

Mod UNC 0674

Performance Assurance Framework Document

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Mark Bellman (PAC) and Anne Jackson (PAFA)
on behalf of the Performance Assurance Committee (PAC)



Outside the UNC – UNC Related Documents



- Performance Assurance Framework (amended)
 - PATS (Performance Assurance Techniques)
 - PAC appointment and requirements
 - Appeal Procedure
 - Annual PAF Review and Consultation
- All documents to be incorporated into one document for easy reference
- Also include PAC Terms of Reference?

Framework Section (1)



Goal

- Currently:

The goal of the (Gas) Energy Settlement Performance Assurance Scheme is:

“A demonstrably effective settlement regime for the gas industry where no one party adversely impacts another party as a result of its failure to operate to the defined settlement regime”.

- Replace?

New Performance Assurance Objective –

to ensure the efficient, equitable and accurate allocation of energy between Shippers, calculated according to the UNC by the aggregated consumption of those Metering Systems for which each Shipper is responsible;

Framework Section (2)



Objectives

Currently the Framework has the following objectives:

- To determine the appropriate reporting and analysis to measure energy settlement performance and risks to it
- To create a risk register and supporting analysis to assess risks and determine mitigation activities for energy settlement performance
- To report as necessary
- To create a regime incentivising the required performance if necessary by proposing modifications to the UNC.

Add:

- To determine where performance improvement is required and by whom
- To require identified parties to improve their performance to agreed targets.
- To assure Parties that the settlement regime meets the Performance Assurance Objective

Framework Section (3)



Application and Operation

- Currently including
 - UNC parties (in direct control) that directly contribute to Energy Settlement Performance and
 - Includes Gas Transporters, CDSP, Shipper Users
 - Should explicitly include IGTs and IGT network Shippers
 - **Note:** need to consider impact of Mod on IGT UNC as IGT sites are included in all statistics
- Initially reports against certain performance indices & management of risk register
- Allows for extension of other activities and specifically mentions
 - Manage risk model developed by third party
 - Operation of an incentive scheme
 - Training awareness services

Performance Assurance Committee Section (1)



Performance Assurance Committee (PAC) has roles and responsibilities as defined under the UNCC PAC Terms of Reference.

These are:

2.5 Roles and responsibilities of Performance Assurance Committee

The PAC is responsible for:

- overseeing the work of the Performance Assurance Framework Administrator;
- overseeing the PAF Risk Register;
- determining reporting and analysis to inform a reliable assessment of the performance of gas settlement;
- reviewing relevant settlement performance data; and,
- where settlement performance deficiencies are identified, proposing (*and, where within the PAC's control, implementing*) methods of resolution to improve settlement performance.

The PAC shall perform the duties ascribed to it in the “Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme”.

Consider incorporating in PAF? Consider expansion to reflect modification or is bullet 5 sufficient?

Performance Assurance Committee Section (2)



Also in PAC Terms of Reference. Add to PAF document or appendix?

- Attendees:
 - Joint Office (Chair)
 - PAC members (voting)
 - Ofgem representative (non-voting)
 - Attendees by invitation (non-voting)
- Limited to distribution energy and supply points
- Shipper and transporter constituencies
- 9 Shipper Users & 3 Transporter appointed (2 x large distribution and 1 x AIGT)
- Annually elected
- Change elected tenure to 2 years. Possible mitigation for totally new PAC?
- Representatives as experts (in the opinion of nominating Party) and not their company representatives
- 1 Ofgem nominated representative

Performance Assurance Committee Section (3)



Also in PAC Terms of Reference. **Add to PAF document or appendix?**

- PAC members sign Confidentiality Assurance Document
- Employers of PAC members sign Employer Assurance Document
- **Place both documents in appendix?**
- PAC members and standing alternates published on JO website
- **One standing alternate per member on basis of confidentiality?**
- PAC members may appoint alternates on meeting-by-meeting basis or on a standing basis
- **Appointment on standing basis only on basis of confidentiality?**
- Non-members will only be permitted to attend non-confidential sessions of the PAC

Performance Assurance Committee Section (4)



Also in PAC Terms of Reference. Add to PAF document or appendix?

