

August 2001

MODIFICATION REPORT
MODIFICATION PROPOSAL P29
Improve Efficiency of PARMS
Reporting

Prepared by ELEXON on behalf of the Balancing
and Settlement Code Panel

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The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
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1 SUMMARY AND RECOMMENDATIONS

Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal P29 during the Initial Written Assessment Phase, and the resultant findings of this report

the BSC Panel recommends that:

Modification Proposal P29 should be rejected.

Background

Modification Proposal P29 was submitted on 11 July 2001 by Utility Link Ltd. It proposes changes to the PARMS reporting by Suppliers. The proposal says that these changes would reduce Suppliers' costs, and hence would lead to a reduction in a barrier to competition.

ELEXON produced an Initial Written Assessment of the proposal which was presented at the Panel meeting on 26th July 2001.

Subsequent to the Panel meeting the Draft Report was sent out for consultation. The responses received supported the Panel's recommendation, with the exception of one "no comment".

The Draft Report was amended to explicitly identify assurances given to the Proposer by the Chairman of the Panel, as requested in the Proposer's response to the consultation.

At its meeting on the 23 August the Panel approved this final Modification Report.

Rationale for Recommendation

The Panel considered that:

- a. The Modification Proposal would be expected to lead to cost reductions for Suppliers; there would be implementation costs for Supplier Agents, Suppliers, and ELEXON, with ELEXON possibly experiencing some increase in operational costs.
- b. The proposed changes were significant. Their full impact on assurance could not be assessed within the scope of the proposal in isolation. This was because PARMS reporting was a significant component of the overall Performance Assurance Framework.
- c. To implement the proposal in isolation would, therefore, lead to an unquantified risk to the integrity of settlement.
- d. The risk to the integrity of settlement outweighed the possible cost benefits, and hence the proposal would not make for the better achievement of the Applicable BSC Objectives.
- e. The review of the Performance Assurance Framework (scheduled to begin on 1 September 2001 and to complete in January 2002) would allow the issues raised in the proposal to be considered in the appropriate context, and would allow full consideration of risks, costs, and benefits. Regarding the review, the Panel asked that:
 - The terms of reference should be agreed by the Panel.
 - The terms of reference should require consideration of industry costs (including the costs of providing data) as well as benefits.(P)

- The terms of reference should state explicitly that the cost impact on small Parties and Agents should be considered.(P)
- Arrangements should be made to allow Industry, including the proposer of the Modification, to be represented in the review process.(P)
- A definitive end date should be given for the review.(P)
- The results of the review should be issued for consultation before any recommendations are implemented.(P)

In the above list, those items marked 'P' reflect assurances given by the Panel Chairman to the Proposer of the Modification.

Panel Decisions

In the light of the rationale described above and the planned review of the Performance Assurance Framework, the Panel agreed the recommendations in the IWA. The Panel:

- a. **NOTED the results of the Initial Written Assessment on Modification Proposal P29 and associated identified issues;**
- b. **NOTED the views that:**
 - i) **the proposed modification P29 cannot be safely and effectively progressed before the review of the Performance Assurance Framework is complete, and**
 - ii) **to adopt the proposed modification without such a review would lead to an un-quantified risk to the integrity of settlement.**
- c. **AGREED to proceed to the Report Phase, with a recommendation to the Authority that Modification Proposal P29 be rejected.**

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd., on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 PURPOSE AND SCOPE OF THE REPORT

BSC Section F sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'. These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications.

The BSC Panel is charged with supervising and implementing the modification procedures. ELEXON provides the secretariat and other advice, support and resource required by the Panel for this purpose. In addition, if a modification to the Code is approved or directed by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

A Modification Report must be prepared and submitted to the Authority in respect of each proposed modification and must contain:

- (a) The recommendation of the Panel as to whether or not the Proposed Modification or any Alternative Modification should be made;
- (b) The proposed Implementation Date for implementation of the Proposed Modification or any Alternative Modification;
- (c) The matters set out in Annex F-1 of the BSC. This will usually be in the form of the relevant Assessment Report where the Proposal has been submitted to a Modification Group prior to the Report Phase;
- (d) An explanation of the Panel's rationale should the Panel form a different view of any matters contained in the Modification Group Report; and
- (e) A summary of the representations made by Parties and interested third parties during the consultation undertaken in respect of the Proposed Modification and any Alternative Modification.

