

## SVA Qualification Processes Review Report

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**Date of Issue:** 23 November 2005

**Reason for Issue:** Final Report

**Issue/Version Number:** Final/1.0

### Executive Summary

The SVG agreed in November 2004 that an operational review of the SVA Qualification Processes (Entry Processes, Accreditation and Certification techniques) should be performed. A review group (made up of industry representatives and ELEXON personnel) was established and has met four times. Initially the review group considered the risks that are present in the current market and the risk mitigation that might be required from a qualification process today. An Industry Consultation was issued in April 2005 seeking comments on the group's initial considerations. Since that time the review group has developed a proposed SVA Qualification Process model based on the responses to the initial consultation. This document sets out the proposed model at a high level. A second consultation was issued to seek the industry's views of the proposed model. It should be noted that the implementation of this model would require a Modification.

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<sup>1</sup> ELEXON Ltd currently fulfils the role of the Balancing and Settlement Code Company ('BSCCo'), pursuant to Annex X-1 of the Balancing and Settlement Code (the 'Code').

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## 1 BACKGROUND

The 2004 / 2005 Balancing and Settlement Code (the 'Code') Review 'Review of the Supplier Volume Allocation (SVA) Arrangements' suggested that while the principles of the Performance Assurance Framework have not changed significantly since the SVA Arrangements were originally implemented in 1998, the risks associated with the SVA Arrangements have changed considerably since that time. First it is believed that the significant initial implementation risk no longer exists and, second, considerable experience has now been gained in the operation of the Arrangements.

Both these factors are relevant to the Entry Processes, Accreditation (including Removal of Accreditation) and Certification techniques (the 'SVA Qualification Processes'). The overall approach to qualification that was deemed necessary in 1998 may no longer be necessary or justified.

At an operational level, ELEXON has noted concerns expressed by some participants particularly with regard to the Entry Process requirements. The Supplier Volume Allocation Group (SVG) agreed that an operational review of the SVA Qualification Processes should be carried out (SVG/45/18, Reference 1).

To carry out the operational review, a review group was formed comprising of ELEXON staff, individuals from the industry who are knowledgeable about the SVA Arrangements, the Certification Agent, MRASCo and Ofgem.

## 2 OPERATIONAL REVIEW OF SVA QUALIFICATION PROCESSES

The SVA Qualification Processes review group first met on the 30 March 2005. The review group compared the risks that were present in 1998 that the current SVA Qualification Processes were designed to mitigate against the risks present in the current market and the risk mitigation that might be required from a Qualification Process today. In 1998 when the incumbents' franchise was removed the Settlement arrangements were substantially revised and all Metering Systems had to be transferred to the new systems. This presented a huge implementation risk as in effect, in 1998, all SVA participants were "new entrants"; in addition, at this time the degree of Customer churn was not quantified. In contrast, new entrants now are likely to be relatively small and are joining a well-established market. The review group believed that collectively new entrants now pose less of a risk than that faced by the industry when the 1998 arrangements were implemented.

The review group believed that a radical change to the SVA Qualification Processes was desirable and supported considerably reducing their extent. However, the review group agreed that before further discussions and significant work were carried out on proposed changes, wider input from the industry was required, particularly to gauge support for substantive streamlining in this area.

An Industry Consultation (Reference 2) was issued on 21 April 2005 outlining the initial considerations reached by the review group and seeking comments on these considerations.

15 industry responses were received to the Industry Consultation, one of which was confidential (Reference 3). The general theme identified from the responses was support for a change to the qualification techniques. Whilst there were diverse views on the extent and nature of the change, about half the respondents favoured a radical reduction in the SVA Qualification Processes.

Other key messages from the Industry Consultation responses are captured below:

- The risk of major disruption is proportional to four main factors – energy values processed (energy volume and number of Metering Systems), operational compliance of the participant, fitness for purpose of the industry model and stability of infrastructure;

- The level of assurance should be based on the extent to which systems have been proved through previous operation in the market and the intended size of the new entrant's business (in terms of the number of Metering Systems). A risk assessment would provide an initial indication of the level of testing required;
- The current processes do not allow for the variations in the mix of type of entrant, role or scale of operation;
- Any risk assessment must be flexible enough to accommodate the risk aligned to different business models that are valid in a competitive market;
- Given an appropriate level of assessed risk, it should be possible for a new entrant to start live operation without undergoing entry process testing;
- There should be a reduction in the overall number of tests and each test should be made more meaningful and relevant;
- One Party did not agree with the justification for higher compliance monitoring on new entrants during a probationary period as they felt this would present a significant barrier to market entry;
- The current SVA Qualification Processes of Certification and Entry Processes should be combined into a single function;
- There should be a refinement of the SVA Qualification Processes including the choice by a new entrant of whether it would prefer to carry out preventative testing prior to entry or to demonstrate its compliance with the requirements through a period of controlled operation in the live market; and
- The current process of self assessment is useful and should continue.

