

Change Proposal – BSCP40/02	CP No: 1325 <i>Version No: v 1.0</i> <i>(mandatory by BSCCo)</i>
Title <i>(mandatory by originator)</i> Removal of Obsolete PARMS Serials	
Description of Problem/Issue <i>(mandatory by originator)</i> <u>Background</u> <u>PARMS Serials</u> The Performance Assurance Reporting and Monitoring System (PARMS) is a database that contains information on the performance of Suppliers and their Supplier hubs against PARMS Serials. A Serial is a process or requirement to be monitored. Each Serial contains one or more standards which are performance measures within that Serial. Data is provided monthly in the form of Serials, representing a defined area for performance measurement, drawn from obligations within the Balancing and Settlement Code (BSC) or its subsidiary documents. <u>Impact of P207</u> Prior to Modification P207 ¹ being implemented, Serials were used primarily to provide metric data on key industry processes. Under the new risk based approach to assurance, participants are monitored against key risks via their Risk Management Plans (RMPs) and submissions made against PARMS Serials. The Risk Evaluation Register (RER) details the risks in Settlement and gives them a net significance based on probability, impact and control strength. Of the top ten Settlement Risks for Performance Assurance Operating Period April 2009 to March 2010, only eight have an applicable PARMS Serial. And out of the 176 total Settlement Risks (for both Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA)) only 39 are covered by a PARMS Serial. For those risks that are mapped to a PARMS Serial, not all the standards can be utilised to provide performance data against the Settlement Risk. Therefore the Serials are not necessarily monitoring the right areas. <u>Findings from PARMS Serial Review</u> A review of PARMS Serials was approved by the Performance Assurance Board (PAB) in September 2008 and was carried out by a group comprising ELEXON staff and industry experts. The review group determined that a number of Serials no longer provide meaningful metric data for Settlement Risks. It was the group’s opinion that these Serials should be discontinued. Those Serials which are associated with Supplier Charges were outside the scope of the review. The ELEXON website has details of the industry consultation carried out on behalf of the group, and the Final Outcome Report to PAB (PAB105/05). <u>Problem/Issue</u> <u>Obsolete Serials</u> Overall, there are 14 PARMS Serials (detailed below) which the PAB, PARMS review group and industry consultation respondents (15 respondents covering 108 Market Participant IDs(MPIDs)) agree are now obsolete. The usefulness of the data captured by these Serials is limited. Furthermore, there is little if any relevance of this data to associated Settlement Risks. Finally, in some instances a different Performance	

¹ Modification P207 'Introduction of a new governance regime to allow a risk based Performance Assurance Framework (PAF) to be utilised and reinforce the effectiveness of the current PAF'

Assurance Technique (PAT) is better placed to monitor or report against the risk.

Serial Reference	Data Provider
DA01 (NHH and HH Aggregated Data for All Runs)	SVAA
DA02 (Timely Application of Line Loss Factors (LLF)), SH01 (HH Data Aggregation Exceptions) & SH02 (HH Defaults)	HHDA
NC01 (D0023 ² Exceptions) & SH03 (D0095 ³ Exceptions)	NHHDA
HC01 (HH Estimates at RF), HC02 (HH Read History to New HHDC), HM02 (Provision of HH Initial and Final Reads by HHMO) & HM03 (Proving of a Metering System)	HHDC
NC03 (NHHDC – NHHDA Meter Read History), NM01 (NHH Meter Faults: Time Taken to Resolve) & NMO2 (Provision of NHH Initial and Final Reads by NHHMO),	NHHDC
SP03 (Invalid Supplier Hubs)	ELEXON

SP04⁴ Calculation

The PARMS Serial review group also recommended further SP04 guidance and clarification to be included in BSCP533 Appendix B. The current calculation guidelines in BSCP533 Appendix B are not in line with the Balancing and Settlement Code (BSC) and are not clear. For example, the guidelines currently indicate that SP04 can only stop being reported (end event) when Half Hourly (HH) Metering has been installed. The BSC also states that SP04 can stop being reported in the event that a MSID no longer qualifies as a 100kW Metering System then a HH Meter is no longer required. The current guidelines do not allow for this event.

NM03⁵ and NM04⁶ Issue

As part of the November 2009 release (CP1248 v2.0) NM03 and NM04's standard was changed from +10 Working Days (WDs) to +5 WDs. In addition the exclusion deadline was also reduced from +10 WDs to +5WDs. E.g.

"If the Date of Action Required by in the data flow is greater than +5WDs after the end of the period t-1 then the data flow should not be counted as it may lead to incorrect pending counts"

This should have been increased to +15WDs for both NM03 and NM04. By reducing this exclusion deadline the Serial is excluding too many instances and therefore not giving the best possible view of performance.