4 HISTORY OF PROPOSED MODIFICATION

Modification Proposal P29 was submitted on 11 July 2001 by Utility Link Ltd. ELEXON conducted an initial assessment of the proposal, and produced the Initial Written Assessment Report (IWA). The IWA Report can be found at www.elexon.co.uk

The Panel considered the IWA at its meeting on 26 July 2001. The Panel's deliberations were reflected in the draft Report, which was issued for consultation. Two weeks were allowed for representations to be submitted to ELEXON.

The Draft Report was amended to explicitly identify assurances given to the Proposer by the Chairman of the Panel, as requested in the Proposer's response to the consultation.

The Draft Report, with the addition of the consultation responses, was considered by the Panel at its meeting on the 23 August 2001.

The Panel approved this final Modification Report for submission to the Authority.

5 DESCRIPTION OF PROPOSED MODIFICATION

The Modification Proposal says that the efficiency of PARMS reporting should be improved by: removing the obligation on Suppliers to report separately for each GSP Group; and by removing any serials (that is standards against which Suppliers report) that do not provide any value to the performance assurance process.

The Proposal says that since PARMS was originally devised in 1998, the emphasis on performance monitoring has shifted from peer comparison between GSP Groups, to the performance of individual suppliers and their agents.

Suppliers, however, are still obliged to report by individual GSP Group, and, the proposal says, as the number of Supplier Hub increases, this imposes an unnecessary and increasing burden on Suppliers.

The proposal says that this requirement is particularly significant for smaller Suppliers, and could constitute a barrier to competition.

The proposal further says that the reporting requirement should be further reduced by removing any serials where historical data suggests that performance is not an issue.

The proposal states that it relates only to the removal of serials, and that any proposals to introduce new PARMS serials should be the subject of separate Modification Proposals.

6 RATIONALE FOR PANEL RECOMMENDATIONS

The Proposal and the Initial Written Assessment

At its meeting on 26th July 2001, the Panel heard a presentation from the proposer of the Modification, and a presentation from ELEXON reflecting the Initial Written Assessment (IWA).

Subsequent to this the proposer offered to withdraw the Modification, if assurances could be given on certain specific issues; however, as the proposal had been presented to the Panel, the BSC did not allow for withdrawal.

The Panel heard from ELEXON that it might be anticipated that the proposal would lead to some operational benefits, principally to Suppliers: these would need to be considered in the light of implementation costs to Suppliers and their Agents, and centrally to ELEXON, and, possibly, operational costs to ELEXON.

In presenting the IWA, ELEXON highlighted two matters of principle:

- Changes to GSP Group level reporting, recognising that GSP Groups constituted a fundamental building block of the trading arrangements
- Changes to reporting without assessing any wider impact on assurance.

ELEXON put the view that these two issues would lead to an unquantified risk to the integrity of settlement, were the proposal to be implemented in isolation. Further definition and assessment work on the proposal in isolation would not adequately mitigate this risk.

It was noted that a full review of the Performance Assurance Framework was scheduled to begin on 1 September 2001 and to be completed in January 2002. This review would allow full assessment of the risks to settlement and would form the appropriate context for considering the issues raised in the proposal.

The Review of the Performance Assurance Framework

Regarding the review of the Performance Assurance Framework, the Panel concluded that:

- a. The terms of reference should be agreed by the Panel.
- b. The terms of reference should require consideration of industry costs (including the costs of providing data) as well as benefits.(P)
- c. The terms of reference should state explicitly that the cost impact on small Parties and Agents should be considered.(P)
- d. Arrangements should be made to allow Industry, including the Proposer of the Modification, to be represented in the review process.(P)
- e. A definitive end date should be given for the review.(P)
- f. The results of the review should be issued for consultation before any recommendations are implemented.(P)

In the above list, those items marked 'P' reflect assurances given by the Panel Chairman to the Proposer of the Modification.

Achievement of the BSC Objectives

The Panel noted that were the proposal to be progressed it would be necessary to further consider the costs and benefits that would accrue.

