Close

Most  
Severe

Weighted Severity

1 Registr

Least  
Severe

Click on the solid triangles for further detail

# Findings by Role

The table on the right summarises the number of BSC Audit findings by role arising from the work performed for the year ended 31 March 2022. Material findings have been included in the table with Immaterial findings referred to as Management Letter Points (MLPs) noted at the bottom. A second total line in the table shows the number of High and Medium rated findings as a subset of the total. The sparklines show the change of findings in each role over a eight-year period (where available). See Appendix 1 for further detail regarding how findings are classified.

The total number of material findings has decreased this year from 168 (2020/ 21) to 144 (2021/ 22). The decrease has predominantly come from findings being closed due to Suppliers ceasing to trade, outsourcing of Agent activities or Market Participant Identifier (MPID) migrations. The three most significant changes are highlighted below:

**SVA Meter Operator Agents (MOA) (from 65 to 70):**

This increase is despite 20 findings having been closed due to Agents exiting the market or MPID migration activities. 70% of all material findings at SVA MOAs relate to just three Settlement risks (Energisation Status, Meter Technical Details Transfer and Processing and Notification of Change to Metering Equipment).

**Suppliers (from 43 to 35):**

12 findings have been closed due to SoLR or MPID migration activities. We are still seeing 42% of all material findings noted at Suppliers from only one risk (Exception Management).

**Non Half-Hourly Data Collector (NHHDC) Supplier Agents (from 40 to 22):**

Six findings have been closed due to MPID migration activities, however the additional reduction is predominantly due to improvements in Processing of Meter Data. However, 59% of all material findings noted are still associated with this risk.

40% of all material findings (H, M & L) from 5 PAPs



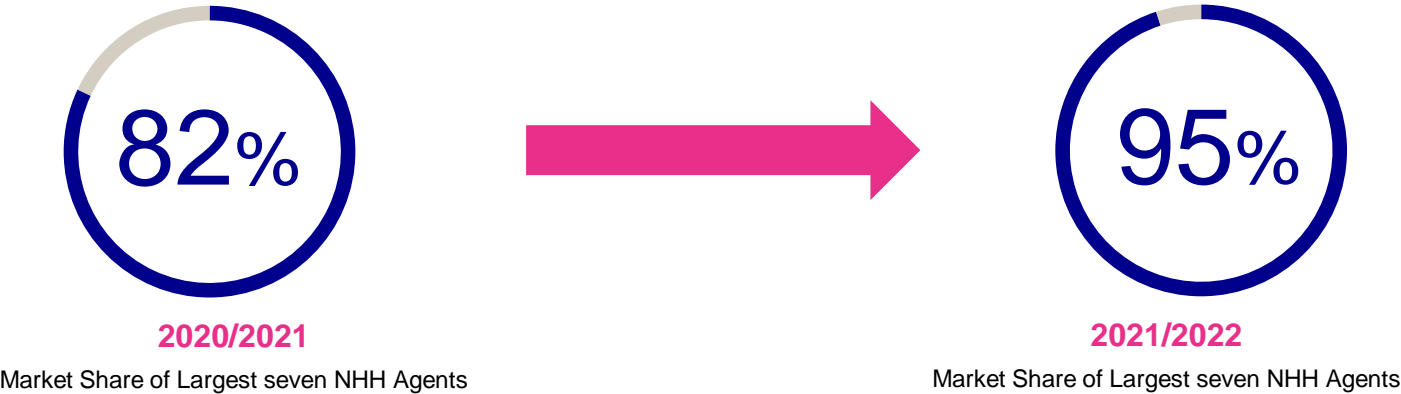
\* Prior Year: 51 % from five PAPs.

Role <sup>(a)</sup>	PAPs audited in 2021/22 (2020/21 in brackets)	31 March 2021 (H & M findings in brackets)	31 March 2022 (H & M findings in brackets)	Change in material findings 2014 – 2022 <sup>(b)</sup>
Suppliers	39 (47)	43 (7)	35 (9)	
NHHDC Supplier Agents	13 (12)	40 (9)	22 (2)	
NHHDA Supplier Agents	6 (5)	3 (0)	2 (0)	
HHDC Supplier Agents	9 (8)	11 (5)	7 (1)	
HHDA Supplier Agents	6 (3)	1 (0)	0 (0)	
SVA Meter Operator Agents	35 (36)	65 (13)	70 (13)	
LDSO	6 (9)	3 (1)	5 (0)	
UMSO	5 (6)	2 (0)	3 (1)	
SMRA	3 (1)	0 (0)	0 (0)	
MA	2 ( 1)	0 (0)	0 (0)	
Total All Material	-	168	144	
Total (High and Medium rated)	-	35	26	
MLP	-	93	103	

Note:  
1.Each role includes only material findings (H,M or L), all MLPs are grouped into a single category for all roles.  
2.Spark lines take data from April 2014 until April 2022 and show the trends in number of finding over time.  
Note each vertical axis scale varies from line to line.

# Concentration of Risk

We have seen a further increase in the concentration of risk within the NHH Agent market. The market share of the largest seven PAPs has increased by 13% to 95% of the market, leaving six PAPs with just 5% of the market. This change has been driven in part by SoLR activity in the year but also the increased trend of larger PAPs outsourcing their Agent activities.



**The increase in concentration within the market creates the following areas of concern:**

✕ If one of these large PAPs had a problem that impacted the entire portfolio (i.e. system issue, cyber attack etc.), a large proportion of the market would likely be affected with potential for a big impact on Settlement.

🏠 Lack of competition in the market could lead to a drop in focus on performance (and innovation) by PAPs, impacting Settlement Performance. There is also the risk that the smaller PAPs become commercially unviable, compounding the issue further (it should be noted that the commercial viability of PAPs is not assessed as part of the BSC Audit) which could lead to Settlement data loss.

🗄️ We have seen with the number of SoLR events occurring this year with the trend being that traditional 'Big 6' Suppliers taking on the failed Suppliers. This further increases the concentration of risks on Agents and could lead to an Agent failing. Given there is no process in place for an 'Agent of Last Resort' there is a risk of loss of read and Settlement data within the critical NHHDC and Non Half-Hourly Data Aggregator (NHHDA) roles that would severely impact the accuracy of Settlement.

# Key Findings – SVA MOA

The total number of material findings at Settlement Volume Allocation Meter Operator Agents (SVA MOAs) has increased from 65 to 70. The number of High and Medium findings remain the same as last year, and Low findings have increased by five.

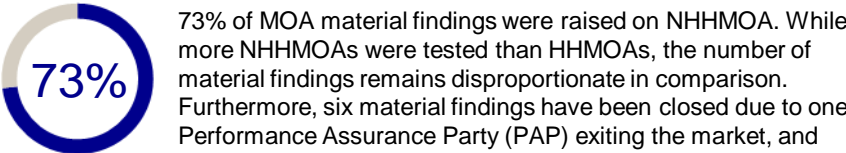
We have also observed the number of findings deemed immaterial to Settlement increasing significantly, from 29 to 53 in the current year.

20 material findings have been closed in the current year as a result of MOA's exiting the market rather than improved compliance. Despite these closures, the number of material findings has increased.

Considering all the above, we conclude that compliance across both Non Half-Hourly Meter Operator Agents (NHHMOA) and Half-Hourly Meter Operator Agents HHMOA remains a point of concern, especially given the importance of MOA activity in Settlement accuracy.

While overall the number of findings has increased compared to last year, when we split Non Half-Hourly (NHH) and Half-Hourly (HH) Agents we see NHHMOA findings increasing while HHMOA findings have decreased.

