

## Balancing and Settlement Code

### BSC PROCEDURE

#### QUALIFICATION PROCESS FOR SVA PARTIES, SVA PARTY AGENTS AND CVA MOAs

**BSCP537**

Version 9.0~~Version 8.0~~

Date: 28 February 2019~~5 November 2015~~

**BSC PROCEDURE 537**

**relating to the**

**Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs.**

1. Reference is made to the Balancing and Settlement Code for the Electricity Industry in Great Britain and, in particular, to the definition of “BSC Procedure”.
2. This is BSC Procedure 537 ~~Version 9.0~~~~Version 8.0~~ relating to Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs.
3. This BSC Procedure is effective from ~~28 February 2019~~~~November 2015~~.
4. This BSC Procedure has been approved by the BSC Panel.

Pending Implementation

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**AMENDMENT RECORD**

Version	Date	Description of Changes	CPs/ MPs Included	Mods Panel Ref
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## 1. Introduction

### 1.1 Scope and Purpose of the Procedure

The purpose of this BSCP is to set out the process that Applicants must follow so that they can be Qualified under the Balancing and Settlement Code (the Code). Qualification ensures that all those participants who are required to be Qualified have developed their systems and processes to accepted industry standards and are able to fulfil the requirements of the Code.

It also defines the roles and responsibilities of the main users. In addition it specifies various processes associated with Qualification including the Removal of Qualification and Re-Qualification processes.

The Qualification Documentation, as defined in Section J of the Code, consists of BSCP537 Appendix 1 ‘Self Assessment Document (SAD)’, and BSCP537 Appendix 2 ‘Testing Requirements’; BSCP537 Appendix 3 is ‘Guidance Notes on Completion of the SAD’.

The table below sets out which Applicants or Qualified Persons are subject to the processes set out in Section 2 ‘Interface and Timetable Information’.

	Supplier	SMRA	UMSO	HHDC	NHHDC	HHDA	NHHDA	HH SVA MOA	NHH SVA MOA	CVA MOA	MA	<u>VLP</u>
Qualification Process	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Re-Qualification Initiating Process		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Removal of Qualification Process				✓	✓	✓	✓	✓	✓	✓	✓	
Annual Statement of Qualified Status Process		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Surrender of Qualification Process				✓	✓	✓	✓	✓	✓	✓	✓	
Change of Ownership Process				✓	✓	✓	✓	✓	✓	✓	✓	
Derogations Process				✓	✓	✓	✓	✓	✓	✓	✓	
Compliance with P62		✓										

## 1.2 Risk Based Performance Assurance Framework

Performance Assurance Techniques (PAT) will be applied to a Performance Assurance Party (PAP) based on the net significance of the applicable Settlement Risk and an assessment of the PAP's contribution to the Settlement Risk.

Settlement Risks and their net significance are captured on the Risk Evaluation Register. All the Settlement Risks identified are rated in terms of severity of impact and probability (including a weighting for the strength of controls).

The Settlement Risks are assigned Performance Assurance Techniques to mitigate those risks and these Performance Assurance Techniques are recorded in the Risk Operating Plan against each Settlement Risk.

The Risk Evaluation Register and the Risk Operating Plan are produced for a Performance Assurance Operating Period in accordance with the Annual Performance Assurance Timetable and the agreed Risk Evaluation Methodology, which details the processes used to identify and evaluate the Settlement Risks and assess their materiality.

At the end of a Performance Assurance Operating Period, the PAB will prepare an Annual Performance Assurance Report for the Panel detailing the assurance that has been provided during the course of the period, the extent to which Settlement Risks have been mitigated, and BSCCo costs of providing that assurance.

Qualification Techniques, including Re-Qualification and Removal of Qualification, will be deployed to a PAP in relation to relevant Settlement Risks.

## 1.3 Main Users of the Procedure and their Responsibilities

The main users of this procedure and their responsibilities are:

**Applicant** to perform a self-assessment of its systems and procedures against Code requirements embodied within the Self Assessment Document.

**Performance Assurance Board (PAB)** to carry out the functions, duties and responsibilities relating to the Qualification, Re-Qualification, Removal of Qualification and Surrender of Qualification processes in accordance with the Code.

**Performance Assurance Administrator (PAA)** to carry out such functions as delegated to it by the PAB.

**BSCCo** to undertake reviews of completed Self Assessment Documents for Qualification and Re-Qualification, as well as providing guidance, education and clarification to the Applicant throughout the Qualification and Re-Qualification processes. BSCCo will also make recommendations to the PAB as to whether or not the Applicant should be Qualified.

**The Authority** to hear appeals raised by Applicants against any decisions of the PAB or Panel in relation to any Qualification Process or Qualification Requirement. The criteria for raising a valid appeal are detailed in Section J of the Code.

## 1.4 Balancing and Settlement Code Precedence

This BSCP should be read in conjunction with the Code and in particular Section J which sets out, amongst other things, the Qualification, Re-Qualification and Removal of Qualification requirements and processes, and Section Z. In the event of inconsistency, conflict or ambiguity between the provisions of this BSCP and the Code, the provisions of the Code shall prevail.

## 1.5 Associated BSC Procedures

BSCP06	CVA Meter Operations for Metering Systems Registered in CMRS
BSCP38	Authorisations
BSCP65	Registration of Parties and Exit Procedures
BSCP70	CVA Qualification Testing for Parties and Party Agents
BSCP509	Changes to Market Domain Data
BSCP538	Error and Failure Resolution

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## 1.6 Acronyms and Definitions

Any capitalised term that is not defined in this BSCP shall have the same meaning given to it in the Code.

