



19 July 2001

**INITIAL WRITTEN ASSESSMENT OF
MODIFICATION PROPOSAL P29 -
Improve Efficiency of PARMS
Reporting Requirements**

Prepared by ELEXON Limited

Document Reference	IWA P29
Version no.	1.0
Issue	1.0
Date of Issue	19 July 2001
Reason for Issue	Report to Panel
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.4	19/7/01	ELEXON Trading		

Version	Date	Reviewer	Signature	Responsibility
1.0	19/07/01	ELEXON Performance Management		Performance Assurance – Operability
1.0	19/07/01	ELEXON Trading		Performance Assurance – Requirements

b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
Energywatch	Energywatch
Core Industry Document Owners	Various

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1 SUMMARY

The Proposal

Modification Proposal P29 was registered by ELEXON on 11th July 2001. It proposes that the efficiency of PARMs reporting be improved by ending Supplier reporting by GSP Group, and by eliminating reporting against specific standards (“serials”) where performance does not appear to be an issue.

An initial assessment of Modification Proposal P29 has identified the following issues and potential areas of impact to be considered:

Matters of Principle

- The removal of GSP Group level reporting appears to be at odds with the fundamental structure of the SVA element of the trading arrangements. All SVA settlement calculations and Supplier Agent activities to support settlement are based on GSP Groups. Elimination of an element of assurance at this level would be a significant step.
- It is not clear that the risks and benefits to settlement of changes to GSP Group level reporting and the elimination of reporting against specific serials can be identified and assessed in isolation. Making such changes without consideration of the overall Performance Assurance Framework (PAF) and the consequential impact on assurance would introduce an unquantifiable risk to the integrity of settlement. A review of the PAF (which would mitigate this risk) is scheduled to begin in September 2001.

Other Issues for Consideration

- Operational value of the Performance Data to Suppliers in the management of Supplier Hubs
- Impact on the ability to identify performance issues localised in one GSP Group (possibly related to SMRS, incumbent agents)
- Balance of costs and benefits (to reflect initial costs to Suppliers, Agents, ELEXON, any risks to the integrity of settlement, and operational benefits to Suppliers)
- Likely Modification Timescales
- Continuity and consistency of reporting and value of historical performance data
- Ability to apply other performance assurance techniques (Liquidated damages cap, liquidated damages redistribution, Removal of Accreditation, and Peer Comparison rely GSP Group level reporting)
- Code Compliance (the BSC says that PAB may ask for ad hoc performance reporting, which could include GSP Group level reporting)
- Identification of candidate serials for removal (criteria would need to be defined; the suggested criterion in the proposal - a lack of performance issues in an area – is not likely to be adequate by itself)
- Review only to consider removal of serials, not optimisation
- Performance of the SVA elements of the trading arrangements (this is not seen as allowing for any complacency)

- Timing (A full review of the PAF has already been scheduled; it was envisaged that this would be followed by a review of standards and serials)

Specific Areas of Impact

- **BSC Systems and Process**
Changes to the PARMS reporting from the SVAA
- **Other Systems and Processes used by Parties**
Suppliers' reporting interface with Supplier Agents
PARMS reporting software
Liquidated damages models
- **Balancing and Settlement Code**
Section S Annex S-1
- **BSC Procedures**
BSCP33, BSCP533 and MIRT Appendix, BSCP534, BSCP536
- **Party Service Lines**
SL130, SL140, SL150
- **Other Configurable Items and ELEXON**
PARMS techniques and local work instructions
PARMS requirements, system and systems documentation, local work instructions
Liquidated damages LWIs and Guidance Notes

Conclusions

In the light of the matters of principle identified above, ELEXON concludes that it would not be safe and effective to progress this Modification Proposal before the completion of the review of the PAF.

Were it decided to progress the proposal now, there are sufficient issues to be considered to warrant a Definition phase of two months. In that event, a Modifications Group should be established, formed by members of the SVG augmented by members of PAB.

Recommendations

ELEXON recommends that the Panel:

- a. **NOTE the results of the Initial Written Assessment on Modification Proposal P29 and associated identified issues;**
- b. **NOTE the views that:**
 - i) **the proposed modification P29 cannot be safely and effectively progressed before the review of the Performance Assurance Framework is complete, and**
 - ii) **to adopt the proposed modification without such a review would lead to an unquantified risk to the integrity of settlement.**

- c. **PROCEED to the Report Phase, with a recommendation to the Authority that Modification Proposal P29 be rejected.**

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 PURPOSE AND SCOPE OF THE REPORT

Section F of the BSC sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'). These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications.