NHHMOA (from 38 to 51):

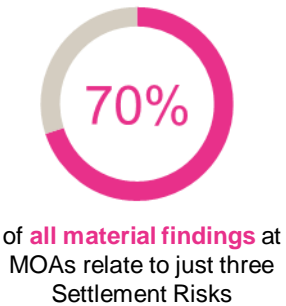
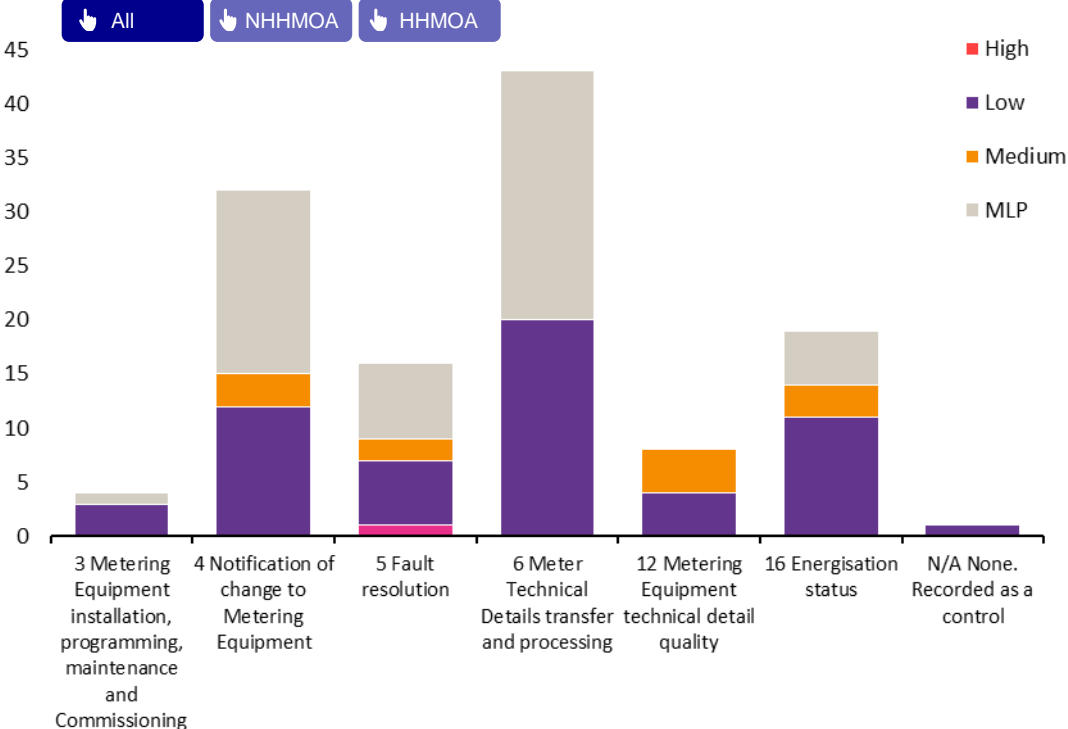


not due to improved compliance. In addition the overall severity of NHHMOA findings has worsened with Medium and High findings doubling since 2020/21, rising to 11 Medium findings and one High.

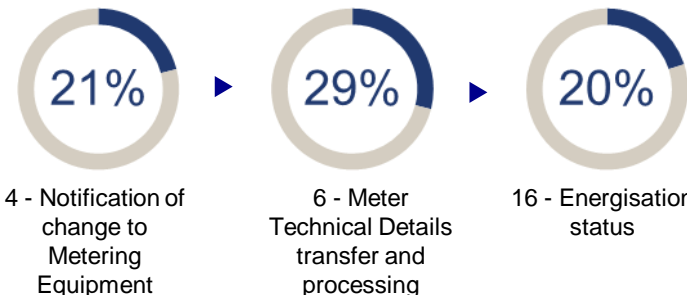
HHMOA (from 27 to 19):

The total number of material findings have reduced along with the severity of findings. HHMOA has no High and only one Medium finding in 2021/22. However, the reduction in findings is not attributed to increase in Balancing and Settlement Code (BSC) compliance. Rather, 14 material findings (one High, three Medium, 10 Low) have closed in 2021/22 due to role closure or the PAP exiting the market. While having fewer non-compliance HHMOA in the market will improve overall compliance, we should consider if these non-compliant processes have simply been migrated to new entities and as such will emerge again in next years audit.

Role	PAPs audited in 2021/22 (2020/21)	31 March 2021 (H & M)	31 March 2022 (H & M)
HHMOA	13 (14)	27 (7)	19 (1)
NHHMOA	22 (22)	38 (6)	51 (12)
Total Material	-	65 (13)	70 (13)
MLP	-	29	53



Breakdown of percentage contribution of each Risk for all material findings



# Key Findings – SVA MOA

The total number of material findings at Settlement Volume Allocation Meter Operator Agents (SVA MOAs) has increased from 65 to 70. The number of High and Medium findings remain the same as last year, and Low findings have increased by five.

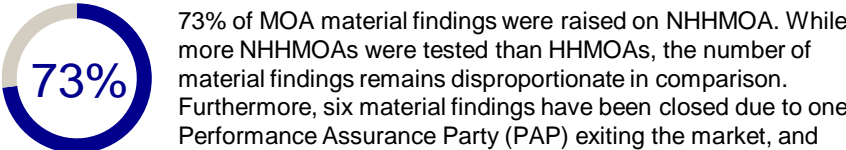
We have also observed the number of findings deemed immaterial to Settlement increasing significantly, from 29 to 53 in the current year.

20 material findings have been closed in the current year as a result of MOA's exiting the market rather than improved compliance. Despite these closures, the number of material findings has increased.

Considering all the above, we conclude that compliance across both Non Half-Hourly Meter Operator Agents (NHHMOA) and Half-Hourly Meter Operator Agents HHMOA remains a point of concern, especially given the importance of MOA activity in Settlement accuracy.

While overall the number of findings has increased compared to last year, when we split Non Half-Hourly (NHH) and Half-Hourly (HH) Agents we see NHHMOA findings increasing while HHMOA findings have decreased.

NHHMOA (from 38 to 51):

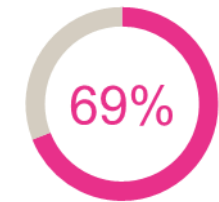
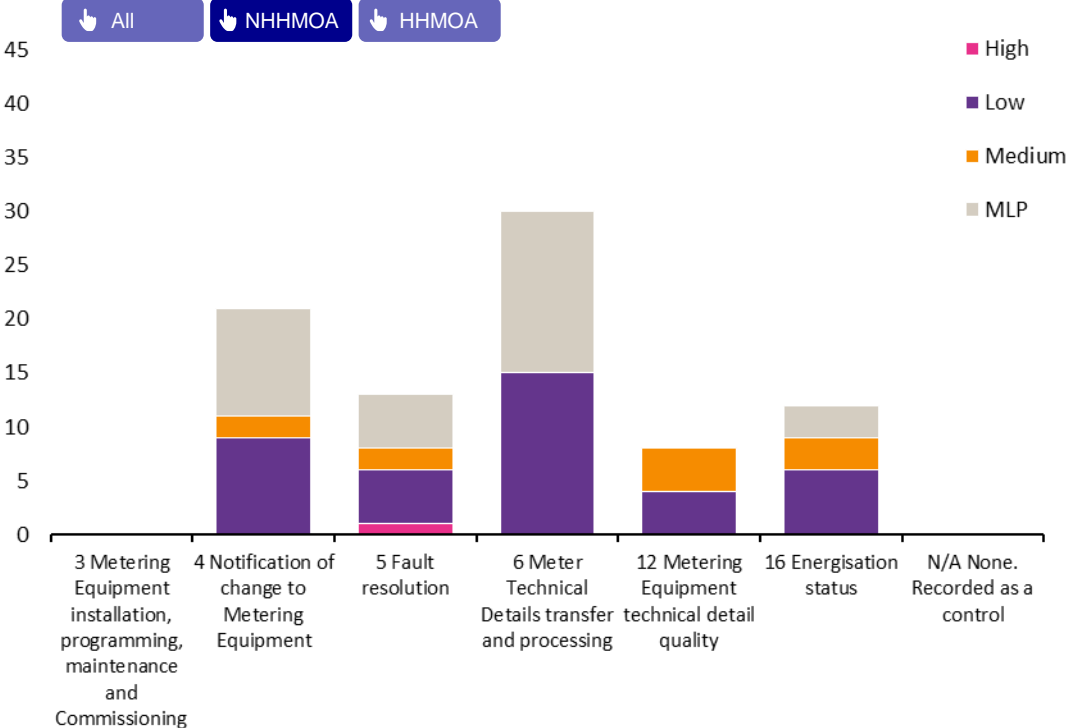


not due to improved compliance. In addition the overall severity of NHHMOA findings has worsened with Medium and High findings doubling since 2020/21, rising to 11 Medium findings and one High.

