



The EFR and EFR Escalation Process

This document covers:

- What EFR is and how it is applied;
- The timescales for producing and reviewing action plans; and
- How issues are escalated to the Performance Assurance Board (PAB) and the BSC Panel.

Your [Operational Support Manager \(OSM\)](#) is your first point of contact for EFR and they support you through the process. If you have a more general question about EFR, contact the **BSC Service Desk** on **0370 010 6950** or bscservicedesk@cgi.com

What is EFR?

EFR is a remedial [Performance Assurance Technique](#) used to assure ELEXON, the Performance Assurance Board (PAB) and the rest of the industry that Performance Assurance Parties (PAPs) understand performance issues and have robust plans in place to correct them in a timely manner. The process also includes monitoring to ensure that you are sticking to those plans. The EFR process is documented in [BSCP538: Error and Failure Resolution](#).

There are three levels PAPs can operate at within the EFR process:

1. ELEXON – plans being agreed and monitored by ELEXON. Regular reporting to the PAB by exception
2. PAB Escalation – plans being agreed and monitored by the PAB
3. Panel Escalation – plans being agreed and monitored by the BSC Panel

When issues are not resolved satisfactorily we use an escalation mechanism to focus attention. There are two escalation levels involving the PAB and the BSC Panel. The purpose of escalation is to give visibility of issues associated with under-performance to the PAB and/or the Panel, and to ensure that the issue is dealt with appropriately and in a timely manner to minimise any risk to Settlement and to BSC Parties.

Ultimately, for BSC Parties escalation can lead to being placed in Default which can result in the BSC Panel deciding to take actions which can include expulsion from the BSC or the removal of rights to register Metering Systems (please see [Section H.3.2](#) of the BSC for full details of the consequences of Default). For SVA Party Agents and CVA Meter Operator Agents escalation can ultimately lead to the Removal of Qualification which means that an agent can no longer operate within that role for the purposes of the BSC or be appointed as agent for Suppliers in order to operate these processes.

The guidance below is for PAPs that may have or have already had EFR applied. It sets out the steps within each level of the EFR process. The most desirable outcome is for PAPs to address any issues within the first level of the EFR process with the plan being agreed and monitored by ELEXON.

When is EFR applied?

ELEXON identifies when EFR is needed through information from other assurance techniques such as the [BSC Audit](#), [Technical Assurance](#), [Material Error Monitoring](#) and [Performance Monitoring and Reporting](#). Also, you or your [Operational Support Manager](#) (OSM) may identify a performance issue needing EFR. Within ELEXON, the EFR process is administered by your OSM.

How do we capture actions needed to resolve an issue?

When a performance issue needs monitoring through EFR, we will ask you to provide an action plan detailing the steps you will take to resolve it and the timescales for completion. The action plan must include milestones, i.e. points in the plan when your OSM can check your progress. As a general rule, milestones should not be more than three months apart and should include the date by which you intend the issue to be resolved, or, a date by which you will submit more milestones or new action plan. The milestones should either be distinct points within the plan (e.g. 'root cause analysis completed' or 'software fix implemented') or measurable and evidenced targets backed up by the actions that you will take to reach targets (e.g. 'the number of exception reports brought down to 1,000' or 'the percentage of energy Settled on Annualised Advances brought up to 97%').

The purpose of your action plan is:

- To inform your OSM of the cause of the issue, its impact and the corrective action you are taking;
- To assure your OSM that the issue is fully understood, that corrective action is appropriate and that the issue is under control; and
- To allow your OSM to monitor the resolution of the issue.

