Retail Electricity Market Balance Scorecard

Guidance Document

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Document Version Control

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Reference Documents

Title	Description
Retail Electricity Market – New Entrant and Market Participant Assurance Strategy and Approach	Outlines the strategy and process that the Assurance Body will apply when providing assurance for new Market Entrants or when processing a change required by an existing Market Participant.

1. Introduction

1.1 Background

Within the Retail Electricity Market – New Entrant and Market Participant Assurance Strategy and Approach, the Balance Scorecard has been introduced within Phase 2 of the Market Participant Lifecycle Assurance Approach.

1.2 Purpose

The purpose of this guidance document is to outline the framework for the application of the Balance Scorecard. Specifically relating to Large and Small Suppliers[1] in the Retail Electricity Market (defined in the New Entrant and Market Participant Assurance Strategy and Approach);

1.3 Overview of the Market Participant Lifecycle

The New Entrant and Market Participant Assurance Strategy and Approach outlined four core phases of a Supplier lifecycle:

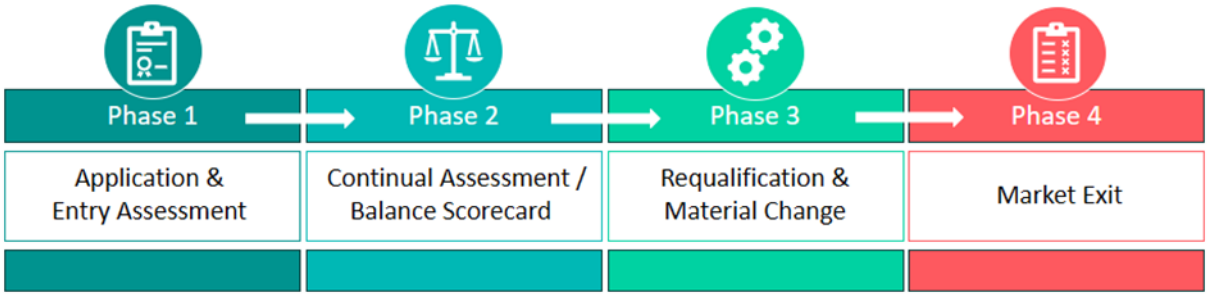


Figure 1 – Market Participant Assurance Lifecycle Process.

The Balance Scorecard forms part of Phase 2 of the Market Participant Assurance Lifecycle – Continual Assessment / Balance Scorecard.

1.4 Balance Scorecard Overview

The Balance Scorecard has been created following discussions between the Assurance Body, Retail Market Design Service (RMDS), ESB Networks and the Commission Regulation of Utilities (CRU). Some of the key areas it seeks to improve:

- Support Large and Small Suppliers in their review of their market processes, inefficient areas and support their development of a resolution plan, internal training or a process change.
- Facilitate Suppliers benchmarking performance comparisons to the market average.
- A more efficient Market could lead to potential cost savings.
- A tool to measure the Assurance Body's performance.
- Overall, by reducing processing errors in the Retail Market, this could improve customer satisfaction.

[1] Self-Supplier, Export Only and Demand Side Unit Supplier categories are excluded from the Balance Scorecard framework

1.4.1 Supplier Balance Scorecard

Balanced Scorecards are developed bi-annually (every 6 months) for all Small and Large Suppliers. Each Supplier Balance Scorecard will include two pages. The first page will include a dashboard of the four sections outlined in Figure 1. Section 2 of this document will provide detail of the scoring and calculation methodology of the KPI's in the first page. The second page of the Scorecard will include a bar chart of the rejection reason codes that contained in the rejection messages which is outlined in section 2.1.3. Appendix 1 (section 4.1) provides an overview of the scoring mechanisms across the four categories.

