

CP1413 'Amendments to BSCP535 'Technical Assurance' following a review'

ELEXON



Any questions?

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About This Document

This document is the CP1413 Final CP Report, which ELEXON has published following the final decision from the PAB on whether to endorse, and from the SVG on whether to approve, CP1413.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the PAB and SVG's views on the proposed changes and the views of respondents to the CP Consultation, along with the final decision on whether to approve this change.
- Attachment A contains the approved redlined changes to BSCP535 to deliver the CP1413 solution.
- Attachment B the full responses received to the CP Consultation.

CP1413

Final CP Report

5 August 2014

Version 0.1

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1 Why Change?

Background

The [Technical Assurance of Performance Assurance Parties](#) (TAPAP) is one of the [Performance Assurance Techniques](#)¹ (PATs) within the [Performance Assurance Framework](#)² (PAF).

The TAPAP technique is a detective technique that provides assurance that Performance Assurance Parties (PAPs) are meeting their obligations under the Balancing and Settlement Code (BSC) and supporting Code Subsidiary Documents (CSDs). The technique has been designed to uncover non-compliance within the BSC and CSD processes. It is also used to review industry processes and recommend steps to improve existing processes. The TAPAP processes are set out in [BSCP535 'Technical Assurance'](#).

The Performance Assurance Board (PAB) agrees the scope of work for the TAPAP technique annually (and throughout the audit year, as necessary). The scope of the TAPAP is determined by areas of risk to the Settlement processes, in accordance with the Settlement Risks identified within the [Risk Evaluation Register](#) (RER).

What is the issue?

BSCP535 has not been reviewed since 2009. In quarter one of 2014, ELEXON carried out a review of BSCP535 and identified a number of changes. The PAB considered these changes on 24 April 2014 ([PAB159/08](#)). ELEXON raised CP1413 to take the review outcomes forward, following the PAB's consideration of the changes.

¹ The PATs are a complementary set of preventive, detective, incentive and remedial assurance techniques. These techniques are used flexibly to address Settlement Risks. The techniques must address both risks to Settlement and the impact of actual failures or errors in Settlement.

² The PAF is in place to provide assurance that: energy is allocated between Suppliers efficiently, correctly and accurately; Suppliers and Supplier Agents transfer Metering System data efficiently and accurately; and calculations and allocations of energy and the associated Trading Charges are performed in line with the requirements detailed in the BSC.

Proposed solution

CP1413 proposes to make a number of changes to BSCP535. These changes fall under one of the following categories:

- housekeeping changes – to correct typographical errors;
- clarification changes – to add clarity;
- process reflection – to reflect how the TAPAP technique is operated in practice; and
- process improvement – to include enhancements to the existing process.

Proposed redlining

Full details of each change are set out in the table found in Appendix 1. Where new process steps are proposed, subsequent process steps within BSCP535 will need to be renumbered. The proposed redlined changes to BSCP535 are provided in Attachment A.

3 Impacts and Costs

Central impacts and costs

Central impacts

CP1413 will require updates to BSCP535 to implement the proposed solution, and you can find the proposed changes in Attachment A. No central system changes will be required for this CP.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">BSCP535	<ul style="list-style-type: none">None

Central costs

The central implementation costs for CP1413 will be approximately £240 (1 man day) for ELEXON to implement the relevant document changes. There are no BSC Agent costs or impacts.

BSC Party & Party Agent impacts and costs

Participant impacts

The changes to BSCP535 will have an impact on the how Performance Assurance Parties (PAPs) are notified of TAPAP checks, how the PAB is notified of the results of the checks and when the Error Failure Resolution (EFR) technique is applied. The impact of the changes to parties subject to TAPAP checks should be minor. CP1413 aims to ensure that BSCP535 reflects how the TAPAP technique is operated in practice, including recent process improvements to ensure the efficient and effective operation of the PAT.

Five of the 10 respondents to the CP Consultation indicated an impact. These would be minor to implement being updates to processes and raising awareness of the changes. The full responses made by participants on the expected impacts and costs for CP1413 can be found in Attachment B.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Suppliers	Minor updates to processes and communications of changes to staff.
Party Agents	

Participant costs

Respondents indicated that there would be no or very low costs to implement the changes.

4 Implementation Approach

Approved Implementation Date

The SVG has approved CP1413 for implementation on **6 November 2014** as part of the November 2014 BSC Release, as this is the earliest Release that this CP can be included in. No respondents to the CP Consultation disagreed with the approach of ensuring that BSCP535 is aligned with current practice as quickly as possible.

5 Initial Committee Views

SVG's initial views

Following the PAB agreeing that a CP should be raised to progress the BSCP535 review changes the details of the CP were presented to the SVG at its 3 June 2014 meeting ([SVG160/10](#)). No comments were raised.

