

PUBLIC

Risk Evaluation Register Report 2017/18



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PAB185_07
30 June 2016

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1. INTRODUCTION

Background

Each year, the Performance Assurance Board (PAB) deploys the Performance Assurance Framework (PAF) to manage Settlement Risks. To do this, the PAB identify, evaluate and prioritise the risks that may occur within Settlement and the extent to which they apply to each Performance Assurance Party (PAP). The PAB apply Performance Assurance Techniques to PAPs based on the risk they pose to Settlement.

The PAB produce a suite of documents in consultation with the industry to aid this process including:

- [Risk Evaluation Methodology](#) (REM);
- [Risk Evaluation Register](#) (RER); and
- [Risk Operating Plan](#) (ROP¹).

Purpose of the RER

The RER sets out the Settlement Risks identified and evaluated by the PAB. Section Z, 5.5 of the BSC requires the PAB to:

- Identify and evaluate risks to Settlement, by applying the REM²;
- Prepare and maintain a register (the RER) setting out Settlement Risks, and the significance of each Settlement Risk in relation to a specific Performance Assurance Operating Period³; and
- Review and update the RER on an annual and ad hoc basis.

Focus of the RER

The focus of the RER is on risks to Supplier Volume Allocation. These risks may be subject to re-evaluation where there is evidence of indicated changes in probability, impact and/or controls. This may result in the PAB adjusting the significance of these risks following review.

Central Volume Allocation (CVA) risks and all areas in the Balancing and Settlement Code that relate to the Central Agents are deemed as having a significant effect on Settlement and given the highest level of net significance (25) as a matter of course. As such, they are not subject to re-evaluation in relation to probability, impact and control strength.

Target Audience

All BSC Parties, BSC Agents and Performance Assurance Parties as defined within the BSC.

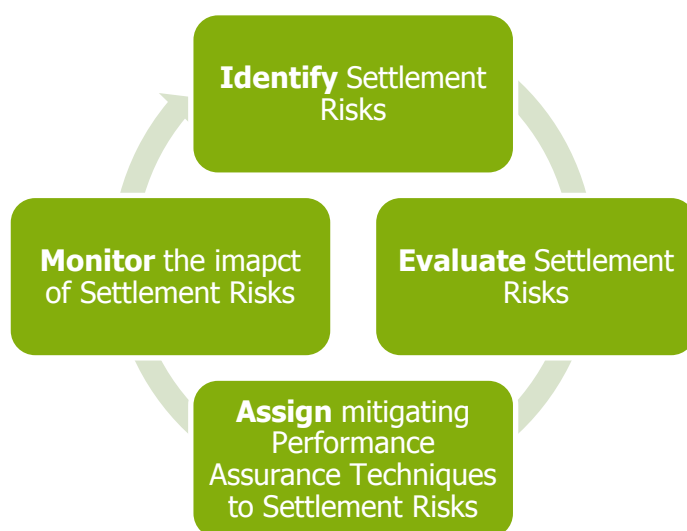
¹ The ROP sets out the Performance Assurance Techniques that the Performance Assurance Board has determined should be applied to each Settlement Risk.

² The REM describes how the Performance Assurance Board will identify Settlement Risks; evaluate Settlement Risks; and assess the materiality of Settlement Risks.

³ The Performance Assurance Operating Period is the twelve-month period of time over which we report on assurance processes.

2. REVIEW OF THE RISK EVALUATION REGISTER

The [Risk Evaluation Methodology \(REM\)](#) 2017/18, which PAB endorsed in February 2016, describes our approach to reviewing the Risk Evaluation Register. We derive the RER from the activities below:



The review typically includes:

- Closed Trading Disputes;
- Closed and new BSC Audit issues;
- Performance Assurance Reporting and Monitoring System (PARMS) Serial data;
- Material Error Monitoring data;
- The performance of Parties via Error and Failure Resolution;
- Findings from technical assurance checks (Technical Assurance of Performance Assurance Parties and Technical Assurance of Metering);
- Change Proposals and Modifications (approved/implemented); and
- Industry inputs on relevant Settlement Risks.

We link the outputs of the PATs and industry input to the associated Settlement risks. We assess existing risks for changes in the probability, impact and/or control strength. We consider the need for new risks to be included.

Due to our review this year, we are not proposing any changes to the RER 2017/18. We are proposing Within Period Revisions to the existing RER (2016/17). We identified these changes close to the annual review and decided to include them here rather than consulting separately. We describe the changes below. We will incorporate and carry forward these changes into the RER 2017/18.

3. CHANGES TO THE RISK EVALUATION REGISTER FOR 2017/18

Within-Period Revisions

The Performance Assurance Board (PAB) may decide to revise the Risk Evaluation Register (RER) outside of the normal annual review process. Revisions may arise as a result of ad hoc developments affecting Settlement or due to submissions from industry that support the need to revise any part of a specific Settlement Risk sooner than April 2017. The PAB will implement approved revisions with an Effective From Date (EFD) before 1 April 2017 as Within Period Revisions.

