

**Phase**

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## P429 'Switching off Participant-Reported PARMS Serials'

This Modification would permanently cease the operation of, and remove the obligations associated with, participant-reported Performance Assurance Reporting and Monitoring System (PARMS) Serials and associated Supplier Charges.



The BSC Panel recommends **approval** of P429



The BSC Panel **does not** believe P429 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers
- Half Hourly Data Collectors (HHDCs)
- Non Half Hourly Data Collectors (NHHDCs)
- SVA Meter Operator Agents (MOAs)
- Elexon

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## About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1, 9 and 10
- Have 30 mins? Read all except section 6
- Have longer? Read all sections and the annexes and attachments

This is the P429 Final Modification Report, which Elexon has submitted to the Authority on behalf of the BSC Panel. It includes the responses to the Panel's Report Phase Consultation and the Panel's final recommendations. The Authority will consider this report and will decide whether to approve or reject P429.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Panel's key views.
- Attachment A contains the P419 Proposal Form.
- Attachment B contains the draft redlined changes to the BSC and its subsidiary documents for P429.
- Attachment C contains the full responses received to the Panel's Report Phase Consultation.

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## 1 Summary

### Why change?

The cost of reporting and processing participant-reported PARMS serials is thought to be disproportionate to the benefits provided. Evidence suggests the data that is reported is of limited value and has inherent weaknesses. Moreover, there are other tools that can be used to manage the associated Settlement Risks more effectively (e.g. the new Risk Dashboards). Therefore, the continued provision of PARMS data by industry participants may not be justified.

### Solution

This Modification will remove the requirement for Data Collectors (DCs) and SVA Meter Operator Agents (MOAs) to submit the impacted PARMS Serials. Suppliers will no longer be required to ensure that their Agents submit this data. Suppliers will also no longer be required to submit a Data Provider Information (DPI) file.

The solution will remove all obligations relating to the Serials highlighted in red within this diagram.

## PARMS

### Central system reported

### Participant reported

MSID counts & estimated data (SP07, SP08, SP09)

Missing PARMS data (SP01)

Missing PARMS data (SP02)

CVA MOA processes (CM01, CM02)

GSP Group volumes (TA01, TA02)

Installation of HH metering (SP04)

Agent appointment (SP11, SP12, SP13, SP14, SP15)

MTD transfer & quality (NM/HM11, NM/HM12, HM13)

MRH transfer (NC11)

Fault Resolution (HM14)

Peer Comparison (SP08, SP09)

PAB risk report (SP08)

Supplier Charges (SP08)

Trading Ops report (TOR)

Supplier Charges (SP04)

Peer Comparison (SP11)

Peer Comparison (NM/HM12)

Supplier Charges (SP01)

### Impacts and costs

We estimate it will cost between £20k to £30k to deliver the document and PARMS system changes required for this Modification.

There may also be costs to Suppliers and BSC Party Agents where they need to update systems, processes or resource allocation on the basis that the data previously provided to support the participant reported PARMS Serials will no longer be required, but we expect these to be minimal. There will also likely be significant operational cost reductions, as impacted participants will no longer need to send the impacted reports or manage associated exceptions.

This Modification removes obligations on BSC Parties and Party Agents and it is therefore anticipated that the Modification will result in a net benefit to market participants following the implementation in terms of cost saved (approx. 10 Full-time equivalent (FTE) per annum).

## Implementation

The Panel recommends an Implementation Date for this Modification of:

- 24 February as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
- 5WD following Authority decision if that decision is received after 14 February 2022.

Please note that the recommended Implementation approach applies to the implementation of the legal text for this Modification. The system changes will follow as soon as possible thereafter – this will be no later than 30 June 2022 if a decision is received on or before 14 February 2022. If a decision is received after this date, we will endeavour to deliver the system changes as soon as possible following 30 June 2022. This approach will remove the obligation and burden from impacted participants at the earliest opportunity.

Further detail on the rationale behind this approach can be found in Section 2 (Background – PAB Endorsement) and Section 5 (Implementation) of this report.

## Recommendation

The BSC Panel agreed unanimously that P429 will **better facilitate** Applicable BSC Objective (d) compared to the current baseline. It also agreed unanimously that it should not be progressed as a Self-Governance Modification due to impacts on Self Governance Criteria (b)(i) and (ii), and that it does not impact any BSC provisions constituting EBGL Article 18 Terms and Conditions. The Panel therefore recommends to the Authority that P429 should be **approved**.

## 2 Why Change?

### What is the issue?

The cost of reporting and processing participant-reported PARMS serials is thought to be disproportionate to the benefits provided. Evidence suggests the data that is reported is of limited value and has inherent weaknesses. Moreover, there are other Performance Assurance Techniques (PATs) that can be used to manage the associated Settlement Risks more effectively (e.g. the new Risk Dashboards). Therefore, the continued provision of PARMS data by industry participants may not be justified.

