

## **Responses for CPC00564**

Detailed Level Impact Assessment of P197

SVA Qualification Processes Review

Carried out by	Comments
Clare Hannah <b>IMServ Europe Ltd</b>	<ol style="list-style-type: none"><li>1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? <b>Yes</b></li><li>2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:  <b>As the process in question is solely an adhoc activity there is no predefined internal business process/system for dealing with such instances. As such, the proposed changes to the process would result in a difference in approach however we do not anticipate a difference in cost impact.</b></li><li>3. Any other comments:</li></ol>

<p>Sue Pritchard <b>Central Networks</b></p>	<ol style="list-style-type: none"> <li>1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? Yes/No* <b>Yes</b></li> <li>2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required: Since the UMSO activity was not party to formal entrance testing in 1998 then clarification would be required to determine if existing UMSO operators (6 years plus in existence) would have to undergo initial qualification or merely re-qualification? Assuming qualification then Central Networks would approximate 6 man months of work. If we assume an annual re-qualification requirement then considerably less effort would be required, since very little Internal/external change impacts the UMSO IS application or business processes.</li> <li>3. Any other comments: The scope of the annual BSC audit has recently been extended to include LDSO's and UMSO's, with this in mind it would be prudent to await Industry feedback from the review, and then assess the risk and materiality of the findings prior to progressing this modification. The UMSO activity is considered low risk to settlements and Central Networks would need a much greater understanding of the value of initiating a potentially significant piece of work to address these new accountabilities. Without further evidence/justification from the Industry then Central Networks would vote against this modification.</li> </ol>
<p>Jenn Tipple <b>Siemens Energy Services Ltd.</b></p>	<ol style="list-style-type: none"> <li>1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? <b>Yes</b></li> <li>2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required: <b>At this stage only documentation changes would be required surrounding the risk assessment (re-certification) process. 3 months lead-time would be required for this.</b></li> <li>3. Any other comments: <b>No</b></li> </ol>

Sue Macklin  
**Southern Electric Power Distribution; Keadby Generation Ltd; SSE Energy Supply Ltd; SSE Generation Ltd; and Scottish Hydro-Electric Power Distribution Ltd; Medway Power Ltd;**

1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? **Yes**
2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:

**(1) As a Supplier would have to complete the Self Assessment document and as an Agent we may be required to undergo testing. This additional to the existing requirements, i.e. Suppliers carry out testing and Agents complete SACR. This would increase our work by a minimum of 10%, and probably a great deal more, for each Qualification/Re-qualification.**

**(2) On the face of it the Self Assessment Document looks simpler to complete than the existing SACR but there is insufficient information in it to indicate the level of detail required and how expansive the responses need to be. It is difficult to assess how much extra work, if any, would arise as a result of this.**

**(3) We would not know until the end of Phase 1 how much testing we would be required to do and it could be problematic for us to plan for the appropriate level of resources. This could be very costly if the level of testing determined by PAB is greater than we anticipate.**

Alternative Options:

**Option 1: No direct impact on SSE, however it may be beneficial to have a separate body purely for Qualification as it could have ToF for qualification purposes that PAB does not have, or is prevented from having under the BSC.**

**Option 2: This would be a more efficient method of conducting the Qualification process by making it more streamlined. It would be cheaper than having two distinct stages.**

**Option 3: Having to wait for a single formal visit to PAB, at the end of Stage 1, would introduce an unjustifiable delay into the process. An optional visit should be able to take place at any time. This may provide greater assurance for applicants (should they need it).**

**Option 4: This would be unduly onerous for applicants and it is questionable whether this level of assurance is required in a mature market. This would increase our costs for each Qualification/Re-qualification.**

**Option 5 - Although Suppliers are ultimately responsible for data entering settlements they are not the prime source. It is unnecessarily bureaucratic for Suppliers to Requalify.**

**It is questionable whether any participants should have to requalify. One of the Qualification/Accreditation requirements is that the applicant must have a robust change process in place. This ensures that any changes, made by a participant, will be managed in a controlled professional manner. There are other tools at BSCCo's disposal e.g. BSC Audits and Removal of Accreditation process that can be used to police the industry.**

Option 6 - Removing the limit would be cheaper for SSE in the long term as it would avoid the need for some Requalification applications in the future. Material Change should be the only reason for seeking Re-qualification.

