



November 2002

Assessment Report

P99 – Changes to Accreditation and the PARMS Serials and Standards, resulting from the Performance Assurance Framework (PAF) Review (Phase 1)

**Prepared by the VASMG on behalf of the Balancing
and Settlement Code Panel**

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c Related Documents

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Reference 1	P99 Modification Proposal 'Changes to Accreditation and the PARMS Serials and Standards resulting from the Performance Assurance Framework (PAF) Review (Phase 1)
Reference 2	P99IWA10 Initial Written Assessment for P99
Reference 3	P99RS10 Requirements Specification for P99
Reference 4	Modification Circular MC000117 – Detailed Level Impact Assessment of P99

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal P99 'Changes to Accreditation and the PARMS Serials and Standards, resulting from the Performance Assurance Framework (PAF) Review (Phase 1)' (P99) during the Assessment Procedure, the Volume Allocation Standing Modification Group (VASMGM) recommends that the BSC Panel:

- a) **NOTE the P99 Assessment Report and the recommendations of the VASMGM; and**
- b) **ENDORSE the recommendation of the VASMGM to extend the Assessment Procedure by one month, to better evaluate the costs (to participants and ELEXON) of implementing the Modification and thereby determine whether it better facilitates the Applicable BSC Objectives.**

If the recommendation to grant the extension is not endorsed, the Panel is invited to:

- a) **AGREE to proceed to the Report Phase in accordance with Section F2.7 of the Code;**
- b) **AGREE that the draft Modification Report contain a provisional recommendation that the Proposed Modification should be made with an Implementation Date, given the current uncertainty of the technical complexity of the changes required, of 12 months following the Authority decision; and**
- c) **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting on 12 December 2002.**

1.2 Background

In September 2001 the Balancing and Settlement Code Panel ('the Panel') initiated a review of the Performance Assurance Framework (PAF) within the Trading Arrangements, with a view to reducing the costs incurred by BSC Parties while maintaining or improving the level of assurance provided. Phase 1 of the PAF Review focused on the techniques of Accreditation, audit, Entry Processes and the PARMS (Performance Assurance Reporting And Monitoring Service) Serials and Standards; a second phase is currently underway and is looking at other areas of assurance. Each technique was analysed by an expert group comprised of industry participants representing a range of market roles, and the findings of the analysis was presented to the Panel for approval on 18 April 2002. The Panel agreed with the recommendations of the PAF Review and requested that they be issued to industry for formal consultation.

The majority of industry responses to the consultation supported the PAF Review's recommendations. The relevant expert groups discussed the queries and suggestions

raised by participants during the consultation and where appropriate, actions were taken to modify the proposals accordingly.

On 2 September 2002, British Gas Trading raised P99 in order to implement the recommendations of the PAF Review. Of the four techniques contained within Phase 1, only the Accreditation and PARMS improvements require a Modification to the Code. The audit improvements are the responsibility of the Panel and are being progressed separately, while the changes required for the improvements to Entry Processes relate only to Code Subsidiary Documents and not the Code itself. P99 (Reference 1) however, aims to deliver Phase 1 of the PAF Review in one single implementation, and so the scope of the Modification includes making the necessary changes in order to implement the agreed improvements to Entry Processes.

The Initial Written Assessment for P99, (Reference 2) was presented to the Panel on 12 September 2002 and recommended that:

- P99 be submitted to a two-month Assessment Procedure conducted by the Volume Allocation Standing Modification Group (VASMGM); and
- the Assessment Report for P99 be submitted to the Panel meeting of 14 November 2002.

The Panel endorsed these recommendations and agreed that the Assessment Procedure should focus on the implementation of the PAF Review rather than the recommendations themselves, as they have already undergone extensive industry consultation.

The VASMGM first met to discuss P99 on 27 September 2002. During the meeting the VASMGM reviewed a draft Requirements Specification, which outlined the recommendations of the PAF Review, and also discussed the type of questions that needed to be put to participants for consultation. Following the meeting, the Requirements Specification for P99 (Reference 3) was reviewed and approved by the VASMGM by correspondence and on 17 October 2002 was issued to Parties for consultation. In parallel, Modification Circular MC0017 (Reference 4), requesting Detailed Level Impact Assessment (DLIA) of P99, based upon the detail in the Requirements Specification, was issued to Parties, Party Agents, the SVA Agent (SVAA) and the NETA Central Service Agent.