### Reporting Costs

As part of the [Issue 69 'The Performance Assurance Framework Review'](#), industry and Performance Assurance Board (PAB) engagement was undertaken and it was found that - across the various industry participants, the cost of reporting PARMS was found to cost industry approximately 10 FTE per year ([PAB234/12](#)). These costs fall directly on market participants, though Elexon also incurs costs by maintaining the Serials and processing the data albeit to a lesser extent.

### Data Weaknesses

The reporting of participant-provided PARMS serials has inherent weaknesses. For example, the participant-reported nature of the data relies on all participants reporting data consistently and accurately – which cannot be guaranteed in practice. As a result, there cannot be absolute confidence in data provided or any conclusions drawn from it.

### Alternative Techniques

New Risk Dashboards are being developed by Elexon that will report on the Settlement Risks using more reliable data than the Serials. This centralised approach will apply any calculations and analysis consistently across all participants. Supplier Volume Allocation (SVA) data will be pulled from the Data Transfer Network (DTN) and Supplier Meter Registration Service (SMRS), whereas Central Volume Allocation (CVA) data will be taken from the Central Data Collection Agent (CDCA) and Central Registration Agent (CRA). Elexon will take this data and translate it into actionable insights that support Elexon's risk management efforts.

A dashboard is being created to provide insight and assurance in respect of each of the 34 [Settlement Risks](#). At the time of writing, they have been completed for six Settlement Risks, and we aim to have them in place for all Risks by February 2023. We do not believe that there is any significant increase in the level of risk to Settlement in the interim period between the proposed implementation of this change and the completion of the Risk dashboards. Elexon is providing regular updates to the PAB and industry as to the development of these dashboards.

## Background

Through collaboration with industry via the PAF review workgroup and the PAB, Elexon concluded that some participant-reported aspects of the PARMS Serials are not adding sufficient value to justify their continued operation. The issue identified through this collaborative work with industry was that a number of the PARMS Serials currently in place are costly for market participants to support and these costs are disproportionate to the value of the assurance provided by these same PARMS Serials.

It was also noted that given the anticipated changes to our Assurance Framework and data driven by the transition to [Market-Wide Half Hourly Settlement](#) (MHHS) and the [Retail Energy Code](#) (REC), Elexon are unable to justify the investment to deliver sufficient improvements at this time.

One of the work streams of the PAF review focused on the provision and use of data under the PAF. This work stream sought to propose a recommended approach to future data provision under the PAF. One area identified for improvement was in the provision of data under the PARMS Performance Assurance Technique (PAT). The PAF review project delivered a recommendations report in respect of Data Provision ([PAB234/12](#)). The PAB approved Elexon's recommendation to cease participant reported PARMS serials excluding SP04 (Installation of HH Metering). The PAB also approved the proposed implementation approach, which includes the raising of this Modification to enact the approved recommendation.

## PAB Endorsement

### July 2021 Meeting

A potential Change Proposal (CP) was presented to the PAB its meeting in July 2021 ([PAB246/13](#)). The CP was seeking to deliver the recommendation described above (i.e. to cease participant-reported PARMS Serials excluding SP04). A member of the PAB highlighted that leaving SP04 in place would mandate Suppliers to submit Data Provider Information (DPI) files containing only the SP04 Serial, even if they did not have any mandatory Half Hourly (HH) metering. As such, they asked whether the solution could be amended to also cease SP04. Another member disagreed with this, noting that they would be happy for it to be turned off once all current transformer (CT) metering had moved to HH Settlement, but that they did not expect this to happen for a number of years. The PAB Member's rationale was that the original intent of leaving SP04 in place was on the basis that it could be repurposed to help monitor and provide assurance over the transition of Metering Systems to HH as part of MHHS. Given the differing viewpoints, the Chair put the inclusion of SP04 to a vote. The PAB subsequently voted by majority to include SP04 in the solution on the condition that this did not impact implementation. Elexon agreed to investigate the impacts of including SP04 and to report this back to the PAB.

This analysis determined that also removing SP04 as part of the change would require the amendment of the following Sections of the BSC:

- [Section S 'Supplier Volume Allocation'](#);
- [Section S, Annex S-1 'Performance Levels and Supplier Charges'](#); and
- [Section X, Annex X-1 'General Glossary'](#).

As such, it would need to be progressed as a Modification rather than as a CP. Inclusion of SP04 in the solution would also require the inclusion of SP01 'Delivery of Routine Performance Monitoring Reports' as it would no longer serve any functional purpose.

## October 2021 Meeting

At its meeting in October 2021 ([249/07](#)), the PAB considered the proposal form in Attachment A and unanimously agreed the recommendation that the BSC Panel raise the Modification on its behalf. The PAB also considered whether a derogation in regards to the submission of participant-reported PARMS Serials could be granted, in the event Ofgem approves this Modification. Members highlighted that there would be no benefit to the continued submission of the Serials in the period between approval and the June 2021 BSC Release if Ofgem agreed that they should be ceased.