Drivers for change

There are two main drivers for the proposed Within Period Revisions to the RER 2016/17. The first relates to mandatory Half Hourly Settlement for Profile Classes 5-8 and the Change of Measurement Class process. The second relates to P305 'Energy Balancing Significant Code Review'. We discuss each of these below.

Mandatory Half Hourly Settlement for Profile Classes 5-8

[P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) was raised on 20 May 2011, and proposed to mandate Half Hourly (HH) Settlement for all Metering Systems within Profile Classes (PCs) 5-8. The Authority approved a revised implementation date for mandatory HH Settlement for PC5-8 of 1 April 2017.

Proposed Changes

The PAB have endorsed changes to four existing risks relating to the appointment and de-appointment of Party Agents, part of the Change of Measurement Class process and key steps in migrating PC 5-8 Meters to HH Settlement ([PAB182/06](#)). These risks have been amended to make their scope clearer.

The current risk descriptions of the four CoMC related risks do not make it clear that they can include a CoMC event e.g. the risk description refers only to events within a single market, either Half Hourly (HH) or Non Half Hourly (NHH). We believe that if we amend the risks as shown below it will be clearer that they can apply to CoMC events. i.e. events that traverse both HH and NHH markets.

These risks and the proposed amendments are:

- SR0007 - The risk that Suppliers do not successfully de-appoint Non Half Hourly Data Collectors (NHHDCs) resulting in more than one ~~NHH~~DC collecting consumption data for the same Metering System.
- SR0008 - The risk that Suppliers do not successfully de-appoint Half Hourly Data Collectors (HHDCs) resulting in more than one ~~HH~~DC collecting consumption data for the same Metering System.
- SR0033 - The risk that old Non Half Hourly Meter Operator Agents (NHHMOAs) do not send Meter Technical Details to new ~~NHH~~MOAs resulting in new ~~NHH~~MOAs not having the Meter Technical Details for the Metering Systems to send on or use as required.
- SR0034 - The risk that old Half Hourly Meter Operator Agents (HHMOAs) do not send Meter Technical Details to the new ~~HH~~MOAs resulting in new ~~HH~~MOAs not having the Meter Technical Details for the Metering Systems to send on or use as required.

The PAB has also endorsed three new risks relating to CoMC that should be included but were previously omitted in error. These risks are:

- The risk that the HHMOA doesn't send the NHH final Meter reading to the NHHMOA resulting in estimated/erroneous/no data being entered into Settlement.

- The risk that Suppliers do not successfully de-appoint HHMOAs resulting in the inability to maintain Metering Systems and associated technical details and may result in default data being entered into Settlement.
- The risk that Suppliers do not successfully de-appoint NHHMOAs resulting in the inability to maintain Metering Systems and associated technical details and may result in default data being entered into Settlement.

Electricity Balancing Significant Code Review

In August 2012, Ofgem launched its [Electricity Balancing Significant Code Review](#) in order to address long-standing concerns that imbalance prices are not creating the correct signals for the market to balance. This, they believed, could undermine efficiency in balancing and security of supply.

[P305 'Electricity Balancing Significant Code Review Developments'](#) was raised to implement changes to support the review's conclusions ahead of winter 2015/16 and proposed:

- A reduction in the Price Average Reference (PAR) and Replacement PAR (RPAR) values to better reflect the marginal cost of balancing energy for a given Settlement Period;
- A single imbalance price using the existing Main Price calculation;
- Introduction of a Reserve Scarcity Price function for Short Term Operating Reserve actions to better reflect the prevailing scarcity in the market at the time of their use; and
- Introduction of demand control actions into the imbalance price, priced at the Value of Lost Load and an imbalance volume correction process to amend participants' positions to account for such actions.

P305 was implemented on 5 November 2015. ELEXON is proposing to introduce six new Supplier Volume Allocation (SVA) risks and six new Central Volume Allocation (CVA) risks to address new obligations introduced by including demand control actions into the calculation of imbalance prices and volumes.

Proposed SVA risks:

- The risk that the HH/NHH Licensed Distribution System Operator (LDSO) fails to send/fails to send the correct list of Metering Systems (MSs) that are actually affected by disconnection events to the DC/DA such that the imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the host LDSO fails to notify the embedded LDSO of a demand disconnection event such that the imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the NHH Data Aggregator (DA) fails to correctly aggregate estimated disconnection volumes such that imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the HHDA fails to correctly aggregate estimated disconnection volumes such that imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the HHDC fails to correctly estimate disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company; and
- The risk that the NHHDC fails to calculate/incorrectly calculates Annualised Advances for involuntarily disconnected Metering System Identifier such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.