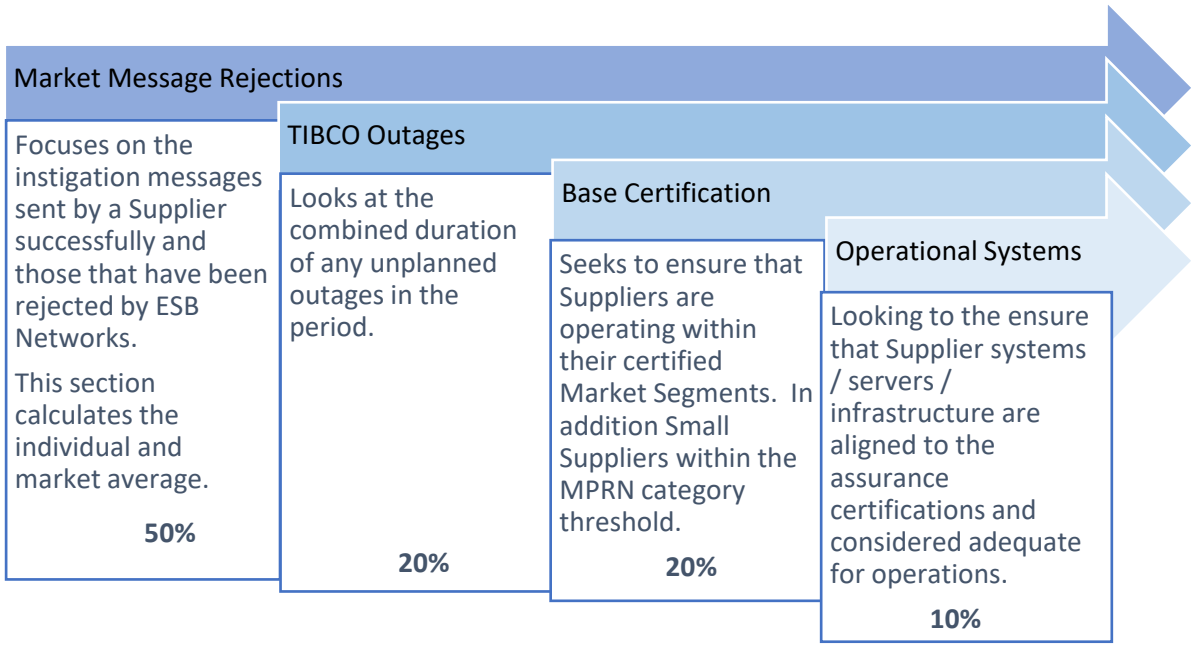


Figure 2 – Overview of the Balance Scorecard Categories.

1.4.2 Industry Balance Scorecard

Additionally, a similar scorecard will be created for the industry average by way of benchmarking. It will be calculated using all Supplier results. In addition to the overall supplier scorecard average, averages for Small Suppliers and Large Suppliers will be calculated separately. It should be noted that Suppliers will only be able to view their performance and the market average.

Average	Criteria
Overall Industry Average	All Small and Large Suppliers
Small Supplier Average	Only Small Suppliers
Large Supplier Average	Only Large Suppliers

Table 1 – Overview of the Scorecard Industry Averages.

2. Overview of Scorecard Sections

2.1 Market Message rejections

The weighting attributed to this section within the Balance Scorecard is 50%.

This section of the Balance Scorecard focuses on a selection of Supplier generated outbound Market Messages (MM) that are part of key market processes. The scorecard tracks the volume of messages issued by a Supplier and those subsequently rejected by ESB Networks for reasons outlined within the Market Message Guides. A total of seven MM along with their associated rejection codes have been selected.

2.1.1 Market Messages scoring mechanism

The following seven Market Messages with their associated rejection messages have been included in the Balance Scorecard. Table 2 details the individual market messages and the associated rejection messages that will be tracked. Section 2.1.2 details the scoring mechanisms for the Red, Amber and Green outcomes.

Supplier Outbound MM	Supplier Inbound MM	Market Message Title
010 MM	101R MM, 102R MM	Registration Request
012 MM	112R MM	Objection of Change of Supplier
013 MM	014R MM	Customer Details Change
016 MM	116R MM	Change of Legal Entity
017 MM	117R MM	Meter Point Status Change Request
021 MM	122R MM	De-Registration Request
030 MM	130R MM	Meter Works Request

Table 2 – Selected Market Messages and associated Rejection Market Messages.

