

ATTACHMENT A – TDC’S VIEW ON PROPOSALS FOLLOWING DA686 LESSONS LEARNED

1. What does this attachment encompass?

- 1.1 At the 4 June 2015 Trading Disputes Committee (TDC) meeting ([TDC201](#)), ELEXON presented the outcome of the lessons learned activity for Trading Dispute DA686. The TDC considered three proposals to provide additional assurance in preventing a reoccurrence of the circumstances that gave rise to DA686. This attachment provides details of the TDC’s view on these proposals, of which it wished all three to be progressed.

2. What is the TDC’s view on the proposals?

- 2.1 The TDC determined that due to the existing and potential impacts to Settlement accuracy it was appropriate to progress all three proposals. The TDC’s rationale behind its determination for each proposal is as follows.

Proposal A. Automating elements of the Post-Final Settlement Run process

- 2.2 The TDC shared the concerns raised by ELEXON and the BSC Auditor surrounding the current manual process. The TDC noted the potential risk of human error in a key Settlement process. The TDC endorsed the proposal to automate elements of this process.

Proposal B. Automating validation of volume outputs during Settlement Runs

- 2.3 ELEXON noted that the cost benefit analysis on this proposal suggested that it would take in excess of 20 years to achieve a saving. For this reason, ELEXON did not recommend progression of this proposal.
- 2.4 The TDC noted that one material Settlement Error would justify the cost of the required system changes. The TDC noted that Trading Dispute DA686 was an example of a material Settlement Error that automated validation would have identified. Due to this, the TDC considered the solution in regards potential risk rather than cost benefit. As ELEXON and BSC Parties currently perform these checks on a manual basis, the TDC agreed the activity was worthwhile. The TDC noted that a formal BSC automated process would be preferential to the manual process.
- 2.5 Due to the above, the TDC endorsed progression of this proposal.

Extending the Dispute Deadline for Settlement Errors at the Post-Final Settlement Run

- 2.6 The TDC considered an extension to the one month Dispute Deadline for Settlement Errors at the Post-Final Settlement Run.
- 2.7 The TDC did not wish to extend this Dispute Deadline in all circumstances, as it would increase the timescales under which the reconciliation of Trading Charges occurs. The TDC noted that the current BSC obligations surrounding exceptional circumstances (i.e. extending the Dispute Deadline) are not compatible with Settlement Errors at Post-Final Settlement Runs. Due to this, the TDC agreed that this proposal should be progressed to allow the TDC (or as the case may be the Panel) the discretion to extend the Dispute Deadline where it determines exceptional circumstances exist.