However, the Panel agreed that the principal issue was the unquantified risk to the integrity of settlement which would arise from pursuing this modification proposal in isolation. The Panel considered that this uncertainty meant that the proposal:

- Would not better promote “effective competition in the generation and supply of electricity, andcompetition in the sale and purchase of electricity”.
- Would not better promote “efficiency in the implementation and administration of the balancing and settlement arrangements”.

Panel Decisions

In the light of the rationale described above and the planned review of the Performance Assurance Framework, the Panel agreed the recommendations in the IWA. The Panel:

- a. **NOTED the results of the Initial Written Assessment on Modification Proposal P29 and associated identified issues;**
- b. **NOTED the views that:**
 - i. **the proposed modification P29 cannot be safely and effectively progressed before the review of the Performance Assurance Framework is complete, and**
 - ii. **to adopt the proposed modification without such a review would lead to an unquantified risk to the integrity of settlement.**
- c. **AGREED to proceed to the Report Phase, with a recommendation to the Authority that Modification Proposal P29 be rejected.**

7 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

The Authority have confirmed that this Report need not include proposed legal text to give effect to the proposed modification.

8 ASSESSMENT

The full text of the IWA is published on the ELEXON website www.elexon.co.uk. The following text is reproduced from the summary of that report:

Matters of Principle

- The removal of GSP Group level reporting appears to be at odds with the fundamental structure of the SVA element of the trading arrangements. All SVA settlement calculations and Supplier Agent activities to support settlement are based on GSP Groups. Elimination of an element of assurance at this level would be a significant step.
- It is not clear that the risks and benefits to settlement of changes to GSP Group level reporting and the elimination of reporting against specific serials can be identified and assessed in isolation. Making such changes without consideration of the overall Performance Assurance Framework (PAF) and the consequential impact on assurance would introduce an unquantifiable risk to the integrity of settlement. A review of the PAF (which would mitigate this risk) is scheduled to begin in September 2001.

Other Issues for Consideration

- Operational value of the Performance Data to Suppliers in the management of Supplier Hubs
- Impact on the ability to identify performance issues localised in one GSP Group (possibly related to SMRS, incumbent agents)
- Balance of costs and benefits (to reflect initial costs to Suppliers, Agents, ELEXON, any risks to the integrity of settlement, and operational benefits to Suppliers)
- Likely Modification Timescales
- Continuity and consistency of reporting and value of historical performance data
- Ability to apply other performance assurance techniques (Liquidated damages cap, liquidated damages redistribution, Removal of Accreditation, and Peer Comparison rely GSP Group level reporting)
- Code Compliance (the BSC says that PAB may ask for ad hoc performance reporting, which could include GSP Group level reporting)
- Identification of candidate serials for removal (criteria would need to be defined; the suggested criterion in the proposal - a lack of performance issues in an area - is not likely to be adequate by itself)
- Review only to consider removal of serials, not optimisation
- Performance of the SVA elements of the trading arrangements (this is not seen as allowing for any complacency)
- Timing (A full review of the PAF has already been scheduled; it was envisaged that this would be followed by a review of standards and serials)

Specific Areas of Impact

- **BSC Systems and Process**

Changes to the PARMS reporting from the SVAA

- **Other Systems and Processes used by Parties**

Suppliers' reporting interface with Supplier Agents

PARMS reporting software

Liquidated damages models

- **Balancing and Settlement Code**

Section S Annex S-1

- **BSC Procedures**

BSCP33, BSCP533 and MIRT Appendix, BSCP534, BSCP536

- **Party Service Lines**

SL130, SL140, SL150

- **Other Configurable Items and ELEXON**

PARMS techniques and local work instructions

PARMS requirements, system and systems documentation, local work instructions

Liquidated damages LWIs and Guidance Notes

Conclusions

In the light of the matters of principle identified above, ELEXON concludes that it would not be safe and effective to progress this Modification Proposal before the completion of the review of the PAF.

Were it decided to progress the proposal now, there are sufficient issues to be considered to warrant a Definition phase of two months. In that event, a Modifications Group should be established, formed by members of the SVG augmented by members of PAB.