² D0023: Failed Instructions

³ D0095: Non Half Hourly Data Aggregation Report

⁴ SP04: Installation of HH Metering

⁵ NM03: Provision of NHH METD to NHHDC

⁶ NM04: Provision of NHH METD to New NHHMO

Further Guidance and Housekeeping

The examples in BSCP533 Appendix B section 2.2 and 2.3 are not clear. There is also no explanation of when instances for a Serial should be excluded (e.g. Serial NM03). It is therefore also proposed that further guidance and examples are included where appropriate. In addition, BSCP533, BSCP533 Appendix A and Appendix B require some housekeeping changes.

Proposed Solution *(mandatory by originator)*

Obsolete Serials

Removal of the 14 Serials will require modification of the PARMs software. Logica, as the PARMs service provider has made the following proposed solution:

- 1) Serials requiring removal should continue to be processed normally until their effective to date. If the effective to date has already passed, a Serial should only be processed if it has been submitted for a reporting period during which it was still effective. If this condition is not met, it should be rejected.
- 2) DPI files referencing obsolete Serials beyond their effective to date will be rejected.

Logica's proposed solution relies on validating the reporting period for the submitted Serial and comparing against the end date for a Serial. The solution will allow SP01 to be calculated correctly and will not directly impact Supplier Charges.

Logica has quoted £4,250, with project duration of three weeks to implement the necessary changes to PARMs.

A new appendix will be created for BSCP533. This will be called BSCP533 Appendix C. It will contain the file formats and calculation guidelines for the obsolete Serials which form part of Serial SP01 (completeness checking). Suppliers will still be required to submit data that is required under SP01 for reporting periods prior to the implementation of this CP. As such they will require information on these Serials to allow late or re-submissions of this data.

SP04 Calculation

The calculation guidelines for SP04 will be amended to reflect the BSC. A worked example will be provided to aid understanding.

NM03 & NM04 Issue

The exclusion deadline for NM03 and NM04 will be extended to +15 Working Days (WDs) from +5 WDs.

Further Guidance and Housekeeping

Further examples and guidance will be added to BSCP533 Appendix B where needed. General housekeeping will be carried out in BSCP533, BSCP533 Appendix A and BSCP533 Appendix B where appropriate.

Justification for Change *(mandatory by originator)*

Obsolete Serials

The Serials detailed above should be removed for three broad reasons:

- Another PAT is better suited to monitoring the associated Settlement Risk;
- They are not providing useful metric data; and
- There is no longer a requirement to be monitored

The PAB, PARMS review group and the majority of industry consultation respondents supported the removal of these Serials.

SP04 Calculation

The current calculation guidelines for SP04 are not in line with the BSC.

NM03 & NM04 Issue

Changing the exclusion deadline will prevent the unnecessary exclusion of data flows, and therefore provide a more comprehensive view of performance.

Further Guidance and Housekeeping

Adding further guidance and clarification where necessary will aid understanding for the remaining Serials.

To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code? *(mandatory by originator)*

Clarifying how to calculate SP04 facilitates the provisions in Annex S-1 of the BSC. The current calculation guidelines for SP04 in BSCP533 Appendix B do not facilitate the provisions in Annex S-1 of the BSC.

Estimated Implementation Costs *(mandatory by BSCCo)*

The approximate cost for ELEXON to implement these changes is 22 Working Days, which is equivalent to £5,280. In addition, the estimate cost for BSC Service Provider to implement these changes is £4,250.

Configurable Items Affected by Proposed Solution(s) *(mandatory by originator)*

BSCP533 including appendices (A & B)
BSCP503
BSCP504
BSCP505
BSCP514

Impact on Core Industry Documents or System Operator-Transmission Owner Code *(mandatory by originator)*

None

Related Changes and/or Projects *(mandatory by BSCCo)*

None

Requested Implementation Date (*mandatory by originator*)

1 November 2010

Reason:

PARMS Serials are submitted on a calendar month (know as a reporting period) basis. As such applying new rules to PARMS needs to occur at the start of a new reporting period.

Version History (*mandatory by BSCCo*)

Version 1.0 for Impact Assessment.

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Attachments:

- Attachment A – BSCP533 v15.0 redlined text v0.4 (6 pages)**
- Attachment B – BSCP533 Appendix A v14.0 redlined text v0.4 (15 pages)**
- Attachment C – BSCP533 Appendix B v15.0 redlined text v0.4 (37 pages)**
- Attachment D – BSCP533 Appendix C v0.1 (32 pages)**
- Attachment E – BSCP503 v12.0 redlined text v0.2 (7 pages)**
- Attachment F – BSCP504 v24.1 redlined text v0.2 (140 pages)**
- Attachment G – BSCP505 v13.0 redlined text v0.2 (55 pages)**
- Attachment H – BSCP514 v18.0 redlined text v0.2 (3 pages)**