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## CP1459 'Amendments to the process for performing a Post-Final Settlement Run'

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### About This Document

This document is the CP1459 Final CP Report which ELEXON has published following the final decision from the Trading Disputes Committee (TDC) to approve CP1459.

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 TDC'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 deliver the CP1459 solution.
- Attachment B contains the full responses received to the CP Consultation.

# 1 Why Change?

## Current process

The Balancing and Settlement Code (BSC) Trading Disputes process is overseen by the TDC whose procedures are defined in [BSC Procedure \(BSCP\) 11 'Trading Disputes'](#).

When a Trading Dispute is upheld, the TDC will notify the relevant Parties and authorise that they rectify the Settlement Error. If the Settlement Error cannot be corrected within the usual Settlement Run processes, then the TDC can determine that the Settlement Error should be corrected in a Post-Final Settlement Run (PFSR).

## CP1428

On 15 January 2015, RWE npower raised [CP1428 'Inclusion of Party Agents in the event of Post Final Settlement Runs'](#).

CP1428 sought to amend BSCP11 section 5.4 'Performing a Post-Final Settlement Run', to mandate that Suppliers inform both their Data Aggregator (DA) and Data Collector (DC) of the required corrective actions following a determination by the TDC.

The TDC approved CP1428 at its April 2015 meeting, and it was implemented on 25 June 2015 as part of the June 2015 BSC Release.

## What is the issue?

This CP proposes changes to address two issues with the performing of the PFSR.

### Issue 1: CP1428

The red-lining of CP1428 has not given the desired effect and has put an erroneous obligation on the Disputes Secretary, rather than applicable Suppliers, to notify DCs and DAs of a TDC determination.

### Issue 2: Concerns with process

This issue relates to concerns with the process, which have been identified through an upheld [Trading Dispute DA701](#) and by the Software Technical Advisory Group (STAG).

### DA701

In 2015, the TDC upheld DA701. This related to a failure to progress corrective actions following a previous TDC determination. ELEXON believes that there is the potential that other failures to progress TDC determinations have gone undetected. However, without an in depth audit, this cannot be confirmed.

### STAG

The STAG has also noted issues when a PFSR is undertaken to action a Trading Dispute determination. It notes that it used to be the case that the PFSR was more extensively

used, covering all or most Grid Supply Point (GSP) Groups. This allowed DAs to schedule the PFSR for all GSP Groups on every Working Day (WD). Now, the TDC agrees on a monthly basis which PFSRs to run, so the whole year-ahead schedule is not fully known at the start of the year. This lack of forward visibility and uncertainty can increase the risk of manual scheduling error. Therefore, there is now a greater risk that PFSRs are not scheduled, or are run with incomplete GSP Group data.

The STAG suggested having earlier notice of when the runs were needed. The STAG also agreed that it should be down to the Supplier to inform the DA, but noted that ELEXON would have an earlier view of missing data through operating the Supplier Volume Allocation Agent (SVAA) system. Earlier scheduling of PFSRs would reduce the risk of manual scheduling error and give assurance to Suppliers that all the required GSP Group data will be included in the runs.

## **Review of PFSR processes**

Following a review of the processes for performing a PFSR, the following concerns have been identified:

### **A: The lack of explicit timescales on a Supplier to advise its agents of required Settlement correction**

The STAG noted occurrences where Suppliers did not notify their DC and DAs of the TDC determinations within a timely manner. This can result in the agents being unable to undertake the required Settlement corrections by the PFSR date.

### **B: Weak controls late in the process**

The SVAA will contact any DAs known to be associated with at least one Trading Dispute who fail to submit PFSR files. However, there is no assurance that any files subsequently submitted will contain the required Settlement corrections as determined by the TDC.

### **C: Timescale constraints to address failures**

The deadline for positive confirmation to the Disputes Secretary that corrective actions have been completed is currently five WDs after the associated PFSR schedule day. This leaves short timescales to act upon any failures or identify potentially incomplete PFSR files.

### **D: Disjointed processes**

The PFSR schedule day can be more than a year after the date the Disputes Secretary advises a Supplier of a TDC determination. This creates an unnecessary and extended hiatus in the process, with a risk that the necessary settlement files are not produced.

### Approved solution

[CP1459 'Amendments to the process for performing a Post-Final Settlement Run'](#) was raised by ELEXON on 29 March 2016.

It will amend BSCP11 section 5.4 'Performing a Post-Final Settlement Run':

- To achieve the intention of CP1428; and
- To ensure that there are explicit timescales on each process step and that it follows a logical path.

To achieve the intention of CP1428, the approved CP1459 solution will amend BSCP11 to put an explicit obligation on Suppliers to inform their agents (including but not limited to the DC and DA) to take such steps as are necessary to give effect to a determination of the TDC. Also, the erroneous obligation put on the Disputes Secretary to instruct DCs and DAs will be removed.

In addition, an explicit obligation will be put on Parties to instruct their relevant agents within five WDs of receipt of such a determination. This allows Settlement corrections undertaken by DCs, and scheduling of PFSRs by DAs, to be undertaken following receipt of a TDC determination. In practice, this will mean that DCs and DAs are taking their actions in parallel, rather than there being a lag between the DC making the corrections and the DA scheduling the runs.