9 SUMMARY OF REPRESENTATIONS

- 9.1 Nine representations were received in response to the consultation on the Draft Modification Report, representing the views of twenty-four parties. In summary, eight respondents supported the Panel's recommendation that the Proposal be rejected; the ninth response was "No comment".
- 9.2 In supporting the Panel's recommendation:
- Six respondents indicated that the appropriate time for considering the issues raised would be during the PAF review; three of these noted that they felt there was need for changes to the PAF.
 - One respondent noted that any changes to standards would require thorough discussion, and would require considerable lead time to implement.
 - Three respondents indicated that GSP Group level reporting is important to the trading arrangements; one of these commented, however, that its importance was now somewhat reduced from that previously. A fourth respondent commented that the PARMs framework is integral to the BSC.
 - Two respondents noted that GSP group level performance data is important to Suppliers for the management of their agents. Another respondent, however, commented on the importance of the quality of data independent of geographical location.
- 9.3 One respondent particularly welcomed the Panel's comments that inputs to the PAF review would be invited, and provided specific comments for consideration. These will be taken account of in the review.
- 9.4 In his response, the Proposer, whilst agreeing with the recommendation to reject the proposal, queries whether the Draft Report accurately reflects the Panel's discussion. The Draft Report says in essence that the Panel agreed with the conclusion put forward in the IWA, and that this was the Panel's rationale for recommending rejection. The Proposer puts the view that the Panel simply noted the IWA (as recorded in the recommendations), and recommended rejection since the proposal could not be withdrawn.
- 9.5 The Draft Report was not amended to reflect the Proposer's view on this matter. The Panel have confirmed that this Report properly reflects their rationale for recommending rejection.
- 9.6 The Proposer in his response also requests that the assurances given to him regarding the PAF review should be given explicitly in the Report. Previously, the Draft Report included a single list of items relating to the terms of reference of the review, incorporating comments from the Panel as well as the assurances given to the Proposer. The Draft Report (Sections 1 and 6) was adjusted to separately identify the latter.

ANNEX 1 – REPRESENTATIONS

Responses from P29 Urgent Modification Report Consultation

9 Representations were received from the following parties:

No	Company	File Number
1.	Utility Link	P29_UMR_001
2.	SEEBOARD	P29_UMR_002
3.	Powergen UK plc	P29_UMR_003
4.	GPU Power UK	P29_UMR_004
5.	British Energy plc	P29_UMR_005
6.	Scottish Power UK plc	P29_UMR_006
7.	Scottish and Southern Energy	P29_UMR_007
8.	Amerada Hess Gas Ltd	P29_UMR_008
9.	British Gas Trading	P29_UMR_009

P29_UMR_001 – Utility Link

Subject: Modification Report P29

As the proposer of the above modification I agree with the recommendation of the report that the modification should be rejected. However I would like to clarify the following points.

The modification report states that the Panel agreed with the IWA that the modification would 'lead to an unquantified risk to the integrity of settlements'. My recollection was that the Panel's debate centered on the form of the performance assurance review and the Panel neither agreed or disagreed with the IWA conclusions. The Panel 'noted' the views, and agreed to recommend rejection as the modification could not be withdrawn.

Section 6 notes that as proposer, I was willing to withdraw the modification subject to certain assurances. These assurances should be listed in the report, which were:

- i. That the terms of reference include consideration of the cost to the industry of providing data, against the benefits that are gained. In particular the cost to smaller Suppliers and agents.
- ii. That a definitive end date is given for the Performance Assurance review.
- iii. That the Industry is represented in the review process.
- iv. That the results of the review are sent out for consultation by the industry before any recommendations are implemented.

These assurances were received from the Panel, and as the Proposer I was in agreement that the modification be rejected as it could not be withdrawn.

If you should wish to discuss any of the points made, please feel free to contact me.

Yours sincerely,

Chris Welby
Regulation Assurance Manager

P29_UMR_002 – SEEBOARD

We agree with the above mentioned report that this modification be rejected. As an overall review is scheduled for later this year this proposal is not worth pursuing at this time. Whilst going to a higher level of reporting would in theory simplify things and reduce workload we would still, as a Supplier, need to continue to track individual Agents at GSP Group level. There would, therefore, be no real benefit to us, or the industry, at this time.

