

# CP Progression Paper



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



### Committee

Imbalance Settlement Group



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### About This Document

This document provides information on new Change Proposal (CP) 1490 and outlines our proposed progression timetable for this change, including when it will be issued for CP Consultation in the next suitable Change Proposal Circular (CPC) batch.

We are presenting this paper to capture any comments or questions from Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) Members on this CP before we issue it for consultation.

There are five parts to this document:

- This is the main document. It provides a summary of the solution, impacts, anticipated costs, and proposed implementation approach, as well as our proposed progression approach for this CP.
- Attachment A contains the CP1490 proposal form.
- Attachments B-D contain the proposed redlined changes to deliver the CP1490 solution.

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# 1 Why Change?

## 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)<sup>1</sup> and Code Subsidiary Documents (CSDs)<sup>2</sup>.

Technical Assurance is carried out by a Technical Assurance Agent (TAA), under contract, on behalf of ELEXON on both Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA) Metering Systems. It ensures that the Active Energy Imported and/or Active Energy Exported through Boundary Points and System Connection Points are complete and accurate.

Technical Assurance is also used to assess the overall health of the HH Metering System population. The TAA will provide an indication of the overall health of these Metering Systems in the TAA Annual Report. The contract for TAAs is due to be re-tendered in autumn 2017.

The process of inspections is detailed in [BSC Procedure \(BSCP\) 27 'Technical assurance of Half Hourly Metering Systems for Settlement Purposes'](#). There are Service Descriptions (SD) 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 contracts between ELEXON and the TAA, based on the SDs, give 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 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 their findings and associated evidence via the online management tool and determine Metering System compliance.

## What is the issue?

The SDs for CVA and SVA TAAs exceed the necessary purpose of the TAA's role of conducting Meter inspections and providing information on findings. They specify types of technology to be used ("an online management tool") for reporting and evidence capturing following a Meter inspection visit. They also specify the hosting and operational requirements of the technology used ("allows for all Performance Assurance Parties, the TAA and BSCCo to access and amend information. This tool shall provide reporting and allow for the provision of evidence and information as required of an Inspection Visit"). These requirements are not necessary for describing the processes for Meter inspections, assurance or to articulate the reporting obligations when making a determination that a Metering System is compliant.

Furthermore, 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. It also requires that the TAA provide the Information Technology (IT) solution as well as conducting inspection visits. In reality, these two functions may be carried out by two separate companies, with one sub-contracting to the other.

<sup>1</sup> BSC Section L 'Metering'

<sup>2</sup> 18 BSCPs as listed in paragraph 1.6 of BSCP27; Code of Practice (CoP) 1-5



### 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](#).



### How is the health of HH metering systems assessed?

The TAA is required to present an annual report to the BSC Panel in June each year. Within the report the TAA will offer their opinion on the health of the HH Metering System population based on trends in non-compliance and discussion with key TAA Stakeholders whilst undertaking TAA activities. For more information please visit the [ELEXON website](#).

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### 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 TAA. 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.

### Proposer’s rationale

We believe that these changes will allow for alternative systems and technology to be used by the TAA and enables 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”.

Currently, the SDs restricts the ability of ELEXON to contract the right TAAs for the important role of metering assurance. The market place for contractors holding both specialist metering assurance skills and IT hosting and development skills is extremely limited. It is more common to find either a company that can provide the IT requirements or a company that can undertake Metering System inspection visits but, as far as experience has shown, a company that can provide both is rare.

Given the anticipated 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 more options in terms of choosing suitable companies at more competitive prices.

There is precedence for implementing this type of change. The Profile Administration (PrA) (with a separate contract for the Enhanced Profile Administration System (EPAS) reporting system), does not specify the IT tool as an essential part of the Agent role. We therefore contend that there is minimal risk in implementing this change as it will be following practice used elsewhere.

### Proposed redlining

Attachments B-D set out the proposed redlined changes to deliver the CP1490 solution. The changes to the SDs are Category two changes and are not required to be drafted and consulted on until after approval, but prior to implementation. 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.