The VASMGM met again on 1 November 2002 to discuss the responses to the consultation and impact assessment, and to agree on a way forward for P99. These discussions form the basis of this Assessment Report.

1.3 Rationale for Recommendation

The VASMGM assessed P99 against the Applicable BSC Objectives and the responses from the industry consultation and impact assessment.

The majority of the consultation responses, and the SVA Agent, indicated that further technical detail was required in relation to the potential participant and BSC Systems implementation costs of the PARMS proposals, although many were able to offer estimated implementation timescales. Without this further detail, many participants were unable to decide whether P99 would, in fact, better facilitate the Applicable BSC Objectives, and so could not determine their level of support for the Proposed Modification at this stage.

The focus of the VASMG during the Assessment Procedure was to set the high-level business requirements that resulted from the findings of the PAF Review, with a view to obtaining industry support for the proposal. This approach is reflected in the level of details included in the Requirements Specification for P99 (Reference 3) that was issued to industry for consultation and impact assessment. While some respondents were prepared to support P99 based upon the current level of information, those that were impacted most by the proposals to modify PARMS required further detail before making a decision.

Given that one of the aims of the PAF Review was to reduce costs incurred by participants, the VASMG agreed that it is necessary to confirm that P99 would achieve this aim, by ensuring that the implementation costs of industry and ELEXON would not outweigh the cost reductions resulting from P99. Therefore, the VASMG agreed to request that the Panel grant a one-month extension to the Assessment Procedure. During this time, the VASMG would prepare and issue to participants a set of PARMS technical information, specifying in particular the file content and format that would be used to submit PARMS data for the new or modified serials (34 in total). It is envisaged that this should provide enough detail for respondents to determine the cost impact on their organisation, and to decide whether they wish to support P99. In addition it would allow ELEXON to better estimate the central costs of implementation, thereby allowing the VASMG to consider the total estimated implementation costs incurred by industry and ELEXON. Furthermore, the VASMG would use this time to respond to other minor issues raised during the consultation, where respondents requested clarification on specific points.

The VASMG agreed that P99 would in principle better facilitate the Applicable BSC Objectives, provided that the results of the additional impact assessment are favourable in relation to the total cost of implementation.

However, if the Panel decide that it is not appropriate to consider the total costs, particularly those of individual participants, then the VASMG would support the progression of P99 to the Report Phase with the recommendation that P99 should be made. Due to the possible substantial extent of the impact on PARMS and the necessary development work that would be required by ELEXON, the VASMG cannot at this stage commit to an Implementation Date less than one year. Therefore, if the Panel determine that P99 should be progressed to the Report Phase, the VASMG recommend that the Proposed Modification should be made with a provisional Implementation Date of 12 months following the Authority decision.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd., on behalf of the Panel in accordance with the terms of the Code. 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.

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

3 MODIFICATION GROUP DETAILS

This Assessment Report has been prepared by the VASMG. The membership of the VASMG for P99 is as follows:

Member	Organisation	Role
Mike Downing	ELEXON	Chairman
Steve Francis	ELEXON	Lead Analyst
Rob Cullender	British Gas Trading	Proposer
Chris Pooley	Campbell Carr	Member
Jonathan Purdy	SEEBOARD	Member
Phil Russell	TXU	Member
Brian Nichol	Northern Electric	Member
Jill Ashby	Gemserv	Member
Robert Brown	Cornwall Consulting Limited	Member
Afroze Miah	Powergen	Member
Richard Harrison	Innogy	Member
Bill Gunshon	Innogy	Member
Colin Prestwich	Marubeni	Member
Katherine Bergin	Scottish and Southern	Member
Clare Talbot	National Grid	Member

In addition the following attendees have attended one or more meetings during the Assessment Procedure:

Name	Organisation	Role
Justin Andrews	ELEXON	Chairman (1 st meeting)
Ben Haden	ELEXON (Perf. Assurance)	Attendee
Tom Bowcutt	ELEXON (Change Delivery)	Attendee
Peter Varley	Gemserv	Attendee
Alec Thompson	LE Group	Attendee
Jerome Williams	Ofgem	Attendee
Catherine Monaghan	Ofgem	Attendee

4 THE PROPOSED MODIFICATION

P99 was raised by British Gas Trading on 2 September 2002 to progress the changes proposed by the PAF Review in relation to three of the Performance Assurance techniques used within the Trading Arrangements: Accreditation, Entry Processes and PARMS Serials and Standards.