6 Industry Views

This section summarises the responses received to the CP Consultation. You can find the full responses in Attachment B.

Summary of CP1413 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1413 proposed solution?	7	0	3	0
Will CP1413 impact your organisation?	5	5	0	0
Will your organisation incur any costs in implementing CP1413?	1	9	0	0
Do you agree with the proposed implementation approach for CP1413?	8	0	2	0

One respondent who was neutral on the question of agreeing with the change was in support of the Housekeeping changes and aligning with current practice. However, it sought clarity on a number of points. ELEXON has since responded to the respondent. No other respondents provided comments on the proposed solution.

Comments on the proposed redlining

Comments on the CP1413 Proposed Redlining		
Document & Location	Comment	ELEXON's Response
BSCP535 3.2.6	The amendments in section 3.2.6 will cause a loop if no response is received (option (b)) as this redirects you to 3.2.6. Also there should be an option if the PAP appeals the non-compliance, this would link into 3.4.1.	Made changes to the redlining in line with these comments.
BSCP535 3.2.7	Section 3.2.7 does not read correctly, we believe that the intent is for suppliers to be notified in both events (a) and (b). For clarity the words 'and Notify Associated Suppliers' could be included at the end of both (a) and (b) or added as (c) and made clear that this occurs in all occasions.	Made changes to the redlining in line with these comments.
BSCP535 3.4.1	For clarity section (3.4.1) should outline the timescales for appealing a non-compliance.	Made changes to the redlining in line with these comments.



PAB's final views

The PAB has:

- **AGREED** the amendments to the proposed redlining for BSCP535 for CP1413 made following the CP Consultation;
- **ENDORSED** the proposed changes to BSCP535 for CP1413; and
- **ENDORSED** CP1413 for implementation on 6 November 2014 as part of the November 2014 BSC Systems Release.

SVG's final views

The SVG had no further comments on the CP.

Final decision

The SVG has:

- **AGREED** the amendments to the proposed redlining for BSCP535 for CP1413 made following the CP Consultation;
- **APPROVED** the proposed changes to BSCP535 for CP1413; and
- **APPROVED** CP1413 for implementation on 6 November 2014 as part of the November 2014 BSC Systems Release.

Recommendations

The SVG **approved** CP1413 for implementation on **6 November 2014** as part of the November 2014 BSC Systems Release.

Appendix 1: Detailed Changes

Proposed changes to section 1

BSCP535 section reference	Description	Category
1.1	Inclusion of a reference to the PAB Terms of Reference.	Process reflection
1.4.1	Correction of 'Auditor' to 'Auditor'.	Housekeeping
1.4.1	Correction of 'BSSCo' to 'BSCCo'.	Housekeeping
1.4.1	Correction of 'it's' to 'its'.	Housekeeping
1.4.1	Acknowledgment that the scope of work will be published through the Risk Operating Plan.	Clarification change
1.4.1	Inclusion of the milestone for Performance Assurance Parties (PAPs) to agree check results within 2 Working Days – as per the process steps.	Process reflection
1.4.1	Acknowledgement that the PAP may or may not (not must) be asked to provide rectification details in accordance with BSCP538 'Error and failure Resolution' (EFR) if a non-compliance is identified.	Process reflection
1.4.1	Reflecting that the Delegated Authority will report to the PAB on all check types and not just targeted checks.	Clarification change
1.7	Inclusion of BSCP501 'Supplier Meter Registration Service' and BSCP513 'Bulk Change of NHH Supplier Agent' in the Associated BSC Procedures table.	Process reflection

Proposed changes to section 3

BSCP535 section reference	Description	Category
3.1	Acknowledgement that the PAB approves (rather than notifies the BSCCo of) the scope of work for the TAPAP technique through the Risk Operating Plan (ROP).	Clarification change
3.2.1	Removal of 'Telephone' communication method for formal notification of a TAPAP check (whilst it's very likely that a PAP would initially be made aware of a check via a telephone call, the formal notification would be in accordance with the BSCP forms).	Process reflection
3.2.2 (new process step)	Inclusion of obligation on the PAP to formally acknowledge the proposed TAPAP check within 5 Working Days of formal notification.	Process improvement
3.2.3 (renumbered from 3.2.2)	Amendment of this step to reflect the new step 3.2.2 (change #12).	