Dave Morton
SEEBOARD
0190 328 3465

P29_UMR_003 – Powergen UK plc

Proposed Variation to BSC – Modification Proposal No: 29 – Improve Efficiency Of Parmis Reporting Requirements

Powergen UK plc ('Powergen') welcomes the opportunity to comment on the modification report issued for P29 on the 30th July. Powergen provides this response on behalf of itself and the following BSC Parties: Powergen Energy plc, Diamond Power Generation Limited, and Cottam Development Centre Limited.

In response to the modification report Powergen would raise the following points :-

- Powergen support the Elexon recommendation that the proposed modification cannot be progressed before the review of the performance assurance framework.
- Powergen also endorse the recommendation in the report to proceed to the report phase, with the recommendation that the modification proposal be rejected.

Yours Sincerely
James Hawkins
Strategy & Regulation
Energy Trading
Powergen
02476 42 4737.

P29_UMR_004 – GPU Power UK

Please find that GPU POWER UK response to P29 - Consultation Draft Modification Report is 'No Comment'.

thanks

Rachael Gardener

Deregulation Control Group &

Disribution Support Office

GPU POWER.CO.UK

P29_UMR_005 – British Energy plc

British Energy does not support Modification P29 "Improved Efficiency of PARMS Reporting Requirement". BE agree with the Panel recommendation that the modification be rejected.

The performance of suppliers and their agents within a GSP Group affects the payments made by other suppliers within that Group through GSP Group correction, and we believe that performance reporting at a GSP Group level is vital for current and future monitoring. Introduction of this modification would reduce the amount of data available for this purpose.

Regards
Rachel Ace
For
British Energy Power and Energy Trading
British Energy Generation
Eggborough Power Ltd

P29_UMR_006 – Scottish Power UK plc

A.1.1

BSC Modification Proposal P29 – Improving the Efficiency of PARMS Reporting

After some consideration of the findings in the Draft Modification report, we are not convinced that there is any material benefit to be gained from the implementation of Modification Proposal P29.

To remove 'GSP Group Level Reporting' appears contrary to the SVA Arrangements and we would suggest that, as SVA was designed on a GSP basis, the data held by Suppliers and their Agents is naturally tailored to the current reporting format. Furthermore, we anticipate that the concerns raised by the proposer will be addressed in the forthcoming review of the Performance Assurance Framework and it is our view that this represents a more sensible vehicle for dealing with this issue.

Therefore, we support the Panel's recommendation that Modification Proposal P29 be rejected.

I hope that you will find these comments helpful. If I may be of any further assistance in this matter, please do not hesitate to contact me.

Yours Sincerely,

James Nixon

On behalf of:

Scottish Power UK plc, Manweb Plc, Manweb Services Ltd. and Emerald Power Ltd

P29_UMR_007 – Scottish and Southern Energy

This response is sent on behalf of Southern Electric, Scottish and Southern Energy, Keadby Generation Ltd and SSE Energy Supply Ltd.

We support the recommendation of the Panel that the Modification is rejected. We agree that the issues raised in this proposal cannot be considered in isolation and should be considered as part of the fundamental review that is due to take place later this year.

However we agree wholeheartedly with the sentiments of the proposal, simplification is urgently required. In view of this we sincerely hope that the timescale for the review of the Performance Assurance Framework incurs no further slippage.

Regards
Robert Hackland

P29_UMR_008 – Amerada Hess Gas Ltd

P29 Report Comments

Thank you for the opportunity to comment on the above Modification Report. Our comments represent the views of Amerada Hess Gas Ltd, Amerada Hess Gas (Domestic) Ltd, amerada.co.uk Ltd, Midlands Gas, and Western Gas. For convenience, they are split into two sections, the Modification itself, and Performance Assurance Review feedback

Modification Report

Amerada opposes this modification, which is flawed in our opinion. GSP reporting should assist Suppliers in managing their Agents' effectiveness in each location, thus ensuring the level of service received is at least equivalent.

The PARMS framework is, as Elexon have rightly pointed out, integral to the BSC code. The changes proposed under this relatively simple sounding modification would potentially have a far bigger impact than is at first obvious. We do, however, concur that a review of the framework is timely, believing the current framework to be onerous and potentially anti-competitive, in that the additional work required for PARMS only, could mitigate against smaller Suppliers using multiple Agents in any GSP Group.