All participants wishing to perform an active role in the Balancing and Settlement arrangements must undergo a certain level of testing to prove they are capable of trading effectively and without excessive risk to existing Parties and Party Agents. The PAF Review identified that in the current Accreditation procedure and Entry Process, the administration costs incurred by applicants are excessive and in the long term constitute an unnecessary barrier to entry. The Proposer believes that simplifying the more onerous administrative requirements on applicants, while ensuring that all the necessary tests and checks are still carried out, would serve to allow easier entry into the market for participants. In turn, this would promote competition in electricity generation and supply and so would better facilitate Applicable BSC Objective (c).

The PARMS is used to monitor and report the performance of Parties and Party Agents against a set of serials, each of which represents a business event relevant to the Balancing and Settlement arrangements. The PAF Review identified areas where the serials could be modified or replaced to allow better market monitoring and to place greater incentives for participants to achieve their performance standards.

4.1 Operation of P99

The Requirements Specification for P99 (Reference 3) explains in detail the changes proposed to Accreditation, Entry Processes and PARMS Serials and Standards by P99. This section represents a summary of the proposals:

4.1.1 Accreditation

The following amendments would be made to the Accreditation procedures:

- a new Certification Checklist to replace the current Self-Assessment Certification Return (SACR), which would be shorter, less repetitive and easier to complete by applicants;
- a Risk Assessment process performed by BSCCo for each applicant, which upon completion would determine whether the applicant has to complete the Certification Checklist with the direct assistance of the Certification Agent;
- a clearer definition of the circumstances in which Re-certification is required to be completed; and
- a new process, Additional Certification, to be used where an existing participant (a Party Agent in particular) changes its market role to another that is similar or less onerous and so should not be subject to full certification but instead could apply for Re-certification.

4.1.2 Entry Processes

The current Entry Processes would be altered to include the following:

- a revision to the set of functional test scripts to improve efficiency and better reflect current operational issues;
- a change to allow the Entry Process Agent to simulate the role of other participants when conducting interface tests;

- individual qualification of new Party Agents for use by Suppliers, so that a Supplier does not have to seek approval for every Supplier Agent combination in a Supplier hub, so long as all the necessary Agent to Agent tests have been completed satisfactorily;
- an additional check on the Supplier Readiness Checklist to confirm that suitable business continuity plans have been put in place by the applicant.

4.1.3 PARMS Serials and Standards

The PARMS system and associated documentation would be revised as follows:

- introduction of a new set of Serials and Standards, created by retaining, modifying or removing those in the current set and adding new serials to monitor specific events;
- a change in approach to data acquisition, whereby Party Agent-related performance information would be submitted direct to BSCCo rather than via Suppliers, thus reducing an unnecessary workload for each Supplier;
- introduction of an 'N/A' option to report that a participant's performance against a serial has not been measured, potentially because the particular business event (e.g. Change of Supplier) has not happened – at present only a 0 or 100% performance figure can be provided which is misleading;
- Party Agent performance to be reported at a national level rather than on a GSP Group basis;
- Peer Comparison reports to be condensed and filtered by BSCCo to make them easier to read by participants.

Where a participant consistently fails to meet the performance standard required by a serial, in order to correct the problem and if necessary protect other participants from potential risk, one of four corrective techniques may be applied: Peer Comparison, Error and Failure Resolution, Supplier Charges and Removal of Accreditation. Annex B of the Requirements Specification for P99 details the corrective technique(s) applied to each of the serials.

5 ASSESSMENT AGAINST APPLICABLE BSC OBJECTIVES

The majority of VASMG members believed that P99 would in principle better facilitate Applicable BSC Objectives (c) and (d) and thus achieve the aims of the PAF Review; only one member did not support this view, considering that there was insufficient information available at this stage.

