# Final CP Report

# CP1490 'Changes to BSCP27 and Technical Assurance Agent Service Descriptions to remove constraints to service improvement'

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## About This Document

This document is the CP1490 Final CP Report which ELEXON has published following the final decisions from the Imbalance Settlement Group (ISG) on 22 August 2017 and the Supplier Volume Allocation Group (SVG) on 5 September 2017 to approve CP1490.

There are five parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and approved implementation approach. It also summarises the ISG and SVG views on the approved changes and the views of respondents to the CP Consultation, along with the final decision on whether to approve this change.

- Attachments A-C contain the approved redlined changes to deliver the CP1490 solution.

- Attachment D contains the full responses received to the CP Consultation.

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# 1   Why Change?

## Background

ELEXON conducts Technical Assurance of Half Hourly (HH) Metering Systems to monitor Registrants' and Party Agents' compliance with their obligations, as defined in the Balancing and Settlement Code (BSC)[1] and Code Subsidiary Documents (CSDs)[2]. Technical Assurance is carried out by the Technical Assurance Agent (TAA), as a BSC Agent contracted by ELEXON, on both Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA) Metering Systems. The TAA ensures that the Active Energy Imported and/or Active Energy Exported through Boundary Points and System Connection Points is complete and accurate for the Metering Systems audited.

The process of TAA inspections is detailed in BSC Procedure (BSCP) 27 'Technical assurance of Half Hourly Metering Systems for Settlement Purposes'. There are separate Service Descriptions (SDs) for both CVA (Service Description for CVA Technical Assurance (CVA TAA SD)) and SVA (Service Description for SVA Technical Assurance (SVA TAA SD)) that lay out the principles required of the TAA at a high level. The contract between ELEXON and the TAA, based on the SDs, gives the detailed requirements of the service that is expected to be provided by the TAA.

Both SDs require the TAA to provide an online management tool that allows for all Performance Assurance Parties, the TAA and ELEXON to access and amend information. The software system used for the reporting of technical monitoring is the Technical Assurance Agent Management Tool (TAAMT).

The TAA will conduct a mixture of targeted, specific sampling (SVA only) and random sampling inspections of Metering Systems. On completion of inspections, the TAA will upload its findings and associated evidence via the online management tool and determine the compliance of each Metering System with the BSC and CSDs.

Technical Assurance is also used to assess the overall health of the HH Metering System population. The TAA reports on the overall health of these Metering Systems in the TAA Annual Report.

## What is the issue?

The SDs specify the types of technology to be used ('an online management tool') for reporting and evidence capturing following a Meter inspection visit. This tool shall provide reporting and allow for the provision of evidence and information as required of an Inspection Visit. ELEXON believe that these requirements are not necessary for describing the processes for Meter inspections, assurance or to articulate the reporting obligations when making a determination whether a Metering System is compliant.

Specifying a type of technology to use, or means of reporting inspection visit findings, restricts the TAA in its ability to deliver the service in new or improved ways. The SDs also require that the TAA provides the Information Technology (IT) solution as well as conducting inspection visits. In reality, these two functions could be carried out by two separate companies, each with expertise in their own fields.

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[1] BSC Section L 'Metering'.

[2] 18 BSCPs as listed in paragraph 1.6 of BSCP27; Code of Practice (CoP) 1-5.

## 2 Solution

### Proposed solution

CP1490 proposed amending both SDs so that the TAA is not specifically required to provide an online management tool for accessing and amending information. Instead, the TAA should simply be required to provide management information in the manner that is agreed in the arrangements between the TAA and ELEXON, including, but not limited to, the contract for the TAA[3]. Therefore, each time that 'the online management tool' is written in the SDs, it should be replaced with 'the software system'.

In addition,  BSCP27 will be amended so that it makes reference to the software system 'used' by the TAA instead of 'provided' by the TAA. This change would mean that the role of Metering System Technical Assurance Agent can be undertaken by a separate company to the provider of the reporting system if that is the most efficient way to award contracts. However, it does still allow the role of TAA and reporting system provider to be undertaken by one company should that be the most efficient way to award contracts.

### Proposer's rationale

Companies with metering assurance skills and IT hosting and development skills are limited; instead, it is more common to find a company that can provide one of the skills in depth.

Given the limited field of companies capable of providing both services we believe that the proposed change to BSCP27, allowing for the separation of assurance and IT service provision, will give ELEXON:

- Options in terms of choosing suitable service providers at more competitive prices; and;

- Options to award two contracts.

The fundamental TAA role of conducting Metering System inspections will not be affected by this change.