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Proposed CVA risks:

- The risk that the Transmission Company does not pass on/passes on the incorrect list of voluntarily disconnected MS to the Supplier Volume Allocation Agent (SVAA) such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the Central Data Collection Agent fails to estimate /incorrectly estimates disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the SVAA fails to process /incorrectly processes aggregated disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the Settlement Administration Agent (SAA) fails to process /incorrectly processes disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company;
- The risk that the SVAA does not pass on/passes on the incorrect list of voluntarily disconnected MS to the DC/DA such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company; and
- The risk that the SAA fails to process or incorrectly processes demand control instructions such that the SAA inaccurately calculates actual system prices.

Ledger of proposed change

Full details of all the changes to the RER are set out in Appendix C including our rationale and evaluation of the risks.

4. FUTURE CONSIDERATIONS

There are four work streams being tracked through the Technique Progress Report that may impact Settlement Risks for Performance Assurance Operating Period 11, 1 April 2017 – 31 March 2018. These are discussed below. At present we have not confirmed any impact on Settlement Risks as a result of this work. However, should any impacts be identified later, they will be presented to Performance Assurance Board (PAB) as Within Period Revisions to the Risk Evaluation Register (RER).

Smart Meter implementation and impacts on Settlement

Since the Authority's approval of Modification P272⁴, ELEXON has received a number of questions on interoperability of the Automatic Meter Read (AMR) Meter upon Change of Measurement Class (CoMC) events. A number of Suppliers and Meter Operator Agents (MOA) noted that upon a concurrent CoMC and Change of Agent (CoA), the previous MOA does not provide the Outstation Password Level 3 in the D0313⁵ flow that is needed to re-program the Meter. As a result, the AMR Meter has to be switched to dumb and is not capable of being read remotely.

⁴ [Mandatory Half Hourly Settlement for Profile Classes 5-8](#)

⁵ [Auxiliary Meter Technical Details](#)

These concerns were initially raised during the Workgroup meeting for Issue 46⁶. The Workgroup recommended some changes to the D0313 flow to facilitate the process but, as the group agreed that the majority of the issues sit outside of the BSC remit, the issue was not fully resolved. However, with the approval of P272 leading to an increased need for MOAs to reprogram AMR Meters, the interoperability issue has been further exacerbated.

ELEXON proposes to carry out an investigative Technical Assurance of Performance Assurance Parties (TAPAP) check on MOAs and Data Collectors (DCs) to understand how interoperability issues with AMR Meters are currently impacting Settlement. Sub-100 kW Meter performance is decreasing in line with the P272 migration. The Supplier Migration Update ([PAB184/05a](#)) noted that the number of Meters affected by P272 is decreasing because upon attempt to reprogram them, MOAs lose communication with the Meter and instead switch it to dumb, thus bypassing the P272 obligation.

The TAPAP check would aim to cover two main areas of non-compliance: where the outgoing MOA did not send the D0313 flow and where the D0313 was sent with an incorrectly populated Outstation Password Level 3. ELEXON is primarily interested to understand what lies behind this behaviour and what within the BSC could be used to remedy this. The check would not just concentrate on P272 impacted Meters but all Meters identified as AMR in the D0150⁷ sent by the old MOA.

At the moment, ELEXON does not envision the check to result in immediate corrective action against individual parties. However, if any material impacts currently affecting Settlement are discovered, ELEXON will present these to the PAB and ask to deploy Performance Assurance Techniques on a case-by-case basis.

Commissioning

Commissioning continues to present significant challenges to industry. In February 2014/15, we performed a general health check on the implementation of P283⁸ to identify any breakdown in the process at an early stage. Because the check was done so soon after implementation, the results of the check did not provide a clear picture of how Parties/Agents had taken on the new obligations. We then performed an additional technical assurance check in line with the P283 commissioning process in September – November 2015. This was a more detailed investigation of the respective responsibilities of each Party/Agent. We focused on each step of the P283 Commissioning process and where a failure to act was found, a non-compliance was assigned against that part of the process and the relevant section of the BSC or Code Subsidiary Document (CSD). All Parties/Agents that we checked in September – November were found to be non-compliant so the Performance Assurance Board (PAB) agreed that further checks be done on the remaining Parties/Agents responsible for performing P283 Commissioning obligations. This was undertaken in April – May 2016. We will present our findings to the PAB in July 2016.

The main gap areas or weaknesses in the process highlighted by the checks were:

- Lack of Commissioning or long delays in performing Commissioning by System Operators (Licensed Distribution System Operators (LDSOs)/Independent Distribution Network Operators (IDNOs)) and Meter Operator Agents (MOAs);
- Continued difficulties in communication between LDSOs/IDNOs, MOAs and Suppliers;
- Bespoke contractual and internal process arrangements meaning that the process is still not consistent across the industry;

⁶ [Issue 46: Non Half Hourly Interoperability](#)

⁷ Non Half Hourly Meter Technical details.