HHMOA (from 27 to 19):

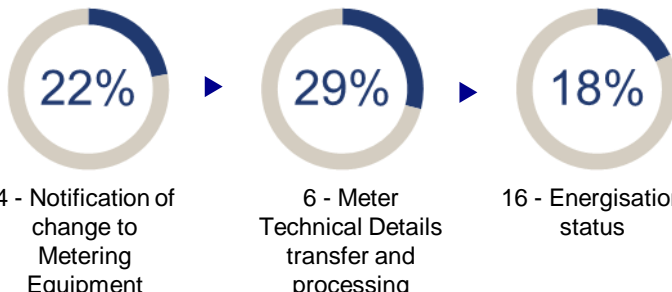
The total number of material findings have reduced along with the severity of findings. HHMOA has no High and only one Medium finding in 2021/22. However, the reduction in findings is not attributed to increase in Balancing and Settlement Code (BSC) compliance. Rather, 14 material findings (one High, three Medium, 10 Low) have closed in 2021/22 due to role closure or the PAP exiting the market. While having fewer non-compliance HHMOA in the market will improve overall compliance, we should consider if these non-compliant processes have simply been migrated to new entities and as such will emerge again in next years audit.

Role	PAPs audited in 2021/22 (2020/21)	31 March 2021 (H & M)	31 March 2022 (H & M)
HHMOA	13 (14)	27 (7)	19 (1)
NHHMOA	22 (22)	38 (6)	51 (12)
Total Material	-	65 (13)	70 (13)
MLP	-	29	53



of NHHMOA material findings relate to just three Settlement Risks

Breakdown of percentage contribution of each Risk for NHHMOA material findings





# Key Findings – SVA MOA

The total number of material findings at Settlement Volume Allocation Meter Operator Agents (SVA MOAs) has increased from 65 to 70. The number of High and Medium findings remain the same as last year, and Low findings have increased by five.

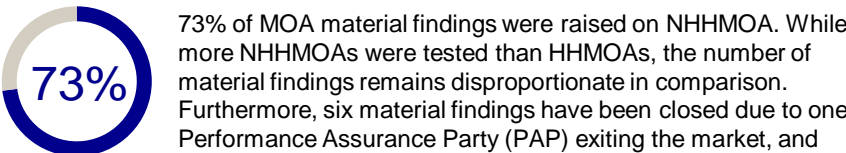
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Considering all the above, we conclude that compliance across both Non Half-Hourly Meter Operator Agents (NHHMOA) and Half-Hourly Meter Operator Agents HHMOA remains a point of concern, especially given the importance of MOA activity in Settlement accuracy.

While overall the number of findings has increased compared to last year, when we split Non Half-Hourly (NHH) and Half-Hourly (HH) Agents we see NHHMOA findings increasing while HHMOA findings have decreased.

NHHMOA (from 38 to 51):

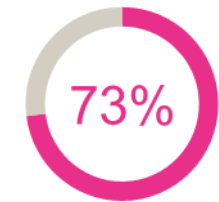
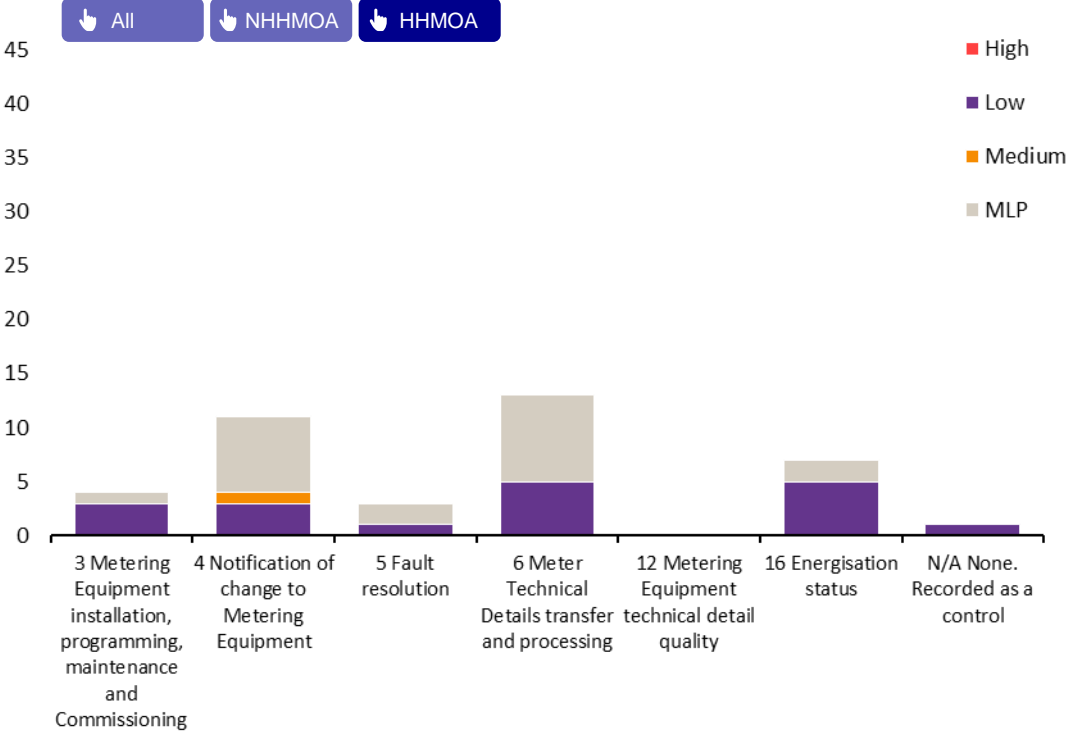


not due to improved compliance. In addition the overall severity of NHHMOA findings has worsened with Medium and High findings doubling since 2020/21, rising to 11 Medium findings and one High.

HHMOA (from 27 to 19):

The total number of material findings have reduced along with the severity of findings. HHMOA has no High and only one Medium finding in 2021/22. However, the reduction in findings is not attributed to increase in Balancing and Settlement Code (BSC) compliance. Rather, 14 material findings (one High, three Medium, 10 Low) have closed in 2021/22 due to role closure or the PAP exiting the market. While having fewer non-compliance HHMOA in the market will improve overall compliance, we should consider if these non-compliant processes have simply been migrated to new entities and as such will emerge again in next years audit.

Role	PAPs audited in 2021/22 (2020/21)	31 March 2021 (H & M)	31 March 2022 (H & M)
HHMOA	13 (14)	27 (7)	19 (1)
NHHMOA	22 (22)	38 (6)	51 (12)
Total Material	-	65 (13)	70 (13)
MLP	-	29	53



of HHMOA material findings relate to just three Settlement Risks

Breakdown of percentage contribution of each Risk for HHMOA material findings



4 - Notification of change to Metering Equipment



6 - Meter Technical Details transfer and processing



16 - Energisation status

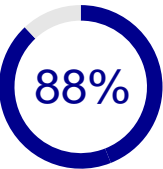


# MOA Deep Dive

When considering our findings from MOA’s, we have identified several topics impacting the wider market. These have been explored in further detail here.

## Zero Final Reads

As part of our testing we request MOA’s provide a list of all zero final reads. The assumption is that the majority of these readings will be erroneous and not compliant with the BSC. We then work through a sample of these zero final readings to confirm their non-compliance.