The proposals relating to Accreditation and Entry Processes would reduce the amount of unnecessary administration in these areas, which would in turn lessen the workload on applicants (whether they are new or existing market participants) and promote competition (Applicable BSC Objective (c)). The enhancements to PARMS would encourage improvements in the performance of participants, helping to improve the running of the trading arrangements as a whole and so better facilitating BSC Objective (d).

However, the responses from the industry consultation indicated that, should the implementation costs incurred by each participant be excessive, particularly with regard to

PARMS, then the ability of P99 to better facilitate the Applicable BSC Objectives, particularly Objective (c), may be compromised.

5.1 Consultation

The VASMG reviewed the responses to the consultation and agreed the following determinations. The full details of the responses received are contained in Appendix A of this Assessment Report.

Implementation Costs of PARMS Improvements

The most frequent comment raised related to the costs that would be incurred by participants and particularly Supplier Agents in carrying out the system changes required by the proposed PARMS improvements. Respondents felt that further technical detail, particularly regarding the proposed data file formats would be required before unconditional support could be given to P99. The VASMG considered these views and have taken them into account in its recommendation to the Panel.

Proposed PARMS Serials

A number of respondents raised specific points in relation to the set of serials proposed by P99. Many of these were minor suggestions to wording or requests for clarification, however, some responses rejected certain serials outright. The VASMG agreed that, while the set of serials have undergone a consultation process as part of the PAF Review, it would be necessary to ensure that the serials were correct and did not contain any fatal flaws that may prejudice P99's ability to better facilitate the BSC Objectives. Therefore, where possible, the VASMG agreed to make revisions to the serials in order to address consultation comments and to re-issue an agreed set.

Impact on Small Suppliers

A concern was raised that small Suppliers may be unfairly penalised by poor Supplier Agent performance, even where the Supplier has no direct influence on the quality of data provided by a Party Agent. The VASMG believe that although this is a valid concern, it is a result of the general Supplier hub principle, in which each Supplier is responsible for data provided by its appointed Party Agents. In addition, the VASMG noted that, under P99, Suppliers would have the opportunity to query any data submitted by its Party Agents into PARMS prior to the calculation of any resulting Supplier Charges.

Accreditation

There was concern that the proposed re-certification process could be too onerous in practice if a situation arises where, even for a low-risk change, ELEXON Technical Assurance decides that a site visit is needed. The VASMG believe that the proposals would serve to reduce the workload on participants and agreed to clarify the process to make clear that intervention by Technical Assurance would only occur in the case of suitably high-risk changes.

A further comment was raised regarding the proposals for Additional Certification. It was suggested that a change from Non Half Hourly Data Collector (NHHDC) to Half Hourly Data Collector (HHDC) roles by a participant would require a level of change in staff and systems that would make full Certification more appropriate. The VASMG considered this suggestion, but believed that the procedure proposed for Additional Certification, which in

practice would involve re-Certification, would provide a sufficient level of assurance to industry without imposing the unnecessary administration costs that would be incurred if full Certification were followed.

Data Transfer Network

The consultation asked participants if they were interested in using the Data Transfer Network (DTN) to submit data into PARMS rather than using email as in the present case. The overwhelming majority (around 90%) did not wish to make use of the DTN in this way, on the basis that the costs incurred in design and development would not be of any great benefit in the long term.

Other Issues

One respondent suggested a preferable approach would have been to raise a separate Modification Proposal for each assurance technique, as under P99 all three have to be approved before any can be implemented. The VASMG noted that the PAF Review's intention was to seek approval for a balanced package of assurance techniques rather than three unrelated proposals, and agreed that the techniques should be approved as a whole. However, the VASMG accepted that there may be merit in separating the implementation of the three techniques to provide greater flexibility to those implementing the proposals.

Another respondent suggested that as the PARMS proposals are primarily concerned with the Supplier market, consideration should be given to allocating the various costs associated with them to Suppliers. The VASMG considered this view, and while the Code does allow costs to be allocated to users of a particular process (for example, receiving data on CD-ROMs prepared by ELEXON), it makes no provision for costs to be allocated to a specific market participant role. While this could be achieved via an Alternative Modification, the VASMG agreed not to progress this issue as the aim of P99 is to benefit all participants within the trading arrangements and so all should be liable for any costs incurred.