The BSC Panel is charged with supervising and implementing the modification procedures. ELEXON provides the secretariat and other advice, support and resource required by the Panel for this purpose. In addition, if a modification to the Code is approved or directed by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

When a new proposal to modify the BSC is made, it is the responsibility of the Panel to determine how it should be progressed. Options include submitting the proposal to a Definition Procedure¹, submitting it to an Assessment Procedure², amalgamating the proposal with another proposal³, or proceeding directly to the Report Phase⁴. With a view to assisting the Panel in taking this decision, ELEXON prepares this initial written assessment of the implications of the Modification Proposal as soon as reasonably practicable after the proposal is made⁵. ELEXON endeavours to complete this initial assessment such that it can be reviewed by the Panel at the Panel meeting at which the relevant Modification Proposal is first to be considered.

This initial assessment provides a preliminary view on the following:

- the potential impact of the proposed modification on BSC systems and processes;
- the potential impact of the proposed modification on other systems and processes used by Parties;
- the potential impact of the proposed modification on the BSC, Code Subsidiary Documents and Core Industry Documents;
- the potential impact of the proposed modification on ELEXON;
- the potential impact of the proposed modification on BSC financial arrangements and budget;
- the potential impact of the proposed modification on BSC Agent contractual arrangements;
- The process and timetable that should be adopted for the progression of the Modification Proposal, in light of its complexity, importance and urgency; and
- Issues that will need to be considered and addressed in progressing the Modification Proposal (including the potential need for impact assessments, consultation and analyses).

It should be noted that, as this document only represents a preliminary assessment of the Modification Proposal, the information contained herein will, in most cases, be superseded by the subsequent analysis and reports produced by the Modification Group to which the Panel assigns the proposal for consideration.

¹ see BSC F2.5

² see BSC F2.6

³ see BSC F2.3

⁴ see BSC F2.7

⁵ see BSC F2.1.8

4 DESCRIPTION OF THE MODIFICATION PROPOSAL

A copy of the Modification Proposal, as submitted by its proposer, can be found at Annex 1 to this report.

The Modification Proposal concerns the requirement for Suppliers to report performance data to ELEXON. The vehicle for this is PARMS. Reporting of performance data is one component of the Performance Assurance Framework, the purpose of which is to ensure the integrity of settlement.

The Modification Proposal asserts that the efficiency of PARMS reporting should be improved by: removing the obligation on Suppliers to report separately for each GSP Group; and by removing any serials (that is standards against which Suppliers report) that do not provide any value to the performance assurance process.

The Proposal says that since PARMS was originally devised in 1998, the emphasis on performance monitoring has shifted from peer comparison between GSP Groups, to the performance of individual suppliers and their agents.

Suppliers, however, are still obliged to report by individual GSP Group, and, the proposal says, as the number of Supplier Hub increases, this imposes an unnecessary and increasing burden on Suppliers.

The proposal says that this requirement is particularly significant for smaller Suppliers, and could constitute a barrier to competition.

The proposal further says that the reporting requirement should be further reduced by removing any serials where historical data suggests that performance is not an issue.

The proposal states that it relates only to the removal of serials, and that any proposals to introduce new PARMS serials should be the subject of separate Modification Proposals.

5 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
Registration	No impact identified at this time.
Contract Notification	No impact identified at this time.
Credit Checking	No impact identified at this time.
Balancing Mechanism Activities	No impact identified at this time.
Collection and Aggregation of Metered Data	No impact identified at this time.
Supplier Volume Allocation	No impact identified at this time.
Settlement	No impact identified at this time.
Clearing, Invoicing and Payment	No impact identified at this time.
Reporting	Changes may be required in the monthly PARMS reporting from the SVAA.
Contingencies	No impact identified at this time.
Dispute Resolution	No impact identified at this time.

6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

System / Process	Potential Impact of Proposed Modification
Suppliers' reporting interface with Supplier Agents	Suppliers may need to negotiate changes in the provision of performance data by their Agents for reporting purposes.
PARMS Reporting software	Changes would be required to the software used by Suppliers for submitting PARMS report.
Liquidated Damage models	At least one Supplier has produced its own model for predicting Liquidated Damages charges. This would require adaptation if LDs can no longer be calculated on a GSP Group basis.

