

CP Assessment Report

CP1490 'Changes to BSCP27 and Technical Assurance Agent Service Descriptions to remove constraints to service improvement'

ELEXON



Committee

Supplier Volume Allocation Group

Recommendation

Approve

Implementation Date

22 February 2018
(February 2018 Release)



Contact

Chris Wood

020 7380 4142

chris.wood@elexon.co.uk



Contents

1	Why Change?	2
2	Solution	3
3	Impacts and Costs	5
4	Implementation Approach	6
5	Initial Committee Views	7
6	Industry Views	8
7	Recommendations	9
	Appendix 1: Glossary & References	10

About This Document

This document is the Change Proposal (CP) Assessment Report for CP1490 which ELEXON will present to the Supplier Volume Allocation Group (SVG) at its meeting on 5 September 2017. The Imbalance Settlement Group (ISG) already approved CP1490 at its meeting on 22 August 2017. The SVG will consider the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1490.

There are five 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 ISG's views, and the SVG's initial views, on the proposed changes and the views of respondents to the CP Consultation.
- Attachments A-C contain the proposed redlined changes to deliver the CP1490 solution.
- Attachment D contains the full responses received to the CP Consultation.

SVG 199/04

CP1490
CP Assessment Report

29 August 2017

Version 1.0

Page 1 of 11

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1 Why Change?



What is Technical Assurance?

The checks performed monitor the compliance of the Metering Systems with the requirements stated in the BSC and its subsidiary documents, in particular the [Metering Codes of Practice \(CoP\)](#). It provides a level of assurance that the metered values passed into Settlement represent actual consumption. For more information, please visit the [ELEXON website](#).

Background

ELEXON conducts Technical Assurance of Half Hourly (HH) Metering Systems to monitor Registrants' and Party Agents' compliance with their obligations, as defined in the Balancing and Settlement Code (BSC)¹ and Code Subsidiary Documents (CSDs)². Technical Assurance is carried out by the Technical Assurance Agent (TAA), as a BSC Agent contracted by ELEXON, on both Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA) Metering Systems. The TAA ensures that the Active Energy Imported and/or Active Energy Exported through Boundary Points and System Connection Points is complete and accurate for the Metering Systems audited.

The process of TAA inspections is detailed in [BSC Procedure \(BSCP\) 27 'Technical assurance of Half Hourly Metering Systems for Settlement Purposes'](#). There are separate Service Descriptions (SDs) for both CVA ([Service Description for CVA Technical Assurance \(CVA TAA SD\)](#)) and SVA ([Service Description for SVA Technical Assurance \(SVA TAA SD\)](#)) that lay out the principles required of the TAA at a high level. The contract between ELEXON and the TAA, based on the SDs, gives the detailed requirements of the service that is expected to be provided by the TAA.

Both SDs require the TAA to provide an online management tool that allows for all Performance Assurance Parties, the TAA and ELEXON to access and amend information. The software system used for the reporting of technical monitoring is the Technical Assurance Agent Management Tool (TAAMT).

The TAA will conduct a mixture of targeted, specific sampling (SVA only) and random sampling inspections of Metering Systems. On completion of inspections, the TAA will upload its findings and associated evidence via the online management tool and determine the compliance of each Metering System with the BSC and CSDs.

Technical Assurance is also used to assess the overall health of the HH Metering System population. The TAA reports on the overall health of these Metering Systems in the TAA Annual Report.

What is the issue?

The SDs specify the types of technology to be used ('an online management tool') for reporting and evidence capturing following a Meter inspection visit. This tool shall provide reporting and allow for the provision of evidence and information as required of an Inspection Visit. ELEXON believe that these requirements are not necessary for describing the processes for Meter inspections, assurance or to articulate the reporting obligations when making a determination whether a Metering System is compliant.

Specifying a type of technology to use, or means of reporting inspection visit findings, restricts the TAA in its ability to deliver the service in new or improved ways. The SDs also require that the TAA provides the Information Technology (IT) solution as well as conducting inspection visits. In reality, these two functions could be carried out by two separate companies, each with expertise in their own fields.

SVG 199/04

CP1490

CP Assessment Report

29 August 2017

Version 1.0

Page 2 of 11

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¹ BSC Section L 'Metering'.

² 18 BSCPs as listed in paragraph 1.6 of BSCP27; Code of Practice (CoP) 1-5.

Proposed solution

[CP1490](#) proposes to amend both SDs so that the TAA is not specifically required to provide an online management tool for accessing and amending information. Instead, the TAA should simply be required to provide management information in the manner that is agreed in the arrangements between the TAA and ELEXON, including, but not limited to, the contract for the TAA³. Therefore, each time that 'the online management tool' is written in the SDs, it should be replaced with 'the software system'.