⁸ [Reinforcing the Commissioning of Metering process.](#)

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- A clear need for timescales for the P283 process;
- Missing manufacturers Current Transformer (CT) and Voltage Transformer (VT) Calibration Certificates are still an issue;
- Inconsistent Commissioning records across industry from LDSOs; and
- We have observed that the teams that deal with this process are quite small (2-3 full time equivalent (FTE) generally) so there is still a large backlog for many Parties/Agents.

We have taken a number of steps to address issues around P283:

- Technical Assurance Agent (TAA) specific sample checks on P283 qualified sites were completed in early 2015. This provided both an on-site view of these sites as well as the back office processes investigated in the TAPAP check;
- Non-compliant candidates were subjected to the Error and Failure Resolution (EFR) Performance Assurance Technique as a result of this check;
- P283 commissioning process is now in scope for the BSC Audit from 2016/17;
- Education:
 - ELEXON P283 education day (February 2016); and
 - A further education day for the introduction of timescales, pending CP1458 implementation (3 November 2016).

We will continue to monitor the state of commissioning and are in the process of providing further improvements through:

- The introduction of timescales for request/receipt of commissioning information into BSC documentation ([CP1458](#));
- The introduction of a new data flow to communicate commissioning information between MOA, LDSO & Supplier businesses;
- The introduction of a standard Commissioning form and support to LDSOs; and
- Providing assistance with training requirements where necessary.

Revenue Protection

Revenue protection has been a market issue since 2007. The audit has raised a number of industry concerns around the processing of revenue protection amendments into Settlement, these include:

- Lack of clarity surrounding existing BSCP requirements in place surrounding revenue protection;
- Lack of guidance on who is responsible for notifying the NHHDC/HHDC of revenue protection amendments;
- Lack of guidance on process that should be followed in determining the revised meter advance based on revenue protection amendments;
- Where revenue protection amendments have been made to Settlement there is currently no mechanism to ensure that these values remain in Settlement and are not removed by exception management processes; and
- Uncertainty regarding activities performed by the Revenue Protection Service and the methods used for calculating unrecorded units as well as processes in place to notify the relevant parties.

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We are reviewing BSCP504 'Non Half Hourly Data Collection' to ensure the obligations are clear and that guidance is available where needed. We will work with Parties to understand root causes and resolve issues.

P344 'Project TERRE implementation into GB market arrangements'

P344 seeks to align the Balancing and Settlement Code (BSC) with the European Balancing Project TERRE (Trans European Replacement Reserves Exchange) requirements. This is in order to allow the implementation of the project at national level and be compliant with the first tranche of obligations in the European Network Codes (ENCs). The TERRE go live date is currently scheduled for summer 2018.

The implementation of Project TERRE is expected to, or could, impact a number of BSC areas including (but not limited to):

- The calculation of imbalance process;
- The calculation of Trading Parties' Imbalance Volumes;
- The calculation of Trading Parties' Information Imbalance Volumes;
- The rules regarding Interconnectors under the BSC;
- The timing of Balancing Mechanism Reporting Service (BMRS) data publication and/or BSC Settlement Runs;
- Default rules for missing or late TERRE data;
- The publication of information on the BMRS relating to Imbalance Price calculations and GB-related TERRE Product Acceptances;
- Non-delivery charges; and
- Credit calculations.

The Panel will consider the Initial Written Assessment at its meeting on 9 June 2016, where it will agree how to progress this Modification.

5. FURTHER INFORMATION

If you have any questions or require further information on the Risk Evaluation Register, please contact:

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6. REFERENCES

Document

[Risk Evaluation Methodology 2017/2018](#)

[ELEXON Glossary](#)

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APPENDIX A: STRUCTURE OF THE RISK EVALUATION REGISTER

All risks are documented generically and by role, rather than by reference to a specific Performance Assurance Party (PAP) and logged using, the data fields specified below.

Column	Description	Applicable to
Settlement Risk Identification Number	Unique number extracted from the Risk Evaluation Register.	SVA Risks CVA Risks
Effective from Date/Effective to Date	Operational period of the risk.	SVA Risks CVA Risks
Workflow Status	Indicates whether the risk has been approved by the Performance Assurance Board. Only approved risks are visible in the Risk Evaluation Register.	SVA Risks CVA Risks
Originator	The source of the initial identification of the risk.	SVA Risks CVA Risks
Risk Category	Classification of risks into subgroups.	SVA Risks CVA Risks
HH/NHH	Indicates whether it is applicable in the half hourly or non half hourly market.	SVA Risks
Risk Description	Detailed description of the risk.	SVA Risks CVA Risks
Gross Settlement Risk Probability	How likely a Settlement Risk is to occur if there are no controls in place?	SVA Risks CVA Risks (Set to 5)
Gross Settlement Risk Impact	How severe the impact of a Settlement Risk would be (should it happen) if there are no controls in place?	SVA Risks CVA Risks (Set to 5)
Gross Settlement Risk Significance	The gross probability multiplied by the gross impact.	SVA Risks CVA Risks (Set to 25)
Noted Controls	The key mechanisms that should be applied routinely to the processes for deriving Trading Charges from recorded energy production or consumption.	SVA Risks CVA Risks