7 IMPACT ON DOCUMENTATION

7.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
A: Parties and Participation	No impact identified at this time.
B: The Panel	No impact identified at this time.
C: BSCCo and its Subsidiaries	No impact identified at this time.
D: BSC Cost Recovery and Participation Charges	No impact identified at this time.
E: BSC Agents	No impact identified at this time.
F: Modification Procedures	No impact identified at this time.
G: Contingencies	No impact identified at this time.
H: General	No impact identified at this time.
I: Not Used	
J: Party Agents	No impact identified at this time.
K: Classification and Registration of Metering Systems and BM Units	No impact identified at this time.
L: Metering	No impact identified at this time.
M: Credit Cover and Credit Default	No impact identified at this time.
N: Clearing, Invoicing and Payment	No impact identified at this time.
O: Communications	No impact identified at this time.

BSC Section	Potential Impact of Proposed Modification
P: Energy Contract Volumes and Metered Volume Reallocations	No impact identified at this time.
Q: Balancing Mechanism Activities	No impact identified at this time.
R: Collection and Aggregation of Metered Data from CVA Metering Systems	No impact identified at this time.
S: Supplier Volume Allocation	No impact identified at this time.
S: ANNEX S-1 Performance Levels and Supplier Charges	Changes to standards, LD algorithms and Cap calculations would need to be reflected in the Code.
S: ANNEX S-2 Supplier Volume Allocation Rules	No impact identified at this time.
T: Settlement and Trading Charges	No impact identified at this time.
U: Provisions Relating to Settlement	No impact identified at this time.
V: Reporting	No impact identified at this time.
W: Trading Queries and Trading Disputes	No impact identified at this time.
X: Definitions and Interpretation	No impact identified at this time.
X: ANNEX X-1 General Glossary	No impact identified at this time.
X: ANNEX X-2 Technical Glossary	No impact identified at this time.

7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	Changes will need to be reflected in BSCP33 (PARMS Reporting including MIRT Appendix), BSCP534, and BSCP 536 (Supplier Liquidated Damages).
Codes of Practice	No impact identified at this time.
BSC Service Descriptions	No impact identified at this time.
Party Service Lines	There are currently reporting requirements on a GSP Group basis from Supplier Agents to Suppliers in SL130 (HHDC), SL140 (NHHDA) and SL150 (HHDA). Presumably Suppliers would wish these updated to mirror any changes in their own reporting requirements.
Data Catalogues	No impact identified at this time.
Communication Requirements Documents	No impact identified at this time.
Reporting Catalogue	No impact identified at this time.

7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	No impact identified at this time.
MCUSA	No impact identified at this time.
Supplemental Agreements	No impact identified at this time.
Ancillary Services Agreements	No impact identified at this time.
Master Registration Agreement	No impact identified at this time.
Data Transfer Services Agreement	No impact identified at this time.
British Grid Systems Agreement	No impact identified at this time.
Use of Interconnector Agreement	No impact identified at this time.
Pooling and Settlement Agreement	No impact identified at this time because LD charges waived up to Go Live.
Settlement Agreement for Scotland	No impact identified at this time.
Distribution Codes	No impact identified at this time.
Distribution Use of System Agreements	No impact identified at this time.
Distribution Connection Agreements	No impact identified at this time.

8 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
PARMS Data Provision Local Working Instructions	Update to incorporate changes.
PARMS Techniques LWIs	Update to incorporate changes.
Liquidated Damages LWIs	Update to incorporate changes.
PARMS Software	Significant re-programming and testing required.
PARMS URS	Re-write to incorporate changes.
PARMS Functional Specification	Re-write to incorporate changes.
PARMS System User Documentation	Update to incorporate changes.
PARMS Reporting Guidance Notes	Update to incorporate changes.
Liquidated Damages Guidance Notes	Update to incorporate changes.

9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	See Section 8
ELEXON Procedures	See Section 8
ELEXON Contracts (Excluding BSC Agent Contracts)	Impact to be determined
Other (e.g. costs, staffing, etc.)	Impact to be determined

10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

To be determined.