88% of NHHMOAs tested (eight out of nine) had a material finding raised. Of these findings, four were Medium and the remaining four Low. Zero final reads represent 33% of all Medium findings at NHHMOAs.

All findings were in relation to activity following instances where a final read could not be obtained, for example due to a damaged meter.

### BSC Compliant Approach

Site visit indicates meter unable to be read

D0002 (Fault Resolution Report or Request for Decision on Further Action) sent to NHHDC informing failure to read

Estimate final read entered to Settlement

### Observed Non-compliant Approach

Site visit indicates meter unable to be read

D0010 (Meter Readings) sent to NHHDC with '0.00' final read

NHHDC reject final reading using validation

Estimate final read entered to Settlement

While the outcome of the two processes appears the same, the second approach generally taken by the market relies on the controls of the Non Half-Hourly Data Collector (NHHDC). Provided the NHHDC controls operate effectively, there is no impact on Settlement. However if NHHDC controls fail, there is the potential for significant error in the market.

The pervasive nature of this finding indicates the current Balancing and Settlement Code Procedures (BSCPs) do not provide sufficiently detailed requirements for NHHMOAs.

Our recommendation is that clarity is provided within the Retail Energy Code (REC) requirements to ensure NHHMOAs do not incorrectly interpret the code

## Moving away from DTN communication

We have observed the continued increase in use of non Data Transfer Network (DTN) communications methods, mainly activity portals.

These portals come with several benefits for PAPs, including more detailed reporting, simplified task allocation, automation opportunities and integration with invoicing systems. On the whole this has significantly improved compliance in areas PAPs historically demonstrated poor BSC compliance.

The exclusive focus on portals by PAPs has given rise to instances of valid data flows transmitted via the DTN being missed or ignored by PAPs. Despite Agents having agreements with their customers to use the portal, they are still required to monitor for flows received via DTN. They may then choose to reject these flows and request they are provided through the agreed portal.

Finally, with significant portions of data now not flowing over the DTN, our approach to testing many of the MOA processes using data scripts over full populations has been revised. Where the DTN is used, our testing continues to use data scripts. Where a PAP uses portals we revert to manual testing of a sample of equivalent scenario's in the PAPs portal.

## Risk ID's with highest number of findings

**6 Meter Technical Details transfer and processing**

We identified the highest number (20) of potentially Settlement impacting SVAMOA findings from this Risk. 50% of current year findings are already existing prior year findings. They were associated with processing of Change of MOA, Change of Supplier and Change of Data Collector Agent.

Upon Change of Agent, there was a general lack of transferring of Mater Technical Details (MTDs) in response to the request to process MTDs received via a D0170 (Request for Metering System Related Details). The finding impacted both Half-Hourly (HH) and Non Half-Hourly (NHH) Agents, with similar issues also impacting auxiliary meter technical details for Automatic Meter Reading (AMR) meters. 40% of the findings were noted from two out of 12 PAPs.

**4 Notification of change to Metering Equipment**

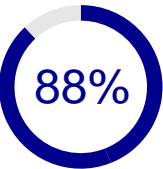
**16 Energisation status**

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### BSC Compliant Approach

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D0002 (Fault Resolution Report or Request for Decision on Further Action) sent to NHHDC informing failure to read



Estimate final read entered to Settlement

### Observed Non-compliant Approach

Site visit indicates meter unable to be read



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NHHDC reject final reading using validation



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## Risk ID's with highest number of findings

A white clock icon on a pink background.

### 6 Meter Technical Details transfer and processing

A white hand cursor icon on a pink background.

A white tower icon on a pink background.

### 4 Notification of change to Metering Equipment

A white hand cursor icon on a pink background.

We identified 15 potentially Settlement impacting Supplier Volume Allocation Meter Operator Agent (SVAMOA) findings from Risk 4. The overall number of findings has decreased by one and the severity of findings has reduced due to a fall in Medium findings. However, this does not indicate an improvement because two Medium and five Low prior year findings have closed due to scope/ role closure.

Three Medium findings were associated with a lack of sending of flows upon Meter replacement, Removal or Reconfiguration. Other material findings were associated with a lack of forwarding D0150 (Non Half-hourly Meter Technical Details) flows from the Licensed Distribution System Operator (LDSO) to other relevant Agents.

A white lightning bolt icon on a pink background.

### 16 Energisation status

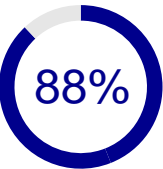
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## Risk ID's with highest number of findings

	6 Meter Technical Details transfer and processing	
	4 Notification of change to Metering Equipment	
	16 Energisation status	

We identified 14 potentially Settlement impacting findings in the 2021/22 BSC Audit, an increase of one compared to the prior year with an increase in severity of findings from one Medium finding in 2020/21 to three Medium findings in 2021/22. 57% of material findings for Risk 16 are historic findings.

All Medium findings were associated with NHHMOA where there was lack of response to D0134 (Request to Change Energisation Status) flow and not sending of flows once Energisation Status was changed. 20% of material findings were associated with lack of forwarding of D0139 (Confirmation or Rejection of Energisation Status Change) flows from LDSO. Not sending of D0139s to other Agents by NHHMOA will lead to a mismatch of standing data (Energisation Status) in the industry.

# Supplier of Last Resort (SoLR)

## Introduction

Since April 2021, 25 Suppliers ceased trading, affecting more than 2.3 million customers in the Energy sector and placing an additional burden on the remaining Suppliers and the market.

The scope of the SoLR audit work was to understand how different PAPs operate and manage the SoLR process, as well as receive feedback from the BSC Parties around any challenges or pain points they experienced, including what Elexon can do better to help the incoming Suppliers that take part in the process. Our exposure was limited to the Supplier role only, however, through our discussions it was determined that further investigation with the Data Collector (DC) Agents would provide further value into the key Settlement impacting processes.

### Good news stories

Click to reveal more details

During the audit process and discussions with the Suppliers, The BSC Auditor noted the feedback provided contained good news stories regarding the SoLR process, as follows:

- The Suppliers were happy without a formal strict BSC Procedure (BSCP) requirement regarding the SoLR process, as it provides more flexibility in their approach.
- The SoLR process gives them an opportunity to review their existing processes and find improvements.
- Some Suppliers use the SoLR process to innovate and engage with a different customers base than they would normally.

### Dataflow analysis

At all Suppliers, we identified that D0151s (Termination of Appointment or Contract by Supplier) were not sent by the new Supplier (using the old Supplier MPID) to de-appoint the old Agents, since they didn't get control of the failing MPID.

At two Suppliers, we identified that the D170 flow was used as an informal agreement to de-appoint the old Agents, in lieu of a D0151.

At four Suppliers, we identified that D0086s (Notification of Change of Supplier Readings) were sent before the D0152 (Metering System EAC/AA Historical Data) had been received. However, this was in the minority of cases.

### Improvement points

Click to reveal more details

It was noted that the Suppliers mentioned some key areas that could be improved to make the SoLR process more efficient and to provide a better outcome in both Settlement and customer billing. These areas include:

- Balancing the different requirements between multiple stakeholders, such as OFGEM being interested in the wellbeing of the customers, Elexon being interested in the Settlement performance and the Administrators of the failing Suppliers being interested in maximizing the profit for the creditors & shareholders.
- Commercial agreements to be in place to allow the incoming Supplier to take control of the failing MPID, as well as issuing de-appointment flows.
- Better access to data from the Supplier (or their Agents or from central source, i.e. Electralink etc.) that has ceased trading.
- Having more specific guidance from Elexon, especially regarding key operational aspects of the process (i.e. which reads are acceptable to be used for Settlement and in what scenarios deems should be used).

### SoLR stats since April 2021



25

Suppliers ceased trading



2,300,000

Customers impacted



7%

of MPANs have been through a SoLR

### SoLR Audit Scope



99 %

of SoLR MPANs covered by Audits



21

Failed Suppliers in scope



# Supplier of Last Resort (SoLR)

## Introduction

Since April 2021, the scope of the Parties around the SoLR process. Our exposure to the Agents would be impacted.