Elexon considers that implementing the document changes as soon as possible brings the same benefits requested by the PAB as a formal derogation, noting that the system changes would be delivered after the document changes are implemented. This would ensure market participants are not required by the BSC to submit the Serials in the earliest instance. However, there are a significant number of changes assigned to the February 2022 BSC Release and implementation of this Modification before that would introduce a significant risk of error in the various documents being implemented. As such, Elexon believes that the legal text changes for this Modification should be implemented in the February 2022 BSC Release if a decision is received on or before 14 February 2022. If a decision is received after 14 February 2022, this Modification should be implemented 5WD following that decision (though no earlier than 3 March due to the proximity to the February Release).

The system changes would then be implemented as soon as possible thereafter, and if a decision is received on or before 14 February 2022, this is expected to be no later than 30 June 2022. If a decision is received after this date, the system changes will be implemented as soon as possible after 30 June 2022.

Though the requirement to submit the Serials will have ceased, market participants will continue to receive emails requesting submission in the interim period until the system changes are completed. If this Modification and progression route is approved, these emails can be ignored and will ultimately be ceased, and this would be communicated to industry through the appropriate channels.

## Supplier Charges

In Elexon's analysis of the removal of SP01 and SP04, it considered the impact this change would have on Supplier Charges. SP01 and SP04 are two of the three Serials that account for Supplier Charges, and if these are ceased the Supplier Charges associated with the Serials will also be ceased. The following analysis is based on the last six months before Supplier Charges were ceased as part of [P406 'Temporary Disapplication of Supplier Charge Serials SP08 and SP04 due to Covid-19'](#) – June to November 2019.

The impact of removing SP04 on Supplier Charges is expected to be negligible. On average, each month there was a total of £9.75m of total, uncapped Supplier Charges incurred. Of this total, ~£11,300 was a direct result of SP04 charges, or 0.11%.

While the SP01 charge is currently temporarily multiplied by £0 thanks to [P393 Disapplication of Supplier Charge SP01](#) there is no immediate impact of ceasing SP01 charges. However the longer term impact of removing SP01 is more significant. This is the charge incurred when participants are late in making their submissions. Of the approximately £9.75m of Supplier Charges historically incurred per month, roughly £9.3m is attributed to SP01 charges. SP01 is the charge incurred when participants are late in making their submissions, and its purpose is to encourage the submission of PARMS data.

Through discussion with industry (via Issue 69), the majority of PAB members determined there is no clear evidence that the data provided via these Serials generates any tangible benefit in relation to incentivising industry performance.



#### What is the DPI file?

The Data Provider Information (DPI) file is for a single reporting period and contains information on which Supplier Agents a Supplier has appointed in each GSP Group, so PARMS knows what data to expect from those Agents.

Moreover, if SP04 and SP01 charges are removed, the only remaining Supplier Charges will be SP08 – that is charges coupled to actual Settlement performance (Non Half Hourly (SP08a), Half Hourly for 100kW Metering Systems (SP08b), and Half Hourly for non-mandatory 100kW Metering Systems (SP08c). For these Serials, a Party performing below the expected 97/99% standards get charged. Total charges for SP08 work out to be approximately £400k per month. Though historically there has been an average total of £9.75m in Supplier Charges per month, this is capped, and only £725k of charges are actually levied. Many supporters of Supplier Charges agree their effectiveness is restricted by this capping process. If only SP08 charges are used, two key benefits can be realised:

- Increased focus on improving performance
  - The only way for a Party to reduce their charges is to improve Settlement performance, meaning it will be easier to place further emphasis on this. Currently, the SP08 charges are 'lost' amongst the total charges, meaning actual Settlement Performance has very little impact on a Party's Supplier Charges
- Total Supplier Charges (after capping) will be reduced by around 40%. This is a significant amount, but it allows Supplier Charges to be fully transparent going forward.

### P406 'Temporary Disapplication of Supplier Charge Serials SP08 and SP04 due to Covid-19'

Modification P406 was raised by the Panel at its meeting on 9 April 2020 to address the unprecedented challenges presented by the Covid-19 pandemic. It was progressed as an Urgent Modification and approved by Ofgem on 5 May 2020, and implemented on 11 May 2020 – 5WD following approval.

P406 set SP08a, SP08b, SP08c and SP04 Serials to £0 for all Suppliers from March 2020 to alleviate some of the pressures faced by Suppliers during the pandemic. This means that, in effect, Supplier Charges have been suspended since March 2020. The P406 solution stipulated that Supplier Charges would be reinstated by the PAB after this period following any changes to Government guidelines and restrictions which would allow for normal Settlement operations activities to resume.

The proposal to cease the operation of SP04 would essentially make the suspension of Supplier Charges permanent in relation to this Serial, though SP08 would be expected to resume at an appropriate time.

### Peer Comparison

As well as Supplier Charges Elexon also operates and publishes public Peer Comparison for a number of PARMS Serials which would be discontinued as part of this Modification.

Peer comparison graphs are [published](#) in line with BSCP533, following the end of a PARMS Period (a calendar month). Following the submission deadline, there is a 5WD period for parties to query the submitted data.