11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	No impact identified at this time.
EPFAL (FAA)	No impact identified at this time.
ESIS (TAA(SVA))	No impact identified at this time.
Cap Gemini (SVAA)	Minor change to reporting requirements possible.
PwC (BSC Auditor, Certification Agent)	No impact identified at this time.
EASL (Teleswitch Agent, Profile Administrator)	No impact identified at this time.

12 ISSUES

The following issues will need to be considered and further clarified in the Definition procedure:

GENERAL OBSERVATIONS

(a) **Impact on the Integrity of Settlement and the Performance Assurance Framework**

The integrity of settlement is assured through the Performance Assurance Framework (PAF). The proposal would change a technique (application of standards) within the PAF.

The application of standards is just one technique within the overall Performance Assurance Framework (PAF). The assurance achieved is determined by the total effect of all the constituent techniques of the PAF: any change to the PAF needs to take account of the impact on the overall level of assurance.

The PAF is due for review starting in September 2001, and this review will encompass a thorough consideration of the risks to settlement mitigated by the different Performance Assurance techniques. Such analysis provides the necessary and appropriate context for changing individual techniques or standards. Without this broader context it will be difficult to understand fully the risks and benefits involved in changing an individual technique.

Issue for clarification and definition *Whether the Proposal can be safely and adequately progressed in isolation, without the benefit of the full review of the PAF.*

(b) **Operational Value of data currently collected**

The definition of data currently provided under BSCP 533 was agreed (by Pool Members under the P&SA) as being data that was available and also of operational value to the Supplier. It was always intended that the data should be as valuable to Suppliers in managing their hubs, as it is to ELEXON in identifying under-performance. Educational activities have been undertaken by ELEXON to assist Suppliers in extracting as much management information as possible from their PARMS data.

Issue for clarification and definition *Whether Suppliers would need to continue collecting the performance data for their own purposes, regardless of whether it were submitted to PARMS. Were this to be the case, it would reduce the apparent benefits from the proposal.*

(c) **Balance of Costs and benefits over time**

The definition stage will need to clarify which costs, benefits, and risks will need to be taken into account in assessing this proposal.

Were the proposal to be progressed and implemented there will initially be costs for ELEXON centrally, for Suppliers, and for Supplier Agents. All these participants will need to amend their processes and systems. Centrally, the BSC and other documentation will need to be changed; Suppliers and their Agents will presumably need to amend their agency contracts.

The principal risks to be defined and subsequently assessed will be those affecting the integrity of settlement. However, Suppliers and their Agents will need to consider any operational risks which arise from implementing and operating a new monitoring and reporting regime, and whether there would be any knock-on effects on Supplier Hub Management.

On the benefits side, the benefits to be defined and assessed would centre on the reduction in operational costs of Suppliers and, possibly, ELEXON. These benefits are likely to appear later than the implementation costs.

Of the three elements, risks, costs, and benefits, it may be foreseen that it will be relatively straightforward to estimate costs and operational benefits; however, assigning monetary values to identified risks is likely to be problematic.

Issue for clarification and definition *How the overall cost/benefit balance should be presented for this Proposal, such that a decision can be made as to whether it better achieves the Applicable Objectives of the BSC.*

(d) Likely Modification Timescales

Initial agreement of the Standards took approximately 2 years, and any changes will require thorough discussions. Associated changes to the liquidated damages capping and redistribution methodology would also require detailed analysis and specification, as would the re-definition of Peer Comparison and Removal of Accreditation techniques. It is therefore likely that the Assessment phase of this particular Modification Proposal, were it to be progressed, would be longer than is usual for a Modification.

Issue for clarification and definition *The likely schedule for progressing the proposal.*

REPORTING AT THE GSP GROUP LEVEL

(e) Performance Monitoring of GSP Groups

The proposal puts the view that reporting by GSP Group is no longer necessary, because Agent Competition has been in place for some time, and attention would be better focused on Supplier Hubs nationally.

Another view is that performance monitoring by GSP Group remains essential, in essence because the GSP Group is the fundamental building block of the SVA component of the trading arrangements. Thus, all SVA settlement calculations are defined and conducted on a GSP Group basis. Reflecting this, for example, operational reports to the SVG and the Panel show GSP Group Correction Factors, not a national correction factor.

