

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



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### About This Document

The purpose of this Change Proposal (CP) 1490 CP Consultation is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1490. The Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) will then consider the consultation responses before making a decision on whether or not to approve CP1490.

There are five parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the ISG's and SVG's initial views on the proposed changes.
- Attachments A-C contains the proposed redlined changes to deliver the CP1490 solution.
- Attachment D contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.

# 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 the Technical Assurance Agent (TAA), as a BSC Agent contracted by ELEXON, on both Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA) Metering Systems. The TAA ensures that the Active Energy Imported and/or Active Energy Exported through Boundary Points and System Connection Points is complete and accurate for the Metering Systems audited.

Technical Assurance is also used to assess the overall health of the HH Metering System population. The TAA reports on the overall health of these Metering Systems in the TAA Annual Report. The TAA contract expires at the end of this Settlement year (31 March 2017) and an invitation to tender is expected to be issued late June 2017. It is anticipated that the tender process will be complete by the end of 2017, with a contract commencement date of 1 April 2018.

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

Both SDs require the TAA to provide an online management tool that allows for all Performance Assurance Parties, the TAA and ELEXON to access and amend information. The TAA will conduct a mixture of targeted, specific sampling (SVA only) and random sampling inspections of Metering Systems. On completion of inspections, the TAA will upload its findings and associated evidence via the online management tool and determine the compliance of each Metering System with the Code and Code Subsidiary Documents.

## What is the issue?

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

Specifying a type of technology to use, or means of reporting inspection visit findings, restricts the TAA in its ability to deliver the service in new or improved ways. It also requires that the TAA provides the Information Technology (IT) solution as well as conducting



### 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 overall 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 its 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](#).



### What is a Performance Assurance Party

A Supplier, Supplier Agent, Licensed Distribution System Operator or a Meter Administrator and are subject to the Performance Assurance Framework.

For more information please visit the [ELEXON website](#).

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<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.

inspection visits. In reality, these two functions could be carried out by two separate companies, with one sub-contracting to the other.

### 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<sup>3</sup>. 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.

Note: ELEXON is not proposing changes to the Technical Assurance Agent Monitoring Tool (TAAMT). Customer satisfaction is high<sup>4</sup> and there have been no requests for change.

### Proposer's rationale

The SDs restrict the ability of ELEXON to contract the right TAA for the important role of metering assurance. Companies with metering assurance skills and IT hosting and development skills are limited; instead, it is more common to find a company that can provide one of the skills in depth. As the TAAMT will not be changing, the user interface will not be affected. This change will allow ELEXON the ability to contract a new IT service provider to manage the TAAMT in its current format.

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

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

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

There is a precedent for implementing this type of change. The Service Description for Profile Administration (where ELEXON has a separate contract for the Enhanced Profile Administration System (EPAS) reporting system), does not specify the IT tool as an essential part of the Profile Administrator's BSC Agent role.

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

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

<sup>4</sup> Ahead of tendering we surveyed TAAMT users. Scores averaged 4 out of 5 with no suggested modifications.

### CP Consultation Question

Do you agree with the CP1490 proposed solution?

*Please provide your rationale.*

We invite you to give your views using the response form in Attachment D

### Proposed redlining

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

### CP Consultation Question

Do you agree that the draft redlining delivers the CP1490 proposed solution?

*If 'No', please provide your rationale.*

We invite you to give your views using the response form in Attachment D

## 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 the only impact on BSC Agents will be on the new TAA.

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 the new TAA appointed from April 2018 and ELEXON.

Even if the existing TAA is re-appointed then there is no obligation to change its current systems. This change will, however, give it the flexibility to provide an alternative service if it wishes to use it and ELEXON agrees.

#### Central costs

The central implementation costs for CP1490 will be approximately £240 (one ELEXON 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.

#### CP Consultation Questions

Will CP1490 impact your organisation?

*If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1490 and the CP1490 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.*

Will your organisation incur any costs in implementing CP1490?

*If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.*

We invite you to give your views using the response form in Attachment D

## 4 Implementation Approach

### Recommended Implementation Date

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

The February 2018 Release is the next available Release that can include this CP. This Release will allow the changes to the CSDs to be visible to Parties ahead of commencement of new contracts in April 2018. The changes do not need to be implemented prior to awarding new contracts. However, it is necessary to have the proposed changes approved prior to awarding new contracts by the end of 2017. This is so that companies tendering for contracts 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.

### CP Consultation Question

Do you agree with the proposed implementation approach for CP1490?

*Please provide your rationale.*

We invite you to give your views using the response form in Attachment D

### ISG's initial views

CP1490 was presented to the ISG as a 'for information' progression paper on (see [CP1490 webpage](#)) on 27 June 2017.

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

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

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

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

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

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

### SVG's initial views

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

## Appendix 1: Glossary & References

### Acronyms

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

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

### External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(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>

## 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>