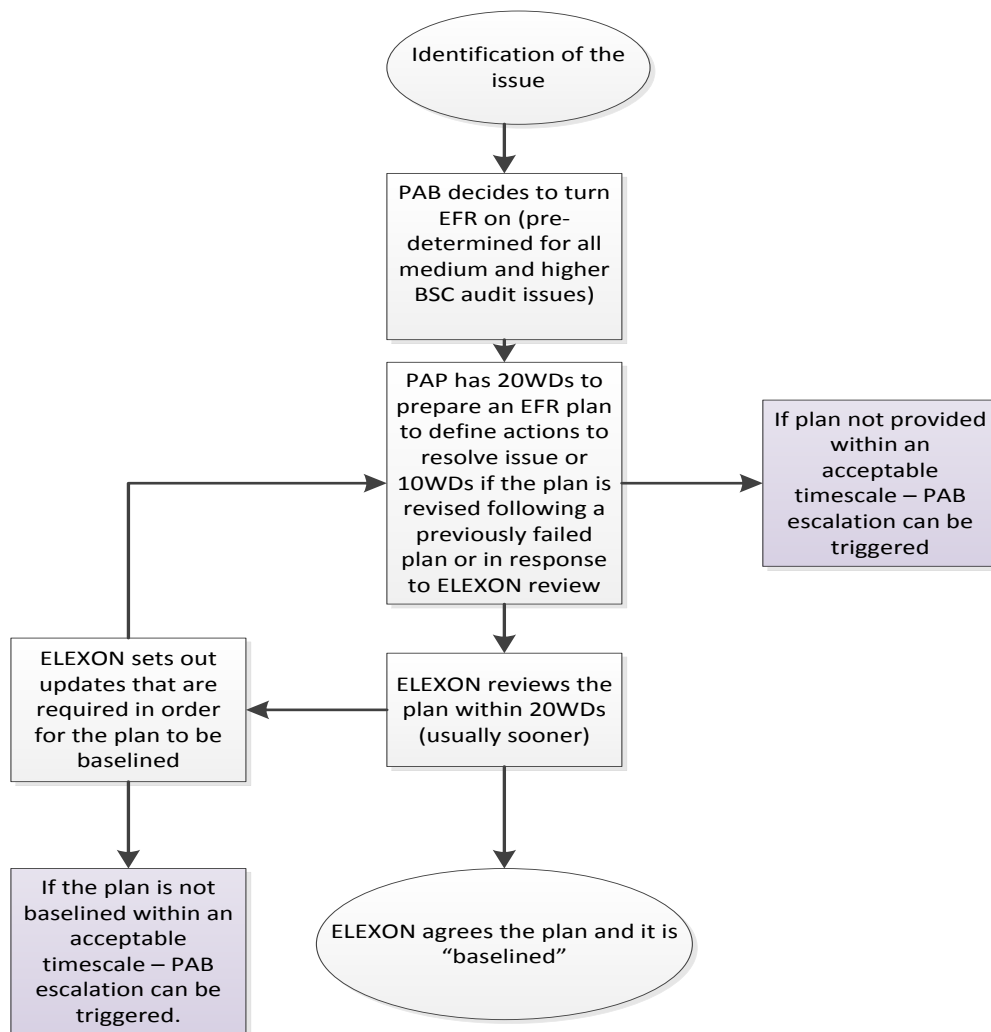
If you are unsure of how the issue impacts you, or what steps to take to attempt to resolve it, ask your OSM for advice and guidance.

What are the timescales for agreeing a plan?

An action plan needs to be provided to ELEXON by 20 Working Days after we request it. You can use the template in [BSCP538](#) (available on the [BSC Website](#)), or, where agreed with your OSM, using your own documents or verbally (followed up with an auditable trail of agreed actions).

Your OSM reviews your plan within 20 Working Days of receiving it, in accordance with [BSCP538](#) (although usually considerably quicker than this). The review process is to ensure that your proposed corrective action is appropriate, robust and timely. Your OSM may have review comments which you'll need to address then update the action plan within 10 Working Days. ELEXON will then review your plan again within 20 working days. This process is repeated until the action plan is satisfactory and 'baselined' by your OSM. However, ELEXON will expect you to work to address its comments as soon as possible. If there is a lack of co-operation ELEXON can escalate the issue to the PAB (please see the escalation triggers table).

Baselining an EFR plan



How does ELEXON monitor resolution of issues?

Your OSM monitors each milestone on your action plan. Once you reach the date of each milestone, you need to let your OSM know if you achieved it. If you didn't achieve it, you tell us why not and what you will do to get back on track. This information needs to be sent to your OSM within five Working Days of the milestone date. In addition, we'll check any other available monitoring information to confirm the milestone has been achieved (e.g. Performance Assurance Monitoring System (PARMS) data for SP08a when monitoring the percentage of energy settled on Annualised Advances). If you wish to change the action plan or are required to because you have not met a number of milestones, a new version should be created and sent to your OSM for review and agreement as above.