Experience has shown that there may be issues that need to be traced back to an Agent's performance on a GSP Group basis. This has been particularly true of NHHDCs (for example, concerning the large erroneous values for Estimated Annual Consumption and Annualised Advances entering settlement), but could equally apply to the SMRS Agents who occupy a monopoly position within the GSP Group: shortcomings in SMRS performance can be identified through their impact on all Supplier Hubs operating in the GSP Group. This could not be done if Suppliers only reported aggregate national data.

Reports at the GSP Group level from individual Suppliers allow comparisons to be made of variations in Agent performance with different Suppliers.

Issue for clarification and definition *The impact on assurance of ending reporting by GSP Group, and therefore being unable to monitor performance at the same level as the fundamental building block of the trading arrangements.*

(f) Continuity and consistency of reporting

PARMS now has records of performance data since August 1999, and has reached a point where it can provide useful trend and comparative data. Continuity of reporting would be lost with the proposed change in measures.

It would be possible to continue to use the historical data, albeit aggregated to a national level for comparison with new data.

Issue for clarification and definition *The value of historical performance data in monitoring current performance.*

(g) Impact on the ability to apply other Performance Assurance techniques

Liquidated Damages (LDs) are capped and re-distributed on a GSP Group basis. As LDs could no longer be calculated for serials 2, 4, 6, 9 & 10 on a GSP Group basis, the LD cap could not be applied. Uncapped LD charges, were these to be applied, would benefit good performers, but would be of great concern to under-performers.

Similarly, there are dominant Suppliers in particular areas who receive back the bulk of any LDs that they pay under the current system of re-distribution.

Alternative methodologies of capping and re-distribution would need to be agreed (see point j below): the outcomes of these might well be different

Peer Comparison is currently conducted on GSP Group performance, as is Removal of Accreditation. Both techniques would require re-definition.

Issues for clarification and definition *The basis on which LDs would be capped and redistributed, and the redefinition of Peer Comparison and the Removal of Accreditation.*

(h) Code compliance

Section S3.1.1 of the Code states that:

“Each Supplier shall provide, or procure the provision of such reports to the Performance Assurance Board as may from time to time be reasonably required in accordance with the relevant BSC Procedures in order to enable the Performance Assurance Board to review compliance by that Supplier with the requirements of paragraph 2 [Responsibilities of Suppliers and Supplier Agents] and compliance by each Supplier Agent for which that Supplier is responsible with the relevant Party Service Lines.” The responsibilities of Suppliers and Supplier Agents in paragraph 2 of the Code explicitly refer to activities to be executed within a GSP Group.

BSCP 533 gives the PAB the remit to request “Ad Hoc” data that is not currently specified within the BSCP, in order to address unforeseen performance issues. It would therefore appear that Suppliers will need to retain the ability to report on a GSP Group basis, should PAB request them to do so.

Issue for clarification and definition *Whether the BSC obligation to provide ad hoc performance data to PAB reduces the benefit from the proposed modification. Alternatively, whether the BSC should be amended to constrain the PAB's ability to ask for performance data by GSP Group.*

REVIEW OF SERIALS

(i) Identification of candidates for removal

The proposal does not identify which serials should be considered for removal, but instead suggests an overall review.

The proposal suggests that observed general compliance with a standard implies that the standard is no longer necessary.

However, one of the ways in which serials work is through deterrence, and it could equally be argued that compliance indicates that the standard is achieving its purpose, and removing it would allow performance to degrade.

Issue for clarification and definition *What criteria should be used for judging whether a serial is not contributing usefully to assurance.*

(j) Review only to identify candidates for removal

The proposal states that the scope of any serials review should only be to *remove* serials that have been proven to have little value. All previous proposals for a review of standards/serials have accepted that all experience of the market should be taken into consideration, whether this be to remove serials, add new ones or revise existing ones. Removal of serials alone simply weakens the assurance offered, without any attempts to compensate for previous omissions or tackle real market issues.

Issue for clarification and definition *Whether, from an assurance point of view, it is acceptable to review the serials purely with a view to removal, or whether broader consideration is necessary.*

(k) Performance in the SVA Elements of the Trading Arrangements

Performance within the SVA elements of the trading arrangements offers no reason for complacency. Despite improvements, performance in both non half hourly and half hourly sectors is often below standard. Reducing reporting in these areas when there is still a significant risk to settlement would need careful consideration.

