



Proposal to include ‘Impact to Settlement performance assessment’ in workgroup report

PAC are seeking an addition to workgroup templates to assist with the understanding of Modification impacts on PAC Risks and related reporting.

At the UNC panel meeting of 15 November 2018, the proposal was discussed, and a number of questions raised with regard to the practicalities of including such an assessment into the process and the potential for an addition to the workgroup report delaying the UNC modification process.

PROPOSED ADDITION TO UNC MODIFICATION PANEL MODIFICATION PROPOSAL TEMPLATE

PAFA acknowledge that the requirement for a Settlement performance impact assessment will not apply to all UNC modification proposals and that unrelated modifications should be discounted quickly

The PAFA propose that the below table is added in to the UNC modification proposal template and completed by the proposer.

	YES	NO	N/A
Does the proposer believe that the successful implementation of this proposal will impact settlement accuracy?			
Does the proposer believe that the proposal will cause a major change to a factor from which balancing/settlement is derived?			
Does the proposer believe that the proposal will alter the existing settlement criteria?			

PAFA will then review the modification proposal against this view and provide comment to the proposer at an early stage.

As the mod moves through the work group process, the Proposer is to advise the PAFA should its view of the impact on settlement or that of the workgroup change or evolve.

Following the proposal’s completion of the workgroup development process the PAFA will provide its high-level assessment of the impact to the settlement for inclusion in the final modification report.



Proposal development questions – PAFA response:

1. How will PAFA ensure consistency across their reviewers and across all mods?
 - a. All UNC modification proposals that are viewed by the proposer as having an impact on settlement will be assessed against the agreed criteria (see answer to question 2 below).
 - b. All proposals that are deemed to pose a risk to settlement will be viewed against the existing risk register. If they are not covered by an existing risk a new one will be suggested.
 - c. If a PAR Report is not available that will enable the PAFA to measure the industry performance against this risk, a new report will be drafted, and ROM cost requested from the CDSP.
2. Against what criteria would mods be assessed?
 - a. Does the proposal pose a major risk to settlement accuracy? (does it significantly change a factor from which balancing/settlement is derived)
 - b. Does the proposer believe that the proposal will alter the existing settlement criteria?
 - c. Will additional reporting be required to monitor the risk and if so what and at what cost.
3. What timescales will PAFA work to (does that need to be an SLA with Xoserve)?
 - a. PAFA will work with the proposer and the working group development of a UNC modification proposal, we do not believe that an SLA with Xoserve will be necessary. We can report on our work in this area in the PAFA annual performance review.
4. Is the assessment made by PAFA independently and submitted or is it submitted to and voted on by the PAC?
 - a. PAFA should be able to make this assessment independently of the PAC and submit its findings directly to the UNC modification proposer and/or the relevant working group
5. Would PAFA charge extra for this service?
 - a. UNC modification development and support is not currently a service line defined under the PAFA contract. Should the PAC wish the PAFA to provide this service, it will need to request that Xoserve draft a contract variation.
6. What happens if an exposure is not addressed by the mod proposer?
 - a. PAFA will highlight the risk to the proposer and ensure that the PAFAs view of the risk, any suggested Performance Assurance measures and reporting requirements, is accurately recorded in the workgroup report template.
7. How would PAFAs performance be assessed?
 - a. PAFA performance can be measured through a request tracker which will record receipt and turn around of requests. The Tracker will be made available to UNC mod panel and working groups.