The following is a list of acronyms used in this BSCP:

BSC	Balancing and Settlement Code (the “Code”)
BSC Panel	Balancing and Settlement Code Panel
BSCCo	Balancing and Settlement Code Company
BSCP	BSC Procedure
CRA	Central Registration Agent
HHDA	Half Hourly Data Aggregator
HHDC	Half Hourly Data Collector
LDSO	Licensed Distribution System Operator
MDD	Market Domain Data
MOA	Meter Operator Agent
MRASCo	Master Registration Agreement Service Company Limited
NHHDA	Non-Half Hourly Data Aggregator
NHHDC	Non-Half Hourly Data Collector
PAA	Performance Assurance Administrator
PAB	Performance Assurance Board
<u>PAP</u>	<u>Performance Assurance Party</u>
SAD	Self Assessment Document
RIA	Risk and Impact Assessment
ROP	Risk Operating Plan
RoQ	Removal of Qualification
SMRA	Supplier Meter Registration Agent
SVAA	Supplier Volume Allocation Agent
TAA	Technical Assurance Agent
UMSO	Unmetered Supplies Operator
<u>VLP</u>	<u>Virtual Lead Party</u>
WD	Working Day

Note also, that in the procedure:

<i>R</i>	is the date that the Removal of Qualification process is triggered
<i>Written Confirmation</i>	Written Confirmation which is required to be given or received under this BSCP which can be in the form of an email, facsimile, circular or letter.

## 1.7 Further Information

BSCCo may outsource all or part of its duties or functions in respect of the Qualification Process to one or more third parties.

A LDSO is not required to be Qualified under the Code except when acting in its capacity as either an UMISO or SMRA. Throughout this BSCP the terms UMISO and SMRA should be interpreted as the LDSO when acting in these capacities.

Throughout this BSCP the term BSC Party should be interpreted as meaning only the SVA BSC Parties: LDSOs and Suppliers.

An Applicant may appeal any decision of the PAB in relation to Qualification, Re-Qualification or Removal of Qualification in accordance with Section J of the Code.

The SAD document contains questions that relate to some of the Qualification Requirements for each type of Qualified Person. The SAD does not contain questions on all of the Qualification Requirements with which each Qualified Person must comply. The Qualification Requirements with which each Qualified Person must comply are contained in the Code and Code Subsidiary Documents and are those functions, duties and responsibilities that the Qualified Person must perform. It is the responsibility of the Qualified Person to ensure that they are aware of and comply with all of their applicable Qualification Requirements.

## 2. Interface and Timetable Information

### 2.1 Qualification Process

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.1.1	As required	Provide information and guidance on the Qualification Process and any other entry processes applicable to the Applicant.	BSCCo	Applicant	High level overview of Qualification Process including which Qualification Documents must be completed and the location of the information pack on the BSC Website.	Phone/Written Confirmation
2.1.2	After 2.1.1	Applicant submits its proposed market role details and Qualification Letter <sup>1</sup> .  Where the Applicant intends to be a Party to the Code it has applied to become a Party in accordance with Section A of the Code.  Applicant sends appropriate Qualification Fee (if applicable).	Applicant	BSCCo	Applicant's proposed market role details and Qualification Letter <sup>2</sup> or Applicant's application to be a Party to the Code.  BSCP65 "Registration of Parties and Exit Procedures".  Menu of Qualification Fees.	Written Confirmation
2.1.3	5WD after 2.1.2	BSCCo sends confirmation that the Applicant intends to commence the Qualification Process (and where applicable confirms receipt of any documentation or otherwise).	BSCCo	Applicant	Confirmation of Applicant's intention to commence Qualification Process.	Written Confirmation

<sup>1</sup> The Applicant can voluntarily withdraw their Qualification Application, or put this application on hold, at any point in the process.

<sup>2</sup> An Applicant intending to be a Party does not require a separate Qualification Letter

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.1.4	Prior to PAB Meeting	Applicant ensures and BSCCo confirms that any additional steps required to complete the Qualification Process have been carried out.	BSCCo Applicant		Confirmation that Accession has been completed for Suppliers <u>and VLPs</u> .  Confirmation that the confidentiality disclosure and licence agreement have been received for NHHDA and NHHDC applications.  For BSC Parties and CVA MOAs- Confirmation that the Applicant has completed additional qualification testing (BSCP70 “CVA Qualification Testing for Parties and Party Agents”).  For CVA MOAs - Confirmation that the Applicant has registered for CVA MOA Sealing ID for CVA MOA applications (BSCP06 “CVA Meter Operations for Metering Systems Registered in CMRS”).	Internal Process
2.1.5	5WD after 2.1.3 or later as agreed	Meet to discuss or communicate the Qualification Process in particular the necessity for completing the SAD and/or any testing requirements and/or witness testing <sup>3</sup> .  In the case of BSC Parties liaise with MRASCo to discuss possibility of combining any meeting. The aim of such meeting to discuss application timescales for the coordination of testing/witnessing.	BSCCo	Applicant  MRASCo	Mutually convenient date, time and venue.	Phone/Written Confirmation
2.1.6	After 2.1.5	Applicant completes any relevant section of the SAD and submits to BSCCo for initial review <sup>4 5</sup> .	Applicant	BSCCo	Completed SAD.	Written / Electronic Confirmation

<sup>3</sup> VLP parties will not be required to undergo witness testing.