2.1.2 Scoring Methodology

2.1.2.1. RAG overview

A breakdown of the score is outlined below. Each Market Message will be given a score of either green, amber or red.

- A green score is given when the market message rejection rate is less than 5%;
- An amber score is given when the market message rejection rate is between 5% - 10%;
- A red score will be given for a market message rejection rate over 10%.

Market Message Rejection rate RAG (%)		
⩾ 10.0%	5.0% - 9.9%	⩽ 4.9%

Figure 4 – Summary of the Market Message Rejection RAG.

2.1.2.2. Calculation method

The calculation for the Market Message Rejection rate is as follows:

Number of rejections sent by ESB Networks / number of instigation messages received by ESB Networks.

By way of example, a Supplier sends 100 Market Messages request to ESB Networks. The Supplier then receives 5 rejections Market Messages. The result would show 5% as the rejection rate.

The same calculation is used to calculate the overall market rejection rate for each of the selected Market Messages. All rejection Market Messages that are generated are added together and divided by all the Market Message requests received by ESB Networks. The Market average includes all Large and Small Suppliers. A separate Supplier average will be calculated for Small and Large Suppliers.

From a review perspective, it is important to calculate the market as a whole as this provides a good indicator that processes are working. If the overall Market rejection rate is high in a specific area, the Assurance Body may propose a cross body workshop consisting of RMDS, Market Participants and ESB Networks to identify the root cause of the scorecard identified issue. Depending on the outcome of the workshop, the next steps could potentially include a review of the market design and or the current systems/software, for suppliers to review their own internal processes and systems to resolve the issues encountered, or for market assurance lessons learned. However, when the overall Market rejection rate is low/green and there are some individual Suppliers with a high/red rejection rate, this would indicate the issue is specific to that individual Supplier and therefore the Suppliers responsibility to resolve it.

2.1.2.3. Message Weighting

Each market message is provided an equal weighting within the overall 50% allotted to this category, except the associated rejection messages to the 010MM registration market message, that is allotted 8% of the score:

- Where a green score is achieved for a market message (i.e. less than or equal to 4.9% rejection rate) the scorecard will be awarded 7% (8% for the 010MM);
- For an amber score (i.e. 5% -9.9% rejection rate) the scorecard will be awarded 3.5% (4% for the 010MM);
- The Scorecard will be awarded 0% where the market message rejection rate is greater than or equal to 10% in all instances.

2.1.3. Market Message rejection reason code analysis

The Balance Scorecard will be accompanied with an analysis of each rejection code that was issued for the associated Market Message rejection. The analysis of the Market Message Rejection reason codes will not carry any weighting of the overall score. It will highlight which rejection codes are being issued more frequently, which in turn will allow the Supplier to take preventative measures in respect to the area of concern. The aim of this additional information is to provide Suppliers with the necessary tools so they can improve their Scorecard.

An example the second page of the Balance Scorecard is available in Appendix 4.

2.2 TIBCO Outages

The weighting attributed to this section within the Balance Scorecard is 20%.

When the TIBCO/ EMMA systems are not communicating properly, a contingency event is instigated. This is the fail-safe mechanism is deployed to ensure the failure of one Suppliers EMMA will not affect the whole Market. From a customer perspective, it is important that the TIBCO and EMMA solutions are communicating properly to ensure their requests are managed quickly between all Market Participants, hence it is important to ensure unplanned contingency events are kept to a minimum.

A Market Participant can schedule a contingency event to perform maintenance and essential health checks to ensure their EMMA and TIBCO solution is working correctly. Planned contingency events will not be penalised or scored, although will still be tracked for visibility within the Balance Scorecard.

2.2.1. TIBCO outages scoring mechanism

Contingency events are classed as either a planned or an unplanned outage.

Contingency Event	Description
Planned	A planned outage occurs when a supplier notifies ESB Networks using the agreed procedure that a contingency event has been planned/required to perform maintenance on their systems.
Unplanned	An unplanned outage occurs when the supplier has not notified ESB Networks of a contingency event for maintenance on their system and either does not follow the agreed procedure or an outage occurs due to an unforeseen issue.