Issue for clarification and definition *Whether, given overall SVA performance any reduction in reporting can be justified.*

(l) Timing

A Standards Review is a planned activity that is awaiting the appropriate moment. Performing that review should be done after a review of the Performance Assurance Framework as a whole, which would establish any changes to requirements.

Issue for clarification and definition *Whether it would be productive to review the serials , before a review of the PAF as a whole has set the context and identified any changes to requirements.*

13 CONCLUSIONS

Of the issues identified in Section 12 of this report, two would appear to be matters of principle concerning the overall Performance Assurance Framework and risk to the integrity of settlement. These are:

- a. The proposed removal of GSP Group level reporting would appear to be at odds with the fundamental structure of the trading arrangements which is based on Supplier Agents operating within a GSP Group; SVA settlement calculations all relate to GSP Groups.
- b. Under this proposal, the removal of GSP Group level reporting and the review of Serials with a view to reducing the reporting requirement, would both be carried out without any wider consideration of the impact on the PAF, the assurance it provides, and hence the risk to the integrity of settlement.

ELEXON therefore concludes that implementing the proposed modification would lead to an unquantified risk to the integrity of settlement.

This risk would be mitigated by the review of the PAF which is scheduled to begin in September. In ELEXON's view the proposed modification cannot be safely and effectively progressed before that review is complete.

Further, this report (Section 12) has identified a number of specific issues that are raised by consideration of the proposal. Were the proposal to be taken forward, these matters would need to be clarified through a full definition procedure. In that event, ELEXON would suggest that a Definition phase of 2 months be specified and that a Modifications Group be established: the Modifications Group should be formed from members of the SVG augmented by members of PAB.

14 RECOMMENDATIONS

ELEXON recommends that the Panel:

- a. **NOTE** the results of the Initial Written Assessment on Modification Proposal P29 and associated identified issues;
- b. **NOTE** the views that:
 - i) the proposed modification P29 cannot be safely and effectively progressed before the review of the Performance Assurance Framework is complete, and
 - ii) to adopt the proposed modification without such a review would lead to an unquantified risk to the integrity of settlement.
- c. **PROCEED** to the Report Phase, with a recommendation to the Authority that Modification Proposal P29 be rejected.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: P29 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Improve Efficiency Of ParmS Reporting Requirements	
Submission Date <i>(mandatory by proposer):</i> 05 July 2001	
Description of Proposed Modification <i>(mandatory by proposer):</i> Request that the Performance Assurance Board amends the PARMS reporting requirement so that Suppliers only need to report each of their Supplier serials as a whole rather than split down into GSP groups. In addition, that PAB also conduct an historical review of PARMS data, and remove any serials which it feels does not provide any significant value to the performance assurance process. (A parallel change request via BSCP40 is being raised proposing an identical request for Supplier Agent serials)	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> The PARMS reporting process was original devised in anticipation of the opening of the 1998 market, and due to market start-up it was considered important to allow peer comparison between GSP groups. With the introduction of agent competition, the emphasis has switched from GSP groups to the performance of Suppliers and their agents who provide Suppliers with some of the data required to report Supplier serials. Suppliers are increasing the number of Supplier Hubs in operation so the amount of man days required to complete the PARMS data each month is increasing for both Suppliers and Agents. This is becoming a significant burden, particularly on smaller Suppliers and agents and could be seen as a barrier to increasing competition. This increasing reporting burden could be relieved by removing the GSP group element of PARMS returns, and by removing any serials, where hisotrical data suggests that performance is not an issue. NOTE: For the avoidance of doubt, the proposer is seeking to reduce the PARMS workload, and would not support this modification being used to introduce new PARMS serials, which should be submitted as a separate modification.	
Impact on Code <i>(optional by proposer):</i> Section S Annex 2	
Impact on Core Industry Documents <i>(optional by proposer):</i> BSCP 533	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i>	
Impact on other Configurable Items <i>(optional by proposer):</i>	