<sup>4</sup> The SAD may be either submitted in full or section by section, as agreed between Applicant and BSCCo.

<sup>5</sup> The Applicant can go to the PAB at any time during the drafting of the SAD for advice, clarification or endorsement of its plans.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.1.7	At any time after 2.1.5	Applicant completes internal testing of systems and processes which may be witnessed by BSCCo until such time as BSCCo confirms that witnessed testing demonstrates that requirements have been met.	Applicant BSCCo		Completion of internal testing by Applicant and witnessing, if required, by BSCCo.	Internal Process
2.1.8	Within 10WD after 2.1.6	High level review of SAD by BSCCo. BSCCo returns reviewed SAD and provides guidance, education and clarification on sections where requirements have not been met. If the requirements have been met proceed to 2.1.10.	BSCCo	Applicant	Reviewed SAD.	Phone/Written / Electronic Confirmation
2.1.9	After 2.1.8	Applicant further completes the SAD and submits to BSCCo for additional review.	Applicant	BSCCo	Completed SAD.	Written / Electronic Confirmation
2.1.10	Within 10WD of 2.1.9	BSCCo reviews SAD to ensure that it is prepared to the required standard. If prepared to the required standard then proceed to 2.1.11. If the requirements have not been met proceed to 2.1.6.	BSCCo			Internal Process
2.1.11	After 2.1.10	BSCCo and Applicant confirm that evidence review can commence and mutually agree timescales. <sup>6</sup>	BSCCo Applicant		Details of SAD supporting evidence to be reviewed.	Written Confirmation

<sup>6</sup> When completing the SAD the Applicant should detail what pieces of evidence can be provided in support of its response. BSCCo may request that these are provided for review, the 'evidence review'. Examples of types of evidence include documentation or evidence of testing.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.1.12	After 2.1.11 and within the agreed timescales.	BSCCo reviews supporting evidence <sup>7</sup> to determine if evidence provides the appropriate confirmation that the required standard has been met. When required standards have been met proceed to 2.1.13.  Where the required standards have not been met, BSCCo will provide guidance, assistance and clarification to the Applicant as to why. In this circumstance the Applicant should proceed to 2.1.9.	BSCCo	Applicant	Supporting evidence.	
2.1.13	After 2.1.12	Applicant submits final version of SAD authorised by a registered director of the Applicant (the registration of the latter to be verifiable with Companies House) or by such other person accepted as the authorised signatory pursuant to Section 3.6 hereof.	Applicant	BSCCo	SAD.	Signed Off Hard copy
2.1.14	At any time between 2.1.5 and 2.1.13	BSCCo shall provide the Applicant Written Confirmation of the outcome of any review carried out by BSCCo.	BSCCo	Applicant		Written Confirmation
2.1.15	At any time between 2.1.5 and 2.1.13 but at least 12WD prior to PAB meeting	If Applicant disagrees with any aspect of the review carried out by BSCCo in relation to the Applicant's Qualification the Applicant may request that the PAB makes a Qualification determination in respect of its Application.	Applicant	PAB	Details of Applicant's appeal.	Written Confirmation
2.1.16	At least 12 WD before PAB Meeting and after 2.1.14.	BSCCo prepares and submits Qualification report to the PAB (and provides a copy of the same to the Applicant) recommending whether the Applicant should be Qualified.	BSCCo	PAB Applicant	Qualification Report.	Written Confirmation

<sup>7</sup> This review may be at the Applicant's site, if so required.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.1.17	At PAB Meeting	PAB decides whether the Applicant should be Qualified. If yes, then proceed to 2.1.18 <sup>8</sup> . If the application is deferred, then proceed to 2.1.21.	PAB	BSCCo	Qualification decision.	Meeting
2.1.18	Within 2WD of 2.1.17	Notification of PAB's decision to accept Qualification. Advise CRA to add relevant information to CRS (except in the case of SVA Party Agents).	BSCCo	All interested parties Applicant CRA	PAB Decision.	Written Confirmation
2.1.19	At any point after 2.1.2	Applicant or Qualified Person may commence with MDD change request process <sup>9</sup> .	Applicant / Qualified Person	BSCCo	MDD change request form F509/01 in accordance with BSCP509	Email / Fax.
2.1.20	After PAB decision	Raise MDD Change Request to add Qualified Person information to MDD database in accordance with BSCP509.	BSCCo	SVAA	PAB decision on Qualification Approval.	As per BSCP509.
2.1.21	Within 5 WD of 2.1.17 (if Qualification deferred)	Applicant informed in writing of the rationale for the decision. BSCCo to provide guidance, assistance and clarification to the Applicant as to why its Application was deferred. Proceed to 2.1.6.	BSCCo	Applicant	Areas of the SAD that are not acceptable and/or other areas which require further testing or evidence to be provided as determined by the PAB.	Written Confirmation

<sup>8</sup> The PAB may also approve the Applicant's Qualification and also impose certain conditions or requirements on the Qualified Person.