6 IMPACT ON BSC AND BSCCO DOCUMENTATION

6.1 BSC

This section describes the changes required to the Code in order to bring P99 into effect. The full legal text is contained in Appendix D.

Section J 'Party Agents'

This section would involve the following changes:

- a new requirement for Supplier Meter Registration Agents (SMRAs) to provide registration data to BSCCo for the purposes of market monitoring;
- in relation to the Accreditation and Certification process, changes to reflect that only in the case of a high risk applicant (as identified by the Risk Assessment performed by BSCCo) is the Certification Agent required to complete and submit to PAB the various self-assessment documentation.

Section S 'Supplier Volume Allocation'

Annex S-1 'Performance Levels and Supplier Charges' would be revised to reflect the new standards and serials, particularly the Supplier serials.

6.2 Code Subsidiary Documents

The following Code Subsidiary Documents, including BSC Procedures (BSCPs), Party Service Lines (PSLs), SVAA Service Lines (SSLs) and the BSC SVA Data Catalogue would be impacted and any changes required would be developed by ELEXON after Authority approval of P99.

The documents below would require revision to reflect the specific to the three assurance techniques.

- BSCP512 – Entry Process – Supplier
- BSCP531 – Accreditation
- BSCP533 – PARMS Data Provision
- BSCP534 – PARMS Techniques

The CDCA Interface Definition and Design (IDD) and User Requirements Specification (URS) will require amendment to reflect the data to be submitted into PARMS for the two CVA Meter Operator Agent (MOA) serials.

The following documents all contain references to the set of PARMS Serials and Standards modified by P99 and so would require revision:

- BSCP536 – Supplier Liquidated Damages
- BSC SVA Data Catalogue (Part 1)
- PSL110 – SVA Meter Operation
- PSL120 – Non Half Hourly Data Collection
- PSL130 – Half Hourly Data Collection
- PSL140 – Non Half Hourly Data Aggregation
- PSL150 – Half Hourly Data Aggregation
- PSL160 – Supplier Meter Registration Service
- PSL170 – Meter Administrator
- PSL180 – CVA Meter Operation
- SSL300 – Supplier Volume Allocation
- SSL310 – Daily Profile Production
- SSL360 – Market Domain Data

7 IMPACT ON BSC SYSTEMS

The Requirements Specification for P99 (Reference 3) explained that there are minor impacts on the SVA Agent (SVAA) and the Central Data Collection Agent (CDCA) as they would be required to send sets of data to BSCCo every month for the purposes of monitoring participants' performance against the PARMS serials. However, as this would involve the sending of e-mails rather than the use of an electronic data transfer system, there should not be any need to revise any of the fundamental system software.

The impact identified by the CDCA is a documentation-only change, with an estimated lead time of three weeks at a cost of £12,200.

The SVAA could not provide a firm quote at this stage, needing further technical information relating to PARMS, although ELEXON do not believe the impact to be major.

The full details of the impact on BSC Systems is contained in Appendix B.

8 IMPACT ON CORE INDUSTRY DOCUMENTS

A change will be required to the Master Registration Agreement (MRA) to align with the changes in Section J of the BSC relating to data provision by SMRAs.

9 IMPACT ON OTHER CONFIGURABLE ITEMS

The CDCA Interface Definition and Design (IDD) and User Requirements Specification (URS) will require amendment to reflect the data to be submitted into PARMS for the two CVA Meter Operator Agent (MOA) serials.

The ELEXON Local Working Instructions for Accreditation and Entry Processes will require revision, as will the relevant Simple Market Guides published on the BSC web site.

10 IMPACT ON ELEXON

The main impact of P99 on ELEXON will be in carrying out the necessary alterations to the internal BSCCo systems used in Entry Processes and PARMS. The Entry Process Agent scripts and software will need to be altered to reflect the new set of functional tests and the ability of the Entry Process Agent to simulate the role of other participants during testing. Meanwhile, PARMS will require a complete revision to reflect the set of serials proposed by P99 and their associated corrective techniques (this may require substantial changes requiring significant costs, however further technical details need to be defined to determine the extent of these changes). ELEXON will also be required to develop and test the report formats to be used by participants when sending the data, so that it can be easily loaded into PARMS.