The review group met for a second time on 17 May 2005 to discuss the consultation responses and to further analyse the concept of a risk matrix. It also considered what type of assurance is required for each category of risk. ELEXON was tasked with developing an outline of a new Qualification Process further before the third meeting on 18 July 2005. At the third and fourth meetings, the review group reviewed and refined the Model. The Model set out in section 3 is fully supported by the review group.

A second consultation was issued on 3 November 2005 to gauge the industry's support for this model ([Reference 6](#)). It should be noted that it would be necessary to modify the Code to implement the new process described by the model in this paper. The results of the consultation will inform any participant who wishes to raise a Modification in this area of the Industry's views in respect of the proposed SVA Qualification Process model.

### **3 SVA QUALIFICATION PROCESS MODEL**

#### **3.1 Key Principles of the proposed SVA Qualification Process Model**

The model has been developed to improve the process so that it is less onerous to Qualify, whilst providing adequate assurance that the new entrant can operate in the market. The new process should not make it more difficult for a new entrant to Qualify. The Model exhibits the following key principles:

- The new Qualification Process is intended to be more efficient and relevant to the developing market than the current procedures and is intended to mitigate the risk of a major disruption to key aspects of Settlement. 'Key aspects of Settlement' here means the allocation of volumes to Parties and the ability to execute key business processes, for example change of Supplier.

Qualification is not intended to validate an Applicant's ability to meet every provision of the Code. The requirements that a new entrant would need to meet in order for the Performance Assurance Board (PAB) to approve its entry into the SVA arrangements have been termed the 'Qualification Requirements'. The Qualification Process would be documented in a Balancing and Settlement Code Procedure (BSCP) that would include details of the Qualification Requirements;

- Entry Processes and Certification would be combined into one Qualification Process which would be followed by Parties and Party Agents and re-Qualification requirements would be based on the Qualification requirements;
- Qualification would be for an individual Party or Party Agent, not for a Supplier hub. It would remain a Supplier's responsibility to ensure that its Supplier hubs operate effectively;
- The Qualification Process would include an element of risk assessment and self assessment;
- The Qualification Process would provide the level of assurance required by the industry in a cost effective way. A risk assessment would determine the level of risk posed, and therefore the level of assurance required, for each Applicant;
- Testing would be structured as 'business scenarios' which applicants would need to understand, plan and execute, rather than detailed scripts which they must simply follow;
- The model would allow a common process between the BSC and Master Registration Agreement (MRA) requirements to occur, under which entrants can qualify under the separate bodies. This would include using the same terminology for the same types of steps under both governances. This is discussed further in section 3.7; and
- The outcome of the risk assessment and the level of assurance required for each Applicant would be approved by the PAB. The PAB should approve the level of risk posed by an Applicant on a consistent basis.

### **3.2 Assumptions of the proposed SVA Qualification Process Model**

- Meter Operator Agents (MOAs) who operate under the Central Volume Allocation (CVA) arrangements (who are currently in the scope of Accreditation and Certification) would continue to be in the scope of the new Qualification Processes;
- Whilst the Data Transfer Service Provider (DTSP) is currently obliged to go through Accreditation and Certification, it is not believed that the process that has been developed in this document is suitable for such a service. It is the group's view that if the industry believes that the DTSP should be subject to a Qualification Process, then a separate process would need to be developed which takes into account the nature of the service provided and the regulatory framework within which the DTSP sits;
- The process of Accreditation for Party Agents<sup>2</sup> and the process of Accession for Parties would remain, meaning that alongside the new Qualification Process, Parties would still be required to submit the letter of Accession, as contained in section A of the Code and Party Agents would still have to submit an Accreditation letter, as is currently contained in BSCP 531 'Accreditation' (Reference 4) before they can operate within the SVA arrangements; and
- ELEXON would not witness interface testing between new entrants; however, there would be a requirement in the business scenarios document for the new entrant to be able to demonstrate if required by ELEXON that it is able to communicate with other participants.