Meetings

- Quoracy
 - 4 Shipper user members and 2 Transporter members
 - Consider issue of non-quoracy as PA business could cease if an issue
 - Add in provision for such circumstance?
- CACoP applies
- PAC may decide to meet more or less frequently
- Default for meetings is 'closed' and information to be provided via a secure portal
- Non-members by invitation

Decision making

- Simple majority in both shipper and transporter constituencies
- 'Where such agreement is not obtained the Chair shall submit the matter to the UNCC for consideration'? The circumstances are not specified.

PAFA elements and sections



1. Procurement and Provision of Services not included in PAFA Scope
2. Responsibilities under the tender process, appointment process, review process, termination process and provision of data for the Performance Assurance Framework Administrator Scope
 - i. Performance Assurance Framework Administrator (PAFA) Appointment Criteria
 - ii. CDSP tender for and appointment of the Performance Assurance Framework Administrator
 - iii. Performance Assurance Framework Administrator - Tender and appointment timescales and contract extension
 - iv. Performance Assurance Framework Administrator Contract termination
 - v. **Provision of data or information to the PAFA**

Where the PAFA requests data/information/services from DNOs and Shipper Users, required for the provision of the PAFA Scope, DNOs and Shipper Users shall use reasonable endeavours to provide the data/information/services within the timescales requested, (such timescales having been previously notified to DNOs and Shipper Users).

Sections should be reviewed. Perhaps highlight under a new data section?

Budget



- PAC does not own a specific budget directly
- A modified change process is in place in the Data Services Contract (DSC)
Ref: Document 4, Schedule 3
- Any proper decisions by the PAC on expenditure required under the frame work will be expedited in good faith by the appropriate DSC committee.

More explicit? Sufficient to efficiently effect the business of the PAC?

Annual Workplan and Budget Statement



- Each PAF year the PAC will produce their workplan and budget
- It will detail the
 - PAC's focus and priorities
 - Budget statement including the costs of delivering the scheme with comparison from the previous year
 - Relevant summary explanation
- Current thinking is a separate UNC Related Document – Annual PAF Review and Consultation. Planning to remove this section from PAF.

Performance Assurance Committee Documents



- Governed by the PAC and changes can be proposed by any UNC party, the PAC or the PAFA
- The documents are:
 - Document 1 Performance Assurance Framework – Performance Reports Register
 - Document 2 Report Specification Template
 - Document 3 Risk Register
 - Document 4 Format of Performance Assurance Framework Administrator Scope
 - Document 5 Performance Assurance Committee Member Confidentiality Agreement
 - Document 6 Employer Assurance Document
 - Document 7 Nominating Party Assurance Document (where this is not the direct employer of the Member)
- Other UNC referenced Performance Assurance documentation
 - Performance Assurance Report Register (PARR)

Performance Assurance Framework

– potential amendments / additions (1)



- ✓ Budget – PAC activity is not constrained through an inability to access performance reports. **Additions to Budget section**
- ✓ Access to data for evidence of performance unhindered by data protection issues or other issues (prioritisation/systems etc.) - ? Data permissions **New data section**
- Inclusion of the performance of central service providers (CDSP / DMSP)
- ✓ Explicitly indicate that IGT data has been included and where appropriate is subject to requirements specified in the UNC and therefore monitored. **Add to PAF**
- Ensure that a performance report is costed and requested as part of any mod where performance standards are altered or added to the UNC as part of any mod.
- Role / Engagement of the CAM's in performance assurance

Performance Assurance Framework

– potential amendments / additions (2)



- ✓ Role / Engagement of the PAFA in performance assurance. **To be reviewed without the PAFA present.**
- Self reporting by parties
- ✓ Provision of support for those that proactively ask **New section in relation to CAMs**
- ✓ To reduce data lead times to ensure that data is current and relevant **New data section**

Thank you

Any comments or feedback for the PAC on this modification may be provided to:

PAFA@gemserv.com