## Good news stories

During the audit, the feedback provided by the Suppliers regarding the SoLR process was positive. The main reasons for this can be summarised as:

- The Suppliers were happy without a formal BSCP requirement regarding the SoLR process.
- The SoLR process allowed the Suppliers to approach the SoLR process as they see fit whilst still acting compliantly.
- It lessens the operational burden placed on the staff, since they do not have to complete the transition within a specific number of days.

## Dataflow and Settlement

At all Suppliers (Supplier) were the old Agents. At two Suppliers, we identified that D0086s (Notification of Change of Supplier Readings) were sent before the D0152 (Metering System EAC/AA Historical Data) had been received. However, this was in the minority of cases.

## Good news stories



### No SoLR specific BSCP Requirements

The overall theme from the audited Suppliers was that they were happy without a formal BSCP requirement regarding the SoLR process. The main reasons for this can be summarised as:

- It gives them more flexibility to approach the SoLR process as they see fit whilst still acting compliantly.
- It lessens the operational burden placed on the staff, since they do not have to complete the transition within a specific number of days.



### Opportunity for Review

The SoLR process also provided a good opportunity for the new Suppliers to review and enhance their current processes, especially around the Change of Supply (CoS) gain process. It also allowed the incoming Suppliers to understand the importance of capturing actual meter readings from the customers, since having an accurate Settlement history for an MPAN helps the Industry to settle on the correct volume and position.



### New Customers

The Suppliers also used the SoLR opportunity to engage with a new customer base with a different value added proposition than their more 'traditional' clients. This meant that the Suppliers were able to explore new methods to capture and retain customers, based on their profile. Afterwards, they can apply the lessons learned in this new market to the already existing customers. This has allowed Suppliers to increase the engagement with their entire portfolio and ultimately generate more regular, accurate meter readings, increasing Settlement performance.



### Good Practices

We identified that a DC Agent created an extensive dashboard covering many useful elements of the SoLR process. Many Suppliers commented on the benefit they get from their regular communication with Agents. Suppliers commented on the co-operation from Agents, especially those of failed Suppliers who continue to provide updated information and dataflows without having a contract.

X  
Close

April 2021

based trading

0,000  
impacted

has been  
SLR

ANs covered

21  
Failed Suppliers in scope

# Supplier of Last Resort (SoLR)

## Introduction

Since April 2021, Suppliers and the market have been navigating the complexities of the Supplier of Last Resort (SoLR) process. The scope of the process involves the appointment of a new Supplier to replace a failed Supplier, ensuring the continuity of electricity supply to customers. Our exposure to the market is primarily through the Agents involved in the process.

## Good news

- During the audit, feedback provided by Suppliers and Agents highlighted several positive outcomes:
- The Suppliers' understanding of the SoLR process has improved.
  - The SoLR process has been streamlined, leading to faster appointments.
  - Some Suppliers have successfully migrated to the new Supplier, ensuring continuity of supply.

## Dataflow and

At all Suppliers (Supplier) were appointed, the old Agents were de-appointed. At two Suppliers, the old Agents were de-appointed. At four Suppliers, we identified that D0086s (Notification of Change of Supplier Readings) were sent before the D0152 (Metering System EAC/AA Historical Data) had been received. However, this was in the minority of cases.

## Improvement points



### Stakeholder Management

Suppliers experienced challenges in managing the expectations of and collaborating with the multiple stakeholders involved in the SoLR process due to their different objectives.

Specific examples are; OFGEM's commitment is to ensure that the customers are not impacted by the old Supplier ceasing trading, while Elexon's responsibility is to monitor the Settlement performance. At the same time, the Administrators of the failing Supplier have a fiduciary duty to ensure the best monetary returns for the creditors.



### Commercial Agreements

Incoming Suppliers discussed the benefit of having an agreement in place between themselves and Electralink in regards to the failed MPID.

This could be in the form of the new Suppliers having the possibility to gain control of the old/ failed MPID or access better MPAN level data.

Alternatively a third party could be appointed to issue the de-appointment flows to the old Agents or to provide more detailed MPAN level information to the new Supplier.



### More Elexon Guidance

Supplier stated that they would appreciate if Elexon were to provide a "Best Practice" type of document to the appointed Suppliers in order to familiarise themselves with the SoLR process, ensure a smooth migration and avoid any common pitfalls.

In addition, Suppliers would find it beneficial for Elexon to host a forum between Suppliers and all the Agents involved in the process an opportunity to discuss requirements and best practice before the migrations start.



### Centralise Data Storage

Suppliers discussed the possibility of failed Suppliers storing certain pre-agreed data in a centralised system/ service that can be easily accessed by the incoming Supplier.

This centralised data would allow for a smoother migration and reduce the cost of taking on a failed Supplier. It was confirmed that Administrators of the failed Supplier often held useful data to ransom which adds unnecessary cost to an already strained market.

Alternatively advice should be given to Suppliers to include the cost of purchasing this data in their SoLR bid.

X  
Close



21

Failed Suppliers in scope



# CVA Registrant Audit Trial

Alongside the annual BSC Audit, an additional audit of Central Volume Allocation (CVA) Registrants was carried out. Six Registrants were involved in the trial who hold 33% of the market by Metering System Identifier (MSID) count. Data was obtained directly from the Central Data Collection Agent (CDCA) ensuring samples presented a reflective, unbiased view of the market.

Broad themes emerged around lack of accountability of Registrants, in which an indifferent attitude to ensuring their CVA Meter Operator Agents (CVAMOA) are fulfilling their obligations was noted. This manifested in a lack of formal fault resolution tracking and communication methods between the Registrant and the MOA. Also, there was a clear absence of any real consequence for Registrants when failing to execute their duties. There was a particularly stark contrast in attitudes towards ensuring data estimations received from the CDCA are accurate.

Faults

50%

of Registrants raised concerns over the time consuming nature of monitoring the faults process due to the CDCA's manual operation of informing Registrants of faults.

- 66% of Registrants had inadequate tracking procedures in place to monitor the progress of faults through to resolution.
- There was a clear difference in the proactiveness of Registrants when it came to proactively identifying and resolving faults.

Estimations

1/3 of Registrants

had no formal validation method for reviewing CDCA estimates.

- Attitudes to validation of estimates varied greatly between Generation and Consumption sites, this can be directly attributed to the different financial incentives involved.
- Accuracy and monitoring of CDCA data has the potential to be negatively impacted by the lack of automation of the estimations process, a point highlighted by 50% of Registrants.

New Connections

Exploring Registrant's views of their responsibilities in relation to registering new metering equipment and ensuring it is installed and commissioned correctly identified the following:

1.

The accountability of the Registrant to operate its duty has been somewhat obscured. A Third Party owns the Grid Supply Points (GSPs) in England and Wales yet the Registrant is still accountable. The ownership of such metering systems may be blurring the lines.

2.

There was also a notable lack of tracking and monitoring of the new connections process, which suggests more stringent requirements (or penalties for non-compliance) may need to be placed on Registrants to ensure they are fulfilling their responsibilities.

# CVA Registrant Audit Trial

X  
Close

## Fault Identification and Resolution



### Lack of Formal Fault Tracking

Two out of six Registrant's have no formal tracking procedures in place to track faults through to resolution. This heavily impacts the Registrant's ability to monitor MOA activity, particularly ensuring they chase I0-15s (the MOAs response to any I0-38s communicated to them by the CDCA) and progress of resolution where required.

Despite two thirds of Registrants having monitoring processes in place, we noted 12 instances across two Registrants who had failed to add the faults to their internal tracking logs. The Registrants attributed this finding to the manual nature of the process, stating emails containing I0-38s can be easily missed, this was seen in 63% of faults at one Registrant.