Implementation of CP1490 will not cause a need for a new reporting system and CP1490 will not cause the TAAMT to be changed. Similarly, the TAAMT user interface will not be affected as a result of CP1490. This change will allow ELEXON the ability, should it wish, to contract a new IT service provider to provide the reporting tool. This, however, will only be done if it is felt it is necessary having taken account of the impact on stakeholders.

There is a precedent for separating the role of a BSC Agent and an associated software system provider. The SD for Profile Administration (where ELEXON has a separate contract for the Enhanced Profile Administration System (EPAS) reporting system), does not specify the IT tool as an essential part of the Profile Administrator's BSC Agent role.

We believe that these changes will allow for alternative systems and technology to be used by the TAA and enable all other service delivery options for the IT system to be considered, rather than via a specific online management tool. The change will still allow ELEXON to meet all BSC obligations relating to technical assurance. Technology solutions constantly evolve and in future there may be better ways of delivering the various reporting requirements other than via an 'online management tool'.

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[3] An example of arrangements not included in the contract would be the IT security protocols.

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The driver for raising CP1490 was that ELEXON was originally intending to retender for the TAA contract in the second half of 2017. Since issuing the consultation, ELEXON has made the decision not to retender for the TAA contract this year but extend the current contract for at least one more year, which the existing contract arrangements with the incumbent provider permit. This approach has been approved by the Panel. This decision has been taken in order to prioritise work in other areas of Technical Assurance that have come to light since issuing the consultation.

Although we are not re-tendering this year, approving the proposed changes will still enable the benefits described in this report when we do re-tender as well as allowing increased options within the existing contract framework.

## Proposed redlining

Attachments A-C set out the approved redlined changes to deliver the CP1490 solution. As the SDs are Category 2 Configurable Items they were not required to be drafted and consulted on until after approval of the CP. However, they were included here for completeness.

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# 3   Impacts and Costs

## Central impacts and costs

### Central impacts

CP1490 will require changes to BSCP27, CVA TAA SD and SVA TAA SD. No system changes are required and there will be no impact on BSC Agents. The TAA may choose to suggest an alternate reporting tool prior to their contract expiry if they wish but that would be subject to commercial arrangements between ELEXON and the TAA and outside the scope of this CP.

| Central Impacts | |
| --- | --- |
| Document Impacts | System Impacts |
| • BSCP27 <br> • CVA TAA SD <br> • SVA TAA SD | • None |

As and when ELEXON retenders the TAA contract, even if the existing TAA is reappointed, there will be no obligation to change the current system. This change will, however, give the TAA flexibility to provide an alternative service if it wishes to and ELEXON agrees.

### Central costs

The central implementation costs for CP1490 will be £240 (one ELEXON day of effort) to implement the relevant document changes.

## BSC Party & Party Agent impacts and costs

CP1490 will not have any impacts on BSC Parties or Party Agents. One respondent commented that they may be impacted and have associated costs were the reporting tool (TAAMT at this time) changed in relation to TAA activity. They also expressed concern that a change in contract may lead to confusion if the new company has different ways of working and as a result further training from all parties that use the reporting tool may be required.

We can confirm that we are not proposing to make any changes to systems or to award new contracts as a result of implementing CP1490. CP1490 will give ELEXON a wider range of options if and when new service provider contracts are awarded or the reporting tool is updated. If changes are made that are likely to impact BSC Parties or other ELEXON customers, they will be taken into account when determining whether or not to make changes to existing provisions, but not as a consequence of CP1490.

# 4 Implementation Approach

## Approved Implementation Date

CP1490 was approved for implementation on **22 February 2018** as part of the February 2018 Release.

The February 2018 Release is the next available Release that can include this CP. All of the respondents to the consultation supported the proposed implementation approach.

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### ISG's initial views

CP1490 was presented to the ISG as an information Progression Paper on 27 June 2017 (ISG 195/08).

An ISG Member asked for the difference between the term 'online management tool' and 'the software system', and asked for the definition of 'software system'.

ELEXON responded that several years ago access to the internet was done through mainframes and servers in the basement of buildings, now it is done through the Cloud. In the future there may be another change in technology and access would change accordingly. This change in terminology from 'online management tool' to 'software system' was to allow future flexibility when it came to potential technological advances that could mean an online management tool would no longer be the best option for the business requirements. ELEXON described that a system is a collection of software, hardware, firmware and user interfaces, and software as a generic term for the code used to make it happen. Therefore the term 'software system' essentially means a collection of code written to provide a tool used to complete a job.

An ISG Member raised concerns that 'software system' could be too vague; the original 'online management tool' has an implied meaning that is widely understood and a business requirement, which the term 'software system' does not.