Table 3 - Overview of planned and unplanned outages.

Planned outages will not carry any weighting of the overall score for this section. Instead, it will be tracked and visible, but a Supplier will not be penalised for any volume of planned outages. This is to encourage essential planned maintenance and promote the use of the correct procedure for an outage. Unplanned outages will carry the full 20% score for this section.

2.2.2 Calculation method

Unplanned outages will carry a weighting of 20% for this section.

An unplanned outage is calculated by the duration of hours the TIBCO is offline. The duration of the outage data is provided by ESB Networks. This information essentially provides the combined duration of the unplanned contingency events that occurred during the six-month reporting period.

The unplanned outage RAG is as follows:

Unplanned Outages RAG		
> 48 Hours	24 – 48 Hours	< 24 Hours
0%	10%	20%

Table 4 – Unplanned Outages RAG.

2.3 Base Certification

The weighting attributed to this section within the Balance Scorecard is 20%.

This section of the scorecard seeks to monitor that Suppliers are operating within the Market Segments that they have received market assurance certification. In addition, that Small Suppliers are remaining under the 1,000 MPRN threshold.

2.3.1. Base certification scoring mechanism

2.3.1.1 Market Segments

This section of the Balance Scorecard tracks MPRN volumes and compares to the Market Segments that a Supplier has been certified. The Market Segments are outlined below.

Domestic	Non Domestic	Non Domestic (QH)	Domestic (Pre-Payment Metered)	Unmetered

Table 5 – Overview of Market Segment Categories.

2.3.1.2. Small Supplier MPRN threshold (Small Suppliers only)

The base certification section of the scorecard also calculates the total number of MPRNs for Small Suppliers for reference to the MPRN threshold restriction.

Threshold	Small	Large
MPRN	<1,000	No Limit

Table 6 – Overview of Small Supplier threshold.

2.3.2. Calculation method

The data for this section is collected by ESB Networks and shared with the Assurance Body. The MPRN volumes will be recorded on the last day of the reporting window[2].

Base Certification RAG		
Breaching Certified Levels	Slightly Breaching Certified Levels	Within Certified Levels
0%	10%	20%

Table 7 – Base Certification RAG.

A breakdown of the score is outlined below. Each Supplier will be given a score of either green, amber or red in the base certification section.

- A green score (20%) will be awarded when a Supplier is operating within the Market Segments that they have been certified for and within their Supplier category threshold;
- An amber score (10%) will be given when a Supplier has slightly breached[3] their certified Market Segment or Supplier category threshold. The breach should not be continuous, and the Supplier will be required to provide a resolution plan with the necessary steps to correct the position;

[2] ESB Networks will extract the data based on the data that is valid on the last day of the reporting window, i.e., the 30th June or 31st December.

[3] The volume of MPRNs in the market segment that have not been Market Assurance Accredited are less than 1% of the total MPRN base, and is the first scorecard where the breach has been identified.

- A red score (0%) will be given when a Supplier has breached their certified Market Segments or Supplier category threshold, that is considered material and not temporary[4], with no resolution plan in place to correct the position.

2.4 Operational Systems

The weighting attributed to this section within the Balance Scorecard is 10%.

This section of the Balance Scorecard focuses on the Suppliers operating systems to ensure that their market processes, market facing systems and server infrastructure are considered adequate for the level of operations. A suppliers server infrastructure to which the EMMA resides should align to the recommended specifications provided by ESB Networks.

2.4.1 Operating systems scoring mechanism

The Assurance Body will review the Suppliers annual assurance declaration and returns, from which an assessment will be made to the continued adequacy of the market facing systems, processes and infrastructure. Where a material change has been notified, not previously having been market assured this will also be factored.

Where a Supplier has not implemented the recommended level of infrastructure, it could be a contributing factor to unplanned contingency events. A high level of outages could instigate a request for ESB Networks to review a Suppliers TIBCO server specification.