If milestones are missed and/or an updated plan is required, ELEXON will expect you to set out why the previous milestones have not been met and provide evidence that action has been taken so that the issue will not impact on the plan again in future. This is because the milestones within each plan are commitments to address an error and failure, therefore ELEXON and the PAB take it seriously when milestones are not met. If your milestones have been missed, you have re-baselined your plan or you haven't provided the updates required on your milestones this can indicate inadequate engagement or progress within the EFR technique and ELEXON can escalate the issue to the PAB (please see the escalation triggers table).

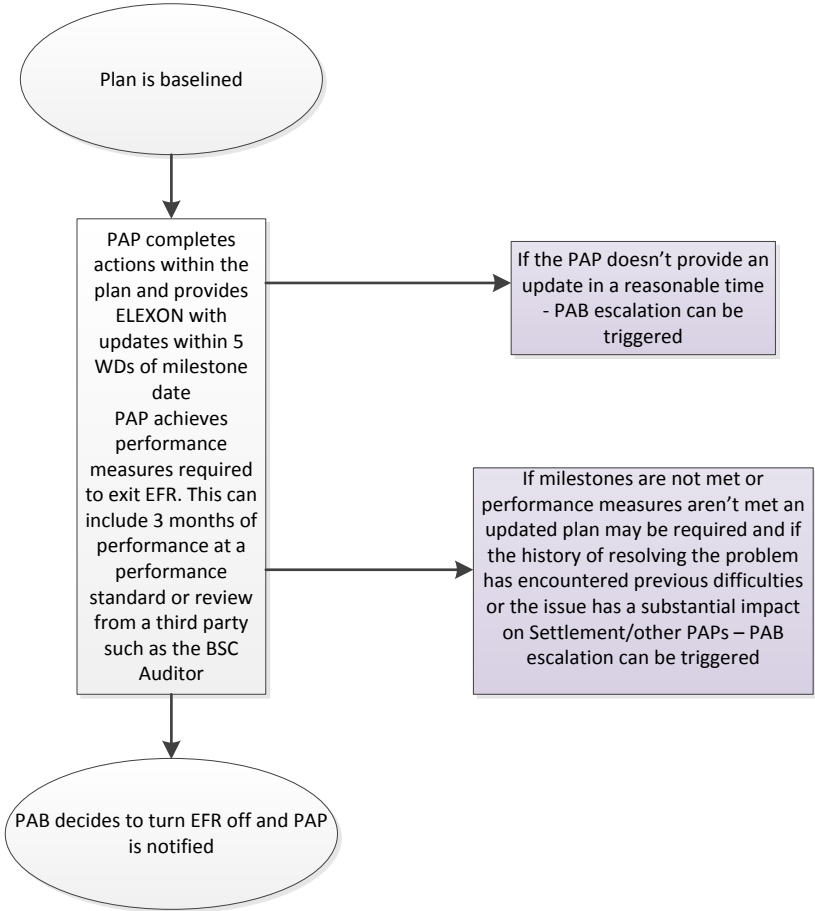
When all milestones are achieved, the problem is ready to be closed.

How do we close an issue and complete the EFR process?

When all actions on your plan are complete, we agree with you and the PAB that the EFR process can stop. If the issue was highlighted by another source (e.g. the BSC Auditor, Business Unit Settlement Risk monitoring or Technical Assurance Agent) we also check this source to ensure the issue has been addressed. The PAB formally agrees whether EFR can be switched off and if he board have any concerns, this will be relayed to you by your OSM.

If the agreed actions that you took did not resolve the issue, we request a new action plan and the process continues. However, as highlighted above, the requirement for a new action plan can lead to escalation to the PAB.

Monitoring and closing an EFR plan



The ideal outcome of an escalation is that your performance improves in the escalated area to ensure compliance with the BSC

What is PAB 'Escalation' and when is it triggered?

