

# June 2022 Risk update

V1

Rachel Clarke



**Gemserve**

# JUNE OBSERVATIONS

- Seven risks to review this month.
- Four risks have increased in energy value risk.
- Four areas for PAC consideration.

# UNREGISTERED SITES



- **1% decrease** in Value at Risk over 2020-21.

Est VAR – Dec 2020 (GWh)	Est VAR – Dec 2021 (GWh)
Average	Average
~128	~126

- This annual difference is primarily impacted by the number and average size of AQs identified in previous year of 2020 compared to the current year of 2021.
- The number of sites has increased by 1%. There has been a decrease of 2% in site average AQ which is reflective in the decrease in energy impact of the risk.



- Risk rating in register remains a 3 (Medium priority).
- **PAFA Recommendation;** No mitigations recommended until next refresh.

# SHIPPERLESS



- **25% increase** in Value at Risk across 2020-21.

Est VAR – Dec 2020 (GWh)	Est VAR – Dec 2021 (GWh)
Most Likely	Most Likely
~44	~55

- This annual difference is primarily impacted by the number and average size of AOs identified in previous year of 2020 compared to the current year of 2021.
- The average number of sites has increased about 24%. There hasn't been a change in site average AQ which is reflective in the increase in energy impact of the risk.



- Risk rating in register remains a 2 (Lower priority).

- **PAFA Recommendation;** More information is needed to understand the increase in sites. Data to be requested from Xoserve.

# METER BYPASS



- **18% decrease** in Value at Risk across 2021-22.

Est VAR – Apr 2021 (GWh)	Est VAR – Apr 2022 (GWh)
Most Likely	Most Likely
~252	~206

- This difference is primarily impacted by reduction in the number of issues and size of Open issues remaining that have been identified in April 2021 compared to April 2022 which is reflective in the decrease in energy impact of the risk.



- Risk rating in register remains 3 (Medium priority).

- **PAFA Recommendation;** PAFA recommend that Xoserve monitoring continues as risk is still medium and mitigations needed to ensure this does not rise again.

# DRIFT



- **13% decrease** in Value at Risk across 2021-22.

Est VAR – Apr 2021 (GWh)	Est VAR – Apr2022 (GWh)
Most Likely	Most Likely
~56	~49

- This difference is primarily impacted by the number and size of issues identified in past 12 months
- The count of Class 1 and 2 Check reads not received within last year has increased by 17%, alongside an decrease in the average AQ of 27%
- The count of Class 3 and 4 Check reads not received within last year has increased by 14%, with the average AQ remaining the same
- The net effect of the above is reflective in the decrease in energy impact of the risk



- Risk rating in register remains 2 (Lower priority).

- **PAFA Recommendation;** Check reads should be monitored through the new matrix as additional context to Tool.

# LINE IN THE SAND



- **63% increase** in Value at Risk across 2021-22.

Est VAR – Mar 2021 (GWh)	Est VAR – Mar 2022 (GWh)
Most Likely	Most Likely
~482	~786

- This difference is primarily impacted by the increase in percentage of no reads submitted by 4 years across Classes 3 and 4 in the past 12 months.
- The count of MPRNs in Class 3 and 4 with reads not submitted by year 4 has increased by 0.5% which is reflective in the increase in energy impact of the risk.



- Risk rating in register remains 5 (Highest priority).

- **PAFA Recommendation;** Deployment of 2022 strategy is hoped to mitigate this risk.

# TRANSFER READS



- **1% increase** in Value at Risk across 2021-22.

Est VAR – Mar 2021(GWh)	Est VAR – Mar 2022(GWh)
Most Likely	Most Likely
~38	~38

- This difference is primarily impacted by the decrease in transfers occurring the past 12 months by 71% and a drop in transfer reads submitted by 8%.
- This combined net effect is reflective in the increase in energy impact of the risk.



- Risk rating in register remains 2 (Lower priority).

- **PAFA Recommendation;** No mitigations recommended until next refresh.



# REPLACED READS



- **78% increase** in Value at Risk across 2021-22.

Est VAR – Apr 2021(GWh)	Est VAR – Apr 2022 GWh)
Most Likely	Most Likely
~1	~3

- The average use of read replacement has increased by 111% from April 2021 to April 2022 which is reflective in the increase in energy impact of the risk.



- Risk rating in register remains 1 (Lowest priority).
- **PAFA Recommendation**; MPRN level data is required to do a deeper dive into Replaced Reads. To be requested from Xoserve.

[PAFA@Gemserv.com](mailto:PAFA@Gemserv.com)



**INVESTORS IN PEOPLE®**  
We invest in people Gold