In relation to the Accreditation proposals, the increased role of the ELEXON Technical Assurance team will require an estimated two extra staff, which will involve recruitment costs as well as an ongoing cost in the form of salary.

The remainder of the impact on ELEXON relates to the administration of the necessary changes to Code Subsidiary Documents and Configurable Items, and the contractual negotiations with the Certification Agent and Entry Process Agent.

The costs associated with these ELEXON impacts are detailed in Section 13.

11 IMPACT ON PARTIES AND PARTY AGENTS

The impact of P99 on Parties and Party Agents was established based upon responses to the DLIA request issued via MC00017 (Appendix C). The main impact was in relation to the PARMS proposals, and the responses highlighted the need to alter Party and Party Agent system software to support the proposed set of serials. Furthermore, a response identified an impact in relation to the Accreditation improvements as there would be a need to revise internal change management processes.

Although a majority supported P99 in principle, many of the respondents needed further technical details in relation to the PARMS requirements to provide a meaningful estimate of the financial impact on their organisation. One respondent provided a cost estimate of £6,000 per serial (with 34 serials in total), however it was indicated that this was based on a previous estimate of changing PARMS serials.

The estimated lead times provided by Parties and Party Agents ranged from 3–18 months, with the majority requiring a minimum of 6 months, starting from the point at which a clear set of technical requirements is presented or from the point of the Authority decision, whichever is later.

12 IMPACT ON TRANSMISSION COMPANY

There is no impact on the Transmission Company caused by P99 and therefore no impact assessment has been requested.

13 IMPLEMENTATION COSTS AND TIMESCALES

In its final report to the Panel the PAF Review provided estimates of the ELEXON-related development costs that would be incurred by the implementation of its proposals. Much of the detailed development work relating to the systems and processes can only be initiated once P99 is approved by the Authority and a suitable implementation project formed, however the initial estimates provided to ELEXON are summarised here.

13.1 Accreditation

The changes to BSCPs, Local Working Instructions and Market Guides would require approximately 3 months' of effort by ELEXON to draft and review, with the Certification Checklist and the Risk Assessment Process taking up the majority of the work. The revision of the Certification Agent contract would take 10-15 man days of negotiation by the ELEXON commercial team and could be run in parallel with the other work for Accreditation. The extra Technical Assurance staff described in Section 9 would result in an ongoing cost of around £70k per annum (plus ELEXON recruitment costs) for two full-time assurance analysts. However, this would be mitigated by the significant reduction in costs incurred by the Certification Agent.

- total timescale: 4 months;
- total cost: £75,000 implementation, £70,000 per annum ongoing.

13.2 Entry Processes

The changes to the Entry Process Agent systems would involve approximately 90 man days of effort at £54,000 by the Entry Process Agent on start up, with an ongoing cost of £30,000 per annum based on the current market entry rate of approximately 10 applications a year. The documentation updates and contractual negotiation required by ELEXON is expected to require around 20 man days of effort, which at the standard rate would involve a cost of around £6,000.

- total timescale: 5.5 months;
- total cost: £60,000 implementation, £30,000 per annum ongoing.

By comparison, the current Entry Process Agent running costs amount to approximately £1.1m per year, meaning that P99 would represent an increase of around 3%. Furthermore, the simplified processes are expected to generate a cost saving of around £4,000 per applicant, which at the current rate of market entry would amount to an industry saving of £40,000 per year.

13.3 PARMS Serials and Standards

The work required on PARMS is the most significant aspect of P99. The current system is very complex and does not lend itself well to amendment on a scale required by P99, with the results that much of the functionality would have to be rewritten rather than revised. The system was designed to receive data submitted by Suppliers, SMRAs and the SVAA, and this was reflected in the capacity of the database. Receiving data from Supplier Agents and the CDCA in addition to those other participants may overload the database and so would require a substantial re-write of the system.