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<sup>2</sup> Except where a Party Agent is not required to be Accredited and Certified as is the case for Energy Contract Volume Notification Agents (ECVNAs) and Metered Volume Reallocation Notification Agents (MVRNAs).

### 3.3 Key Features of the Proposed SVA Qualification Process Model

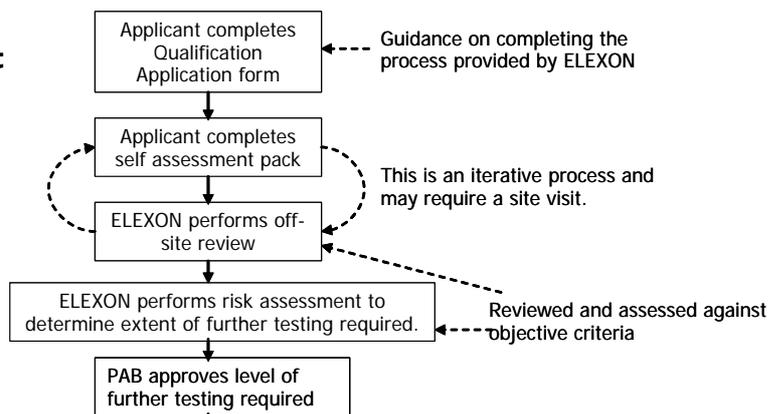
The Model exhibits the following key features:

- All applicants would have to complete and submit for review a self assessment document based on business scenarios and management processes;
- The level of testing that the new entrant has to carry out would be dependent on the outcome of the assessment of the risk determined by the answers provided to the self assessment document and the outcome of any site visit;
- The risk assessment process would be consistently applied for all participants, however there would be recognition of the variations in participant aspirations i.e. market sector, volumetrics etc and these variations may influence the extent of external assessment of an Applicant's compliance with the Qualification Requirements; and
- The Qualification route would be facilitated by ELEXON and approved by PAB.

### 3.4 Process Flow Diagram

#### Phase 1: Self Assessment

Satisfactory completion of the self assessment pack. Much of this process could be a joint process with MRASCo.

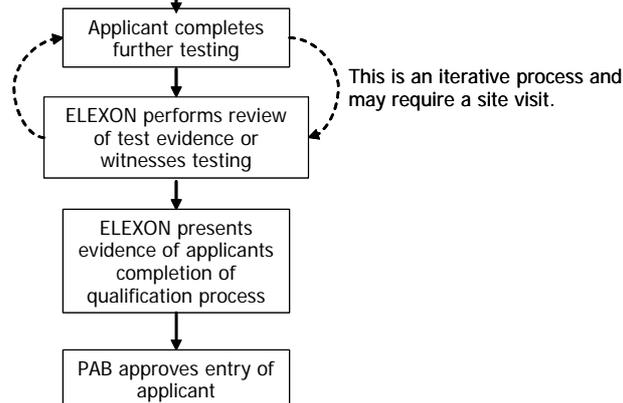


#### Phase 2: Pre-Entry Testing

The risk assessment would determine the extent of further testing required and the nature of that testing. This would be completed during phase 2.

All applicants will complete a minimum amount of testing

If the results of testing are unsatisfactory the applicant would be required to complete further testing.



**Diagram 1 – Proposed SVA Qualification Process Model**

## **3.5 Requirements for New Entrants**

### **3.5.1 Phase 1 - Self Assessment**

To initiate the Qualification Process the Applicant would need to complete an application form. Where the new entrant is either a Supplier or Licensed Distribution System Operator (LDSO) the application form would be sent to both ELEXON and Gemserv. The Applicant would then be sent a self assessment pack which would include a business scenarios document. A meeting would be set up between the Applicant, ELEXON and Gemserv who would explain both MRA and BSC Qualification Requirements, explain the self assessment pack if required and request that the Applicant present its market entry plans.

The Applicant would be required to complete the business scenarios document. As part of completing the document the Applicant would need to provide details of any evidence that would be provided to support and substantiate the declarations made in the document. Supporting evidence would include:

- evidence confirming the existence and application of management processes including problem resolution, change management, configuration control, release management and test management;
- the results of any internal testing that has been completed by the Applicant; and
- local working instructions that the Applicant has developed that detail how the Applicant intends to meet its BSC obligations with respect to those processes detailed within the business scenarios document.