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The Peer Comparison graphs are then produced and provided to Suppliers. If no queries to these graphs are received within 5WDs from receipt of the graphs, they will then be published. They will be updated monthly with data for the next reporting period.

Serials proposed to be discontinued as part of this solution which Elexon delivers Peer Comparison against include:

- SP11 Timely Appointment of Agents
- HM12 Missing HH MTDs
- NM12 Missing NHH MTDs

## **Performance Assurance Reporting and Monitoring System (PARMS)**

PARMS is a database containing information about how Suppliers and their Supplier Hubs are performing. As part of the PAF, Elexon use a set of PATs to help mitigate the Settlement Risks. We use PARMS data primarily to support the Performance Monitoring, Peer Comparison and Supplier Charge techniques<sup>1</sup>, and to report to the PAB. Data from PARMS supports the BSC Audit and we periodically provide information to the BSC Panel and other Panel Committees or Modification groups. In particular, PARMS helps ELEXON monitor potential breakdown in communication within the Supplier hub, which could adversely affect the accuracy of Settlement if left unattended.

### **Who provides the data?**

PARMS data comes from a variety of sources including:

- Suppliers;
- Supplier Agents;
- Supplier Meter Registration Agents (SMRAs); and
- Supplier Volume Allocation Agent (SVAA).

Each data provider sends data to ELEXON from an authorised email address and contact.

### **How often is data provided?**

PARMS data is provided monthly. Each calendar month is referred to as a reporting period.

- The SVAA provides data within seven Working Data (WDs) of the end of a reporting period;
- SMRAs provide data within 10 WDs of the end of a reporting period; and
- Suppliers or Supplier Agents (on behalf of the Supplier) provide data within 20 WDs of the end of a Reporting Period.

These deadlines are in the PARMS reporting calendar, which we send to all identified data providers in November each year for the following calendar year. The calendar is also available on the [BSC Website](#).

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<sup>1</sup> These processes are in [BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'](#) and [BSCP536 'Supplier Charges'](#).



## What are PARMS Serials?

PARMS data is provided in reports referred to as Serials. A Serial is a defined area for measuring a Supplier or Supplier Agents' performance against key industry processes. The majority of PARMS Serials are submitted by Supplier Agents. The notable exceptions to this are the DPI file and the SP04 PARMS Serials which are submitted by the Supplier. The DPI file is for a single reporting period, and contains information on which Supplier Agents a Supplier has appointed in each GSP Group, so that PARMS knows what data to expect from those Agents.

The Serials are defined from obligations in the BSC or Code Subsidiary Documents. For example SP04 – 'Installation of Half Hourly (HH) Metering' – relates to the obligation to install HH metering at a site, which has qualified for HH Metering.

Each Serial has one or more Standards associated with it. A Standard is a performance measure contained within a Serial. Using the SP04 as an example again, the Standards are:

- The number of Days for which a HH Meter should have been installed;
- The number of Days for which a HH Meter was not installed, when it should have been; and
- The percentage of Days for which a HH Meter was not installed, when it should have been

Further information on PARMS reports and PARMS reporting can be found in [BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'](#) and its two appendices.

## PAF review project

The Performance Assurance Framework review project was undertaken by Elexon on behalf of the Performance Assurance Board. The key objectives for this review were:

- Better engagement with parties about issues that do and don't matter to them (their risk appetite)
- Increase the quantity and quality of participation in consultations
- Meet the current and future assurance needs of the Panel, the PAB and the wider electricity industry e.g. smart metering, alternative business models, CVA risk
- Improve the measurability of Settlement error and the mitigating effect of assurance activities
- Deliver a valued and trusted assurance service to BSC Parties under the strategic and tactical guidance of the BSC Panel and PAB

The project was divided into four workstreams, the last of which was data provision. The aim of this workstream was to create Proofs of Concept to test the viability of alternative methods of data provision that place less burden on participants to provide data and that support more accurate risk appraisal. One of the areas of focus for this work was a review of PARMS with a view to identifying potential changes required to ensure that the system meets the present needs of the PAF and the risk climate across the market.

## PARMS data includes the following serials

SP04 Installation of HH metering

SP11 Timely Appointment of Agents

SP12 Timely Notification of Changes of the Data Aggregator via D0148

SP13 Timely Notification of Changes of the Meter Operator Agent via D0148

SP14 Timely Notification of Changes of the Data Collector via D0148

SP15 Missing Appointments of Agents

HM11 Timely Sending of HH MTDs to Half Hourly Data Collectors (HHDCs)

HM12 Missing HH MTDs

HM13 Quality of HH MTDs

HM14 Timely HH Meter Investigation Requests

NM11 Timely Sending of NHH MTDs to Non-Half Hourly Data Collectors (NHHDCs)