Furthermore, this CP will remove the potential gap between a determination and confirmation of it being given effect. Currently a Party can provide positive confirmation up to a year after receipt of a TDC determination. The removal of this gap is achieved by limiting the timescales to within 20 WDs of receipt of such a determination, or within five WDs of the PFSR schedule day, whichever is sooner.

### Proposer's rationale

A change to BSCP11 is required to achieve the full intention of CP1428 while remaining consistent with the Supplier hub principle. Additionally it will provide clarity and efficiency for agents performing the PFSR to reduce the risk that corrective action is not entered into Settlement.

### Approved redlining

Attachment A contains the approved changes to BSCP11 to deliver the CP1459 solution.

## 3 Impacts and Costs

### Central impacts and costs

#### Central impacts

CP1459 will require changes to BSCP11. No system changes are required to implement this CP and there will be no impact on BSC Agents.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none"><li>BSCP11</li></ul>	<i>None</i>

#### Central costs

The central implementation costs for CP1459 will be approximately £240 (one ELEXON man day) to implement the relevant document changes.

### BSC Party & Party Agent impacts and costs

#### Participant impacts

CP1459 is expected to impact Suppliers, DAs and DCs. We believe that minor process changes will be required to implement the solution. This was confirmed by respondents to the CP Consultation, who also noted that the impacts were beneficial.

No other BSC Parties or Party Agents are expected to be impacted.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Suppliers	Changes will be required to implement the solution.
DAs	
DCs	

#### Participant costs

Only one respondent noted that there were costs for them to implement CP1459. They didn't quantify the costs, but noted that these were minimal. All other respondents indicated that there would be no costs.

## 4 Implementation Approach

### Approved Implementation Date

CP1459 will be implemented on **3 November 2016** as part of the November 2016 BSC Systems Release.

The November 2016 Release is the next available Release that can include this CP.

None of the eight respondents to the CP Consultation disagreed with this Implementation Date.

## 5 Initial Committee Views

### TDC's initial views

ELEXON presented CP1459 to the TDC at its meeting on 7 April 2016 ([TDC212/02](#)). The TDC had no initial comments on the CP and did not ask any further questions to be added to the CP consultation.

## 6 Industry Views

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

Summary of CP1459 CP Consultation Responses			
Question	Yes	No	Neutral/ No Comment
Do you agree with the CP1459 proposed solution?	6	2	0
Do you agree that the draft redlining delivers the intent of CP1459?	7	1	0
Will CP1459 impact your organisation?	5	2	1
Will your organisation incur any costs in implementing CP1459?	7	1	0
Do you agree with the proposed implementation approach for CP1459?	6	0	2
Do you have any further comments on CP1459?	3	5	0

### Comments on the CP

Six of the eight respondents to the CP Consultation agreed with the proposed changes for CP1459.

One of the respondents noted that they have encountered as a DC and a DA instances of both late notification, and also non-notification, of a Trading Dispute. They note that this occurs despite changes made to the process over the years. They also note that this results in wasted effort and time spent in raising and investigating the dispute.

Another respondent noted that currently, Trading Disputes are sent to HHDA's at short notice. They contend that this can increase the risk of errors being made if the correction process does not leave sufficient time to perform a thorough check. They therefore welcomed the gap between the TDC determination and confirmation of the PFSR schedule date being addressed with explicit timescales.

A third respondent welcomed the specific obligations and timelines on Suppliers to inform all their affected agents, which they hope will incentivise them sufficiently to give sufficient notice.

The remaining respondents who agreed with the proposed changes either welcomed the change or did not provide any further comments.

Two of the eight respondents to the CP Consultation disagreed with CP1459, as set out below.

#### Sender of the notification of the determination

The two respondents that disagreed with the change believed that the notification of the determination of the dispute should come directly from the Disputes Secretary to the DC and DA.

One believed that as matters have arisen as a result of a dispute, it is sensible that the arbiter within this process notifies and monitors the dispute to its resolution.

The other respondent asserts that the Disputes Secretary should inform impacted DCs and DAs as indicated within the earlier CP1428. They believe that as the Disputes Secretary is in full possession of the facts; has an incentive to ensure that all impacted parties and agents are aware of the dates and changed data requirements; and it would not be too onerous to extend the existing notification to "all BSC Agents, BSC Parties and BSC Auditor" to also include Supplier Agents.

### **ELEXON's response**

These views have previously been expressed during the consultation on CP1428. That CP did not intend to put a responsibility on the Disputes Secretary to notify the relevant DC and DA. It is clear from the CP1428 Form that the redlining did not achieve the desired effect and therefore should be corrected in line with the original intention of that CP.

At the time, it was noted that Disputes Secretary communicating directly with the DC and DA does not align with the Supplier hub principle. It also raises some concerns from a commercial perspective; that is we are aware that some agents charge Suppliers to make corrections. It is therefore not appropriate for ELEXON to directly instruct such actions. Furthermore, BSC Section W1.6.3 of the BSC puts the obligation on BSC Parties to ensure they procure appropriate agents to undertake the correction of Trading Disputes.