Although it is the Central Volume Allocation Meter Operator Agent (CVAMOA) who will ultimately resolve a fault, the Registrant is responsible for ensuring the resolution is completed in a timely manner, in accordance with Section L Subsection 1.2 BSCP06 . Without visibility of faults raised by the CDCA, the ability of the Registrant to conform to these requirements is limited and faults may remain unresolved.



### Proactiveness in Identifying and Resolving Faults

All Registrants noted that, in practice, fault management and rectification lies primarily with the CDCA and the CVAMOA, with the Registrant taking a secondary, monitoring role. However, a clear polarity exists in the way Registrants operate this monitoring.

50% of Registrants had their own processes in place to identify faults before the CDCA informs them via an I0-38. One Registrant runs checks half-hourly on independent data using a database and as such can identify faults that are not generally picked up by the CDCA. This proactive approach ensures the Registrant has visibility over all faults, which allows resolution by the CVAMOA to be prioritised and observed.

However, for some Registrants, there were clear pitfalls in the management and monitoring of faults. In three instances for one Registrant, a fault could have been resolved sooner had the Registrant been more proactive in following up with the CVAMOA on their progress in resolution. Importantly, while faults remain open, estimations are the primary form of data. Inevitably, estimations are not as accurate as raw data, so priority should be on closing these faults as quickly as possible.



Fault Identification  
and Resolution



Data Estimations  
and Accuracy



Registrations and  
Commissioning

## Data Estimations and Accuracy



### Lack of Validation Methods

**1/3 of all Registrants** stated there was no formal process in place in performing suitable review of CDCA data estimates. Additionally, one Registrant chose not to respond to any I0-37s issued by the CDCA. This directly disregards their duty as the Registrant under Section 3.1.5 BSCP03 to either agree or disagree with the CDCAs estimates via fax/email.

Rather than undertaking validation, both Registrants undertook superficial checks of the data, stating acceptance was the default decision due to their view on the CDCA's reliability and accuracy.

However, it was noted that the accuracy of the estimates generated by software used by the CDCA can degrade over time, especially with long standing faults, meaning an acceptance of CDCA estimates without thorough validation could impact Settlement data.



### Differing Financial Incentives

In England and Wales, a Third Party owns distribution/consumption metering sites. This dramatically reduces the financial impact on Registrants of such sites should estimates be inaccurate.

Generation sites, owned by the Registrant, are given a default zero consumption by CDCA if actual data is not available meaning that if the estimates are not reviewed and replaced with more accurate data this impacts both Settlement and the Registrant financially.

A stark difference was noted in the level of engagement with CDCA data between the varying sites. Where Registrants managed Generation sites, robust validation methods were in place, and the Registrants frequently provided their own data to CDCA. One Registrant providing their own estimates in 72% of instances.

Where Registrants do not own their sites and there is therefore no financial impact if estimates are inaccurate, rigorous validation is of lower priority. Two Registrants agreed with 100% of CDCA estimates without independent validation.



### A Need for Automation

Registrants stated that the format of the I0-37 estimation forms caused issues in itself, these forms are sent by CDCA to designated estimation mailboxes. The Registrant must then manually extract and input 48 half-hourly time periods into a database.

50% of Registrants stated the manual input process increases the chance of human error, with inaccuracy impacting Settlement directly. Increased automation in this process would reduce the risk of error and increase accuracy of Settlements.

This manual process can also limit the visibility and subsequent tracking of estimations from the CDCA. In four instances across a two Registrants, no record of an I0-37 could be found despite appearing on the CDCA Estimation log. In such cases, no validation on CDCA estimates would have occurred, reducing the accuracy of data going into Settlement.

## Registrations and Commissioning

BSC Section L, 2.1 outlines CVA Registrant responsibilities. 2.1.1(a) clearly states the Registrant has a duty to ensure metering equipment is installed and commissioned. To do so effectively, each Registrant must have clear and formal communication lines with the MOA as well as formal monitoring processes in place. Without such processes, the obligations of the Registrant can not be sufficiently met. Our findings highlighted a variance in attitude to registrations and commissioning, which has been explored further:



### Communication and Accountability

Only one Registrant out of six has direct contact with the MOA during the phases of registering a new metering site and ensuring it is commissioned. As stated, it is the Registrants duty to ensure commissioning has taken place prior to energisation.

Although GSP metering sites are owned by a Third Party, this does not retract from the Registrants obligation to ensure work is satisfactorily completed.

The unwillingness on behalf of the Registrant to ensure consistent communication between themselves and the MOA results in a lack of visibility of MOA progress to install and commission.

To rectify this issue, more stringent measures for the Registrant to be held to account for not meeting their obligations should be investigated.



### Post-energisation Checks

There is an onload check, more commonly referred to as a post-energisation check, after the initial energisation of a meter has been completed. If this check was added as a requirement after any work on or changes to the metering equipment this would be more likely to pick up on (or pick up sooner) any metering issues that could cause later Settlement inaccuracies.

These checks would help to reinforce existing provisions to re-Commission metering following such additional work.

The obligations for completing these checks should sit with the Registrant and would therefore increase the level of accountability on the Registrant even when work is carried out on metering points owned by a Third Party.



### Tracking of Completion

There is significant variance as to the level of tracking performed by Registrants in relation to the completion of Commissioning.

Two out of six Registrants have robust tracking logs in place to ensure all forms are received and all actions are undertaken by the MOA for the management of registrations and commissioning.

Two Registrants have weekly/ monthly tracking meetings with project developers.

Two Registrants do not have any formal mechanisms in place to monitor progress/ MOA responsibilities.

Without these tracking mechanisms in place, this reduces the Registrants ability to fulfil the duties set out in BSC Section L, 2.1.

# Appendix

- 11 The BSC Audit Findings Ratings
- 12 Findings by Risk ID
- 13 The BSC Audit Approach
- 14 Timeline
- 15 Glossary of Terms



# Appendix 1 – The BSC Audit Findings Ratings

Ratings for findings have been defined as follows:

Category	Description
Settlement Impacting Findings	A non-compliance with the BSC which, if uncorrected, may impact on the completeness and/or accuracy of Settlement. In this case the BSC Auditor will assess the impact as High, Medium or Low, depending on the estimated overall potential impact on Settlement. Material findings may be subject to Elexon’s Error and Failure Resolution (EFR) processes.
Immaterial Findings	A non-compliance with the BSC which is unlikely to have a direct impact on the completeness and/or accuracy of Settlement. These observations will be categorised as MLPs.
Process Improvement	The BSC appears to have been complied with but the BSC Auditor has identified the potential for process improvements at the Audited Entity. These observations will also be categorised as MLPs.

## Determining Potential Impact to Settlement

For each Settlement impacting finding the BSC Auditor will rate these as High, Medium or Low after gaining an understanding of the following:

- Nature of the finding;
- Extent of potential impact of the finding on Settlement;
- Improvement/ deterioration (both quantitatively and qualitatively) since the previous BSC Audit;
- Whether the number and/or nature of exceptions indicates the finding is pervasive or more widespread;
- Impact of the finding on other Audited Entities or Trading Parties;
- Extent to which a compliance finding might impact other findings (especially those which have a direct impact on Settlement);
- Existence of any mitigating factors.



# Appendix 2 - Findings by Risk ID

Below are the material findings raised by Risk ID for the current and prior year. Beside each risk is the number of PAPs findings were raised at.