<sup>9</sup> A Supplier/LDSO does not have to be Qualified by the PAB before registering in MDD. [A VPL does not register in MDD.](#)

## 2.2 Re-Qualification Process<sup>10</sup>

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
Where initiated by Qualified Person						
2.2.1	Before implementation of a Material Change to Qualified Person's systems and processes	Qualified Person performs its RIA and identifies that a change it wishes to implement is a Material Change.	Qualified Person		Appendix 3.4 'Re-Qualification'.	Internal Process
2.2.2	Following 2.2.1 if change is deemed to be Material.	Submit completed Re-Qualification Letter to BSCCo.	Qualified Person	BSCCo	Appendix 3.8 'Re-Qualification Letter' (including a summary of change to systems and/or processes).	Written Confirmation
2.2.3	Following 2.2.2	Proceed to 2.1.5 and follow the Qualification Process as if the references to Qualification were references to Re-Qualification and as if references to Applicant were references to Qualified Person.	Qualified Person			
Where initiated by the PAB						
2.2.4	As required	PAB determines Qualified Person needs to Re-Qualify <sup>11</sup> .	PAB	BSCCo	Details of PAB decision.	Meeting
2.2.5	5WD after 2.2.4	BSCCo sends confirmation that the Qualified Person is required to Re-Qualify.	BSCCo	Qualified Person	Details of PAB decision.	Written Confirmation

<sup>10</sup> This process does not apply to a Qualified Person that is acting in its capacity as a Supplier or VLP.

<sup>11</sup> Reasons may include but are not limited to a Qualified Person having a number of Errors/Failures (in accordance with BSCP538 – Error and Failure Resolution) identified in relation to it.



REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.2.6	5WD after 2.2.5	Proceed to 2.1.5 and follow the Qualification Process as if the references to Qualification were references to Re-Qualification and as if references to Applicant were references to Qualified Person.	Qualified Person			

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### 2.3 Removal of Qualification Process <sup>12</sup>

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.1	As required	Make observation or receive notification <sup>13</sup> that a Qualified Person has failed to comply with the relevant requirements and/or standards for performance as described in the Code or any Code Subsidiary Document.	BSC Auditor TAA BSCCo Panel <sup>14</sup>	BSCCo	Notice of the Qualified Person's failure. BSCP538 – Error and Failure Resolution	Internal process / Written Confirmation
2.3.2	As soon as reasonably practicable after 2.3.1	Collect history of the Qualified Person's failure from appropriate parties.	BSCCo	BSC Auditor TAA BSCCo Interested parties	Details of failure by Qualified Person.	Internal process / Written Confirmation
2.3.3	As soon as reasonably practicable after 2.3.2	Send letter to the Qualified Person (including details of failure history) indicating that a failure has been identified and advising that the matter will be reported to the PAB.	BSCCo	Qualified Person	Letter outlining the nature of the failure.	Written Confirmation
2.3.4	10 WD after 2.3.3 or as agreed.	Qualified Person to consider letter and provide response (including any mitigating factors) to BSCCo so it can be included in report to PAB.	Qualified Person	BSCCo		Written Confirmation

<sup>12</sup> In this process Qualified Person should be read as not including Parties to the Code.

<sup>13</sup> This notification could have been received from another Qualified Person or interested party.

<sup>14</sup> This process may be commenced following a Panel decision in accordance with BSCP538 – Error and Failure Resolution

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.5	As required, but at least 12WD before PAB meeting	Consider the information available on the Qualified Person's failure (including any submissions made by the Qualified Person) and prepare and submit a report for the PAB to consider whether Qualified Person should enter into the RoQ process.	BSCCo	PAB	Report detailing Qualified Person's failure history, and any submissions made by the Qualified Person.	Paper
2.3.6	Meeting of PAB	Consider failure history, and any mitigating factors submitted by the Qualified Person (either in writing or in person) and decide whether or not the Qualified Person should enter into the RoQ process.	PAB		Outcome of Decision and rationale.	Meeting
2.3.7	2WD after 2.3.6	Provide the Qualified Person with the outcome of the decision <sup>15</sup> .	BSCCo	Qualified Person	Outcome of Decision and rationale.	Written Confirmation
2.3.8	At next PAB meeting after 2.3.6	Agree an action plan and relevant material milestones with the Qualified Person <sup>16</sup> . If an action plan cannot be agreed, the PAB may choose to proceed to either 2.3.10 or 2.3.11.	PAB Qualified Person		Details of actions to be taken to ensure compliance with the requirements or standards for performance are achieved.  Details of appropriate milestone dates for each material action within the plan.	Written Confirmation

<sup>15</sup> If the PAB decides that the Qualified Person should not enter the RoQ process then the process ends here.

<sup>16</sup> If revisions to the action plan or relevant material milestones are required at any time during this process then Qualified Person is to request agreement of the revised action plan or relevant material milestones at the next PAB meeting.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.9	Prior to every PAB meeting, and no later than 12 WD prior to each PAB meeting throughout the period that Qualified Person is undergoing RoQ process	<p>The Qualified Person to provide updates on progress against its action plan and progress towards achieving compliance with the requirements for standards of performance.</p> <p>BSCCo to collect updates on the Qualified Person's progress against its action plan and progress towards achieving compliance with the requirements for standards of performance.</p>	<p>Qualified Person</p> <p>BSCCo</p>	<p>PAB</p> <p>BSC Auditor</p> <p>TAA</p> <p>BSCCo</p> <p>Interested parties</p>	Qualified Person's agreed action plan and updates on current status.	Written Confirmation
2.3.10	At PAB meetings throughout the period that Qualified Person is undergoing RoQ process	<p>PAB to monitor at each successive meeting the Qualified Person's compliance.</p> <p>If the Qualified Person is still failing to comply with the requirements and/or standards for performance or fails to meet any material milestones, or still fails to agree an action plan the PAB can, at its discretion, decide to proceed to 2.3.11.</p> <p>Where the PAB decides that the Qualified Person's achievement of compliance with the requirements or standards for performance has improved; or is no longer failing to meet any material milestones the PAB can, at its discretion decide to proceed to 2.3.15.</p>	PAB		Qualified Person's agreed action plan and updates on current status.	Paper

