



Settlement Risk SR0025

Introduction

Who is this document for?

If you can answer “YES” to either of the following questions, then this document is for you:

1. Are you a **Half-Hourly (HH) Supplier**, or a **HH Meter Operator Agent (HHMOA)**?
2. Do you want to learn how to improve your **performance** against the **Settlement Risk SR0025** (HHMOA not providing Meter Technical Details to the correct HHDC) and minimise the **impact** this could have on your organisation as well as the whole electricity industry?

What’s the purpose of this document?

This document will help you to put measures in place to improve your SR0025 performance by understanding the most common reasons of failure.

What is Settlement Risk SR0025?

Settlement Risk **SR0025** is the risk that HHMOAs do not provide Meter Technical Details (MTDs) to the correct HHDCs, resulting in meter readings not being collected. This risk is one of the top most significant Settlement Risks as it has serious direct consequences on Settlement data.

We monitor Suppliers and HHMOA’s performance against SR0025 using Business Unit Settlement Risk Ratings (BUSRRs) which highlight potential risks to Settlement by allocating a RED or AMBER rating. PARMs Serial HM12 feeds directly into the BUSRR calculation for SR0025. HM12 monitors the volume of missing HH MTDs from HHMOAs to HHDCs. It also monitors how long the HH MTDs have been missing for.

The process that we use for calculating the SR0025 BUSRR (and the calculation for the other BUSRRs we produce) can be found in the [BUSRR Guidance](#). We recommend that you read the introductory section of the BUSRR guidance and in particular the section on SR0025 before reading the rest of this guidance document.



What is PARMs?

The Performance Assurance Reporting and Monitoring System (PARMS) is a database that contains information on how Suppliers and their agents are performing. It is a detective technique in ELEXON’s Performance Assurance Framework. It complements other techniques through providing quantitative data designed to identify performance at certain points in the Settlement processes. See the [PARMS webpage](#) for more details.

1. What is the impact of poor performance against SR0025?

As an industry, we are concerned that the risk to Settlement is substantial if the HHDC does not receive MTDs from the HHMOA:

If the HHDC does not have HH MTDs for a HH site then it will be unable to retrieve Meter reads for that site. The longer the HH MTDs are missing for, the longer the HHDC will be unable to retrieve Meter reads. Meter Readings are crucial to ensure that the data used in the Settlement calculations are based on the actual volumes of energy produced by Generators or used by Registrants, Supplier Agents and Customers.

- If you are a Supplier, a RED or AMBER BUSRR against this risk could indicate that you are not billing or being billed accurately for a number of sites. Regular poor performance will lead to a RED BUSRR being received against this risk, but it can also impact ability to meet other key requirements in the Balancing and Settlement Code (BSC). For example, obtaining 99% of energy on Actuals by the Initial Settlement Run (SF).

If you are a HHMOA, a RED or AMBER BUSRR against this risk indicates that you are not complying with the BSC and its subsidiary documents. This will also mean that you are preventing your associated Suppliers from doing the same. Consequently, you should monitor your performance, investigate and act on any RED or AMBER BUSRRs your organisation obtains.



What is the PAB?

The Performance Assurance Board is a BSC Panel sub-committee made up of industry experts responsible for providing assurance that all participants in the BSC arrangements are suitably qualified and that the relevant BSC standards are maintained.

2. How ELEXON monitors Party performance against SR0025

On a monthly basis, a report is given to the PAB on the performance and industry risk of Suppliers and HHMOAs against SR0025. Suppliers and HHMOAs are given a Performance BUSRR **RED**, **AMBER** or **GREEN** BUSRR based on criteria agreed by the PAB.

The Performance BUSRR is then adjusted to take into account the organisation's share of the market (in the case of Suppliers only) and, if the Supplier has less than 2% of the market share they will receive a negative adjustment, taking them more towards green, as a reflection that they are a lower risk to the industry.

The PAB will receive the adjusted Risk BUSRR alongside the un-adjusted Performance BUSRR. **The Supplier only receives the un-adjusted Performance BUSRR.**

There are no size adjustments for MOAs at all in this case because ELEXON does not have the information available to determine the relative size of a HHMOA's business. MOAs are not given a RISK BUSRR for PAB.

