

Change Proposal – BSCP40/02	CP No: CP1348 Version No: 1.0
<p>Title Supplier Charges following implementation of CP1334 'New PARMS Serials'</p>	
<p>Description of Problem/Issue</p> <p>Supplier Charges are liquidated damages that Suppliers incur if they fail to meet certain performance levels. The Performance Assurance Reporting and Monitoring System (PARMS) software calculates the Supplier Charges due each calendar month. One of the Supplier Charges serials - SP01 - monitors where a full set of PARMS Reports has not been submitted.</p> <p>On 1st July 2011 CP1334 will introduce a suite of new PARMS serials designed to replace and make redundant a set of 'old' PARMS serials. Following the 1st July 2011 the 'old' PARMS serials will no longer be valid and will no longer be used for the purposes of reporting performance.</p> <p>During the implementation of CP1334, ELEXON and the Performance Assurance Board (PAB) realised it would be illogical to continue to apply SP01 Supplier Charges to these redundant serials when they will not be used for any further reporting purposes. It was also felt that applying the SP01 charges to the old serials and historical reporting periods may 'mask' the performance of Suppliers under the new serials, making it difficult for the PAB to understand true performance.</p> <p>Removing the SP01 Supplier Charges for the old serials and historical reporting periods cannot be fully realised under the existing wording of BSCP533 and its Appendices. Therefore this CP has been raised to remedy this.</p>	
<p>Proposed Solution</p> <p>Amend BSCP533 and Appendices to enable the removal of SP01 Supplier Charges for the old, redundant PARMS serials and the historic reporting periods, following the introduction of the new PARMS serials on 1 July 2011.</p> <p>BSCP533 Appendix C was created to 'archive' the requirements and file formats of the obsolete serials for the purposes of allowing historic data to be submitted for the purpose of SP01 completeness checking. However, since we are proposing to remove SP01 Supplier Charges for the old, redundant PARMS serials and the historic reporting periods, Appendix C has become obsolete. Therefore, BSCP533 Appendix C will be deleted in its entirety and removed from the BSC Baseline Statement.</p>	
<p>Justification for Change</p> <p>Following the go-live date of the new serials, Suppliers and Supplier Agents will not be anticipating reporting the old serials. PAB's focus will be on the data provided by the new serials and will seek to make decisions based on this information. Therefore, the data from the old serials will no longer be used for reporting purposes for reporting periods from July 2011 onwards.</p> <p>Currently, a large percentage of SP01 Supplier Charges are incurred by Suppliers who are inactive or have zero energy share (and the charge is then capped to zero), or through Supplier Agents who are no longer operational (and therefore have no way of submitting the data). The majority of charges also occur from reporting periods in 2008 and before. This creates heavily skewed data, from which PAB have to base their decisions. By removing the charges for the old serials, it will allow PAB and ELEXON to more closely monitor the parties failing in their obligations and get rectification plans, allowing for more meaningful peer comparative analysis.</p>	

PAB have been made aware of this are supportive of the approach and believe it will provide them with more meaningful data. Due to the capping of the Supplier Charges, the material impact on individual parties will be minimal.

To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code?

Annex S-1 references Supplier Charges, noting that SP01 should be applied as set out in the BSCP.

Estimated Implementation Costs

1 man day equating to £240

Configurable Items Affected by Proposed Solution(s)

BSCP533
BSCP533 Appendix A
BSCP533 Appendix B
BSCP533 Appendix C

Impact on Core Industry Documents or System Operator-Transmission Owner Code

None

Related Changes and/or Projects

CP1334, CP1344, June 2011 Release

Requested Implementation Date

1 July 2011

Reason:

In line with when the new serials become live and the old serials cease to be effective. This gives a 'clean break' between the old and new serials.

Version History

We raised version 1.0 of this CP on 6 May 2011.

Originator's Details:

BCA Name: ELEXON

Organisation: ELEXON

Email Address: oliver.meggitt@elexon.co.uk

Telephone Number: 020 7380 4143

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Attachments: Y

Redlined text for BSCP533, BSCP533 Appendix A and BSCP533 Appendix B