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

CP1490 will impact new TAAs appointed from autumn 2017 and ELEXON.

Even if the existing TAA(s) are re-appointed, then there is no obligation on them to change their current systems. This change will however, give them the flexibility to provide an alternative service if they wish to use it and ELEXON agrees for them to use it.

##### Central costs

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

#### BSC Party & Party Agent impacts and costs

No BSC Parties or Party Agents are expected to be impacted but we seek confirmation of this through this CP Consultation.

## 4 Implementation Approach

### Recommended Implementation Date

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

The February 2018 Release is the next available Release that can include this CP. This Release will allow the changes to the CSDs to be visible to Parties ahead of commencement of new contracts in 2018/19. The changes do not need to be implemented prior to agreeing new contracts. However, it is necessary to have the proposed changes approved prior to awarding new contracts in autumn 2017. This is so that companies tendering for the contract can be made aware of the changes that have been approved and will take effect prior to the contract commencement, thus allowing them to bid accordingly.

## 5 Proposed Progression

### Progression timetable

The table below outlines the proposed progression plan for CP1490. The CVA TAA SD is owned by the ISG and the SVA TAA SD is owned by the Supplier Volume Allocation Group (SVG). In addition, BSCP27 is jointly owned by the ISG and SVG. Accordingly this CP will be presented to both Committees for information and for decision.

Progression Timetable	
Event	Date
CP Progression Paper presented to ISG for information	27 Jun 17
CP Progression Paper presented to SVG for information	04 Jul 17
CP Consultation	10 Jul 17 – 4 Aug 17
CP Assessment Report presented to ISG for decision	22 Aug 17
CP Assessment Report presented to SVG for decision	5 Sep 17
Proposed Implementation Date	22 Feb 18 (Feb 18 Release)

### CP Consultation questions

We intend to ask the standard CP Consultation questions for CP1490. We do not believe any additional questions need to be asked for this CP.

Standard CP Consultation Questions
Do you agree with the CP1490 proposed solution?
Do you agree that the draft redlining delivers the CP1490 proposed solution?
Will CP1490 impact your organisation?
Will your organisation incur any costs in implementing CP1490?
Do you agree with the proposed implementation approach for CP1490?

## 6 Recommendations

We invite you to:

- **NOTE** that CP1490 has been raised;
- **NOTE** the proposed progression timetable for CP1490;
- **PROVIDE** any comments or additional questions for inclusion in the CP Consultation; and
- **NOTE** that we will also present CP1490 to the SVG for initial comment on 4 July 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 Procedure ( <i>Code Subsidiary Document</i> )
CoP	Codes 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
PrA	Profile Administration
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

### 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	CoPs page on the ELEXON website	<a href="https://www.elexon.co.uk/bsc-related-documents/related-documents/codes-of-practice/">https://www.elexon.co.uk/bsc-related-documents/related-documents/codes-of-practice/</a>
2	Technical Assurance of Metering page on the ELEXON website	<a href="https://www.elexon.co.uk/reference/market-compliance/audits/technical-assurance-of-metering-systems-tam/">https://www.elexon.co.uk/reference/market-compliance/audits/technical-assurance-of-metering-systems-tam/</a>
2	BSCPs page on the ELEXON webpage	<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	SDs page on the ELEXON website	<a href="https://www.elexon.co.uk/bsc-related-documents/related-documents/service-descriptions/">https://www.elexon.co.uk/bsc-related-documents/related-documents/service-descriptions/</a>

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External Links		
Page(s)	Description	URL
2	TAA Annual Report – Half Hourly Metering Systems	<a href="https://www.elexon.co.uk/reference/market-compliance/performance-assurance/performance-assurance-reports/">https://www.elexon.co.uk/reference/market-compliance/performance-assurance/performance-assurance-reports/</a>
3	CP1490 page on the ELEXON website	<a href="https://www.elexon.co.uk/change-proposal/change-proposalcp1490/">https://www.elexon.co.uk/change-proposal/change-proposalcp1490/</a>

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