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Column	Description	Applicable to
Controls Strength	The effectiveness of the identified controls when taken in aggregate.	SVA Risks CVA Risks (Set to low)
Net Significance	Gross significance multiplied by a factor based on the strength of controls as defined in the Risk Evaluation Methodology.	SVA Risks CVA Risks (Set to 25)
Assumptions/Comments	Any specific assumptions/comments made in relation to the risk.	SVA Risks CVA Risks
Relevant Performance Assurance Parties	Specific classes of Performance Assurance Parties (Supplier, Meter Operator Agent, Data Collector, Data Aggregator, Meter Administrator, Licensed Distribution System Operator and/or Registrant) who may be required to support the application of one or more Performance Assurance Techniques in the event that the Performance Assurance Board chooses to deploy techniques to manage the risk.	SVA Risks

APPENDIX B: GENERAL ASSUMPTIONS

Independent Assessment of Risks

When assessing risks we assume that preceding processes of a Settlement Risk have been completed successfully, i.e. the cumulative impact of errors is excluded from the risk evaluation process. This ensures that Settlement Risks, which arise later in the Settlement process, are not automatically qualified by the PAB as highly significant and consequently divert attention from an earlier key control point.

For example, when considering the risk that the Non Half Hourly Data Aggregator (NHHDA) does not pass data to the Supplier Volume Allocation Agent (SVAA), the evaluation is based on the assumption that the aggregated data has been derived in accordance with the Balancing and Settlement Code (BSC) – i.e. it is assumed that the Meter Technical Details (MTDs) that were used to interpret energy consumption for Metering Systems are correct and that Non Half Hourly Data Collectors (NHHDCs) have calculated energy consumption correctly etc.

This approach does not prevent Settlement Risks from covering a range of root causes (reasons for failures of the processes falling under the scope of each Settlement risk). For example, there are many reasons why the NHHDA might not pass data to the SVAA including but not limited to: NHHDA system failure (and failure of associated disaster recovery processes), failure to follow the published timetable due to manual error, mishandling of incoming data, failure to submit the data in the correct format resulting in rejection by SVAA etc.

Consideration of Half Hourly (HH) and Non Half Hourly (NHH) Settlement Risks

Many of the identified Settlement Risks arise at each Settlement Run. The gross probability and gross significance of a Settlement Risk may be different when assessed at each Settlement Run.

In the context of Settlement, the impact of an error arising in respect of a small number of HH Metering Systems is likely to have greater cash flow implications for Trading Parties than an error arising in respect of a small number of NHH Metering Systems.

Furthermore, since almost all HH Metering Systems settle on actual metered data in all Settlement Runs, the Settlement processes that apply to HH Metering Systems tend to apply equally to each Settlement Run. Therefore, the impact of Settlement Risks associated with HH Metering Systems is likely to be the same across Settlement Runs. Conversely, the proportion of NHH Metering Systems, which settle on actual metered data, increases over the course of each Settlement Run. Therefore, the impact of Settlement Risks associated with NHH Metering Systems is likely to be greatest by the Final Reconciliation (RF) Run.

Consequently, in order to avoid recording a multitude of duplicate Settlement Risks (a version of each Settlement Risk in respect of each Settlement Run) and still ensure that the evaluated significance is sufficient to cover all Settlement Runs, we apply the following principles:

- Settlement Risks which relate to HH Metering Systems have been primarily assessed at the Initial Settlement (SF) Run; and
- Settlement Risks, which relate to NHH Metering Systems, have been primarily assessed at the RF Run.

These principles do not limit application of Performance Assurance Techniques (PATs) to these Settlement Runs only. The PAB deliver assurance across all Settlement Runs as appropriate.

Generic Controls

The PAB have identified a number of generic controls, which apply to all risks and have therefore not been logged in the RER against individual risks. These include:

- Disaster recovery processes;

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- Change management processes;
- System security controls;
- Appropriate system design and testing; and
- Processes for maintaining audit trails in relation to Settlement transactions.

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APPENDIX 1

Proposed Within Period Revisions

All amendments including new risks are drafted in red font.

SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
SR0007	01/04/2016	SVA	NHH/HH	The risk that Suppliers do not successfully de-appoint NHHDCs resulting in more than one NHH DC collecting consumption data for the same Metering System.	2	1	The DA will accept data from any DC that has been appointed to the Metering System during the Supplier Registration with preference given to actual data in the first instance and then data from the later appointed agent in the event that more than one DC provides data. CoMC: D0095 (Non Half Hourly Aggregation Exception Report) and D0023 (Failed Instructions).	High	1	This makes the risk more clearly inclusive of a Change of Measurement Class event by amending the description so that it encompasses cross market changes as well as within market changes. Probability: No evidence to suggest this is happening more as result of P272.
SR0008	01/04/2016	SVA	HH/NHH	The risk that Suppliers do not successfully de-appoint HHDCs resulting in more than one HH DC collecting consumption data for the same Metering System.	2	1	The DA only accepts data from the appointed DC. CoMC:D0023 (Failed Instructions), D0235 (Half Hourly Aggregation Exception Report)	High	1	This makes the risk more clearly inclusive of a Change of Measurement Class event by amending the description so that it encompasses cross market changes as well as within market changes. Probability: No change as this is a HH to NHH CoMC event.

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
SR0033	01/04/2016	SVA	NHH/HH	The risk that old NHHMOAs do not send Meter Technical Details to new NHH MOAs resulting in new NHH MOAs not having the Meter Technical Details for the Metering Systems to send on or use as required.	3	2	Underpin – MOA can request data from the Supplier. D0170 requests and responses	Low	6	<p>This makes the risk more clearly inclusive of a Change of Measurement Class event by amending the description so that it encompasses cross market changes as well as within market changes.</p> <p>Probability: No change. However, this may change as our analysis of Settlement Performance on sub 100kW sites progresses.</p> <p>Impact: No change on energy volumes. However, this may change as our analysis of Settlement Performance on sub 100kW sites progresses.</p>
SR0034	01/04/2016	SVA	HH/NHH	The risk that old HHMOAs do not send Meter Technical Details to the new HH MOAs resulting in new HH MOAs not having the Meter Technical Details for the Metering Systems to send on or use as required.	3	2	D0170 requests and responses	Low	6	<p>This makes the risk more clearly inclusive of a Change of Measurement Class event by amending the description so that it encompasses cross market changes as well as within market changes.</p> <p>Probability: No change as not impacted by P272 i.e. this refers to CoMC from HH to NHH not CoMC from NHH to HH.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
CoMC	01/04/2016	SVA	HH/NHH	The risk that the HHMOA doesn't send the NHH final Meter reading to the NHHMOA resulting in estimated/erroneous/no data being entered into Settlement.	3	3	No noted controls.	Low	9	<p>This risk has not previously been included in the RER (It references the process in BSCP514 7.1.18). We propose to include it because of the mass migration of PC5-8 Meters to HH Settlement.</p> <p>Probability: There are reported system limitations and in some cases final reads are sent manually. This increases the likelihood of errors arising. This risk relates to P272 and due to the mass migration of PC5-8 Meters to HH Settlement a probability of 3 is in line with the REM a is the best fit e.g. the risk is as likely to occur as not occur.</p> <p>Impact: In line with REM definition relating to erroneous/estimated/no data being available.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
CoMC	01/04/2016	SVA	HH	The risk that Suppliers do not successfully de-appoint HHMOAs resulting in the inability to maintain Metering Systems and associated technical details and may result in default data being entered into Settlement.	2	1	D0001 Request fault investigation. D0004 Notification of failure to obtain reading.	Medium	2	<p>This risk has not previously been included. We propose to include it for completeness.</p> <p>Probability: The old Meter Operator should send the MTD to the new MOA on request from the Supplier (on change of MOA) or the new MOA (on concurrent CoS/change of MOA) irrespective of whether the Supplier has de-appointed the old MOA. CP1456 has just been raised to clarify the obligation.</p> <p>There is a small risk that the old MOA will exchange a meter after their de-appointment, not realising they have been de-appointed. CP1455 (also just raised) clarifies that de-appointment should not prevent the old MOA from passing on the MTD to the new MOA (once they realise they have been de-appointed and should not have exchanged the meter).</p> <p>Impact: In line with the REM definition relating to default data being applied and used.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