Focus risks  
2021/2022



Focus risks  
2022/2023



	Total Findings (H & M in brackets)	Total Findings (H & M in brackets)	Number of Audited Entities (by Role) with findings	
BSC Risk ID	2021/22	2020/21	2021/22	2020/21
16 – Energisation Status	20 (3)	21 (3)	5 out of 12 HHMOA 2 out of 6 LDSO 3 out of 11 NHHDC 8 out of 22 NHHMOA 1 out of 35 Supplier 0 out of 8 HHDC	4 out of 12 HHMOA 1 out of 9 LDSO 6 out of 12 NHHDC 9 out of 21 NHHMOA 1 out of 45 Supplier 0 out of 7 HHDC
6 – Meter Technical Details transfer and processing	20 (0)	24 (3)	4 out of 12 HHMOA 11 out of 23 NHHMOA 0 out of 8 HHDC 0 out of 11 NHHDC	5 out of 12 HHMOA 10 out of 21 NHHMOA 0 out of 6 HHDC 0 out of 12 NHHDC
17 – Exception Management	18 (6)	18 (5)	3 out of 8 HHDC 1 out of 9 NHHDC 13 out of 33 Supplier 0 out of 5 HHDA	3 out of 3 HHDC 3 out of 12 NHHDC 12 out of 38 Supplier 0 out of 3 HHDA 0 out of 4 NHHDA
4 – Notification of change to Metering Equipment	17 (3)	20 (5)	3 out of 12 HHMOA 2 out of 2 LDSO 9 out of 23 NHHMOA 0 out of 8 HHDC 0 out of 3 NHHDC	1 out of 7 HHDC 5 out of 12 HHMOA 1 out of 12 NHHDC 6 out of 21 NHHMOA 0 out of 9 LDSO
8 – Processing of Metered Data	15 (3)	22 (6)	1 out of 8 HHDC 5 out of 11 NHHDC 1 out of 8 Supplier	1 out of 7 HHDC 6 out of 12 NHHDC 3 out of 28 Supplier
5 – Fault resolution	14 (4)	17 (4)	2 out of 8 HHDC 1 out of 12 HHMOA 8 out of 22 NHHMOA 2 out of 9 Supplier	2 out of 5 HHDC 3 out of 6 HHMOA 6 out of 13 NHHMOA 6 out of 21 Supplier

	Total Findings (H & M in brackets)	Total Findings (H & M in brackets)	Number of Audited Entities (by Role) with findings	
BSC Risk ID	2021/22	2020/21	2021/22	2020/21
12 – Metering Equipment technical detail quality	8 (4)	0 (0)	8 out of 9 NHHMOA 0 out of 5 HHMOA 0 out of 2 LDSO	0 out of 7 HHDC 0 out of 12 HHMOA 0 out of 12 NHHDC 0 out of 1 NHHMOA
13 – Manual adjustments	7 (1)	11 (2)	3 out of 4 NHHDC 4 out of 35 Supplier	3 out of 12 NHHDC 7 out of 45 Supplier
3 – Metering Equipment installation, programming, maintenance and Commissioning	6 (1)	3 (2)	3 out of 5 HHMOA 1 out of 6 LDSO 2 out of 0 Supplier*	2 out of 12 HHMOA 1 out of 0 Suppliers* 0 out of 9 LDSO
14 – Agent appointments	4 (0)	5 (0)	1 out of 0 NHHDC* 3 out of 37 Supplier	1 out of 0 NHHDC* 4 out of 45 Supplier
1 - Registration	4 (0)	4 (1)	0 out of 3 SMRA 3 out of 39 Suppliers	3 out of 45 Suppliers 0 out of 1 SMRA
11 – Unmetered Supplies	3 (1)	2 (0)	2 out of 5 UMISO 0 out of 8 HHDC 0 out of 2 MA 0 out of 3 NHHDC	2 out of 6 UMISO 0 out of 7 HHDC 0 out of 1 MA 0 out of 12 NHHDC
2 - Attributes	3 (0)	7 (1)	3 out of 37 Supplier 0 out of 3 SMRA	6 out of 45 Suppliers 0 out of 1 SMRA
9 – Data Aggregator processes Metered Data	2 (0)	3 (0)	2 out of 6 NHHDA 0 out of 5 HHDA	1 out of 3 HHDA 1 out of 5 NHHDA
10 – Meter read history	1 (0)	6 (2)	1 out of 11 NHHDC 0 out of 8 HHDC	1 out of 7 HHDC 1 out of 12 NHHDC

\*This risk ID has been identified due to findings being raised at a party without the specific workpaper related to the risk ID being tested.

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Focus risks  
2022/2023

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	Total Findings (H & M in brackets)	Total Findings (H & M in brackets)	Number of Audited Entities (by Role) with findings	
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\*This risk ID has been identified due to findings being raised at a party without the specific workpaper related to the risk ID being tested.

# Appendix 3 - The BSC Audit Approach

The BSC Audit will be delivered in two distinct streams of work:

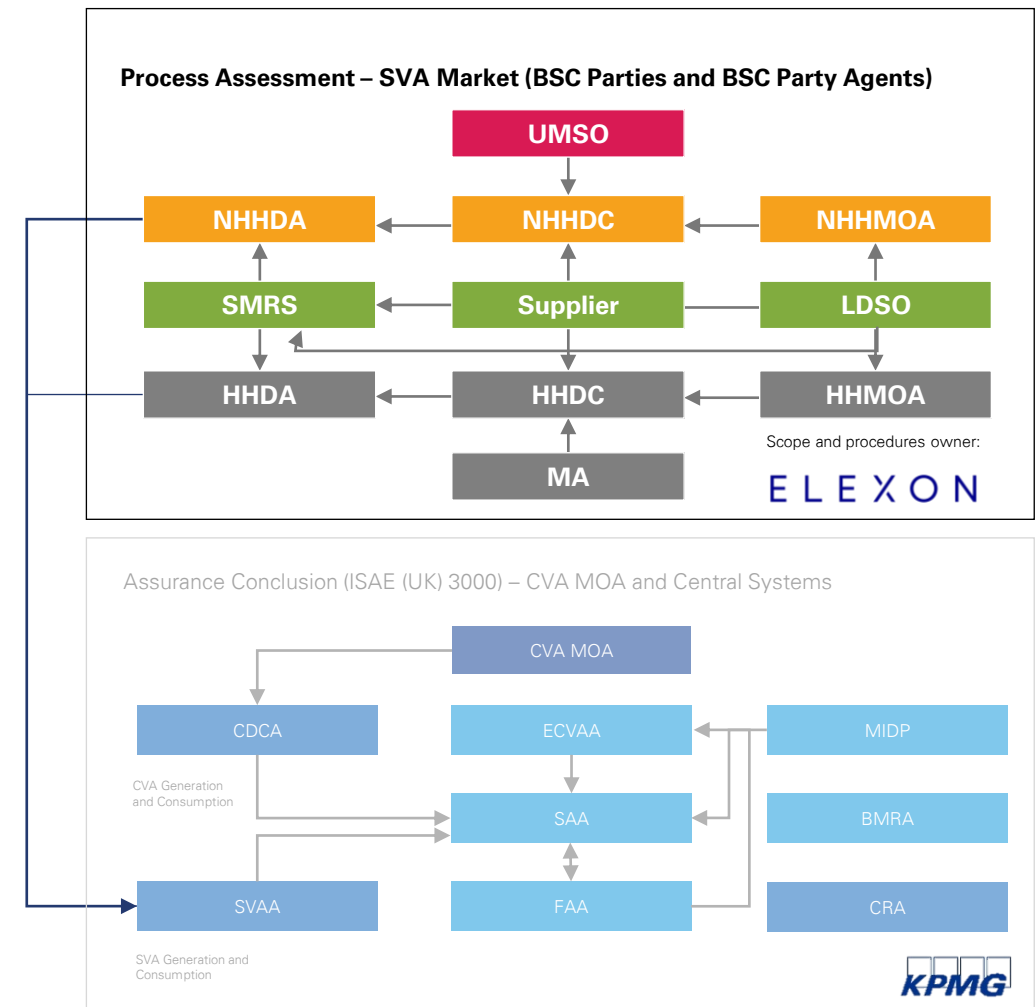
- Supplier and SVA Agents are within the scope of a Process Assessment engagement, forming part of Elexon's Performance Assurance Framework (PAF).
- Elexon are responsible for the scope of the detailed on site work as well as the owner of the conclusions reached on the assessment. Testing at market participants will be performed in a similar way to previous years. Elexon will issue a report summarising the key findings, which will be presented to The Performance Assurance Board (PAB) and The Panel.
- Independent ISAE (UK) 3000 Assurance Conclusion and reporting provided to the PAB and the BSC Panel in a Central Systems and CVA MOA BSC Audit Report.