Amerada agrees with Elexon however, that this review is best taken forward under the work planned by the Performance Assurance Board in the Autumn. We particularly welcomed the Panel's comments in respect of inviting input to the process, and have included some points below, which we hope will be taken into consideration.

Performance Assurance: Review

Amerada is supportive of the principles of the Performance Management Framework, but we feel that the regime needs refining to ensure maximum effectiveness for the minimum reporting burden on Suppliers. We are particularly concerned that an appropriate balance should be found in this area.

1. As a small, new Supplier in this market, we do not yet believe that Performance Assurance, through PARMS, adds much significant benefit to the management of Agents:
 - There is little evidence to suggest that PAB actually investigates the data reported by Suppliers.
 - There is too much reliance on the Supplier obtaining "Drill Down Data" as proof of their Agents figures, this should be done directly by Elexon.
 - There is no formal feedback to Suppliers (other than data acknowledgement and/or rejection) on the data content and/or acceptability.
 - PAB appears to view failures by Agents to perform to Industry standards as Contractual Issues. This thinking is flawed, in that Contracts are taken from a standard template and non-negotiable. Smaller Suppliers (especially) need more support from Elexon.
 - There appear to be circumstantial indications that not all failures identified by the PARMS reporting are consistently rigorously investigated and pursued.

Therefore any "review" of PARMS should not be focused solely on 'which serials can be removed/changed', but also on the framework, and the communication channels.

2. More specifically, the framework should allow exemptions for Suppliers on irrelevant Serials – the best example of which is where a Supplier not qualified for Half-Hourly still has to send reports for 12 HH serials (per brand and per GSP). This should be reviewed.
3. Information for new entrants is focused solely on the 'Integrity of Settlements' ideal and does not assist those new entrants in understanding fully the values available through the reporting. It has

been acknowledged by Elexon that a more 'Operational' type instruction/tuition set would be useful.

4. Where a new (small) Supplier is concerned, the impact of incorrect/incomplete settlement data is relatively minor. Any failure of the Agents to perform on such a Supplier's behalf is therefore undervalued by the Agent, as the impact on settlements is negligible.
5. The efficacy of Liquidated Damages, passed onto the Agents (Clause 11 of Schedule 1 of Contracts) is also negligible with respect to smaller Suppliers. This is because the amounts payable would generally be too small to be of concern to an organisation the size of a PES, therefore there is little incentive for them to provide effective service.

We trust our comments have been useful, and we would be happy to discuss any of the points raised in more detail, if this would be helpful.

Yours sincerely
Alison Kuck
Transportation Contract Manager

P29_UMR_009 – British Gas Trading

Modification Proposal 29: Improve Efficiency of Parmis Reporting Requirements

Thank you for providing the opportunity of responding to this modification proposal.

British Gas Trading agrees with Elexon's recommendations that Modification 29 is rejected. In addition, we would like to draw attention to a few areas that have been identified in the Initial Assessment Report.

Page 9, Section 4, Paragraph 5 identifies that Suppliers have an increasing burden to report by individual GSP Group. The effectiveness of reporting on this basis has been raised at SVG on various occasions over the past 12 months. British Gas Trading agree with the sentiments of the proposer that this does require rationalisation and further consultation.

Under Section 12 Issues:

- a) We welcome that a thorough review of the Performance Assurance Framework is to be carried out. As a Party Member we trust that this information will be made available for further comment on completion of the review.
- b) Since the introduction of Agent Competition, the true Supplier Hub principle (independent of geographical location) is becoming a major factor in relation to maintaining data quality. We, therefore, agree with the proposer's tenet that Elexon's GSP Group based reporting is not as fundamental as it once was. However we accept that as long as Settlement continues on a GSP Group basis, there is still value to be gained from such reporting.
- c) We agree with the findings indicating that the principle risk is the integrity of Settlement process. A new monitoring system would have implications on Supplier Hub Management.
- d) We agree entirely that any standards would require thorough discussion. Any fundamental changes to the current PARMIS arrangements would require considerable lead-time to implement.

Yours faithfully
Andrew Latham
Account Manager