In addition the Applicant would be asked to confirm:

- the intended size of its operation;
- details of the systems that it intends to use;
- its business continuity (including disaster recovery) plans; and
- its level of operational experience.

When the Applicant has completed the business scenarios document it would submit this to ELEXON. ELEXON would review the document and discuss any issues with it with the Applicant. This review of the document by ELEXON and revision by the Applicant would be an iterative process that would result in the business scenarios document being appropriately completed. As part of the review process ELEXON would also conduct a review of the supporting evidence that has been detailed within the document. This process of reviewing the business scenarios document and the supporting evidence is similar to the Certification Process that exists currently.

At the end of this stage of the process, the PAB would be asked to approve the Applicant's further testing requirements based on a recommendation from ELEXON. ELEXON would review the Applicant's completed business scenarios document, the supporting evidence and the length of time that the Applicant has taken to complete phase 1. ELEXON would use this information to formulate a recommendation for the PAB as to the level of risk presented by the Applicant and therefore the appropriate further tests that would be required in phase 2. This assessment of risk would be based on the information available to ELEXON and the PAB but would not be defined in a BSCP. However, internally, ELEXON would use a set of objective criteria to assess the risk posed by an Applicant.

The review group believe that there are advantages in not prescribing the risk assessment that would be used to determine the Qualification route that a new entrant would complete, including the

flexibility to structure a risk assessment appropriate for particular circumstances. The PAB has previously expressed a concern about the lack of transparency that may exist if the risk assessment is not defined in a BSCP. It is therefore likely that the PAB would seek to provide the industry with some visibility of any risk assessment being used.

### **3.5.2 Phase 2 - Pre-Entry Testing**

All applicants must execute a defined suite of business scenarios as provided by ELEXON. The Applicant would be required to submit evidence regarding the completion of these tests to ELEXON and it may be necessary for ELEXON to witness the testing. The amount of testing and tests chosen would be based on the outcome of the risk assessment and the Applicant's answers to the business scenarios document; however, there will be a minimum set of tests that all applicants will be required to carry out. The amount of further testing required would be determined by ELEXON and approved by the PAB. The Applicant would also be required to submit a letter signed by a company director stating that it meets the Qualification Requirements (i.e. is able to operate within the Settlement arrangements in accordance with the Code and Code Subsidiary Documents) with reference to specified systems and processes. ELEXON would present information regarding the Applicant's completion of phase 1 along with this letter and the results of any testing completed in phase 2 to the PAB which would be asked to approve the Qualification of the new entrant. The PAB would consider the information presented. If the PAB does not think that adequate testing has been undertaken for the Applicant, it would request that further testing is completed. If this is the case, following the further testing, the PAB would again be asked to approve the Qualification of the Applicant.

This is the end of the Qualification Process for these entrants. Thereafter the participant would be subject to other types of assurance (e.g. Technical Assurance (TA) checks, BSC Audit).

### **3.5.3 Post Market Entry Checks**

As per the current process in BSCP535 'Technical Assurance' (Reference 5) the PAB would be required to perform a check on all new Supplier Agents once they have been operating in the market for more than six months. However, this requirement would be expanded to include all new entrants (i.e. to include Suppliers, LDSOs, SMRAs and MAs).

## **3.6 Business Scenarios Document**

New entrants would be required to complete a business scenarios document. The document would be similar to the Self Assessment Certification Return (SACR), contained within BSCP531 'Accreditation'; however, it would also be shorter than the current SACR, and questions would be based around business scenarios (key features of the BSC arrangements, e.g. Change of Supplier). Examples of possible business scenarios are given in Appendix B. The self assessment document would be split into business scenarios for each type of participant, meaning that the Applicant would only have to complete the section relevant to its roles plus a general section for business scenarios common to all types of new entrant. When completing the document, the Applicant would have to indicate how it would carry out each of the business scenarios.

It is intended that this document would be formulated in conjunction with MRASCo, so that, for Suppliers and LDSOs there would be one document that would need to be completed as part of the Entry Processes for both the BSC and MRA. It is possible that the business scenarios contained within the document could be developed to cover both MRA and BSC requirements and therefore provide assurance under both. This would improve the efficiency of the processes and reduce the amount of duplication that currently exists.