Proposed changes to section 3		
BSCP535 section reference	Description	Category
3.2.4 (renumbered from 3.2.3)	Inclusion of the word 'sampling' as a method of performing the TAPAP checks.	Process reflection
3.2.7 (renumbered from 3.2.6)	Acknowledgement that the TAPAP technique may be a single or series of checks.	Process reflection
3.2.8 (new process step)	Inclusion of an obligation on the Delegated Authority to report back to the PAB on the findings of the TAPAP check(s) and seek approval to apply the Error and Failure Resolution (EFR) technique if appropriate.	Process reflection
3.2.9 (renumbered from 3.2.7)	Inclusion of the words 'if appropriate', to clarify that the EFR technique may or may not be appropriate for resolving identified non-compliance (for example, it may not be appropriate to apply the EFR technique where the fix is simple and 'costs' less than administering the EFR technique).	Clarification change
3.4.4	Addition of the word 'PAB' into the method section, to clarify that the PAB must be informed of appeal decisions through a PAB Paper.	Clarification change
3.4.5	Removal of PAP from the 'To' section. The PAP would receive the decision on an appeal through the Delegated Authority, although in practice this may all be performed with all parties in the same room.	Housekeeping
3.4.5	Replacement of 'Written Communication' with 'Minutes of meeting' in the Method section. This is to reflect that the decision is recorded in the meeting minutes; however, the communication is likely to include formal written communication and this would be managed between the ELEXON Operational Service Manager (OSM) and the PAP.	Housekeeping
3.4.7	Removal of reference to BSCP538 from the Action and Information Required sections, to clarify that the EFR technique may or may not be appropriate for resolving identified non-compliance that had been appealed.	Clarification change
3.4.7	Amendment to the Method section to reflect that the outcome would be communicated to the PAP through written communication and the use of the EFR technique, if appropriate.	Clarification change

Proposed changes to section 4		
BSCP535 section reference	Description	Category
4.8	Acknowledgement that the structure of the forms will be agreed between the PAP, PAB and the 'Delegated Authority', rather than BSCCo as the TAPAP checks could be contracted out.	Clarification change
4.8 BSCP535/01	Change the form title from 'Site Selection of a TAPAP check' to 'Notification of a TAPAP check'	Clarification change
4.8 BSCP535/01	Removal of 'Proposed Time of Check' – in practice this happens once a date has been agreed and an agenda prepared in collaboration with the PAP).	Process reflection
	Replacement of 'BSCCo' with the 'Delegated Authority' in reference to determination of the 'Check Reference'.	Clarification change
	Addition of clarity to the details that should be included when requesting documentation from the PAP.	Clarification change
	Housekeeping changes to improve the flow of the text in the section.	Housekeeping
	Addition of clarity around when the PAP must accept the proposed TAPAP check.	Clarification change
	New item addition – Date by which the PAP must provide the required documentation.	Process improvement
4.8 BSCP535/02	Addition of clarity around the contact details for the delegated Authority.	Clarification change
	Change of form title from 'Confirmation of Attendance' to 'Acceptance of TA Check'.	Clarification change
4.8 BSCP535/02	Replacement of 'BSCCo' with the 'Delegated Authority' in reference to determination of the 'Check Reference'.	Clarification change
	Removal of 'Proposed Time of Check' – in practice this happens once a date has been agreed and an agenda prepared in collaboration with the PAP).	Process reflection
	Housekeeping changes to improve the flow of the text in the section.	Housekeeping

Proposed changes to section 4		
BSCP535 section reference	Description	Category
4.8 BSCP535/06	Housekeeping changes to improve the flow of the text in the section.	Housekeeping
	Replacement of 'BSCCo' with the 'Delegated Authority' in reference to determination of the 'Check Reference'.	Clarification change

Appendix 2: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Glossary of Defined Terms	
Acronym	Definition
BSC	Balancing and Settlement Code
CSD	Code Subsidiary Document
PAF	Performance Assurance Framework
PAP	Performance Assurance Party
PAT	Performance Assurance Technique
RER	Risk Evaluation Register
TAPAP	Technical Assurance of Performance Assurance Parties

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	TAPAP pages on ELEXON website	www.elexon.co.uk/reference/market-compliance/audits/technical-assurance-of-performance-assurance-parties/ Assurance of Performance Assurance Parties
2	PAT pages on ELEXON website	www.elexon.co.uk/reference/market-compliance/performance-assurance/performance-assurance-techniques/
2	PAF pages on ELEXON website	www.elexon.co.uk/reference/market-compliance/performance-assurance/performance-assurance-techniques/
2	BSCP535 on ELEXON website	www.elexon.co.uk/bsc-related-documents/related-documents/bscps/6/?show=10&type=class
2	RER pages on ELEXON website	www.elexon.co.uk/reference/market-compliance/performance-assurance/performance-assurance-processes/
2	PAB159/08 paper on ELEXON website	www.elexon.co.uk/meeting/pab-159/