

Draft Change Proposal – BSCP40/01

DCP No: 0049

Version No: 1.0

Title

Issues with Reporting of Failed Instructions (D0023) flows.

Description of Problem/Issue *(mandatory by originator)*

Failed Instructions (D0023) flows are issued, in the Non Half Hourly market, by Non Half Hourly Data Aggregators (NHHDA) to inform Non Half Hourly Data Collectors (NHHDC) of issues with the processing of instructions. The majority of Failed Instructions are issued to NHHDCs when NHHDA fail to process D0019 flows (Metering System EAC¹/AA² Data). NHHDA also issue Failed Instructions flows to Supplier Metering Registration Agents (SMRA) when they can't process D0209 flows (Instructions to NHHDA) sent by that SMRA.

NHHDCs are required to resolve all issues that result in a Failed Instructions. The requirements for NHHDCs are set out in BSCP514 'Non Half Hourly Data Collection for SVA Metering'. Any unresolved Failed Instructions are considered outstanding.

Each year, in order to ensure that Agents are processing Failed Instructions correctly, the BSC Auditor requests counts of outstanding Failed Instructions from NHHDA and NHHDCs. Several Parties have received Audit Issues as a result of discrepancies between the NHHDA and NHHDC counts, and a Market Issue has also been raised (Market Issue 2289).

There are however, a number of aspects of the reporting process that contribute to these discrepancies and therefore bring into question the validity of these Issues:

1. Inconsistent Reporting between NHHDA

There is no standard query which NHHDA can run in order to ensure consistent reporting. As such NHHDA have developed their own queries. While these are likely to be broadly similar, consistency cannot be guaranteed.

2. Inconsistent reporting between NHHDA and NHHDC

The BSC Auditor notes that the number of Failed Instructions reported by NHHDC is generally lower than the number of Failed Instructions reported by NHHDA. The reason for this discrepancy is that NHHDC only report those Failed Instructions where they are still appointed to the Metering System in question (high risk exceptions) while NHHDA report all Failed Instructions, including where the NHHDC is no longer appointed (low risk exceptions).

3. Reporting of Immaterial Failures

The current reporting process does not make any allowance for Failed Instructions that are no longer having a material impact on Settlement. These include:

- Failed Instructions reported by NHHDA who are no longer appointed to the relevant Metering System and where the Final Reconciliation run has taken place for the de-appointment date of the NHHDA;
- Failed Instructions where a later NH09 instruction (details of the AA and EAC calculated by the Data Collector for a Metering System) has been applied successfully for the Metering

¹ Estimated Annual Consumption

² Annualised Advance

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System but the Failed Instruction has not been marked as ‘Superseded’.

Similar discrepancies have been noted by the Auditor when looking at the SMRA-related Failed Instructions. NHHDA's are reporting much larger numbers of Failed Instructions than SMRA's, which resulted in a Market Issue (1669) being raised in 2005, which has yet to be resolved. These discrepancies are thought to be due to NHHDA's reporting large numbers of Failed Instructions which are no longer relevant, having been superseded by other changes to SMRS.

Justification for Change (*mandatory by originator*)

Currently, the terms in BSCP504 on NHHDCs do not reflect the way that these processes work in practise, by placing unrealistic expectations on them to resolve exceptions that are of little or no impact to Settlement.

The proposed changes will have a number of benefits:

- allow for more focussed analysis on the extent of outstanding failed instructions across the industry;
- assist in the resolution of any issues;
- provide better information to the BSC Auditor in their assessment of the level of market and individual DC error;
- allow ELEXON to better assess the strength of the Failed Instructions Report as a mitigating control against the risks in the Risk Evaluation Register;
- allow ELEXON to compare NHHDC performance more equitably and to apply Performance Assurance Techniques such as Error and Failure Resolution more effectively;
- NHHDCs will have access to better information allowing them to focus their effort more efficiently on those failed instructions that are having a material impact; and
- clearing any immaterial SMRS-related Failed Instructions from NHHDA databases would also allow a clear picture to be developed of whether or not the differences in counts between NHHDA's and SMRA's is reflective of an actual issue across the industry.