NM12 Missing NHH MTDs

NC11 Missing NHH Meter Reads & History from Old NHHDC to New NHHDC

SP07 SMRA & SVAA MSID Count – SMRA File

TA01 GSP Group Correction Factor

TA02 Annual Demand Ratio

SP07 SMRA & SVAA MSID Count – SVAA File

SP08 Energy and MSIDs on Actuals

SP09 NHH Defaults

CM01 CVA Meter Operator Agent (MOA) Proving Tests

CM02 CVA MOA Fault Resolution

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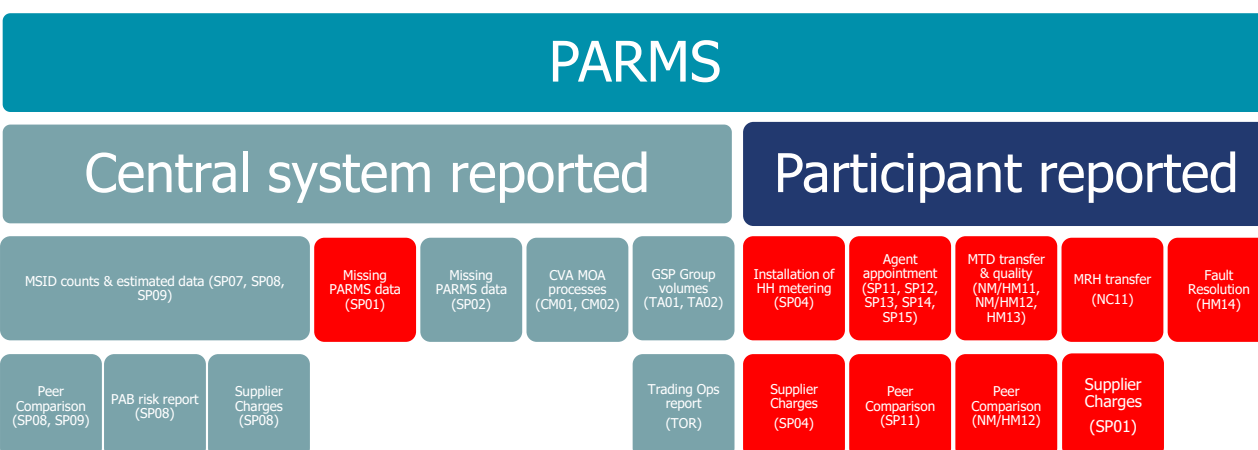
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This work lead to the conclusion that certain PARMS serials (namely the participant reported Serials highlighted by this change) would require significant investment to enhance and update. Investment which cannot be justified until the impacts of REC implementation and the transition to MHHS are better understood. Since this investment cannot currently be justified and the cost to market participants to deliver these Serials has been found to be disproportionate to the value those Serials present in terms of Assurance in their current form, the recommendation was submitted proposing the cessation of those Serials.

## Proposed solution

This Modification will remove the requirement for Data Collectors (DCs) and CVA Meter Operator Agents (MOAs) to submit the impacted PARMS Serials. Suppliers will no longer be required to ensure that their Agents submit this data. Suppliers will no longer be required to submit a DPI file.

The solution will remove all obligations relating to the Serials highlighted in red within this diagram.



The solution will also amend the PARMS system to ensure that it is able to continue to operate as intended once market participants cease providing data against those highlighted Serials. The PARMS system will need to continue to operate as centrally reported PARMS Serials will continue to operate as per the diagram above. Please note that if this Modification is approved and implemented, SP01 will also be ceased as it will no longer serve any function.

This will be achieved by amending the relevant BSC Sections and Code Subsidiary Documents to remove all references to the impacted Serials and associated processes. Full details of the impacted documents can be found in Section 5 of this paper, and the redlined documents can be found in Attachment B.

## Benefits

As part of the PAF Review project, industry and PAB engagement was undertaken and it was found that - across the various industry participants, the cost of reporting PARMS was found to cost industry approximately 10 FTE per year ([PAB234/12](#)). These costs fall directly on market participants, though Elexon also incurs costs by maintaining the Serials and processing the data (albeit to a lesser extent).

As in the previous section, this Modification is also expected to provide benefits in relation to Supplier Charges, where the only Charges left are related to SP08.

As this Modification removes obligations on BSC Parties and Party Agents, it is anticipated it will result in a net benefit to market participants following the implementation in terms of cost saved.

### Estimated implementation costs of P429

This Modification is expected to have a low impact on Elexon, with an estimated cost of implementation of between £20k - £30k. This is due to system changes and associated testing, as well as the document changes required to implement the Modification.

There may also be costs to Suppliers and BSC Party Agents where they need to update systems, processes or resource allocation on the basis that the data previously provided to support the participant reported PARMS Serials will no longer be required, but we expect these to be minimal. There will also likely be significant operational cost reductions, as impacted participants will no longer need to send the impacted reports or manage associated exceptions.

Since this Modification removes obligations on BSC Parties and Party Agents it is anticipated that the Modification will result in a net benefit to market participants following the implementation in terms of cost saved (estimated to approximately 10 FTE per annum).