A failure in the EFR process can initiate EFR Escalation. The following circumstances initiate the EFR Escalation process:

Escalation Trigger	Examples
Inadequate engagement with the EFR process	<ul style="list-style-type: none"> An EFR plan has not been received and is still outstanding one month after the original deadline EFR plan is not baselined after 60 working days from the date EFR is turned on, despite guidance from ELEXON (this timescale is relatively long due to the length of time the BSCP allows for review but ELEXON can take actions more quickly, if necessary) Update on EFR milestones is not provided within 20 working days. (BSCP538 "Error and Failure Resolution" allows five working days)
Inadequate progress within the EFR technique	<ul style="list-style-type: none"> For non-audit plans, if you have been in EFR for two years and miss a milestone we can apply escalation, regardless of how close to the compliance levels you are, unless the milestone and your performance is above the compliance level. For SR0074¹ and SR0081² plans, missing a milestone by 1% or two consecutive milestones by 0.5% each. For other risks and issues, improvement milestones are missed by 50% of what was expected on two consecutive occasions. If you've had two unsuccessful EFR plans and miss a milestone in your third plan. For audit issues, the PAB may consider escalation if the issue has been in EFR for two audit cycles without resolution
The issue is causing widespread problems or a significant impact on Settlements (either based on the materiality of the issue or significant disruption caused to Parties and Party Agents) for the industry and you miss any milestone in its EFR plan	<ul style="list-style-type: none"> An issue highlighted by a significant number of other PAPs. Your performance is significantly impacting industry performance levels. The issue has a large materiality or has resulted in a significant Trading Dispute. You have a number of EFR issues which are not making successful progress.

¹ The risk that NHHDCs do not collect and/or enter valid Meter readings resulting in old/default data entering Settlement.

² The risk that HHDCs do not process valid HH readings resulting in estimated data being entered into Settlement.

The Escalation Process

What preparation is required prior to the PAB meeting?

If you are a PAP that has reached one of the escalation points, the PAB will decide whether to invite representatives (including a senior manager or director responsible for the issue) from your organisation to attend and present your position in relation to rectification of the issues at its next monthly meeting. The PAB will make this decision at a monthly meeting and representatives are then usually invited to attend the following month.

You should then prepare slides for the PAB meeting and an updated plan. Both are required to be with ELEXON at least 7 working days ahead of the PAB meeting you are attending so that they can be sent to the committee in advance of the meeting. However, if you would like feedback from ELEXON on your presentation you should send the documents at least 12 working days ahead of the PAB meeting.

Your OSM will inform you of the planned date and time of your meeting with the PAB so that you can make travel arrangements and will arrange a room for you to work in ahead of your presentation on the day. The PAB often has a busy agenda and therefore there may be delays to your timeslot on the day. It is best to allow additional time for any delays when booking your return journey.

If you would like guidance on producing the plan, please contact your OSM.