Proposed Solution(s) (*mandatory by originator*)

There are three possible solutions that could improve the way that Failed Instructions are reported. These changes could be implemented together i.e. all three solutions together. Alternatively solution 1 and 2 could be implemented together without solution 3 or each could be implemented on its own.

1. Changes to the BSCP Requirements

BSCP 504 1.2.5 states that ‘following de-appointment by the Associated Supplier, the old NHHDC shall retain the responsibility for instruction files sent to the Associated NHHDA until all outstanding instructions have been processed correctly’. This does not reflect ‘real world’ processes. In the majority of cases the data can be acquired from other sources, and the error is time-limited to the Settlement Calendar.

This requirement would be changed to make it explicit that the outgoing NHHDC should only remain responsible for material or high risk Failed Instructions where a Supplier requires them to be because they cannot be resolved by the new NHHDC or through other means.

Draft Change Proposal – BSCP40/01

DCP No: 0049

Version No: 1.0

2. Standardised reporting script(s)

This option would improve accuracy of reporting to the Auditor. The most effective way to do this would be to provide a standardised script to NHHDA's to ensure they report Failed Instructions in a consistent manner. This would help identify where the discrepancies between Failed Instruction counts are occurring.

Introducing a standardised script to report the numbers of exceptions in a consistent manner will allow the auditors to establish the level of material error in the industry. The script(s) could provide the following information for each NHHDC:

- Count of all Failed Instructions
- Count of material Failed Instructions
- Count of Metering Systems with Failed Instructions
- Count of material Failed Instructions (excluding those for NHHDC with no active appointment to the Metering System)
- Count of Metering Systems with material Failed Instructions (excluding those for NHHDC with no active appointment to the Metering System)
- List of Metering Systems with material Failed Instructions (excluding those for NHHDC with no active appointment to the Metering System) – to allow NHHDCs to focus on correction of errors.

ELEXON has already carried out some work to define the requirements for producing such script(s), which would then need further development. This work would cost in the region of £40,000 and would have to be paid for by BSC Parties.

An alternative but possibly less effective solution would be to provide the reporting requirements to NHHDA's and allow them to develop their own scripts. This would give no guarantee that reporting would be consistent.

3. Remove immaterial Failed Instructions from NHHDA databases

A third step toward improving accuracy of reporting would be to remove all immaterial Failed Instructions from NHHDA databases so that they are no longer included in the count of outstanding Failed Instructions. This exercise could also be used to remove the immaterial SMRS Failed Instructions from the NHHDA databases to allow a similar outcome.

A similar exercise was carried out in 2006/7, and ELEXON's Application, Management and Development (AMD) support team have already scoped out an updated piece of work and put together a set of business rules for removing the following:

- Failed Instructions from an NHHDA that has been de-appointed for more than 14 months
- Multiple Failed Instructions with the same reason code for the same Metering System Identifier (MSID) (keeping the most recent)
- Failed Instructions over 40 months old
- Failed Instructions where the NHHDC has been de-appointed from the MSID and the new NHHDC has been issued with a new Failed Instruction.

Implementing this solution would incur costs for the AMD support team to develop the script, and also in further testing if it were to be maintained and used following any updates to the NHHDA software.

Draft Change Proposal – BSCP40/01	DCP No: 0049 <i>Version No: 1.0</i>
<p>These costs have not been fully explored.</p> <p>Solutions 2 and 3 could be implemented independently of the change to the BSCP, however while this would increase accuracy in reporting, the fact NHHDCs are only addressing immaterial exceptions would remain in contravention on the BSCP.</p> <p>The earliest this change can be implemented will be June 2012.</p>	
<p>Version History (<i>mandatory by BSCCo</i>)</p> <p>We raised version 1.0 of this DCP on 30 September 2011.</p>	
<p>Has this DCP been raised for discussion by a Working Group?</p> <p>No.</p>	
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<p>Attachments: No</p>	