Implementation cost estimates			
Organisation	Item	Implementation (£k)	Comment
Elexon	Systems	20-30	
	Documents	<1	
	Other	N/A	
NGESO	Systems	N/A	
	Other	N/A	
Industry	Systems & processes	N/A	Supplier Agents confirmed minimal, one-off implementation costs that are vastly outweighed by benefits of no longer supporting PARMS.
<b>Total</b>		20-30	

### Estimated on-going costs of P429

On-going cost estimates		
Organisation	(£k)	Comment
Elexon	N/A	
NGESO	N/A	
Industry	N/A	No ongoing costs expected for industry, instead expect savings of 10 FTE per annum
<b>Total</b>	N/A	

## P429 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
Suppliers	Minor costs associated with updating systems and processes, but an overall net benefit due to reduced burden associated with reporting costs.	L
Half Hourly Data Collectors (HHDCs)		
Non Half Hourly Data Collectors (NHHDCs)		
SVA Meter Operator Agents (MOAs)		

Impact on the NETSO	
Potential Impact	Potential cost
No expected impact on the NETSO	N/A

Impact on BSCCo		
Area of Elxon	Potential Impact	Potential cost
Participant Management	Reduction in resource requirement to deliver PARMS	L
Analysis & Insight		
Assurance		

Impact on BSC Settlement Risks
<p>The PARMS Serials proposed to be discontinued primarily provided data in respect of the following risks:</p> <ul style="list-style-type: none"> <li>• Risk 004 – The risk that Agents are not appointed or de-appointed correctly, such that SMRS is not complete or up to date, members of the Supplier Hub do not hold the correct MPID of other Hub members or the appropriate agents are not appointed</li> <li>• Risk 005 – The risk that a fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved</li> <li>• Risk 006 – The risk that on a change of agent, Meter Technical Details are not transferred or processed correctly or at all, such that parties do not use the latest Meter Technical Details</li> </ul> <p>Whilst the impacted Serials provided data in respect of Settlement Risks 4, 5 and 6, in practice they are no longer effective because of the unreliability of the data provided. Moreover, it is expected that the risk dashboards described on page 3 will provide the necessary insights against these Risks moving forward.</p>

Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
PARMS	Requires amendment to end-date relevant Serials.

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
CGI	Immaterial reduction in resource requirement to deliver PARMS

Impact on Code	
Code Section	Potential Impact
Section S	Amendments required to remove any references to participant-reported PARMS Serials and any associated processes
Section S, Annex S-1	
Section X, Annex X-1	

Impact on EBGL Article 18 terms and conditions	
It is Elexon's and the Panel's view that this Modification would not impact on BSC provisions that constitute EBGL Article 18 terms and conditions, as listed in Section F Annex F-2. It would also not create any new provisions that could be seen to constitute EBGL Article 18 terms and conditions.	

Impact on Code Subsidiary Documents	
CSD	Potential Impact
BSCP533	Amendments required to remove any references to participant-reported PARMS Serials and any associated processes. These can be found in Attachment B
BSCP533, Appendix A	
BSCP533, Appendix B	

Impact on other Configurable Items	
Configurable Item	Potential Impact
SVA Data Catalogue – Appendix A	Amendments required to remove any references to participant-reported PARMS Serials. These can be found in Attachment B.
SVA Data Catalogue – Appendix B	

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Ancillary Services Agreements	No impact expected

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Distribution Connection and Use of System Agreement	
Grid Code	
Master Registration Agreement	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	



### What are the consumer benefit areas?

**1)** Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?

**2)** Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?

**3)** Will this proposal support:

i) new providers and technologies?

ii) a move to hydrogen or lower greenhouse gases?

iii) the journey toward statutory net-zero targets?

iv) decarbonisation?

**4)** Will this change improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.

**5)** Are there any other identified changes to society, such as jobs or the economy.

### Impact on a Significant Code Review (SCR) or other significant industry change projects

An SCR exemption request was sent to Ofgem on 4 November 2021. Confirmation of this exemption was received on 12 November 2021.

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability No expected impact on safety and reliability	Neutral
2) Lower bills than would otherwise be the case Costs saved from reduced reporting burden expected to pass through to consumers	<b>Positive</b>
3) Reduced environmental damage No expected impact on the environment	Neutral
4) Improved quality of service No expected impact on quality of service	Neutral
5) Benefits for society as a whole No expected benefits for society as a whole beyond the expected cost savings	Neutral

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### Implementation approach

The Panel recommends an Implementation Date for this Modification of:

- 24 February as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
- 5WD following Authority decision if that decision is received after 14 February 2022.

Please note that the recommended Implementation approach applies to the implementation of the legal text for this Modification. The system changes will follow as soon as possible thereafter. The legal text approach is being taken as the Panel is looking to implement the changes as soon as possible, per the PAB's recommendation to remove the obligation and burden from participants as soon as possible.

If a decision is received after 14 February 2022 the Panel recommends an implementation date of 5WD following that decision (whilst in this scenario ideally waiting until after 24 February 2022, to avoid clashing with the standard February 2022 Release).