CoMC	01/04/2016	SVA	NHH	The risk that Suppliers do not successfully de-appoint NHHMOAs resulting in the inability to maintain Metering Systems, associated technical details, and may result in default data being entered into Settlement.	2	1	D0001 Request fault investigation. D0004 Notification of failure to obtain reading.	Medium	2	<p>This risk has not previously been included. We propose to include it for completeness.</p> <p>Probability: The old Meter Operator should send the MTD to the new MOA on request from the Supplier (on change of MOA) or the new MOA (on concurrent CoS/change of MOA) irrespective of whether the Supplier has de-appointed the old MOA. CP1456 has just been raised to clarify the obligation.</p> <p>There is a small risk that the old MOA will exchange a meter after their de-appointment, not realising they have been de-appointed. CP1455 (also just raised) clarifies that de-appointment should not prevent the old MOA from passing on the MTD to the new MOA (once they realise they have been de-appointed and should not have exchanged the meter).</p> <p>Impact: in line with REM description relating to default data being applied and used.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	SVA	HH/NHH	The risk that the LDSO fails to send/fails to send the correct list of Metering Systems that are actually affected by disconnection events to the DC/DA such that the imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	2	3	BSCCo is required to pass the List of Metering systems on to the DC/DA as it has contact details for all DC/DAs. BSCP515 3.14.2	Low	6	<p>New obligations implemented as part of P305. Code obligation: Section S 9.1.3.</p> <p>Probability: 2 (It is unlikely that the SR will occur in a single PAOP): opportunities for failure are low i.e. the frequency of the process event is low. The process is not complex.</p> <p>Impact: Depending on the number of impacted MSIDs and the energy volumes, the impact could vary, however according to the REM description we would propose an impact of 3, the impact of the Settlement risk is not severe enough to pose a threat to a PAPs business but is significant enough for the industry to consider via corrective measures.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	SVA	HH/NHH	The risk that the host LDSO fails to notify the embedded LDSO of a demand disconnection event such that the imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	2	3	No noted controls.	Low	6	<p>New obligations implemented as part of P305. Code obligation: BSC Section S 9.1.1</p> <p>Probability: It is unlikely that the risk will occur in a single Performance Assurance Operating Period (PAOP) eg the frequency of the process event is low. The process is simple, however, so may not be subject to errors of a more complex process.</p> <p>Impact: Depending on the number of impacted MSIDs and the energy volumes involved the impact could vary, however according to the Risk Evaluation Methodology (REM) description we propose an impact of 3: the impact of the risk is not severe enough to pose a threat to a PAs business but is significant enough for industry to consider via corrective measures.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	SVA	HH	The risk that the HHDA fails to correctly aggregate estimated disconnection volumes such that imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	2	3	DA is required to aggregate disconnection data in line with BSCP503 Appendix 4.4. DAs perform checks for data anomalies during aggregation run and send exception reports to DC/Supplier – BSCP503 3.4.3.5.	Medium	5	<p>New obligations implemented as part of P305. BSCP obligation: BSCP503 3.4.3</p> <p>Probability: It is unlikely that the risk will occur in a single Performance Assurance Operating Period (PAOP) eg the frequency of the process event is low.</p> <p>Impact: Depending on the number of impacted MSIDs and the energy volumes involved the impact could vary, however according to the Risk Evaluation Methodology (REM) description we propose an impact of 3: the impact of the risk is not severe enough to pose a threat to a PAPs business but is significant enough for industry to consider via corrective measures.</p> <p>Control strength: automated process triggered infrequently.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	SVA	NHH	The risk that the NHHDA fails to correctly aggregate estimated disconnection volumes such that imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	2	3	No noted controls.	Low	6	<p>New obligations implemented as part of P305. Code obligation: Section S2 4.5 and BSCP obligation: BSCP505 3.3.4</p> <p>Probability: It is unlikely that the risk will occur in a single Performance Assurance Operating Period (PAOP) eg the frequency of the process event is low.</p> <p>Impact: Depending on the volumes of energy, the impact could vary, however according to the REM description we would propose an impact of 3, the impact of the Settlement risk is not severe enough to pose a threat to a PAPs business but is significant enough for the industry to consider via corrective measures.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	SVA	HH	The risk that the HHDC fails to correctly estimate disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	2	3	BSCP502 Appendix 4.2.5 'Demand Control – Disconnection Volume Estimates' – upon receipt of multiple versions of P0238 and D0375, this appendix sets out default processes.	Low	6	<p>New obligations implemented as part of P305.</p> <p>Code obligation: Section S2 3.7 BSCP obligation: BSCP502 3.4.5.3 DC sends D0375 Disconnected MSIDs and Estimated HH Demand Disconnection Volumes to the DA via electronic or other method, as agreed.</p> <p>Probability: 2 (It is unlikely that the SR will occur in a single PAOP): opportunities for failure are low i.e. the frequency of the process event is low.</p> <p>Impact: Depending on the volumes of energy, the impact could vary, however according to the REM description we would propose an impact of 3, the impact of the Settlement risk is not severe enough to pose a threat to a PAPs business but is significant enough for the industry to consider via corrective measures.</p>