### **3.7 Alignment with MRA Entry Processes**

The review group believe that the proposed SVA Qualification Model and the proposed MRA Entry Processes to all intents will allow for alignment and streamlining with the specific governance requirements being captured under the relevant MRA and BSC Processes. This would increase co-ordination between ELEXON and Gemserv in developing hybrid tests that would satisfy both BSC and MRA requirements and thereby removing any duplication.

The review group felt that such an approach would reduce the burden of entry testing on Applicants.

It should be noted, that there are two fundamental differences between Qualification Requirements under the MRA and Code. First the Code includes Qualification Requirements for Party Agents as well as Parties. The MRA qualification requirements are only for Suppliers and LDSOs. Second, Qualification Requirements under the Code are part of a much wider Performance Assurance Framework (PAF) which includes other assurance techniques such as the BSC Audit and Technical Assurance checks.<sup>3</sup>

This wider PAF is not applied under the MRA. Therefore Qualification Requirements under the Code would have to be wide enough to include Party Agents, but can be designed to provide only part of the total assurance required for the BSC.

## **4 RE-QUALIFICATION**

The review group has concluded that participants operating in the market who are required to be Qualified should also be required to re-Qualify in certain circumstances. Re-Qualification is envisaged to be similar to the re-Certification Process that currently exists; however, currently only Accredited Party Agents are required to re-Certify. This aspect of the new Qualification Process therefore introduces a new obligation on Suppliers and LDSOs.

The review group considered whether the re-Qualification process would be initiated by the PAB or by the participant. If the re-Qualification process was to be initiated by the PAB a participant would need to seek the PAB's agreement that re-Qualification would be required (or not) for any proposed changes that have the potential to meet the re-Qualification triggers. This would possibly mean that the proposed re-Qualification process would take slightly longer to initiate than the current re-Certification Process because PAB approval is not currently required to initiate re-Certification.

Alternatively the process could be based on self-assessment by the participant. The participant would need to determine for any change it proposes to make to its systems and/or processes whether re-Qualification for that change is required. The participant would define the change that they are intending to make and why and undertake an internal risk assessment which would be submitted to ELEXON for review. The amount of work that it needed to mitigate the risks can then be agreed and the plans and timetable can follow on from this. Therefore the process of initiating re-Qualification would be based on a self-assessment performed by the participant. If it is later discovered that a participant has implemented a change for which re-Qualification would be required, the participant would be required to complete the re-Qualification process at that time or seek the PAB's approval to not complete the process. It should be noted that this would be consistent with the current re-Certification process.

It is proposed that the re-Qualification Process is largely based on the Qualification Process. Qualified participants who need to 're-Qualify' in the following circumstances:

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<sup>3</sup> The PAF framework approach and techniques are currently under review.

- (a) If the participant wants to increase the number of Metering Systems that it wants to be responsible for to a volume significantly different from the volume it initially Qualified for without the need for making any significant changes;
- (b) If the participant wants to increase the number of Metering Systems that it wants to be responsible for to a volume significantly different from the volume it initially Qualified for with the need for making significant changes; or
- (c) If the participant wants to make a 'significant change' to its systems and/or processes.

In scenario (a) the participant would have two options:

- Option 1 – The participant would go through the process in the same way as a new entrant. The participant would define the changes that they are intending to make and why. The participant would have to complete the relevant sections of the business scenarios document affected by the change and then a risk assessment would be performed to determine what further testing would be appropriate; or
- Option 2 - If the participant is operating close to its Qualified limit, the participant would have the option of applying directly to the PAB for an increase to its limit. This is likely to be granted if it is operating well close to its current limit. Operating 'well' would need to be defined.

In scenario (b) where the participant needs to make significant changes to systems and processes to cope with the increase in number of Metering Systems then it would need to re-Qualify for the increased number of Metering Systems (scenario (a)) and for the significant change (scenario (c)).