2.4.2 Calculation method

The scoring mechanism for this section is as follows.

Operational Systems RAG		
Not considered adequate for operations and/or material change not advised	There is some apprehension, however action plan agreed to resolve	Considered adequate for operations and aligned to assurance certifications
0%	5%	10%

Table 8 – Operational Systems RAG.

The Assurance Body in some instances may agree an MPRN volume threshold that the systems and processes can cater for when performing a Supplier assurance entry or requalification. Should any threshold be breached, it will be factored into the scoring of this area.

In the case that the operational systems are not considered adequate for the level of business operations, in most cases the scorecard will also exhibit poor market message rejection and TIBCO outage performance.

[4] The volume of MPRNs in the market segment that have not been Market Assurance Accredited are greater than 1% of the total MPRN base, and/or it is greater than the first scorecard where the breach has been identified.

3. Overall Balance scorecard RAG

3.1 Overall Status

The overall status of the Scorecard is calculated from the collation of the various sections outlined above. The totals awarded for each section are added together to achieve a maximum award of 100%.

3.1.1. Overall status scoring mechanism

The following table displays the calculation methods for the overall Balance Scorecard. Each if the four sections accumulate to a max score of 100%.

Supplier Outbound MM	Supplier Inbound MM	Market Message Title	Red	Amber	Green
010 MM	101R MM, 102R MM	Registration Request	0%	4%	8%
012 MM	112R MM	Objection to Change of Supplier	0%	3.5%	7%
013 MM	014R MM	Customer Details Change	0%	3.5%	7%
016 MM	116R MM	Change of Legal Entity	0%	3.5%	7%
017 MM	117R MM	Meter Point Status Request	0%	3.5%	7%
021 MM	122R MM	De-Registration Request	0%	3.5%	7%
030 MM	130R MM	Meter Works Request	0%	3.5%	7%
Seven Market Messages worth 7% (010MM – 8%) each that accumulate to a max score of 50% within this section					**50%**
TIBCO Outages			**0%**	**10%**	**20%**
Base Certification			**0%**	**10%**	**20%**
Operational Systems			**0%**	**5%**	**10%**
Overall Scorecard Score					**100%**

Table 9 – Overall Scorecard Calculation.