In addition, BSCP27 will be amended so that it makes reference to the software system 'used' by the TAA instead of 'provided' by the TAA. This change would mean that the role of Metering System Technical Assurance Agent can be undertaken by a separate company to the provider of the reporting system if that is the most efficient way to award contracts. However, it does still allow the role of TAA and reporting system provider to be undertaken by one company should that be the most efficient way to award contracts.

Proposer's rationale

Companies with metering assurance skills and IT hosting and development skills are limited; instead, it is more common to find a company that can provide one of the skills in depth.

Given the limited field of companies capable of providing both services we believe that the proposed change to BSCP27, allowing for the separation of assurance and IT service provision, will give ELEXON:

- Options in terms of choosing suitable service providers at more competitive prices
- Options to award two contracts.

The fundamental TAA role of conducting Metering System inspections will not be affected by this change.

Implementation of CP1490 will not cause a need for a new reporting system and CP1490 will not cause the TAAMT to be changed. Similarly, the TAAMT user interface will not be affected as a result of CP1490. This change will allow ELEXON the ability, should it wish, to contract a new IT service provider to provide the reporting tool. This, however, will only be done if it is felt it is necessary having taken account of the impact on stakeholders.

There is a precedent for separating the role of a BSC Agent and an associated software system provider. The SD for Profile Administration (where ELEXON has a separate contract for the Enhanced Profile Administration System (EPAS) reporting system), does not specify the IT tool as an essential part of the Profile Administrator's BSC Agent role.

We believe that these changes will allow for alternative systems and technology to be used by the TAA and enable all other service delivery options for the IT system to be considered, rather than via a specific online management tool. The change will still allow ELEXON to meet all BSC obligations relating to technical assurance. Technology solutions constantly evolve and in future there may be better ways of delivering the various reporting requirements other than via an 'online management tool'.

³ An example of arrangements not included in the contract would be the IT security protocols.

The driver for raising CP1490 was that ELEXON was originally intending to re-tender for the TAA contract in the second half of 2017. Since issuing the consultation, ELEXON has made the decision not to retender for the TAA contract this year but extend the current contract for at least one more year, which the existing contract arrangements with the incumbent provider permit. This approach has been approved by the Panel. This decision has been taken in order to prioritise work in other areas of Technical Assurance that have come to light since issuing the consultation.

Although we are not re-tendering this year, approving the proposed changes will still enable the benefits described in this report when we do re-tender as well as allowing increased options within the existing contract framework.

Proposed redlining

Attachments A-C set out the proposed redlined changes to deliver the CP1490 solution. As the SDs are Category 2 Configurable Items they are not required to be drafted and consulted on until after approval of the CP. However, they are included here for completeness.

3 Impacts and Costs

Central impacts and costs

Central impacts

CP1490 will require changes to BSCP27, CVA TAA SD and SVA TAA SD. No system changes are required and there will be no impact on BSC Agents. The TAA may choose to suggest an alternate reporting tool prior to their contract expiry if they wish but that would be subject to commercial arrangements between ELEXON and the TAA and outside the scope of this CP.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">• BSCP27• CVA TAA SD• SVA TAA SD	<ul style="list-style-type: none">• None

As and when ELEXON re-tenders the TAA contract, even if the existing TAA is re-appointed, there will be no obligation to change the current system. This change will, however, give the TAA flexibility to provide an alternative service if it wishes to use it and ELEXON agrees.

Central costs

The central implementation costs for CP1490 will be approximately £240 (one ELEXON day of effort) to implement the relevant document changes.

BSC Party & Party Agent impacts and costs

CP1490 will not have any impacts on BSC Parties or Party Agents. One respondent commented that they may be impacted and have associated costs were the reporting tool (TAAMT at this time) changed in relation to TAA activity. They also expressed concern that a change in contract may lead to confusion if the new company has different ways of working and as a result further training from all parties that use the reporting tool may be required.

We can confirm that we are not proposing to make any changes to systems or to award new contracts as a result of implementing CP1490. CP1490 will give ELEXON a wider range of options if and when new service provider contracts are awarded or the reporting tool is updated. If changes are made that are likely to impact BSC Parties or other ELEXON customers, they will be taken into account when determining whether or not to make changes to existing provisions, but not as a consequence of CP1490.

4 Implementation Approach

Recommended Implementation Date

CP1490 is proposed for implementation on **22 February 2018** as part of the February 2018 Release.

The February 2018 Release is the next available Release that can include this CP. All of the respondents to the consultation supported the proposed implementation approach.

ISG's views

CP1490 was presented to the ISG as an information Progression Paper on 27 June 2017 ([ISG 195/08](#)).

An ISG Member asked for the difference between the term 'online management tool' and 'the software system', and asked for the definition of 'software system'.