The system changes will be completed no later than 30 June 2022, on the assumption a decision is received on or before 14 February 2022 (in line with Elexon's internal delivery pipeline and capacity). If a decision is received after this date, we will endeavour to deliver the system changes as soon as possible following 30 June 2022. In the interim, parties will receive emails requesting the submission of Serials: these can be ignored and relevant communications to this effect will be issued via the appropriate channels.

This is in line with the PAB's view that there is no benefit in the continued requirement for the submission of the Serials following approval of the Modification.



### What is the Self-Governance Criteria?

A Modification that, if implemented:

(a) does not involve any amendments whether in whole or in part to the EBGL Article 18 terms and conditions; except to the extent required to correct an error in the EBGL Article 18 terms and conditions or as a result of a factual change, including but not limited to:

(i) correcting minor typographical errors;  
 (ii) correcting formatting and consistency errors, such as paragraph numbering; or  
 (iii) updating out of date references to other documents or paragraphs;  
 (b) is unlikely to have a material effect on:  
 (i) existing or future electricity consumers; and  
 (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and  
 (iii) the operation of the national electricity transmission system; and  
 (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and  
 (v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

The P429 Initial Written Assessment was presented to the Panel at its meeting on 11 November 2021 (320/04). The Panel agreed to raise the Proposed Modification, which had been recommended by the PAB in accordance with Section F2.1.1.(d)(vi). The Panel agreed to submit P429 direct to the Report Phase on the basis the solution is self-evident in relation to the identified defect, having been through a thorough assessment in the PAF Review and PAB discussions.

Further, the Panel agreed that P429 should not be progressed as a Self-Governance Modification as it impacts (b)(i) and (ii) of the Self Governance Criteria due to the expected cost savings and impact on competition (as a result of Supplier Charges impacts).

The Panel believed P429 better facilitated Applicable BSC Objective (d) as BSCCo will no longer be required to process data that, per the PAF review project's conclusions, does not generate benefits equivalent or greater than the associated costs. It will also reduce the reporting burden on Suppliers and their Agents.

The Panel initially unanimously:

- **AGREED** that this Modification:
  - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREED** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREED** a recommendation that this Modification should be **approved**;
- **AGREED** an Implementation Date of:
  - 24 February 2022, as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
  - 5WD following Authority decision if that decision is received after 14 February 2022; and
- **AGREED** the draft legal text.

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## 7 Report Phase Consultation Responses

This section summarises the responses to the Panel's Report Phase Consultation on its initial recommendations. We received six responses to the consultation, representing Suppliers, Supplier Agents (CVA and SVA MOAs, HH and NHH DCs/DAs) and a Trade Body representing Meter Operators. You can find the full responses in Attachment C.

Summary of P429 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial unanimous recommendation that P429 should be approved?	6	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P429?	4	0	1	1
Do you agree with the Panel that the redlined changes to the Code Subsidiary Documents (CSDs) deliver the intention of P429?	4	0	2	0
Do you agree with the Panel's recommended Implementation Date and approach?	6	0	0	0
Do you agree with the Panel's initial view that P429 should not be treated as a Self-Governance Modification?	6	0	0	0
Do you agree with the Panel's initial view that P429 does not impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	4	0	2	0
Do you have any further comments on P429?	1	5	0	0
	High	Medium	Low	None/ Other
Will P429 impact your organisation?	1	1	3	1
How much will it cost your organisation to implement P429?	0	0	3	3
What will the ongoing cost of P429 be to your organisation?	0	0	0	6

### Views Against the Applicable BSC Objectives

All respondents to the consultation agreed with the Panel's views against the BSC Applicable Objectives, and that the cessation of PARMS Serials would be a positive improvement to the baseline.

One respondent noted that, though the original intention behind the production and use of PARMS Serials was valid and intended to better facilitate Applicable BSC Objective (d), they have instead had a detrimental impact on the same Objective since implementation. They provided several examples on how this has manifested:

- Effort from Elexon to undertake a TAPAP check to ensure consistent interpretation of requirements and reporting;
- Effort from Party Agents to make further report design changes following the above check;
- Incorrect monthly submissions from Suppliers noting who would be submitting PARMS serials on their behalf;
- Ongoing query resolution at Party Agents in dealing with the above incorrect submissions;
- Effort from Elexon in chasing missing Supplier and Party Agent submissions; and
- Inability to use the output for the intended purpose of performance assurance due to inconsistencies in the reporting across the industry.

The respondent summarised by noting that the development and ongoing maintenance of PARMS Serials has been the most costly industry change software project they have been required to deploy since 1998.

### **Amendments to the BSC and Subsidiary Documents**

All respondents were either supportive that the redlined amendments to the BSC and its subsidiary documents facilitated the P429 Proposed Solution, or had no view one way or the other.

One respondent noted in this area that the Risk Dashboards should be published on the BSC data webpages unless they are restricted due to clear confidentiality reasons. Elexon notes that it is progressing [Modification P427 'Publication of Performance Assurance Parties' impact on Settlement Risk'](#) to allow the publication of risk data with certain restrictions, and that this can be explored as part of that Modification. This feedback will be passed on to the P427 Workgroup for consideration as the current scope is focused on reporting only poor performance.