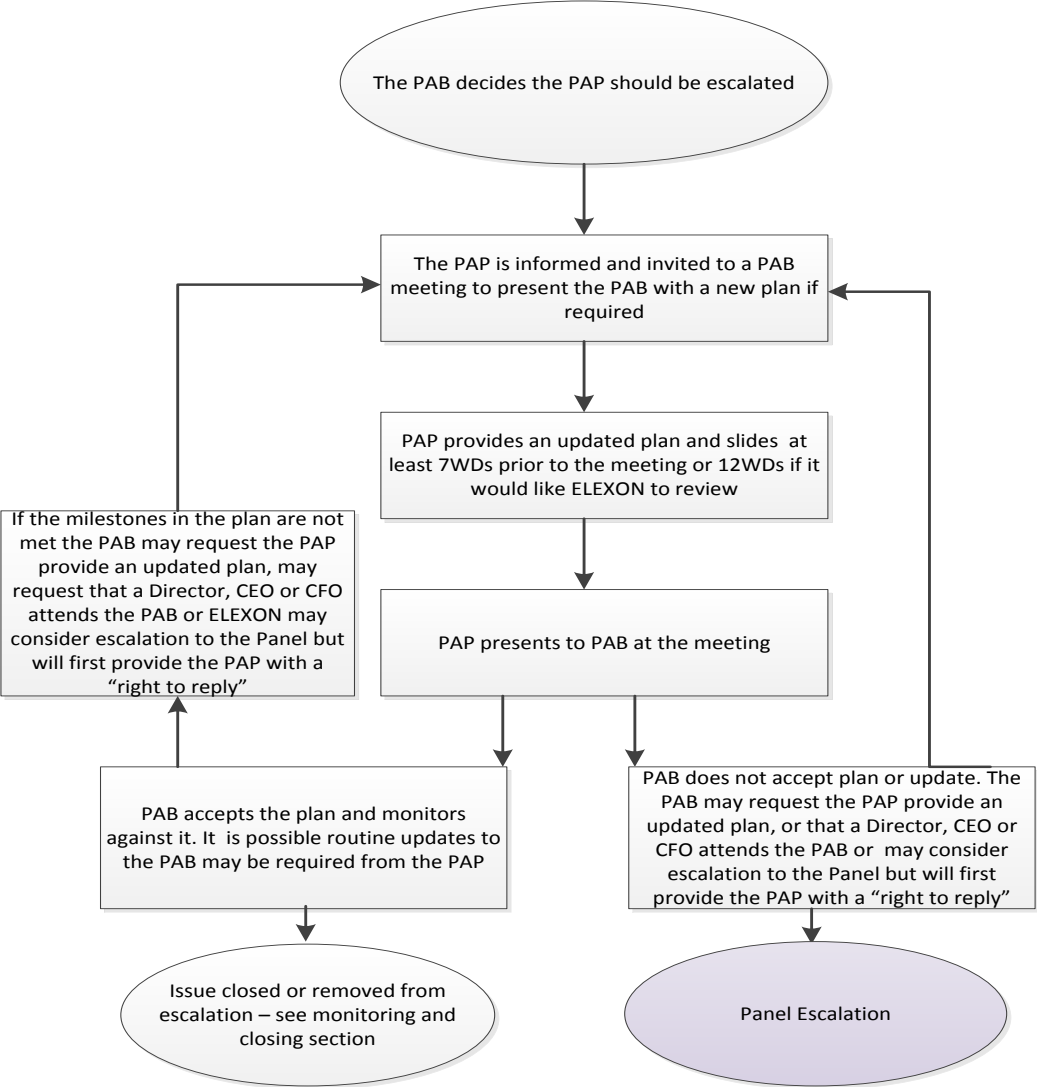
What is the format of the meeting?

At a PAB meeting you need to present the key points that you wish to bring to the PAB's attention. When you attend the meeting, the OSM makes a short presentation to set out the background to the EFR plan and the reason the issue is being escalated to the PAB. After your OSM's presentation you will be called into the meeting room to deliver your presentation slides. Following your presentation, and any questions from PAB members, you will be asked to leave the room while your presentation and any questions and answers provided are considered. The PAB may then provide informal feedback directly to you or through your OSM. The PAB will write formally to you with the outcome of its discussions within 5 Working Days of the meeting.

What happens after PAB escalation?

If escalated, you stay within the escalation process with the PAB, which means that the PAB will closely monitor your plan and agree further actions with you, until you are either escalated to the Panel or removed from escalation. If performance does not improve then you can be escalated to the Panel. If performance improves, then de-escalation from the PAB back into the first level of the EFR process can occur.

PAB Escalation Process



What is ' Panel Escalation' and when is it triggered?

The PAB will discuss your EFR plans and determine any actions required of you. If the PAB is dissatisfied with the plans, progress or co-operation of the Party, it can determine further action such as inviting more senior representatives of your company (e.g. Chief Executive Officers or Financial Officers) to present to the committee or, on a case by case basis, to escalate the issue to the Panel in accordance with [BSCP538](#).

Prior to doing this, the PAB will indicate to you in writing what is deficient about the plan, progress against the plan or set clear expectations and provide you with a reasonable timescale to address the concerns.