ELEXON responded that several years ago access to the internet was done through mainframes and servers in the basement of buildings, now it is done through the Cloud. In the future there may be another change in technology and access would change accordingly. This change in terminology from 'online management tool' to 'software system' was to allow future flexibility when it came to potential technological advances that could mean an online management tool would no longer be the best option for the business requirements. ELEXON described that a system is a collection of software, hardware, firmware and user interfaces, and software as a generic term for the code used to make it happen. Therefore the term 'software system' essentially means a collection of code written to provide a tool used to complete a job.

An ISG Member raised concerns that 'software system' could be too vague; the original 'online management tool' has an implied meaning that is widely understood and a business requirement, which the term 'software system' does not.

ELEXON noted that a proposed reduction of detail in the SD will be the need for a system to be in place so the TAA could provide its information in a convenient manner, and for other parties to be able to easily access this information and upload documentation. ELEXON was not proposing a change in the technology, simply allowing potential future changes to happen, and allowing for ELEXON to seek different IT solutions other than those provided by the TAA.

An ISG Member noted that with the new flexibility, there was the risk that ELEXON might not take into account the impact of a technology change on the end user.

ELEXON responded that any change in technology would still go through the normal industry review process, and at the moment there was no intention of changing the online management tool.

CP1490 was presented again to the ISG on 22 August 2017 ([ISG 197/05](#)) for decision on whether or not to implement the changes proposed. None of the ISG members commented on the recommended implementation and CP1490 was approved unanimously.

SVG's initial views

CP1490 was presented to the SVG as an information Progression Paper on 4 July 2017 (SVG 197/05).

None of the SVG Members offered a view on the proposed change and as such were happy for the CP to progress to the consultation phase.

SVG 199/04

CP1490
CP Assessment Report

29 August 2017

Version 1.0

Page 7 of 11

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6 Industry Views

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

Summary of CP1490 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1490 proposed solution?	3	0	0	0
Do you agree that the draft redlining delivers the intent of CP1490?	3	0	0	0
Will CP1490 impact your organisation?	0	2	0	1
Will your organisation incur any costs in implementing CP1490?	0	2	0	1
Do you agree with the proposed implementation approach for CP1490?	3	0	0	0
Do you have any further comments on CP1490?	0	3	0	0

Summary of responses

In addition to the three respondents that submitted formal responses, one further Party (a small Supplier) responded that they had reviewed the consultation but would not be responding.

ELEXON has spoken and corresponded with the current TAA. They are aware of the proposed changes and have decided not to respond to the consultation. ELEXON will continue to work with them and keep them abreast of any future changes that may impact them.

Comments on the proposed redlining

None of the respondents commented on the proposed redlining.

7 Recommendations

We invite you to:

- **APPROVE** the proposed changes to BSCP27, CVA TAA SD and SVA TAA SD for CP1490;
- **APPROVE** CP1490 for implementation on 22 February 2018 as part of the February 2018 Release; and
- **NOTE** that CP1490 was approved for implementation by the ISG on 22 August 2017.

Appendix 1: Glossary & References

Acronyms

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

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure (<i>Code Subsidiary Document</i>)
CoP	Code of Practice
CP	Change Proposal
CSD	Code Subsidiary Document
CVA	Central Volume Allocation
EPAS	Enhanced Profile Administration System
HH	Half Hourly
ISG	Imbalance Settlement Group (<i>Panel Committee</i>)
IT	Information Technology
SD	Service Description (<i>Code Subsidiary Document</i>)
SVA	Supplier Volume Allocation
SVG	Supplier Volume Allocation Group (<i>Panel Committee</i>)
TAA	Technical Assurance Agent
TAAMT	Technical Assurance Agent Monitoring Tool

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	Description	URL
2	BSCPs page on the ELEXON webpage	https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/
2	CoPs page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/related-documents/codes-of-practice/
2	SDs page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/related-documents/service-descriptions/
2	Technical Assurance of Metering page on the ELEXON website	https://www.elexon.co.uk/reference/market-compliance/audits/technical-assurance-of-metering-systems-tam/
3	CP1490 page on the ELEXON website	https://www.elexon.co.uk/change-proposal/change-proposalcp1490/

SVG 199/04

CP1490

CP Assessment Report

29 August 2017

Version 1.0

Page 10 of 11

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External Links		
Page	Description	URL
7	CP1490 Progression Paper – ISG 195/08	https://www.elexon.co.uk/meeting/isg-195/
7	CP1490 Progression Paper – SVG 197/05	https://www.elexon.co.uk/meeting/svg-197/
7	CP1490 Assessment Report – ISG 197/05	https://www.elexon.co.uk/meeting/isg-197/?from_url=https://www.elexon.co.uk/events-calendar-item/isg-196/

SVG 199/04

CP1490
CP Assessment Report

29 August 2017

Version 1.0

Page 11 of 11

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