## Key Activities Performed in SVA Market:

- No ISAE (UK) 3000 Assurance Conclusion provided, Elexon reports findings to the PAB and the BSC Panel;
- Elexon's owns scope of work and materiality;
- Option to perform additional testing as deemed required to cover emerging risks;
- Continued amendments and improvements to the Workpapers to align with the new Risks and focus on quality and accuracy of data within flows as well as timeliness.
- Increased risk based approach to scoping based on Elexon's Risk Evaluation Register and the six focus risks/ events;
- KPMG deliver the fieldwork and produce the content for the Elexon-owned Process Assessment Report delivered to the PAB and the BSC Panel, including overview of key findings and insights.

## Ongoing Activities Performed in Central Systems and CVA MOA Market (Separate Report):

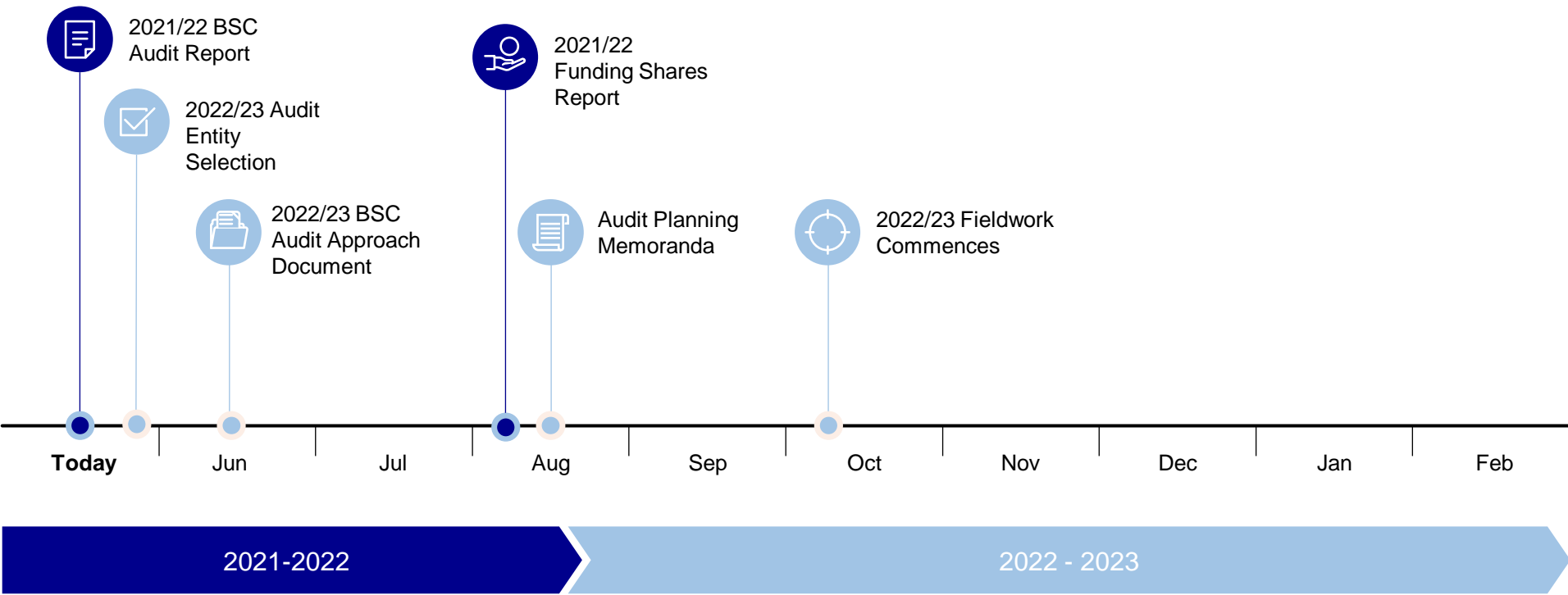
- Central Systems and Central Volume Allocation Meter Operator Agent (CVA MOA) are within the scope of an ISAE (UK) 3000 Assurance Conclusion.



# Appendix 4 – Timeline

## BSC audit approach 2021/22

- Audit fieldwork testing began in October 2021. Findings considered between 1 April 2021 and 31 March 2022. Any events outside that period are not considered within our Report.
- Findings of PAF techniques are used to support and enhance our Process Assessment work (e.g. Technical Assurance Agent).
- Audit findings (Settlement impacting Non-Compliance) are graded as High, Medium or Low. Process Improvement and non-Settlement impacting non-compliance findings are categorised as MLP.
- Entity Selection for the 2022/23 BSC Audit will be finalised in May 2022, Audit Planning Memorandums (APMs) will subsequently be sent out earlier than in previous years.



# Appendix 5 – Glossary of Terms

Acronyms used in this document have the following meanings (as defined in the Balancing and Settlement Code), unless otherwise stated.

Acronym	Definition	Acronym	Definition	Acronym	Definition
<b>Approach</b>	BSC Auditor's Audit Approach for the year ended 31 March 2022	<b>CVA MOA</b>	Central Volume Allocation Meter Operator Agent	<b>MTD</b>	Meter Technical Details
<b>Audit Year</b>	Year ended 31 March 2022	<b>DA</b>	Data Aggregator	<b>NHH</b>	Non-Half Hourly
<b>AA</b>	Annualised Advance	<b>DC</b>	Data Collector	<b>PAB</b>	Performance Assurance Board
<b>ADR</b>	Annual Demand Ratio	<b>DMA</b>	Deemed Meter Advance	<b>PAP</b>	Performance Assurance Party
<b>BM</b>	Balancing Mechanism	<b>DTN</b>	Data Transfer Network	<b>PAT</b>	Performance Assurance Techniques
<b>BMRA</b>	Balancing Mechanism Reporting Agent	<b>EAC</b>	Estimated Annual Consumption	<b>RER</b>	Elaxon's Risk Evaluation Register
<b>BMU</b>	Balancing Mechanism Unit	<b>ECVAA</b>	Energy Contract Volume Aggregation Agent	<b>SAA</b>	Settlement Administration Agent
<b>BSC</b>	Balancing & Settlement Code	<b>ELEXON</b>	Elaxon Limited	<b>SoLR</b>	Supplier of Last Resort
<b>BSCCo</b>	Balancing & Settlement Code Company	<b>FAA</b>	Funds Administration Agent	<b>SSM</b>	Statement of Significant Matters
<b>BSCP</b>	Balancing & Settlement Code Procedure	<b>HH</b>	Half Hourly	<b>SMRS</b>	Supplier Meter Registration Service
<b>CDCA</b>	Central Data Collection Agent	<b>LDSO</b>	Licensed Distribution System Operator	<b>SPM</b>	Supply Purchase Matrix
<b>Central Systems</b>	BSC Central Services	<b>LTV</b>	Long-Term Vacant	<b>SVA</b>	Supplier Volume Allocation
<b>CoA</b>	Change of Agent	<b>MLP</b>	Management Letter Point	<b>SVAA</b>	Supplier Volume Allocation Agent
<b>COP</b>	Code of Practice	<b>MOA</b>	Meter Operator Agent	<b>TAA</b>	Technical Assurance Agent
<b>CoMC</b>	Change of Measurement Class	<b>MPAN</b>	Metering Point Administration Number	<b>TDC</b>	Trading Disputes Committee
<b>CRA</b>	Central Registration Agent	<b>MPID</b>	Market Participant Identifier	<b>TWh</b>	TeraWatt Hour(s)
<b>CVA</b>	Central Volume Allocation	<b>MSID</b>	Metering System Identifier	<b>UMSO</b>	Unmetered Supplies Operator





ELEXON