### **Implementation Approach, Self-Governance and EBGL views**

All respondents were supportive of the implementation approach in that it allows the benefits of the Modification to be realised as early as possible.

One respondent noted their belief that it would be beneficial if the Risk Dashboards are delivered alongside the Modification, if possible, rather than leaving a calendar year between the two. Elexon would note that the Dashboards are being delivered incrementally and many are already in place at the time of writing. Additionally, the PAB noted that there would be no significant increase in risk in the interim period, as the benefits of PARMS Serials are so limited.

All respondents unanimously agreed that P429 should not be treated as a Self-Governance Modification. They also agreed that P429 does not impact EBGL Article 18 terms and conditions related to balancing.

## Industry impacts and costs

Impacts and costs identified in the Report Phase Consultation were in line with those that were expected in the assessment of P429.

All respondents that noted impacts (from high to low) explained that these were overwhelmingly positive due to a reduction in effort associated with reporting and maintaining PARMS Serials. Where costs are incurred during implementation, these are expected to be minimal and significantly outweighed by the benefits, and no ongoing costs are expected.

## Other comments

One respondent (representing a Supplier Agent) explained that when the PARMS serials were first introduced there was a belief that Party Agents would use these internally as management control reports, thereby further justifying the process. They noted that this has never been the case as the timing of the reports and the window of activity reported on does not provide a sufficiently current and immediate view of performance: additionally the design and content of the serials does not align with their internal reporting requirements. They go on to highlight that the PARMS serials are therefore not used internally by their business, and that this is likely to be the same for other Party Agents.

## 8 Panel's Final Discussions

The Panel considered the P429 Modification Report at its meeting on 9 December 2021 (321/08).

The Panel noted that no new arguments or views were provided in the Report Phase Consultation. The Panel's initial views remained unchanged and they unanimously agreed with all recommendations.

The Panel unanimously:

- **AGREED** that P429:
  - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREED** a recommendation that P429 should be **approved**;
- **APPROVED** an Implementation Date for P429 of:
  - 24 February 2022, as part of the February 2022 BSC Release if an Authority decision is received on or before 14 February 2022; or
  - 5WD following Authority decision if that decision is received after 14 February 2022;
- **APPROVED** the draft legal text and CSD redlining;
- **AGREED** that P429 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREED** that P429 should **not** be progressed as a Self-Governance Modification; and
- **APPROVED** the P429 Modification Report.

## Appendix 1: Workgroup Details

### Acronyms

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

Acronym	
Acronym	Definition
BSC	Balancing and Settlement Code
CDCA	Central Data Collection Agent
CP	Change Proposal
CRA	Central Registration Agent
CSD	Code Subsidiary Document
CT	Current Transformer [metering]
CVA	Central Volume Allocation
DPI	Data Provider Information [file]
DTN	Data Transfer Network
EBGL	Electricity Balancing Guideline
FTE	Full Time Effort
GSP	Grid Supply Point
IWA	Initial Written Assessment
MHHS	Market-wide Half Hourly Settlement
MPID	Metering Participant Identifier
NETSO	National Electricity Transmission System Operator
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PARMS	Performance Assurance Reporting and Monitoring System
PAT	Performance Assurance Technique
REC	Retail Energy Code
SCR	Significant Code Review
SMRS	Supplier Meter Registration Service
SVA	Supplier Volume Allocation
SVAA	Supplier Volume Allocation Agent



## External links

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

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

External Links		
Page(s)	Description	URL
5	Issue 69 'The Performance Assurance Framework Review'	<a href="https://www.elexon.co.uk/smg-issue/issue-69/">https://www.elexon.co.uk/smg-issue/issue-69/</a>
5	PAB Meeting (234/12)	<a href="https://www.elexon.co.uk/meeting/pab-234/">https://www.elexon.co.uk/meeting/pab-234/</a>
6	Market-wide Half Hourly Settlement	<a href="https://www.elexon.co.uk/operations-settlement/market-wide-half-hourly-settlement/">https://www.elexon.co.uk/operations-settlement/market-wide-half-hourly-settlement/</a>
6	Retail Energy Code	<a href="https://www.retailenergycode.co.uk/">https://www.retailenergycode.co.uk/</a>
6	PAB Meeting (246/13)	<a href="https://www.elexon.co.uk/meeting/pab246/">https://www.elexon.co.uk/meeting/pab246/</a>
7	PARMS Reporting Timetable	<a href="https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/parms/">https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/parms/</a>
8	BSCP533 'PARMS Data Provision, Reporting and Publication of Peer Comparison Data'	<a href="https://www.elexon.co.uk/csd/bscp533-parms-data-provision-reporting-and-publication-of-peer-comparison-data/">https://www.elexon.co.uk/csd/bscp533-parms-data-provision-reporting-and-publication-of-peer-comparison-data/</a>