In scenario (c) where a participant makes significant changes to its systems and/or processes the participant would be required to re-Qualify as follows:

- For changes to systems and processes where the participant is classed as small the participant would be required to determine whether any of the key operational scenarios, detailed in the business scenarios document, are impacted by the proposed change and if so re-complete those sections and send the updated document to ELEXON. ELEXON will then perform a risk assessment to determine what further testing the participant would be required to complete.
- Where the participant proposes to perform an IT migration for a substantial proportion of its data, this is a potentially risky activity and if problems arise through the migration of that data then there is the potential for this to have an impact on Settlement (the severity of the impact would depend on the size of the participant and its role, the probability would depend on the difficulty associated with the migration). Therefore the following assurance would be required:
  - If the participant is proposing to use a new IT system, assurance would be required of the participant's ability to meet the Qualification Requirements with particular reference to those obligations being performed through the functionality of that new IT system.
  - In addition, assurance would be required about the planned migration. This assurance could be provided by an audit of the participant's planned migration strategy/project. This could be performed under the Technical Assurance technique if the scope of that technique was increased to include all Qualified participants.

These additional requirements could be included as another section of the business scenarios document.

On completion of the processes described above the PAB would be asked to approve the re-Qualification of the participant.

## 5 REMOVAL OF ACCREDITED STATUS

The removal of Accreditation (RoA) process currently documented in BSCP531 (reference 4), section 4.13 has been initiated on a number of occasions in the past few years. This process has not previously been reviewed as it was not included within the review of Accreditation that took place as part of Phase 1 of the Performance Assurance Framework Review. Previous experience has identified a number of inadequacies with the current process primarily focused on the lack of options available to the PAB to manage a participant's severe non-compliance (under-performance) and the confidential nature of the process (the PAB can only notify market participants once it has determined that the Party Agent's Accreditation should be removed). A number of changes to the current technique are proposed to:

- Allow the PAB to notify Parties when a Party Agent's performance has lead to the RoA process being initiated, although this notification would not be given immediately after the RoA process is initiated, but part way into the RoA process if the participant was not putting in place sufficient initiatives to address the non-compliance;
- Any publication would include more information on the reasons for RoA being initiated and the actions being taken by the PAB and the participant to address the non-compliance. Further notifications to be provided by the PAB throughout the RoA process;
- Enable the PAB to restrict the number/type of new appointments that a Party Agent can take on; and
- This could apply to any under performing Qualified participant and may be more effective than some of the current measures.

## 6 RIGHT TO APPEAL

Under the current Entry Process, Accreditation and Certification techniques the Applicant has the right to appeal any decisions taken by ELEXON (or its subcontractor) to the PAB. Accredited Persons also have the right to appeal any Accreditation and Certification decisions that are made by the PAB to the Authority. It is the intention of the review group that these rights of appeal for Party Agents would remain under a revised Qualification Process.

## 7 IMPACT ON THE PERFORMANCE ASSURANCE FRAMEWORK

As part of the detailed development of the Qualification Process that would need to undertaken as part of the implementation of any change, the review group agreed that it would be appropriate for the impact on the other techniques within the PAF to be considered. By making changes to the Qualification Process it may be that the level of assurance provided by the other techniques could be amended. It should be noted the PAF approach and PAF techniques are currently under review.

## 8 OVERVIEW OF CHANGES REQUIRED TO THE CODE AND CODE SUBSIDIARY DOCUMENTS

Section B – This section would require changes if there is any change to the powers of the PAB.

Section E – This section may require changes as there may no longer be a requirement to have a Certification Agent, or the function of the Certification Agent may change or be renamed.

Section F – This section may require changes to include any additional requirements to the joint change processes that may need to be applied when changing any documents shared by BSCCo and MRASCo

Section J – This section would require changes to combine Entry Processes and Certification into a single Qualification Process. Also, enough high level obligations about the process should be included in the Code to allow the process that would be contained in a Code Subsidiary Document to have an adequate hook back into the Code. In addition, this section of the Code would need to be amended if the Technical Assurance process was to be extended to include all Party Agents (i.e. SMRAs, MAs). Clauses similar to S3.1 and H5.5 could be inserted.

Section K-1 – This section would require changes to incorporate any alignment with the MRA Entry Process.

Section X-1 – This section would require change to define Qualification and remove the definitions of Certification and Entry Processes.

Various sections of the Code – For any new operational obligations introduced an amendment to the Code would be required. For example, if Suppliers and LDSOs were required to have business continuity plans and local working instructions in place amendments to the Code would be required to give force to these new obligations.

BSCP70 'Qualification Testing for Parties and Party Agents' – a small change to this BSCP may be required to draw a distinction between this BSCP which is aimed at the CVA market and the new process which is primarily aimed at the SVA market.