3. Any other comments:

The original modification doesn't seem to have made any reduction to Re-qualification/ Re-certification requirements, in fact it has made it more onerous e.g. two stage process; SACR and testing applied to all participants. Some of the alternative options suggested would

	<p><b>Option 6 - Removing the limit would be cheaper for SSE in the long term as it would avoid the need for some Requalification applications in the future. Material Change should be the only reason for seeking Re-qualification.</b></p> <p>4. Any other comments:</p> <p><b>The original modification doesn't seem to have made any reduction to Re-qualification/ Re-certification requirements, in fact it has made it more onerous e.g. two stage process; SACR <u>and</u> testing applied to all participants. Some of the alternative options suggested would reduce work, particularly options 5 and 6.</b></p>
<p>Jacqueline McGuire  <b>SAIC Ltd</b>  Scottish Power UK plc  ScottishPower Energy  Management Ltd.  ScottishPower Generation  Ltd.  ScottishPower Energy Retail  Ltd.  SP Manweb plc.  SP Transmission Ltd.  SP Distribution Ltd.</p>	<p>1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation?</p> <p><b>Yes. However, it is not possible to conduct a detailed level impact assessment while so many possible options remain on the table. Nonetheless, any changes to the re-qualification processes are likely to have to impact our organisation to some extent.</b></p> <p>2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:</p> <p><b>It is clear that the extent to which ScottishPower would be impacted would increase greatly if Suppliers are subject to re-qualification, something that would arise in the case of the proposed modification and all but one of the alternative options listed. In extending the scope of re-qualification to Suppliers, these proposals would open them up to potential costs in excess of £100k. Of course, it should be noted that these costs would only be incurred if re-qualification was taking place, and this would be a rare occurrence.</b></p> <p>3. Any other comments:</p> <p><b>It does not seem wholly appropriate to invite Parties to perform a DLIA before the Mod Group have at least identified the approach it intends to support. In any case, we are of the view that, regardless of which option is ultimately adopted, these proposals will do little, if anything, to reduce the costs incurred by Parties and Party Agents in either entering the market or re-qualifying.</b></p>

Jane Larner <b>Npower Limited, Npower Direct Limited, Npower Yorkshire Limited, Npower Yorkshire Supply Limited, Npower Northern Limited, Npower Northern Supply Limited</b>	<p>1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation?</p> <p><b>Potential Yes</b></p> <p>2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:</p> <p><b>These would be assessed when solution is fully defined</b></p> <p>3. Any other comments:</p>
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Sandy Crump  
**E.ON UK**

1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? **Yes**
2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:

**The Proposed Modification would have a considerable impact on our Retail Supply business in terms of costs (process changes, IS changes etc) for little benefit. To implement this modification would require at least six months lead time.**

3. Any other comments:

**The modification process to date has failed to demonstrate the benefits of specific sections of the Modification Proposal. Specifically the following issues detract from the intent of the modification and work against the following BSC objective of "The promotion of effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity"**

#### **Requalification for Suppliers**

Evidence has not been produced to date to back up the requirement for Suppliers to enter the requalification process. There are other assurance tools, notwithstanding the commercial drivers Supply companies work to, which ensure that robust testing is carried out on significant changes to Suppliers systems and processes

#### **PAB Involvement**

By tasking PAB specifically with the decision making process over whether or not applicants need to carry out specific pre entry testing the potential for synergies with MRASCO is lost. The utilisation of a "Qualification Board" which could be made up of BSC & MRASCO representatives would offer cost and time savings to the market.

<p>Alastair Barnsley <b>Metering Services</b></p>	<ol style="list-style-type: none"> <li>1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? <b>Yes *</b></li> <li>2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:   <p><b>The re-certification procedure employed when making changes to our currently accredited systems would need to be modified. The two step process has the potential to extend project timescales; this can be mitigated if both visits to PAB can be combined as normal practice. It also appears that the proposed re-certification trigger would mean that any change to a certified process would require re-certification as any change has the potential to impact a participants ability to meet it's obligations under the BSC if not implemented correctly. It is not anticipated that this modification would lead to increased costs for any particular re-certification application and that a three month implementation timescale would be appropriate.</b></p> </li> <li>3. Any other comments:   <p><b>No further comments</b></p> </li> </ol>
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