### **Comments on the proposed redlining**

Only one respondent disagreed with the redlining, though they supported the CP. They believe that some additional changes to wording are required to achieve the desired result. Their suggestion and our response are captured in the table below.

Comments on the CP1459 Proposed Redlining		
Document & Location	Comment	ELEXON's Response
BSCP11 / 5.4.3 Note 18 - A BSC Party may decide to provide its agent(s) with the BSCP11/07 form as provided by the Disputes Secretary in 5.4.2.	We recommend the wording be changed from "may" to "should" in order to avoid any misinterpretation of the TDCs decision/instructions.	We intentionally left the wording as 'may' for the circumstances where the recipient of the form (i.e. a BSC Party) may not wish to share all the confidential details of the Trading Dispute with its Party Agent. BSC Parties only need to instruct their agents on how the TDC determined to rectify the Settlement Error, and not the full determination against the Trading Dispute criteria.  In practise, a lot of BSC Parties forward on the forms, hence the footnote. However, there may be situations where they do not wish to.

If the TDC wishes to mandate the sending of the BSCP11/07 form, then the current redlining approach would need to change, requiring a further consultation.

If this were the case, we would suggest that the footnote be removed altogether and that the “information required” in step 5.4.3 be amended to “BSCP11/07”. We had previously considered this approach, but decided against it in line with our comments above.

Therefore, we believe that the proposed redlining correctly delivers the intent of CP1459.

### **Further comments in regard to the proposed text**

The two respondents that disagreed with the CP did support the redlining. One suggested a timescale placed on the “Relevant Agent(s)” to respond to the instruction in BSCP11/5.4.3; however, we do not believe that this is needed and would be a material change, requiring further consultation. The other disagreed with removing the obligation on the Disputes Secretary to inform the DC and DA, as discussed above.

### **Further proposed amendments**

Following the consultation, we further considered the proposed redlining and are recommending a non-material amendment as follows.

Under the baselined version of BSCP11/5.4.6, the relevant DA and DC and relevant Parties perform the PFSR in accordance with the TDC requirements. This is done on the “Post-Final Settlement Run schedule day”. However, CP1459 moves the “scheduling activity” earlier in the process. Step 5.4.5 becomes 5.4.6 under CP1459 and with the earlier scheduling, the wording of this step would benefit from some clarity. As such, we are recommending that the “When” in the redlining for BSCP11/5.4.6 should be: “Scheduled Post-Final Settlement Run date.” This would therefore reflect that this step is carried out on the date of PFSR and is not (necessarily) the date that the participant schedules the run.

### **Further CP**

Two respondents suggested that the BSCP11/07 form should include the details of the Metering System relating to the dispute, as Suppliers do not always provide this in their notifications. We agree with the suggestion and are in the process of raising another CP to progress the suggestion.

## 7 Final Committee Views and Decision

### TDC's final views

The TDC considered CP1459 at its meeting on 2 June 2016 ([TDC215/01](#)).

The TDC agreed with the amendments to the proposed redlining for BSCP11 for CP1459 made following the consultation. The TDC had no comments on the CP itself.

### Final decision

The TDC has **APPROVED** CP1459 for implementation on 3 November 2016 as part of the November 2016 BSC Systems Release.

## Appendix 1: Glossary & References

### Acronyms

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

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code ( <i>Industry Code</i> )
BSCP	Balancing and Settlement Code Procedure ( <i>Code Subsidiary Document</i> )
CP	Change Proposal
CPC	Change Proposal Circular
DA	Data Aggregator ( <i>Party Agent</i> )
DC	Data Collector ( <i>Party Agent</i> )
GSP	Grid Supply Point
PFSR	Post-Final Settlement Run
STAG	Software Technical Advisory Group ( <i>Panel expert group</i> )
SVAA	Supplier Volume Allocation Agent ( <i>BSC Agent</i> )
TDC	Trading Disputes Committee ( <i>Panel Committee</i> )
WD	Working Day

### 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	BSCPs page on the ELEXON website	<a href="https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/">https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/</a>
2	CP1428 page on the ELEXON website	<a href="https://www.elexon.co.uk/change-proposal/cp1428/">https://www.elexon.co.uk/change-proposal/cp1428/</a>
2	Trading Disputes decision page on the ELEXON website	<a href="https://www.elexon.co.uk/reference/technical-operations/dispute-decisions/">https://www.elexon.co.uk/reference/technical-operations/dispute-decisions/</a>
4	CP1459 page on the ELEXON website	<a href="https://www.elexon.co.uk/change-proposal/cp1459/">https://www.elexon.co.uk/change-proposal/cp1459/</a>
6	TDC212 meeting page on the ELEXON website	<a href="https://www.elexon.co.uk/meeting/tdc-212-2/">https://www.elexon.co.uk/meeting/tdc-212-2/</a>
10	TDC215 meeting page on the ELEXON website	<a href="https://www.elexon.co.uk/meeting/tdc-213/">https://www.elexon.co.uk/meeting/tdc-213/</a>

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