ELEXON estimate that the development work and the necessary testing could take up to one man-year to complete. The total cost of the PARMS system development requires further definition, however, the PAF Review estimated a potential development cost of £200,000, with an ELEXON internal cost of £40,000-50,000 for documentation updates. Assuming no extra staff are required to operate the revised system, there would be no ongoing costs incurred.

13.4 ELEXON Costs Summary Table

The following estimates were provided by the PAF Review and presented to the Panel in April 2002. As with participants, additional technical details were considered necessary to obtain more accurate estimates:

Process	Internal Cost	External Cost	Total
Accreditation	£75,000	None	£75,000
Entry Process	£6,000	£54,000	£60,000
PARMS	£50,000	£200,000	£250,000
Total	£131,000	£254,000	£385,000

14 SUMMARY OF REPRESENTATIONS

A consultation on P99 was held between 17 October 2002 and 31 October 2002.

In total 13 responses (41 Parties, one Party Agent) were received. The full details of the consultation responses are contained in Appendix A of this Assessment Report, but a summary is given below.

The following questions were asked during the consultation:

Q1 Do you believe that P99 would better facilitate Applicable BSC Objectives (c) and (d)?
If No, please give reasons for your response.

Q2 Would your organisation be interested in using the Data Transfer Network (DTN) for PARMS data submission, rather than using the current email method?

Q3 Do you agree with the proposed implementation strategy in relation to the PARMS improvements, with pre- and post-implementation workshops held by BSCCo (with timescales subject to participant lead times)?

Q4 Do you believe that there are any alternative solutions that the Modification Group should consider?

Q5 Does P99 raise any issues that you believe have not been identified so far and that should be progressed as part of this Assessment Procedure?

Q6 Do you have any further comments on P99 that you wish to make?

P99 Consultation Responses

Party/Party Agent Name	Parties/Party Agents	Q1	Q2	Q3	Q4	Q5	Q6
British Gas Trading	1	Yes	No	Yes/No	No	No	No
Western Power Distribution	2	Yes	No	Yes/No	No	No	No
Aquila Networks	1	No	No	Yes	N/C	No	Yes
Scottish and Southern	4	No	No	Yes	Yes	Yes	Yes
NGC	1	Yes	N/C	Yes	No	No	No
Scottish Power	5	Yes*	No	Yes	No	Yes	Yes
Npower	9	No	No	Yes*	Yes	Yes	Yes
British Energy	3	Yes/No	No	N/C	N/C	N/C	Yes
LE Group	8	Yes	No	Yes	No	No	No
IMServ	1	Yes	Yes	Yes	No	Yes	No
SEEBOARD	1	Yes	No	Yes	No	No	Yes
Powergen	4	N/C	No	Yes/No	No	No	Yes

Majority Response	Yes	No	Yes	No	No	Yes
Respondents	64%	91%	73%	73%	64%	64%
Parties/Party Agents	48%	95%	73%	60%	45%	68%

* denotes acceptance with caveats

The results of this analysis yielded the following issues:

- The majority of respondents (64%) believed that P99 would better facilitate the Applicable BSC Objectives. However, 3 respondents (18 Parties) did not wish to support P99 because of the uncertainty on costs, and 3 respondents, (8 Parties) either did not comment or stated they were unsure at this stage
- An overwhelming majority (91%) did not support the use of the DTN to submit data into PARMS;
- There was widespread support for the proposed pre- and post-implementation workshops (73% of responses). There were no outright objections, however some respondents were unsure or decided to provide no comment;
- A large percentage of respondents (64%) raised specific points about certain serials, ranging from minor amendments to clear objections;
- A suggestion was raised regarding allocation of BSC costs to Suppliers rather than all market participants.
- A significant minority (around 40%) raised other issues that were felt to be relevant for discussion as part of the Assessment Procedure.

The considerations of the VASMG in response to the issues raised are detailed in Section 5.1.

APPENDIX A – P99 CONSULTATION RESPONSES

Attached as separate document.

APPENDIX B – P99 BSC AGENT IMPACT ASSESSMENT

Attached as a separate document.

APPENDIX C – P99 PARTY AND PARTY AGENT IMPACT ASSESSMENT

Attached as a separate document.

APPENDIX D – P99 LEGAL TEXT

Attached as a separate document.