

July 2023 Risk update

V0.1

Pete Ratledge

PAFA



Gemserve

JULY OBSERVATIONS

- 7 scheduled risks to cover this month

NO METER RECORDED



- **33% increase** in Value at Risk across 2022-23.

Est VAR – May 2022 (GWh)	Est VAR – May 2023 (GWh)
Most Likely	Most Likely
~46	~69

- The primary factor for the large increase in VAR is due to the increasing volume of SPs with no meter recorded
- There has been a 68% increase in no meter recorded instances across the reporting period
- In May 2022 there were circa 36.5k instances whilst in May 2023 there were circa 61.3k instances



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

- **PAFA Recommendation;** The CDSP is proactively working with Shipper parties whereby dataflows are being submitted and no meter is recorded. Review at next refresh point (October 2023)

INCORRECT READ FACTOR



- **34% increase** in Value at Risk across 2022-23.

Est VAR – May 2022 (GWh)	Est VAR – May 2023 (GWh)
Most Likely	Most Likely
~85	~128

- The primary factor for the large increase in VAR is due to the increasing volume of SPs with an associated incorrect read factor
- There has been a 68% increase of instances across the reporting period
- In May 2022 there were 477 instances whilst in May 2023 there were 801 instances



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

- **PAFA Recommendation;** PAFA would advise Shipper parties to review instances with a view to taking remedial action. Review at next refresh point (October 2023)

METER ASSET (COMBINED)



- **33% increase** in Value at Risk across 2022-23.

Est VAR – May 2022 (GWh)
Most Likely
~131

Est VAR – May 2023 (GWh)
Most Likely
~198

- Combining both 'No Meter Recorded' & 'Incorrect Read Factor' data has resulted in an increase to VAR for reasons detailed for each of these risks respectively



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

- **PAFA Recommendation;** See 'No Meter Recorded' & 'Incorrect Read Factor' slides for relevant recommendations. Review at next refresh point (October 2023)

NDM SITES AT DM THRESHOLD



- **8% increase** in Value at Risk across 2022-23.

Est VAR – May 2022 (GWh)	Est VAR – May 2023 (GWh)
Most Likely	Most Likely
~271	~293

- There has been a moderate increase in VAR across the reporting period of which can be determined as follows:
- The average number of SPs in both 'Met' and 'Not Met' categories has increased slightly from 33 (May '22) to 34 (May '23)
- The average associated AQ across categories has also increased from circa 72 GWh to circa 75.5 GWh



- Risk rating in register is 4 (High priority).

- **PAFA Recommendation**; No immediate action required action at this juncture. Review at next refresh point (January 2024)

PC1 READS



- **35% decrease** in Value at Risk across 2022-23.

Est VAR – May 2022 (GWh)	Est VAR – May 2023 (GWh)
Most Likely	Most Likely
~1,142	~743

- Read performance across the year has increased by 1% (93% to 94%)
- The number of sites has increased by 0.38% (533 to 535)
- The average AQ has decreased by 15% (127TWh to 110TWh) of which is reflected in the decrease in energy impact of the risk



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

- **PAFA Recommendation;** No immediate actions required due to substantial reduction in Value at Risk (VAR) level. Review at next refresh point (October 2023)

PC2 READS



- **32% decrease** in Value at Risk across 2022-23.

Est VAR – May 2022 (GWh)	Est VAR – May 2023 (GWh)
Most Likely	Most Likely
~465	~314

- Read performance across the year has increased by 5% (80% to 85%)
- The number of sites has increased by 23% (568 to 700)
- The average AQ has decreased by 24% (16.7TWh to 12.7TWh) of which is reflected in the decrease in energy impact of the risk



- Risk rating in register is 4 (High priority).

- **PAFA Recommendation:** No immediate actions required due to substantial reduction in Value at Risk (VAR) level. Review at next refresh point (October 2023)

SMART METER EXCHANGES



- **5% increase** in Value at Risk across 2022-23.

Est VAR – Mar 2022 (GWh)	Est VAR – Mar 2023 (GWh)
Most Likely	Most Likely
~20	~21

- There has been a slight increase in terms of the average number of exchanges within the reporting period (circa 10k) of which has resulted in the marginal increase in VAR
- There has been a slight reduction in the average number of days between exchange and asset update, moving from 4.77 days to 4.73 days



- Risk rating in register is 1 (Lowest Priority)
- **PAFA Recommendation;** No further action required at this juncture. Review at next refresh point (January 2024)

PAFA@Gemserv.com



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