BSCP511 'Entry Processes – SMRS', BSCP512 'Entry Processes – Supplier', BSCP531 'Accreditation' – These Documents would be merged into one BSCP dealing with Accreditation and Qualification. The business scenarios document would be an appendix to this BSCP (and this would effectively replace the SACR and the Entry Process Test Scripts as these documents would be re-engineered into business requirements).

BSCP535 'Technical Assurance' might need to be updated to reflect any changes in the auditing requirements of new entrants or participants required to re-qualify and may need to be expanded to include a Technical Assurance check of new Suppliers, LDSOs, SMRAs, DTSP and MAs.

Certification Agent Service Description – This would have to be amended in line with any change to the Certification Agent's functions.

Entry Process Guidance Note, Accreditation and Certification Guidance Note, A simple Guide to Market Entry – These documents which are guidance notes contained on the ELEXON (BSCCo) website would need to be reviewed and relevant changes made.

## **9 APPLICABLE BSC OBJECTIVES**

A revised SVA Qualification Process would better facilitate the applicable BSC Objectives as follows:

*(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity*

- Current Entry Process and Certification Requirements may be seen as a barrier to entry as they are unnecessarily onerous on new entrants. The review group believes changing the Qualification Requirements so that they address the current risks that new entrants pose to Settlement as opposed to the ones that were present in 1998 would better facilitate competition.

*(d) Promoting efficiency in the implementation and administration of the balancing and Settlement arrangements.*

- The streamlined process would make it easier for new entrants to enter the market whilst maintaining a level of assurance applicable to today's market. This would reduce the costs for Applicants, and also central costs (shared by all BSC Parties).

## 10 DOCUMENT CONTROL

### a) Authorities

Version	Date	Author	Reviewer	Reason for review
0.1	16/11/05	Change Delivery	Change Delivery, Service Delivery, Stakeholder Assurance	For Peer and Group review
0.2	21/11/05	Change Delivery		Incorporating peer and group comments
1.0	23/11/05	Change Delivery		Final Version for SVG

### b) Distribution

Recipient	Version	Date	Reason
SVA Qualification Review Group	0.1	16/11/05	For review
Supplier Volume Allocation Group	1.0	23/11/05	Final Report Issued

### c) References

Reference	Document
Reference 1	SVG/45/18 'Operational Review of SVA Qualification Processes' <a href="http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/SVG_Meeting_2004_-_045_-_Papers/045_018.pdf">http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/SVG_Meeting_2004_-_045_-_Papers/045_018.pdf</a>
Reference 2	Operational Review of SVA Qualification Processes Initial Consultation <a href="http://www.elexon.co.uk/documents/Consultations/Review_of_SVA_Qualification_Processes/SVA_Qualification_Initial_consultation_v1.0.pdf">http://www.elexon.co.uk/documents/Consultations/Review_of_SVA_Qualification_Processes/SVA_Qualification_Initial_consultation_v1.0.pdf</a>
Reference 3	SVA Qualification Processes Initial Consultation Collated Responses <a href="http://www.elexon.co.uk/documents/Consultations/Review_of_SVA_Qualification_Processes/SVA_Qualification_Processes_Initial_Consultation_Collated_Responses_-_Summary.pdf">http://www.elexon.co.uk/documents/Consultations/Review_of_SVA_Qualification_Processes/SVA_Qualification_Processes_Initial_Consultation_Collated_Responses_-_Summary.pdf</a>
Reference 4	BSCP531 'Accreditation' <a href="http://www.elexon.co.uk/documents/BSC_and_Related_Documents/BSC_-_BSCPs/BSCP531.pdf">http://www.elexon.co.uk/documents/BSC_and_Related_Documents/BSC_-_BSCPs/BSCP531.pdf</a>
Reference 5	BSCP535 'Technical Assurance' <a href="http://www.elexon.co.uk/documents/BSC_and_Related_Documents/BSC_-_BSCPs/BSCP535.pdf">http://www.elexon.co.uk/documents/BSC_and_Related_Documents/BSC_-_BSCPs/BSCP535.pdf</a>
Reference 6	<a href="#">Second SVA Qualification Processes Review Consultation</a>

## APPENDIX A - TERMS USED IN THIS DOCUMENT

Other acronyms and defined terms take the meanings defined in the Balancing and Settlement Code (the Code), Section X.