3. How to monitor and improve your SR0025 performance:

Step 1

Your OSM will send you a copy of your **Supplier (or Agent in the case of HHMOAs) Dashboard** reports each month. The dashboard will highlight your BUSRRs against SR0025 (and the other risks we monitor).

Please note that, due to the time it takes for us to obtain and process PARMS data, your dashboard for SR0025 will relate to your position two months earlier (so your March dashboard will relate to activities in January).

The dashboards contain the performance BUSRR and are not adjusted for size as the Risk BUSRRs that are reported to the PAB are. This is so that you have a clear picture of your Settlement performance and the opportunity to address any problems as soon as possible.

Step 2

If your Dashboard shows that you have one or several AMBER or RED BUSRR(s), you, as Supplier or Supplier Agent need to look at the relevant **PARMS Consolidation report**.

These reports are sent to MOAs and Suppliers 26 Working Days after the end of the month to which they relate. The report only tells of the number of MTDs reported missing for each reporting HHDC.

Parties need to sign up to be able to receive this report. The authorisation form can be found in [BSCP533](#) and needs to be returned to the [BSC Service Desk](#).

See below for an example of what can be done to monitor better your performance using the PARMS Consolidation report. By associating individual BUSRRs to each of the reporting agents, it is easier to keep track of each of your reporting Agent's performance on a regular basis. It makes it therefore easier to address issues and improve your overall performance as well.

FROM WHOM	MARKET SECTOR	PERIOD	UNIQUE REGISTRATIONS IN_PERIOD	D0268S_NOT_RECEIVED	D0268S_MISSING_BEFORE_R1	D0268S_MISSING_BEFORE_R2	D0268S_MISSING_BEFORE_R3	D0268S_MISSING_BEFORE_RF	D0268S_MISSING_AFTER_RF	% D0268 Missing R1 to RF	% D0268 Missing R2 to RF	Associated BUSRR	Reason for missing MTDs
Agent 1	H/N	31/01/2015	6	0	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 2	H/N	31/01/2015	265	0	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 3	H/N	31/01/2015	58	0	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 4	H/N	31/01/2015	502	1	0	0	1	0	0	19.92%	100.00%	AMBER	
Agent 5	H/N	31/01/2015	870	16	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 6	H/N	31/01/2015	1012	6	0	2	1	0	1	39.53%	100.00%	AMBER	
Agent 7	H/N	31/01/2015	398	1	0	0	0	1	0	25.13%	100.00%	AMBER	
Agent 8	H/N	31/01/2015	800	19	0	3	0	2	9	175.00%	100.00%	RED	
Overall		31/01/2015	3911	43	0	5	2	3	10	51.14%	58.82%	RED	
Agent 1	H/N	28/02/2015	5	0	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 2	H/N	28/02/2015	271	0	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 3	H/N	28/02/2015	60	0	0	0	0	0	0	0.00%	0.00%	GREEN	
Agent 4	H/N	28/02/2015	596	1	0	0	1	0	0	16.78%	100.00%	AMBER	
Agent 5	H/N	28/02/2015	1157	9	2	0	0	0	0	17.29%	0.00%	GREEN	
Agent 6	H/N	28/02/2015	1102	6	0	0	2	1	3	54.45%	100.00%	RED	
Agent 7	H/N	28/02/2015	478	1	0	0	0	0	1	20.92%	100.00%	AMBER	
Agent 8	H/N	28/02/2015	712	5	0	2	1	2	0	70.22%	100.00%	RED	
Overall		28/02/2015	4381	22	2	2	4	3	4	34.24%	59.09%	AMBER	

Figure 1: Example of a PARMS Consolidation Report with individual BUSRRs added to each reporting Agents

Step 3

Suppliers and MOAs need to contact the relevant DCs to identify the relevant MSIDs (where the appointed HHDC is expecting MTDs but has not received them). If you are struggling to make appropriate contact with a DC, ELEXON can help to provide contact details and raise any non-co-operation issue with the relevant DC.

Step 4

Suppliers and MOAs should then investigate the reasons why the MTDs are missing and put actions in place to obtain, prepare and send MTDs on to the HHDC via the **D0268 dataflow**¹.

Suppliers should do this by contacting the relevant MOAs who will then investigate and manage the instances of missing MTDs accordingly.

Step 5

Any mitigating actions that you take will have to be reported to your assigned OSM, so they can include it in the Dashboard comments for the PAB to see.