ELEXON noted that a proposed reduction of detail in the SD will be the need for a system to be in place so the TAA could provide its information in a convenient manner, and for other parties to be able to easily access this information and upload documentation. ELEXON was not proposing a change in the technology, simply allowing potential future changes to happen, and allowing for ELEXON to seek different IT solutions other than those provided by the TAA.

An ISG Member noted that with the new flexibility, there was the risk that ELEXON might not take into account the impact of a technology change on the end user.

ELEXON responded that any change in technology would still go through the normal industry review process, and at the moment there was no intention of changing the online management tool.

### SVG's initial views

CP1490 was presented to the SVG as an information Progression Paper on 4 July 2017 (SVG 197/05).

None of the SVG Members offered a view on the proposed change and as such were happy for the CP to progress to the consultation phase.

## 6 Industry Views

This section summarises the responses received to the CP Consultation. You can find the full responses in Attachment D.

| Summary of CP1490 CP Consultation Responses | | | | |
|---|---|---|---|---|
| Question | Yes | No | Neutral/ No Comment | Other |
| Do you agree with the CP1490 proposed solution? | 3 | 0 | 0 | 0 |
| Do you agree that the draft redlining delivers the intent of CP1490? | 3 | 0 | 0 | 0 |
| Will CP1490 impact your organisation? | 0 | 2 | 0 | 1 |
| Will your organisation incur any costs in implementing CP1490? | 0 | 2 | 0 | 1 |
| Do you agree with the proposed implementation approach for CP1490? | 3 | 0 | 0 | 0 |
| Do you have any further comments on CP1490? | 0 | 3 | 0 | 0 |

## Summary of responses

In addition to the three respondents that submitted formal responses, one further Party (a small Supplier) responded that they had reviewed the consultation but would not be responding.

ELEXON has spoken and corresponded with the current TAA. They are aware of the proposed changes and have decided not to respond to the consultation. ELEXON will continue to work with them and keep them abreast of any future changes that may impact them.

## Comments on the proposed redlining

None of the respondents commented on the proposed redlining.

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## 7    Final Committee Views and Decision

### ISG's final views

CP1490 was presented to the ISG on 22 August 2017 (ISG 197/05) for decision on whether or not to implement the changes proposed. None of the ISG members commented on the recommended implementation

### SVG's final views

CP1490 was presented to the SVG on 5 September 2017 (SVG199/04) for decision on whether or not to implement the changes proposed. None of the SVG members commented on the recommended implementation.

### Final decision

The ISG and SVG have:

- **APPROVED** CP1490 for implementation on 22 February 2018 [as part of the February 2018 BSC Systems Release].

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# Appendix 1: Glossary & References

## Acronyms

Acronyms used in this document are listed in the table below.

| Acronyms | |
|---|---|
| Acronym | Definition |
| BSC | Balancing and Settlement Code |
| BSCP | Balancing and Settlement Code Procedure *(Code Subsidiary Document)* |
| CoP | Code of Practice |
| CP | Change Proposal |
| CSD | Code Subsidiary Document |
| CVA | Central Volume Allocation |
| EPAS | Enhanced Profile Administration System |
| HH | Half Hourly |
| ISG | Imbalance Settlement Group *(Panel Committee)* |
| IT | Information Technology |
| SD | Service Description *(Code Subsidiary Document)* |
| SVA | Supplier Volume Allocation |
| SVG | Supplier Volume Allocation Group *(Panel Committee)* |
| TAA | Technical Assurance Agent |
| TAAMT | Technical Assurance Agent Monitoring Tool |

## External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

| External Links | | |
|---|---|---|
| Page(s) | Description | URL |
| 2 | BSCPs page on the ELEXON webpage | https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/ |
| 2 | CoPs page on the ELEXON website | https://www.elexon.co.uk/bsc-related-documents/related-documents/codes-of-practice/ |
| 2 | SDs page on the ELEXON website | https://www.elexon.co.uk/bsc-related-documents/related-documents/service-descriptions/ |
| 2 | Technical Assurance of Metering page on the ELEXON website | https://www.elexon.co.uk/reference/market-compliance/audits/technical-assurance-of-metering-systems-tam/ |

| External Links | | |
| --- | --- | --- |
| Page(s) | Description | URL |
| 3 | CP1490 page on the ELEXON website | https://www.elexon.co.uk/change-proposal/change-proposalcp1490/ |
| 7 | CP1490 Progression Paper – ISG 195/08 | https://www.elexon.co.uk/meeting/isg-195/ |
| 7 | CP1490 Progression Paper – SVG 197/05 | https://www.elexon.co.uk/meeting/svg-197/ |
| 7 | CP1490 Assessment Report – ISG 197/05 | https://www.elexon.co.uk/meeting/isg-197/?from_url=https://www.elexon.co.uk/events-calendar-item/isg-196/ |