Modification Proposal	MP No: P29 <i>(mandatory by BSCCo)</i>
<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i></p> <p>The original PARMs reporting requirements were devised before competition was introduced in 1998. The market has now been open to full competition for nearly 3 years, and nearly all Suppliers are active in all E&W GSP Groups. The purpose of PARMs reporting is to ensure the integrity of settlements. The removal of reporting by GSP group and the removal of serials which provide little added value to this process would not put reduce the integrity of performance reporting, but would reduce reporting requirements on Supplier parties and their agents, and promote competition in the market.</p>	
<p>Details of Proposer:</p> <p style="padding-left: 40px;">Name: Juliet Davenport</p> <p style="padding-left: 40px;">Organisation: Utility Link Ltd</p> <p>Telephone Number: 01249 705567</p> <p style="padding-left: 40px;">Email Address: juliet.davenport@utility-link.com</p>	
<p>Details of Proposer's Representative:</p> <p style="padding-left: 40px;">Name: Chris Welby</p> <p style="padding-left: 40px;">Organisation: Utility Link Ltd</p> <p>Telephone Number: 01249 705559</p> <p style="padding-left: 40px;">Email Address: chris.welby@utility-link.com</p>	
<p>Details of Representative's Alternate:</p> <p style="padding-left: 40px;">Name: Elaine Crowther</p> <p style="padding-left: 40px;">Organisation: Atlantic Electric & Gas</p> <p>Telephone Number: 02920 263389</p> <p style="padding-left: 40px;">Email Address: ecrowther@atlanticeg.com</p>	
<p>Attachments: YES</p> <p>If Yes, Title and No. of Pages of Each Attachment:</p> <p>BSCP40 Change request Improve efficiency in Parms Reporting requirements</p>	

CP Form

<p>Change Proposal – F40/02 (Page 1 of 2)</p>	<p>CP No: <i>(mandatory by BSCCo)</i></p>
<p>Title <i>(mandatory by originator)</i> <i>Improve efficiency of Parms reporting Requirements</i></p>	
<p>Description of Change <i>(mandatory by originator)</i> Request that the Performance Assurance Board amends the PARMS reporting requirement so that Suppliers only need to report each of agent serials as a whole rather than split down into GSP groups. In addition, that PAB also conduct an historical review of PARMS data, and remove any serials which it feels does not provide any significant value to the performance assurance process. (A parallel Modification is being raised proposing an identical request for Supplier serials)</p>	
<p>Proposed Solution(s) <i>(mandatory by originator)</i> The PARMS reporting process was original devised in anticipation of the opening of the 1998 market, and due to market start-up it was considered important to allow peer comparison between GSP groups. With the introduction of agent competition, the emphasis has switched from GSP groups to the performance of Suppliers and their agents. Suppliers are increasing the number of Supplier Hubs in operation so the amount of man days required to complete the PARMS data each month is increasing for both Suppliers and Agents. This is becoming a significant burden, particularly on smaller Suppliers and agents and could be seen as a barrier to increasing competition. This increasing reporting burden could be relieved by removing the GSP group element of PARMS returns, and by removing any serials, where hisotrical data suggests that performance is not an issue. NOTE: For the avoidance of doubt, the proposer is seeking to reduce the PARMS workload, and would not support this change being used to introduce new PARMS serials, which should be submitted as a separate change.</p>	
<p>Justification for Change <i>(mandatory by originator)</i> The original PARMS reporting requirements were devised before competition was introduced in 1998. The market has now been open to full competition for nearly 3 years, and has seen the introduction of agent competition in the NHH market. The purpose of PARMS reporting is to ensure the integrity of settlements. The removal of reporting by GSP group and the removal of serials which provide little added value to this process would not put reduce the integrity of performance reporting, but would reduce reporting requirements on Supplier parties and their agents, and promote competition in the market.</p>	

<p>Change Proposal – F40/01 (Page 2 of 2)</p>	<p>MP No: <i>(mandatory by BSCCo)</i></p>
<p>Other Configurable Items Potentially Affected by Proposed Solution(s) <i>(optional by BSCCo)</i></p>	
<p>Impact on Core Industry Documents <i>(optional by originator)</i> BSCP533</p>	
<p>Related Changes and/or Projects <i>(mandatory by BSCCo)</i> Modification raised</p>	
<p>Originator's Details:</p> <p>BCA Name.....Chris Welby.....</p> <p>Organisation...Utility Link Ltd.....</p> <p>Email Address chris.welby@utility-link.com.....</p> <p>Date.....6th July 2001.....</p> <p>[BSC Panel Representative].....</p> <p>Organisation.....</p>	
<p>Attachments: Y (If Yes, No. of Pages attached:...2.....) Copy of Modification <i>(delete as appropriate)</i></p>	