

008 SVA RISK: PROCESSING OF METERED DATA

This document outlines the methodology used to assess the Settlement Risk related to the transfer and processing of metered data. We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

The risk that... SVA Metered Data is not processed or transferred correctly, or at all
resulting in... erroneous or estimated data in Settlement.

Category: Data Retrieval and Processing

Sub category: Processing of Metered Data

Covers: Validation and transfer of metered volumes. EAC and AA calculations. Unauthorised changes to Settlement data after Final Reconciliation. Complex Site Rules. Shared SVA Metering Arrangements.

Estimated impact in 2019/20

Market	Event	Lower	Middle	Upper
NHH	Large EAC/AA	£2.9m	£3.7m	£4.9m
HH	Unauthorised DF changes	£1.3m	£1.5m	£1.8m
NHH	Unauthorised DF changes	£10.3k	£2.1m	£15.9m

Does not cover: Export Metered Data. Retrieval of Metered Data.

Please note: it is recognised that, due to the nature of the risk, failures are more likely to arise in the Non Half Hourly (NHH) Market. Further information regarding the BSC processing of metered data can be found in BSCP502 and BSCP504.

At Risk Volume

As part of this assessment, we seek to understand the volume of energy at risk in the upcoming period, i.e. how much volume will be effected should the risk manifest.

The at risk population for this risk is those MSIDs for which metered data has been obtained by the DC, inclusive of Half Hourly (HH) and NHH Metering Systems applying Post Final Settlement Run changes to Metered Data.

Data point considered

To assess the material error posed to Settlement by this risk, ELEXON has taken the material error recorded in the Large EAC/AA Material Error Monitoring (MEM) report. ELEXON has utilised data from the Supplier Volume Allocation Agent to investigate unauthorised changes to HH Settlement data after Final Reconciliation (RF), however Trading Disputes were used to assess NHH changes to Settlement data. ELEXON utilised this reporting as it provides a reliable and consistent view of the actual material error impacting Settlement.

Market (MWh)	2015/16	2016/17	2017/18
MEM – Large EAC/AA	254.5k	96.6k	89.6k

- 2015/16 Large EAC/AA volumes were significantly impacted by a system issue at a single party for the 2015/16 period.
- NHH unauthorised DF changes assessment was extrapolated from Trading Dispute data.

Forecast

Below are the key considerations and assumptions when forecasting the at risk population in the 2019/20 period:

- The Large EAC/AA report gives a 15 month view of the Material Error Monitoring; this has been annualised by dividing by 15 and multiplying by 12
- Due to a system issue at a single Party, the Large EAC/AA volumes for the 2015/16 period are overstated and therefore are omitted here
- When forecasting ELEXON has taken into account NHH Metering Systems which are continuing to be transferred to the HH market as P272 concludes thus reducing the potential volume of impacted MSIDs.

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- ELEXON analysed all volume movement which was adjusted between RF and the Disputes Final (DF) Run over a 12 month period to produce the average net movement between runs, for assessment of both HH and NHH
- ELEXON evaluated the validity of any discrepancies against the Register of Determinations from the Trading Disputes Committee.

Forecasted Volume

From the analysis of previous MEM Large EAC/AA reports we are able to forecast a 2019/20 error volume. ELEXON used the historic MEM Large EAC/AA error volumes and considered if and why future volumes may differ.

Market	Event	Volume 2019/20		
		Lower	Middle	Upper
Large EAC/AA - Material Error	Annualised - NHH	66.1k	71.7k	77.3k
HH	Unauthorised DF changes	29.1k	29.1k	29.1k
NHH	Unauthorised DF changes	10.3k	2.1m	15.9m

Forecast

Below are the key considerations and assumptions when forecasting error volume in the 2019/20 period:

- ELEXON took the annualised average MEM – Large EAC/AA error for the last two years, and forecasted the same proportion of decrease as seen between 2016/17 and 2017/18 for the lower forecasted volume. This is based on the assumption most P272 applicable MSIDs have been processed
- ELEXON took the annualised average error volume reported in the most recent year available (2017/18) as the middle forecast volume, as no reasons have been identified why 2019/20 volumes are likely to be significantly different
- ELEXON applied the annualised average error recorded in 2016/17 as the upper forecasted error, on the assumption that due to the progression of P272 meter exchanges since April 2017, the volume of error will not exceed the error volume seen at this historic data point
- ELEXON assessed the valid changes to Settlement data following RF to provide assurance these had been completed correctly against the Register of Determinations
- The volume of discrepancy between RF and DF provides an accurate assessment of error volume for the risk in the HH market
- The greater volatility between middle and upper NHH volumes above reflects the lack of evidence readily available to score the risk in this market

We convert the error volume into a monetary value by the forecast 2019/20 system buy and sell price.

Other considerations for this risk

- There have been 29 Trading Disputes in the last three years associated to Large EAC/AA issues. ELEXON has not used the materiality of these in the forecasting calculation, as they would have already featured in the MEM - Large EAC/AA reporting.
- ELEXON note there have been two disputes in the last three years which have been associated with post Final Reconciliation amendments to consumption data at HH sites.
- There have been 65 BSC Audit issues raised in the last three years associated the with processing of metered data risk, although the majority of these were not Settlement impacting. 78% of these issues were rated Low,

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and are associated with the sending of D0010s and D0019 outside BSC timescales, and did not impact Settlement.

- Parties can utilise its L0038 reports to assist in its evaluation of its exposure to the risk.
- The estimation of the volume of discrepancy for the 2019/20 Market is challenging due to the Manual nature of the assessment undertaken and a lack of evidence readily available.
- The main control on Unauthorised Changes to DF data is the Supplier Volume Allocation Agent's (SVAA) DF Standing Table which only allows agreed files to be processed through the SVA.