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.11	5WD after 2.3.10	Notify the Qualified Person that the PAB intends to inform all interested parties that the Qualified Person is undergoing the RoQ process if the Qualified Person continues to fail to comply with the requirements and/or standards for performance or fails to meet any further material milestones or fails to agree an action plan with the PAB.	PAB	Qualified Person	Notification details and timescales for improvement in Qualified Person's compliance with the requirements or standards for performance or that all relevant material milestones should be met. In addition advanced notice that if the above are not met then the PAB may notify all interested parties.	Written Confirmation
2.3.12	At next relevant PAB meeting after 2.3.11	<p>(a) Where the PAB has previously written to the Qualified Person at 2.3.11 and if the Qualified Person is still failing to comply with the requirements and/or standards for performance or fails to meet any material milestones or fails to agree an action plan with the PAB, the PAB can, at its discretion, write to all interested parties to notify them that the Qualified Person is undergoing the RoQ process.</p> <p>Proceed to 2.3.13.</p> <p>or</p> <p>(b) Where the PAB decides that the Qualified Person's achievement of compliance with the requirements or standards for performance has improved; or is no longer failing to meet any material milestones; or has agreed an action plan with the PAB; the PAB can, at its discretion decide to proceed to 2.3.9 for further monitoring or 2.3.15 to exit the RoQ process.</p>	PAB	All interested parties	Notification that Qualified Person is undergoing the RoQ process.	Written Confirmation

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.13	At next relevant PAB meeting after 2.3.12(a)	<p>(a) Where the PAB has previously written to all interested parties at 2.3.12(a) and if the Qualified Person is still failing to comply with the requirements and/or standards for performance or fails to meet any material milestones or fails to agree an action plan with the PAB the PAB can, at its discretion, notify the Qualified Person that its Qualification will be removed.</p> <p>Proceed to 2.3.14.</p> <p>or</p> <p>(b) Where the PAB decides that the Qualified Person's achievement of compliance with the requirements or standards for performance has improved; or is no longer failing to meet any material milestones; or has agreed an action plan with the PAB; the PAB can, at its discretion decide to proceed to 2.3.9 for further monitoring or 2.3.15 to exit the RoQ process.</p>	PAB	Qualified Person	<p>Details of the PAB's decision.</p> <p>Effective from date of removal of Qualification.</p>	Written Confirmation

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.14	5WD after 2.3.13(a)	<p>Notify all interested parties that the Qualified Person's Qualification will be removed 3 months (or in a timescale at the PAB's discretion) from the date of the PAB decision to remove Qualification.</p> <p>Raise MDD Change Request to remove Qualified Person information from the MDD database in accordance with BSCP509.</p> <p>Advise CRA to remove relevant information from CRS (except in the case of SVA Party Agents).</p>	PAB  BSCCo	All interested parties  SVAA  CRA	<p>Details of the PAB's decision.</p> <p>Effective from date of removal of Qualification.</p>	Written Confirmation
2.3.15	At PAB meetings throughout period that Qualified Person is undergoing RoQ process	<p>Decide that the Qualified Person should exit the RoQ process as the Qualified Person is now achieving the required standard of compliance with the requirements or standards for performance have improved such that participation in the RoQ process is no longer required.</p> <p>Notify the Qualified Person.</p> <p>If letter at 2.3.12(a) sent, notify all interested parties that Qualified Person is no longer undergoing the RoQ process.</p>	PAB	All interested parties  Qualified Person	<p>Details of the PAB's decision.</p>	Written Confirmation
If an appeal is lodged with the Authority						
2.3.16	Within 5WD of BSCCo being informed of appeal	If BSCCo receives notification from the Qualified Person that an appeal has been lodged with the Authority, inform all interested parties that the impending removal is suspended until the outcome of the appeal process is known.	BSCCo	All interested parties		Written Confirmation

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.3.17	Within 5WD of receipt of appeal decision from Authority	<p>Notify all interested parties of the effective from date of the Qualified Person's removal of Qualification or that the Qualified Person's Qualification will no longer be removed, as appropriate (the effective from date of removal of Qualification may be different from the effective from date previously communicated at 2.3.14).</p> <p>If appeal upheld notify the Qualified Person that their Qualification will no longer be removed.</p> <p>If appeal rejected notify the Qualified Person of the effective from date of the Qualified Person's removal of Qualification.</p> <p>Raise MDD Change Request to remove Qualified Person information from the MDD database in accordance with BSCP509.</p> <p>Advise CRA to remove relevant information from CRS (except in the case of SVA Party Agents).</p>	BSCCo	All interested parties Qualified Person	<p>Notification of the effective from date of the Qualified Person's removal of Qualification if appropriate.</p> <p>Notification that either the Qualified Person's Qualification will no longer be removed or the effective from date of the Qualified Person's removal of Qualification, as appropriate.</p>	Written Confirmation



## 2.4 Annual Statement of Qualified Status Process<sup>17</sup>

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.4.1	On or before 1st April each year	Send annual statement signed by a registered director of the Applicant (the registration of the latter to be verifiable with Companies House) or by such other person accepted as the authorised signatory pursuant to Section 3.6 hereof	Qualified Persons	BSCCo	Annual statement letter <sup>18</sup> .	Written Confirmation
2.4.2	After 2.4.1	Receive letters and present summary of letters to the PAB.	BSCCo	PAB	Paper summarising receipt of letters from Qualified Persons.	PAB Meeting

<sup>17</sup> Suppliers and VLPs are not required to provide an annual statement.