Acronym/Term	Definition
AA	Annualised Advance
BSCP	Balancing and Settlement Code Procedure
Code	Balancing and Settlement Code
CME	Controlled Market Entry
CVA	Central Volume Allocation
DA	Data Aggregator
DC	Data Collector
EAC	Estimated Annual Consumption
GSP	Grid Supply Point
HH	Half Hourly
LDSO	Licensed Distribution System Operator
MA	Meter Administrator
MOA	Meter Operator Agent
MPID	Market Participant Identifier
MRA	Master Registration Agreement
NHH	Non-Half Hourly
PAB	Performance Assurance Board
PET	Pre-Entry Testing
SACR	Self Assessment Certification Return
SMRA	Supplier Meter Registration Agent
SVA	Supplier Volume Allocation
SVG	Supplier Volume Allocation Group
TA	Technical Assurance

### Frequently Used Terms

**Qualification** – In order to be qualified an organisation would need to complete the qualification process.

**Qualification Process** – The step by step process an organisation would need to follow in order to be qualified.

**Qualification Requirements** – The obligations detailed in the BSC that an organisation is required to meet in order to be qualified.

**SVA Qualification Processes** – The current processes of Entry Processes, Accreditation and Certification that exist under the BSC.

## **APPENDIX B – EXAMPLES OF BUSINESS SCENARIOS**

A business scenarios document would be established to give new entrants a variety of business scenarios that they would have to think about how to satisfy. This is a different focus to the current Entry Process tests scripts as it would not list steps that the new entrant has to carry out as the new entrant would be required to work out these steps for themselves.

The following gives a starting point for the development of the business scenarios. As set out below, these would be grouped by new entrant role. All scenarios would include the handling of exceptions.

### Supplier

- How would you manage change of Supplier, MOA, DC and DA processes?
- How would you manage registrations and de-registrations of Metering Systems?

### LDSO/SMRAs

- How would you manage change of Supplier, HHDC, HHDA and HHMOA processes?
- How would you carry out the process for change of Line Loss Factors for a Metering System?
- Demonstrate processes for energisation and de-energisation of Metering Systems?

### NHHDC/HHDC

- How would you manage de-registrations/registrations of appointment details for Metering Systems?
- How would you collect and validate NHH/HH Metered Data for new Supplier or old Supplier (in particular where there is a change of Supplier for an existing SVA Metering System)?

### NHHDA/HHDA

- How would you validate consumption data from the NHHDC/HHDC?
- How would you Perform Data Aggregation runs? - How would the Agent perform checks and identify invalid data?

### SVA MOA

- How would you energise/de-energise a Metering System?
- How would you detect faulty metering?
- How would you reconfigure or replace a Metering System?

## APPENDIX C – MEMBERSHIP OF SVA QUALIFICATION PROCESSES REVIEW GROUP

The table below shows the membership of the SVA Qualification Processes Review Group and the meetings attended

<b>Names</b>	<b>Company</b>	<b>Meeting 1 30/3/05</b>	<b>Meeting 2 17/5/05</b>	<b>Meeting 3 18/7/05</b>	<b>Meeting 4 20/9/05</b>
Claire Walsh	Centrica (Supplier, SVG)	✓	x	✓	✓
John Sykes	SSE (SMRS,	✓	x	✓	x
Mark Knight	SSE (SMRS)	x	✓	x	x
Martin Brandt	SSE (SMRS)	x	x	x	✓
Jeni Morton	E.ON Energy (Supplier)	✓	x	x	x
Steve James	Opus Energy (Supplier)	x	x	x	✓
Rob Smith	Metering Services (Supplier Agent)	x	✓	✓	x
Jim McAllister	IPNL (LDSO)	✓	✓	✓	✓
Jill Ashby	MRASCO	✓	✓	✓	x
Nick Halliman	MRASCO	✓	✓	✓	x
Jeremy Morgan	MRASCo	x	x	x	✓
Ian Anthony	OFGEM	✓	✓	x	✓
David Osborne	ELEXON (Chairman)	✓	✓	✓	✓
Katie Key	ELEXON (Analyst)	✓	✓	✓	✓
Paul Brodrick	ELEXON (Analyst)	✓	✓	✓	✓
Ijeoma Obi	ELEXON (Entry Processes Expert)	✓	✓	✓	✓
Isabel Moss	ELEXON (Certification and Accreditation Expert)	✓	✓	✓	✓
David Warner	ELEXON (Expert)	✓	✓	✓	x
Melanie Henry	ELEXON (Lawyer)	x	x	x	✓