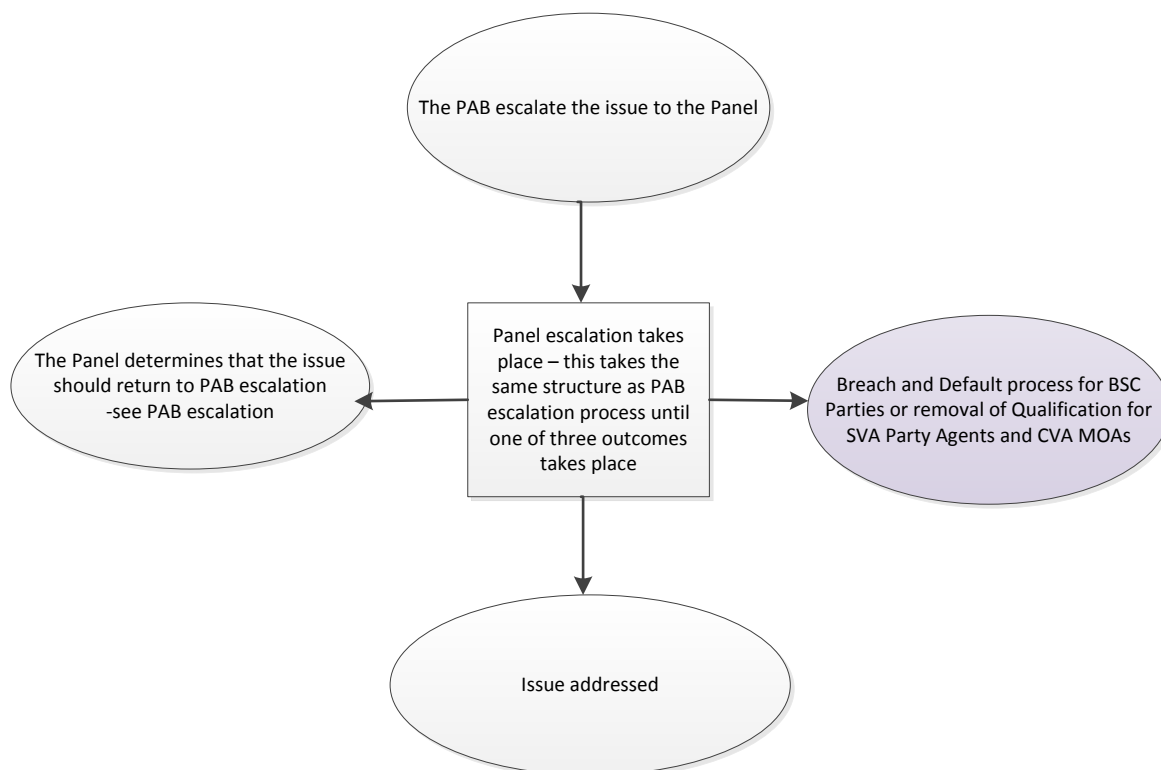
If a decision to escalate you to the Panel is made, the PAB will inform you and provide you with the opportunity to provide the PAB with any mitigating reasons why you have been unable to meet the PAB's expectations or provide any other reasons you do not believe the PAB should escalate the issue.

The PAB will then make a decision on whether to escalate the issue to the Panel, communicating this to you and the Panel in writing.

As with PAB escalation, you will then be required to prepare plans and a presentation to the Panel and to agree robust plans to clear the issue with the Panel. If insufficient progress is made at this stage, the Panel can choose to initiate the process (for BSC Parties only, please see [Section H3.2](#) of the BSC to understand the consequences of Default) or the Removal of Qualification process (for Supplier agents and CVA Meter Operator Agents, please refer to [BSCP537: SVA Qualification for SVA Parties, Party Agents and CVA MOAs](#)).

These processes can result in you being expelled from the BSC or your qualified person status being removed (which means that you, as the impacted PAP, will no longer be able to perform that agent role under the BSC arrangements).

Panel Escalation



Do you need more information?

- More information on the BSC Audit can be found under [Market Compliance/Audits](#)
- Further information regarding the [Error and Failure Resolution Process](#) (EFR) is also available on our website.
- Your **Operational Support Manager** (OSM) is your first point of contact and they will support you throughout the EFR process.
- To find out what your OSM can offer and who is the OSM for your organisation see the [BSC Signatories and Qualified Persons](#) page of our website.
- If you have any other queries about the process contact your [Operational Support Manager](#) (OSM) and they will be happy to help.

For any other information please contact the **BSC Service Desk** at bscservicedesk@cgi.com or call **0370 010 6950**

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