<sup>18</sup> This letter must contain a statement that the Qualified Person has made no Material Changes to its systems or processes (as defined in this Appendix 3.4 'Re-Qualification') since their last annual statement, or their original Qualification, whichever is the later (no supporting evidence is required in this case). Where this is not the case, the letter must state which Material Change(s) have been made over that period, and refer to the application(s) for Re-Qualification in respect of this/these.

## 2.5 Surrender of Qualification Process<sup>19</sup>

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.5.1	Initial contact from Qualified Person.	Qualified Person notifies BSCCo of wish to surrender its Qualification.	Qualified Person	BSCCo	Letter confirming intention to surrender Qualification.	Written Confirmation
2.5.2	At least 12WD before next PAB meeting after 2.5.1	BSCCo prepares and submits a paper to the PAB outlining the Qualified Person's wish to surrender its Qualification.	BSCCo	PAB	Surrender of Qualification Paper.	Written Confirmation
2.5.3	PAB meeting	PAB removes Qualified status <sup>20</sup> .	PAB	BSCCo	Meeting minutes	Meeting
2.5.4	Within 5WD of 2.5.3	BSCCo confirms to Formerly Qualified Person that Qualification has been removed. BSCCo notifies all interested parties of the same. Raise MDD Change Request to remove Qualified Person information from the MDD database in accordance with BSCP509. Advise CRA to remove relevant information from CRS.	BSCCo	Formerly Qualified Person All interested parties SVAA CRA		Written Confirmation

<sup>19</sup> This process does not apply to Qualified Persons who are Parties to the Code other than LDSOs when acting in their capacity as either an UMSO or an SMRA.

<sup>20</sup> This will only happen when the PAB considers it to be appropriate in each circumstance, and only when certain considerations are taken into account, including but not limited to those described in Section J of the Code.

## 2.6 Change of Ownership Process<sup>1918 21</sup>

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.6.1	Upon change of ownership of Applicant.	Inform BSCCo of change of ownership <sup>22</sup> .	Applicant.	BSCCo	Letter signed by authorised signatory detailing change of ownership and service(s) impacted. Qualification Letter (Appendix 3.7) signed by authorised signatory.  Confirmation that the confidentiality disclosure and licence agreement have been received for NHHDA and NHHDCs.  Statement to say whether or not the Applicant is making any Material Changes and therefore whether Re-Qualification will be sought.	Written Confirmation
2.6.2	At least 12WD before next PAB meeting after 2.6.1	BSCCo prepares and submits a paper to the PAB providing details of the change of ownership.	BSCCo	PAB	Details of change of ownership.	Paper
2.6.3	At PAB meeting	PAB decision on the change of ownership and whether Re-Qualification is needed.	PAB	BSCCo	2.2 'Re-Qualification Process'	Meeting
2.6.4	Within 5WD of 2.6.3	Notify Qualified Person of PAB decision.	BSCCo	Qualified Person	Details of PAB decision.	Written Confirmation

<sup>21</sup> This is a change of ownership in respect of change of assets including but not limited to a change in the legal entity and/or transfer of assets to another.

<sup>22</sup> Where the change of ownership process results in a Material Change to the process or system, the applicant must proceed to 2.2 the 'Re-Qualification Process'.

2.7 Derogations Process<sup>1918</sup>

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
2.7.1	As required, but at least 30 WD before PAB Meeting.	Submit a letter requesting derogation against certain Code requirements, including evidence to support the request.	Qualified Person Applicant	BSCCo	Details of the Code requirements against which the derogation is requested and details of the Qualified Person's justification for requesting such derogation.	Written Confirmation
2.7.2	As required, but by PAB paper deadline.	Assess the derogation application, utilising any expert support as is necessary, and provide a paper detailing information on the derogation application for consideration by the PAB.	BSCCo	PAB	PAB paper detailing derogation application.	Paper
2.7.3	Next PAB meeting after 2.7.2	PAB decision on the derogation application.	PAB	BSCCo	Derogation application. Information on the derogation application, provided by BSCCo.	Meeting
2.7.4	Within 5WD of 2.7.3.	Provide outcome of derogation decision to the Qualified Person and all interested parties.	BSCCo	Qualified Person All interested parties	PAB's decision on the derogation.	Written Confirmation

### 3. Appendices

#### 3.1 Self Assessment Document

The Self Assessment Document is maintained as a separate document – “BSCP537 Appendix 1 - Self Assessment Document”.

#### 3.2 Testing Requirements

The Testing Requirements document is maintained as a separate document – “BSCP537 Appendix 2 - Testing Requirements”.

#### 3.3 Guidance Notes on Completion of the SAD

The Guidance Notes on Completion of the SAD document is maintained as a separate document - “BSCP537 Appendix 3 - Guidance Notes on Completing the SAD”.

#### 3.4 Re-Qualification

Re-Qualification does not apply to Suppliers or VLPs.

BSCCo will provide guidance, assistance and clarification to the Applicant (where required) for all matters relating to the Re-Qualification Initiating Process (Section 2.2).

