

SECTION Z: PERFORMANCE ASSURANCE

Simple Guide

Public

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Introduction

[Section Z](#) of the BSC covers:

- a) the establishment of the Performance Assurance Board (the PAB) - its powers and functions, the duties and responsibilities of its members, and its proceedings;
 - b) performance assurance procedures;
 - c) Risk Management Determination (RMD) Queries and Appeals; and
 - d) the administration and implementation of Performance Assurance Techniques (PATs).
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The Performance Assurance Board

The Performance Assurance Board (PAB) was established by the BSC Panel. It conducts and administers activities to provide assurance that all participants in the BSC arrangements are suitably qualified and that the relevant standards are maintained.

The PAB can delegate any of its day-to-day administration functions to the Performance Assurance Administrator (PAA) and Elexon will act as the PAA.

The PAB:

- a) establishes and maintains the Risk Evaluation Methodology (REM), the Risk Evaluation Register (RER), the Risk Operating Plan (ROP) and the RMDs;
 - b) administers PATs;
 - c) determines RMD Queries and Appeals;
 - d) prepares the Annual Performance Assurance Report (APAR);
 - e) recommends modifications/changes to the BSC or Code Subsidiary Documents (CSDs) to the Panel; and
 - f) delivers any other responsibilities the BSC Panel delegates to it from time to time.
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Proceedings of the Performance Assurance Board

The PAB meetings are held in open-session where no confidential information is discussed. Where the PAB meet to consider confidential information or the performance of a particular Performance Assurance Party, the session is a closed, confidential session.

The PAB and the PAA have responsibilities in relation to the modification of proceedings relating to Qualification, re-Qualification or removal of Qualification of any party. These responsibilities include giving notice to meeting attendees of additional matters to be considered at these meetings and providing the relevant minutes. The PAA has the right to attend such meetings but does not have a voting right.

PAB members cannot participate in the consideration of matters that relate to their employer and cannot disclose any confidential information to their employer.

The total aggregated liability of the PAB and PAA cannot exceed £1,000,000 per claim.

Performance Assurance Procedures

The Performance Assurance Techniques (PATs) are defined in a list established by the BSC Panel and published on the [BSC Website](#).

The 'Annual Performance Assurance Timetable' is established by the Panel and published on the [BSC Website](#).

The Risk Evaluation Methodology (REM) is established and maintained by the PAB for identifying and evaluating Settlement Risks and assessing their materiality in relation to Performance Assurance Parties (PAPs). The PAB updates the REM annually after consultation with the PAPs, and publishes it on the [BSC Website](#).

The Risk Evaluation Register (RER) sets out the Settlement Risks and their significance and is prepared and maintained by the PAB using the REM. It identifies and evaluates Settlement Risks generically, rather than by reference to particular PAPs. The PAB updates the RER annually and may on an ad-hoc basis propose a within-period revision where a further Settlement Risk is identified or a change in definition or evaluation of an existing Settlement Risk is identified. Following consultation with the PAPs, the RER is published on the BSC Website.

The Risk Operating Plan (ROP) sets out the Settlement Risks (identified in the RER) and the PATs which the PAB have applied to each one. The PAB updates the ROP annually or on an ad-hoc basis as it considers appropriate. Following consultation with the PAPs it is published on the [BSC Website](#).

The RMD for each PAP is prepared and monitored by the PAB. The PAB determines, in relation to each PAP, which Settlement Risks in the RER are material and which PATs should be applied from the ROP. The PAB notifies the PAPs of the Settlement Risks and PATs that will apply to them. The PAB updates and reviews RMDs on an ad-hoc basis in consultation with the PAP.

Definitions

A Settlement Risk is a risk of any failure or error in a step or process required for the purpose of effecting Settlement.

A Performance Assurance Party (PAP) is a Supplier, a Virtual Lead Party, Meter Operator Agent, Data Collector, Data Aggregator, Meter Administrator, Licensed Distribution System Operator and/or a Registrant.

RMD Queries and Appeals

A PAP may submit an RMD query to the PAB within 10 Working Days of receiving notice of a PAB decision relating to it. The query should specify what changes are required to the RMD and should include any supporting evidence and information. The PAP may be invited to send a representative along to attend the appropriate Query Meeting.

After due consideration the PAB will send the PAP a Query Response with its decision, which is final and binding unless an RMD appeal is subsequently submitted.

If the PAP disagrees with the PAB's determination in relation to a query it may submit an RMD appeal to the BSC Panel within 10 Working Days. An appeal should be accompanied by all supporting evidence and information. The PAP may be invited to send a representative along to attend the appropriate Appeal Meeting.

After due consideration the BSC Panel will send the PAP a written response with its decision, which is final and binding.

Performance Assurance Techniques

The PAB applies and implements PATs according to the ROP and each RMD. In accordance with these, the PAB carries out the following functions, duties and responsibilities:

- Qualification, re-Qualification or removal of Qualification in accordance with [Section J](#) and BSCP537.
- Determination of Performance Levels and the associated charges payable as a result of failure by a Supplier to meet the applicable Performance Level in accordance with [Section S: Annex S-1](#) and BSCP536.
- Administration of performance assurance standards and tests in accordance with BSCP533.
- Administration of the error and failure resolution and escalation procedure in accordance with BSCP538.

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- Monitoring and technical assurance functions in accordance with [Section L](#), BSCP27 and BSCP535.
- Functions, duties and responsibilities in relation to the BSC Audit assigned by the BSC Panel.

Annual Performance Assurance Report

The PAB prepares and publishes the Annual Performance Assurance Report (APAR) which sets out the results of the risk evaluation and risk assurance procedures. In particular it covers:

- the extent to which the application of PATs mitigated the Settlement Risks in the RER for the previous Performance Assurance Operating Period (PAOP);
- the actual costs to Elexon of implementing the PATs;
- recommendations to modify or create new PATs; and
- the benefits of any modifications to PATs including cost-saving benefits. The APAR is published on the [BSC Website](#).

Recommendations

The PAB can recommend modifications or changes to the BSC or any CSD to the Panel to:

- correct an error, ambiguity, inconsistency or deficiency which emerges as a result of the exercise of the PAB's functions; or
- modify or create a new PAT.

In these instances, the BSC Panel decides whether to propose a modification to the BSC and/or a CSD in accordance with [Section F](#).

Need more information?

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

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