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	SVA	NHH	The risk that the NHHDC fails to calculate/incorrectly calculates AAs for involuntarily disconnected MSIDs such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	2	3	BSCP504 Appendix 4.9 – EAC/AA Calculation, Demand Control Events includes default actions for multiple versions of P0238 and D0375. DC provides exception and control reports for each run of EAC/AA and Deemed Meter advanced calculation processes.	Low		<p>New obligations implemented as part of P305. Code obligation: Section S2 4.3 BSCP obligation: BSCP504 3.3.15.5 Calculate Estimated Annual Consumption and Annualised Advances for MSIDs affected by Demand Control Event. Send EAC/AA.</p> <p>Probability: 2 (It is unlikely that the SR will occur in a single PAOP): opportunities for failure are low i.e. the frequency of the process event is low. DC uses the EAC/AA system to calculate EAC/AAs for affected MSIDs.</p> <p>Impact: Depending on the volumes of energy, the impact could vary, however according to the REM description we would propose an impact of 3, the impact of the Settlement risk is not severe enough to pose a threat to a PAPs business but is significant enough for the industry to consider via corrective measures.</p> <p>Control strength: low (1.0) – manual check of D0375 against P0238.</p>

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P305	05/11/2015	SVA	HH/NHH	The risk that the Transmission Company does not pass on/passes on the incorrect list of voluntarily disconnected MS to the SVAA such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	5	5	No noted controls.	Low	25	New obligations implemented as part of P305. Code obligation: Section S 9.2 BSCP: BSCP508 Supplier Volume Allocation Agent 3.13.4 The Transmission Company sends notification of any MSIDs subject to demand side Non-BM STOR or Demand Side Balancing reserve (DSBR) instruction along with estimated volumes of reduction to the SVAA (P0241 flow). Probability: 5 Impact: 5
P305	05/11/2015	CVA	HH/NHH	The risk that the CDCA fails to estimate /incorrectly estimates disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	5	5	BSCP03 CDCA and Registrant are required to agree/disagree estimated or substituted values. CDCA will investigate/resolve any issue reported. CDCA sends Estimated Data Report (CDCA IO-14), giving details of all data estimations for the relevant Metering Systems processed by CDCA on that calendar day.	Low	25	New obligations implemented as part of P305. Code obligation: Section R 8.2 BSCP: BSCP03 3.1.4 Provide an estimation of the metered data with reference to section 1.7, including the reason code. Probability: 5 Impact: 5

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SRIN	EFD	SVA/CVA	HH/NHH	Risk Description	Gross Prob.	Gross Imp.	Noted Controls	Control Strength	Net Sig.	Rational for change
P305	05/11/2015	CVA	HH/NHH	The risk that the SVAA fails to process /incorrectly processes aggregated disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	5	5	SVAA validates incoming data using BSCP508 Appendix 4.1 validation process.	Low	25	New obligations implemented as part of P305. Code obligation: Section S 9.3 BSCP: BSCP508 3.1.3.9 Process HHDA and NHHDA data and invoke run in accordance with Section 3.3, steps 3.3.3-3.3.9 Timetabled Reconciliation Volume Allocation Run(s) for a Settlement Day (post Initial Volume Allocation Run). Probability: 5 Impact: 5
P305	05/11/2015	CVA	HH/NHH	The risk that the SAA fails to process /incorrectly processes disconnection volumes such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company.	5	5	No noted controls.	Low	25	New obligations implemented as part of P305. Code obligation: Section T4.3.2 requires the SAA to calculate QBSij (Balancing Service Volume) which requires the SAA to take account of SVA Disconnection Volumes (BMUADDV – derived from S-2 9.6.1A) and CVA Disconnection Volumes (QDD – derived from R8.2). QBS is then used to determine a Party's overall imbalance position. BSCP: none Probability: 5 Impact: 5

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P305	05/11/2015	CVA	HH/NHHH	The risk that the SVAA does not pass on/passes on the incorrect list of voluntarily disconnected MS to the DC/DA such that related imbalance volumes do not accurately reflect the effects of involuntary disconnections requested by the Transmission Company	5	5	No noted controls.	Low	25	New obligations implemented as part of P305. Code obligation: Section S 9.3 BSCP: BSCP508 3.13.5 Forward notification of Non-BM STOR and or DSBR MSIDs and estimate volumes of reduction. Probability: 5 Impact: 5
P305	05/11/2015	CVA	HH/NHH	That the SAA fails to process or incorrectly processes Demand Control Instructions such that the SAA inaccurately calculates actual System Prices.	5	5	BSCP18 Corrections to Bid-Offer Acceptance Data.	Low	25	New obligations implemented as part of P305. Code obligation: BSC Section T4.4 'Determination of Energy Imbalance prices' sets out the method for calculating System Prices, which now includes QSDC and QBDC (SO flagged and non-SO flagged Demand Control Volumes, derived in T3.15) priced at Value of Lost Load (VOLL, i.e. currently £3000/MWh). BSCP: none Probability: 5 Impact: 5