Qualified Persons should perform a Risk and Impact Assessment (RIA)<sup>23 24</sup> to determine if any change (or group of changes) that it plans to implement will be a Material Change. The Risk and Impact Assessment procedure should be used to assess both industry driven changes and changes initiated by the Qualified Person.

If the RIA confirms that it will be a Material Change then the Qualified Person is required to re-Qualify in accordance with the Code and this BSCP.

Possible events and scenarios that may trigger a Material Change and therefore re-Qualification include:

- Changes that are highly likely to have an impact on the systems and processes which enable the Qualified Person to meet its obligations as detailed in the Code and Code Subsidiary Documents;
- In the case of Party Agents (excluding Meter Administrators) and SMRAs, a planned significant increase (or step change) in the number of Metering Systems for which that person is responsible;
- Significant change to the IT systems which are core to (or interface with the systems which are core to) the operation of the agency service, for example:
  - Hardware/software changes or upgrades

<sup>23</sup> This is the Participant’s own RIA.

<sup>24</sup> RIA procedures are subject to Section 5 - ‘Change Management and Risk Assessment Process’ of the SAD.

- Implementation of new core agency systems and data migration
- Changes to data flow management systems
- Significant change to operational procedures; and
- In the case of SMRAs please see section 3.5 for details of further triggers of re-Qualification.

Consideration should be given to the impacts on systems, processes, and staff when assessing whether a change is a Material Change.

### 3.5 For SMRAs Only: Compliance with Modification P62<sup>25</sup>

If not already completed (including PAB approval), any SMRA who was Accredited and Certified and had completed the SMRS Entry Process at the time of implementation of the Qualification process<sup>26</sup> is required to re-Qualify before operating in a GSP Group other than the GSP Group that it was approved to operate in as part of its original Entry Process application.

Where re-Qualification is triggered in these circumstances, in order to re-Qualify the SMRA must complete (including obtaining endorsement of completion from the PAB) the TA Compliance Script which is a separate document.

### 3.6 Authorised Signatories

An authorised signatory for any and all Qualification matters that may arise under or in connection with this BSCP shall be a registered director so verifiable by Companies House. In limited circumstances BSCCo may, at its sole discretion, accept as an authorised signatory an acceptable senior company representative who has been given appropriate delegated signing authority by his/her Company.

If a Company wishes to propose that a person other than a registered director of the Company should be the relevant authorised signatory, such Company shall write accordingly to BSCCo providing clear details of the reasons for its request, including the reason why it is not possible or practical for its proposed authorised signatory to be a registered director. This letter shall also contain the relevant proposed authorised signatory's delegated authority or be accompanied by an original or certified copy of such delegated authority.

<sup>25</sup> Approved Modification P62 (Changes to Facilitate Competitive Supply on the Networks of New Licensed Distributors) was implemented on 01 August 2003.

<sup>26</sup> This Qualification process was first implemented on the Implementation Date (23 August 2007) of approved Modification P197 (SVA Qualification Processes Review).

### 3.7 Qualification Letter

To:

ELEXON Limited as the Balancing and Settlement Code (the “BSC”) Company (“BSCCo”)

*[insert registered office address]*

*[insert date]*

Dear Sirs,

#### **Qualification Application & Letter**

We are writing to you in your capacity as BSCCo for itself, and pursuant to paragraph 3.8 of Section J of the BSC, as trustee and agent for each other Party, the Panel, any Panel Committee, or the Performance Assurance Administrator.

Unless otherwise stated or the context otherwise requires any capitalised term in this letter shall have the meaning given to it in the BSC.

By writing this letter we are applying to undergo the Qualification Requirements and Qualification Processes in accordance with Section J of the BSC in respect of *[insert proposed Qualification capacity]*.

We acknowledge that we have obtained a copy of the latest versions of Section B (The Panel), Section C (BSCCo and its Subsidiaries), and Section J (Party Agents and Qualification under the Code), and Section Z (Performance Assurance) of the BSC as well as BSC Procedure 537 from the BSC Website.

In consideration of BSCCo, and/or the Performance Assurance Board undertaking the Qualification Processes in relation to ourselves or arranging for such procedures to be undertaken, we hereby agree with each of you that we shall during the Qualification Processes and thereafter abide by:

- (a) the terms of Section B2 (the Panel), Sections C5 (BSCCo and its Subsidiaries), Section J (Party Agents and Qualification under the Code), Section Z (Performance Assurance) of the BSC for the purposes of the Qualification Requirements and Qualification Processes as if we were a party to the BSC for the purposes of those Sections and that Annex; and
- (b) the terms of BSC Procedure 537, as amended, and as referred to in those aforementioned Sections and any other applicable BSC Procedure.

1 In addition to the above, we acknowledge and agree that during the Qualification Processes and thereafter the provisions of paragraph 3.7 of Section J (Party Agents and Qualification under the Code) of the BSC which provide that should we be dissatisfied with any decision of the Performance Assurance Board concerning our Qualification, re-Qualification or removal of Qualification, our sole and exclusive remedy will be to refer the matter for determination to the Authority in accordance with that paragraph and we accept that its determination or, as the case may be, the determination of the arbitrator appointed by the Authority pursuant to paragraph 3.7.3 of that Section will be final, conclusive and binding.