This report can be sent as a spread sheet listing all the issues you are experiencing and what you are doing to address each one of them.

Step 6

In order to improve your performance on the long term, you will need to look for the **root causes** of the issue, identify why MTDs were sent to the incorrect DC in the first place and put process improvements in place to prevent the instances from happening in the future.

A number of different measures may need to be put in place to address the root causes found. You will need to keep track of the common causes that lead to MTDs being sent to the incorrect DC. Figure 1 gives an example of the way it can be done by keeping comments against each Agent row to monitor improvements and fix issues.

Section 4 below details some common causes for missing MTDs and proposes some recommendations to avoid process breakdown.

¹ Half Hourly Meter Technical Details (HH MTDs)

4. Common causes of poor performance and recommendations

One of the main causes is multiple changes of Agent and/or Supplier for single MSIDs.

100% of MTDs should be received by HHDCs by +5WDs of the agent's Effective From Date (EFD) following a Change of Agent (See [BSCP514](#)²). MTDs are considered to be 'Missing' when a D0155 (Notification of new Meter Operator or Data Collector Appointment and Terms) has been received, but an associated D0268 has not been received within the required timescales.

When an MSID has undergone frequent change of Agent or Supplier (either through erroneous appointments or as part of the valid appointment process), it is possible that the current MOA will not have had time to receive the MTDs from the previous MOA prior to its appointment. This leads to a breakdown in the transfer of the MTDs between MOAs. In these instances, more than one MOA, DC or Supplier may be affected.

This, along with other process weakness, is thoroughly explained in the technical assurance of Performance Assurance Parties (PAPs) report on the Supplier/ Supplier Agent appointment process. See the report: [Technical Assurance Report: Supplier Appointments and Associated notifications](#). This report also highlights the need for an effective exception process to manage appointment rejections and vague Supplier Agent details data flows:

"Whilst there is a prescribed feedback loop for Supplier Agents to reject Supplier Appointments, often the rejection reason is vague. This creates delays and can impact Settlement", the report mentions.

In 2018, ELEXON performed another technical assurance of PAPs check on the management and maintenance of MTDs. Again, some key root causes were identified. See the [Technical Assurance Check: Meter Technical Details Outcome Report](#), briefly the report refers to:

MTDs are issued outside the required timescales (considered missing) set out in [BSCP514](#) due to several causes:

- Exception management issues on the Supplier Agent appointment process resulting in MTDs being unsent or sent to the incorrect DC.

For example, only few MOAs have reporting processes in place that will highlight MTDs where they are approaching the deadlines. Or, in some cases, the MTDs requiring issue are outside the BSCP requirements because they require action by a third party.

Proactive exception reporting will support fixing these problems prior to the MTDs becoming non-compliant.

- Delivery and accuracy of notification of change to Supplier Agents from Supplier resulting in MTDs being unsent or sent to the incorrect DC.

For example, when there is a lack of reporting (or no reporting at all) related to management of D0148 against the supplier, the non-compliances can end up being reported against the MOA when MTDs have failed to be sent.

To prevent those kind of situations and improve the delivery and accuracy of notifications, adequate reporting is necessary and often sufficient.

- Problems in the delivery of data from other third parties – MOA and LDSO – resulting in MTDs being unsent or sent to the incorrect DC or poor quality MTDs.

For example, it was observed that after a Supplier had sent the instruction for a New Connection to the MOA, in a number of instances there was a lack of corresponding D0170

² BSCP514 – SVA Meter Operations for Metering Systems Registered in SMRS

requests for the MTDs made by MOAs. Similarly, MOAs stated that they also had issues where site technical details were requested from LDSOs but the D0215 that carries the Site Technical Details either does not arrive or has key data items missing (e.g. CT Ratios).

The best way to prevent such situation remains reporting such exceptions.

Need more information?

[Free training sessions](#)³ are available on demand at ELEXON to learn more about the topic.

Please also refer to [BSCP533](#) and the [PARMS Guidance](#) on the ELEXON website.

If you have any further questions, please speak to your [Operational Support Manager](#),

or contact Settlement Operations at paa@elexon.co.uk

Please note that all our [Guidance Notes](#) can be found on our [website](#)

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

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³ This course is free of charge to BSC Parties and BSC Party Agents. ELEXON may charge other organisations for training services.