- 2 We further acknowledge and agree that during the Qualification Processes and thereafter:
- (a) the total aggregate liability of the Performance Assurance Board, any such member thereof, and the Performance Assurance Administrator, to an Interested Person whether in contract, tort (including negligence or breach of statutory duty) or otherwise arising directly or indirectly out of or in connection with the performance or non-performance of its functions (including the contents of any opinion or report prepared by the Performance Assurance Board) shall in no circumstances exceed £1,000,000 per claim or series of related claims;
  - (b) neither the Performance Assurance Board nor any member thereof and the Performance Assurance Administrator shall be liable to any Interested Person for any loss of profit, loss of revenue, loss of contract, loss of goodwill or any indirect or consequential loss arising out of or in connection with the performance or non-performance of its functions;
  - (c) paragraphs 2 (a) and (b) above and any relevant provisions of the BSC shall not exclude the liability of the Performance Assurance Board, any members thereof or the Performance Assurance Administrator for fraud or death or personal injury resulting from the negligence of such board or member;
  - (d) the exclusions from and limitations of liability of the Performance Assurance Board, any members thereof or the Performance Assurance Administrator under paragraph 2 (a), (b) and (c) and any relevant paragraphs of the BSC are reasonable because of (amongst other matters) the likelihood that the amount of damages awardable to the Interested Person from the Performance Assurance Board, any members thereof or the Performance Assurance Administrator would otherwise be disproportionate to the charges which it makes in connection with the performance of its functions and because of the limited resources and expertise of the Performance Assurance Board, any members thereof and the Performance Assurance Administrator;
  - (e) the exclusions from and limitations of liability of the Performance Assurance Board, any members thereof and the Performance Assurance Administrator and any relevant paragraphs of the BSC shall be considered severally and the invalidity or unenforceability of any one paragraph shall not affect the validity or enforceability of any other paragraph; and
  - (f) the Applicant shall not (save to the extent required by law, any relevant regulatory bodies or pursuant to the rules of any arbitration tribunal or by any arbitration award) be entitled to and shall not copy or disclose any preliminary and/or final Qualification report relating to it submitted by BSCCo (or any of its agents or service providers), the Performance Assurance Board or any members thereof or the Performance Assurance Administrator or the contents thereof to any other person, other than to its employees and professional advisers for the purposes of advising the Applicant and (if the Applicant has lodged an appeal) to the Authority subject to the Applicant notifying such persons of the requirement to keep such reports confidential;
  - (g) to the extent permitted by law, any agent or service provider of BSCCo who may perform any of the Qualification services shall have no liability to the Applicant on any basis, whether in contract, tort (including negligence) or



otherwise, arising from or in connection with its Application including (without limitation) any advice or interpretation relating thereto given to it by any agent or service provider (whether orally or in writing). Such exclusion of liability shall not apply in the event of any acts or omission which are in any case criminal, dishonest or fraudulent on the part of the agent or service provider. In addition, we also agree not to take any action against an agent or service provider of BSCCo who may perform any of the Qualification services; and further that such agents or service providers shall have a right (subject to the discretion of the Court) to a stay in proceedings should we bring such a claim in breach of this paragraph 2 (g);

(h) the exclusion of liability under paragraph 2 (g) and any relevant paragraphs of the BSC (if applicable) are reasonable because of (amongst other matters) the agent or service provider will be relying on information provided by the Applicant and will not be acting in a decision making capacity in relation to the Application.

3 In addition to the above, we agree to be bound by the Qualification Process as set out in Section J of the BSC and BSC Procedure 537 and represent, warrant and undertake to you in the terms of paragraph 3.8 of Section J of the BSC.

4 We confirm that we:

- (a) have completed a Confidentiality Licence and Disclosure Agreement\*;
- (b) represent, warrant and undertake that we are not appointed by a person with an electricity supply licence to retrieve, validate and process metering data for the purposes of the 1998 trading arrangements\*.

5 This letter shall be governed by, and construed in all respects in accordance with, the laws of England and Wales.

Yours faithfully,

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signed by [*insert name*] being a Director and signing this for and on behalf of [*insert name full registered name of Company*]

\*delete as appropriate

### 3.8 Re-Qualification Application Letter

To:

ELEXON Limited as the Balancing and Settlement Code (the “BSC”) Company  
 (“BSCCo”)

[*insert registered office address*]

[*insert date*]

Dear Sirs,

#### Re-Qualification Application Letter

We are a [*insert Qualified Person participation capacity*].

Unless otherwise stated or the context otherwise requires any capitalised term in this letter shall have the same meaning given to it in the BSC.

By writing this letter we are advising BSCCo for itself, and pursuant to paragraph 3.8 of Section J of the BSC, as trustee and agent for each other Party, the Panel, any Panel Committee, or the Performance Assurance Administrator that we propose to make a change(s) to our systems and processes.

In accordance with BSC Procedure 537, we have undertaken a Risk and Impact Assessment (RIA) on the proposed change(s). It is our opinion that the RIA concludes that the proposed change(s) falls within the definition of a Material Change. In accordance with Section J of the BSC any change(s) that is proposed which is a Material Change requires us to re-Qualify.

A detailed description of the change(s) proposed for which we are seeking re-Qualification is described in an Appendix **attached** to this letter.

We also confirm that all warranties and assurances given on [*to be inserted*] being the date when we were Qualified remain in force and are applicable as a result of and in respect of this re-Qualification.

Yours faithfully,

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signed by [**insert name**] as the duly authorised representative for and on behalf of [**insert full registered name of Company**]