3.1.2 Overall Scorecard RAG status

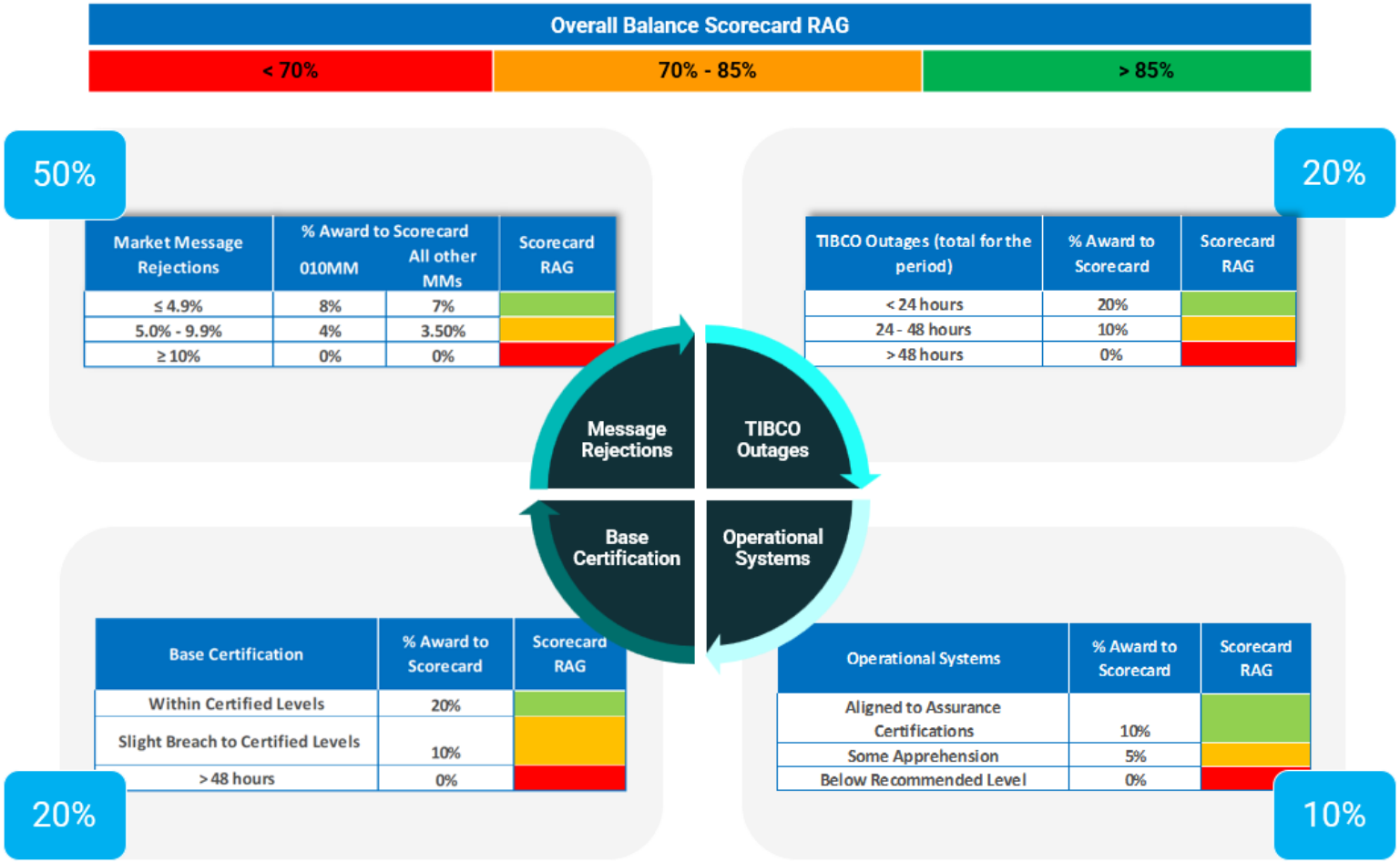
The overall outcome is displayed with a Red, Amber, Green status and is defined as follows;

Overall Scorecard Status		
< 70%	70% - 85%	> 85%

Table 10 – Overall Scorecard Status.

4. Appendices

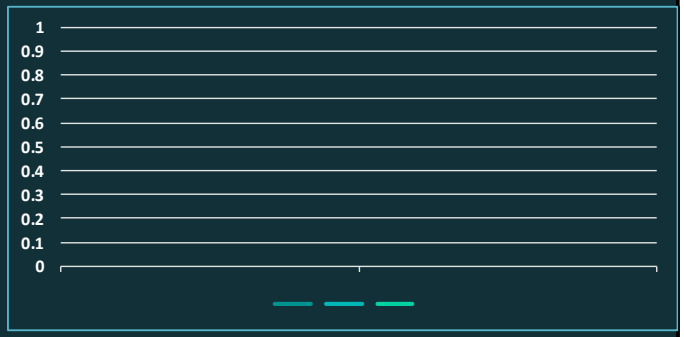
4.1. Appendix 1 – Balance Scorecard RAG Methodology.



4.2 Appendix 2 – Large Supplier Balance Scorecard Example

Large Supplier	Example Supplier Scorecard				
Date	Period 1	Period 2	Period 3	Period 4	
Supplier Scorecard Average					
Market Average - Overall					
Market Average - Large Supplier					

Message Rejection %	MM Volume	Period 1	Period 2	Period 3	Period 4	Period 1 Mkt Ave
Registration Request (010 MM)						
Objection of Change of Supplier (012 MM)						
Customer Details Change (013 MM)						
Change of Legal Entity (016 MM)						
Meter Point Status Change Request (017 MM)						
De-Registration Request (021 MM)						
MeterWorks Request (030 MM)						



TIBCO Outages	Period 1	Period 2
Unplanned Hours (Instances)		
Planned Hours (Instances)		

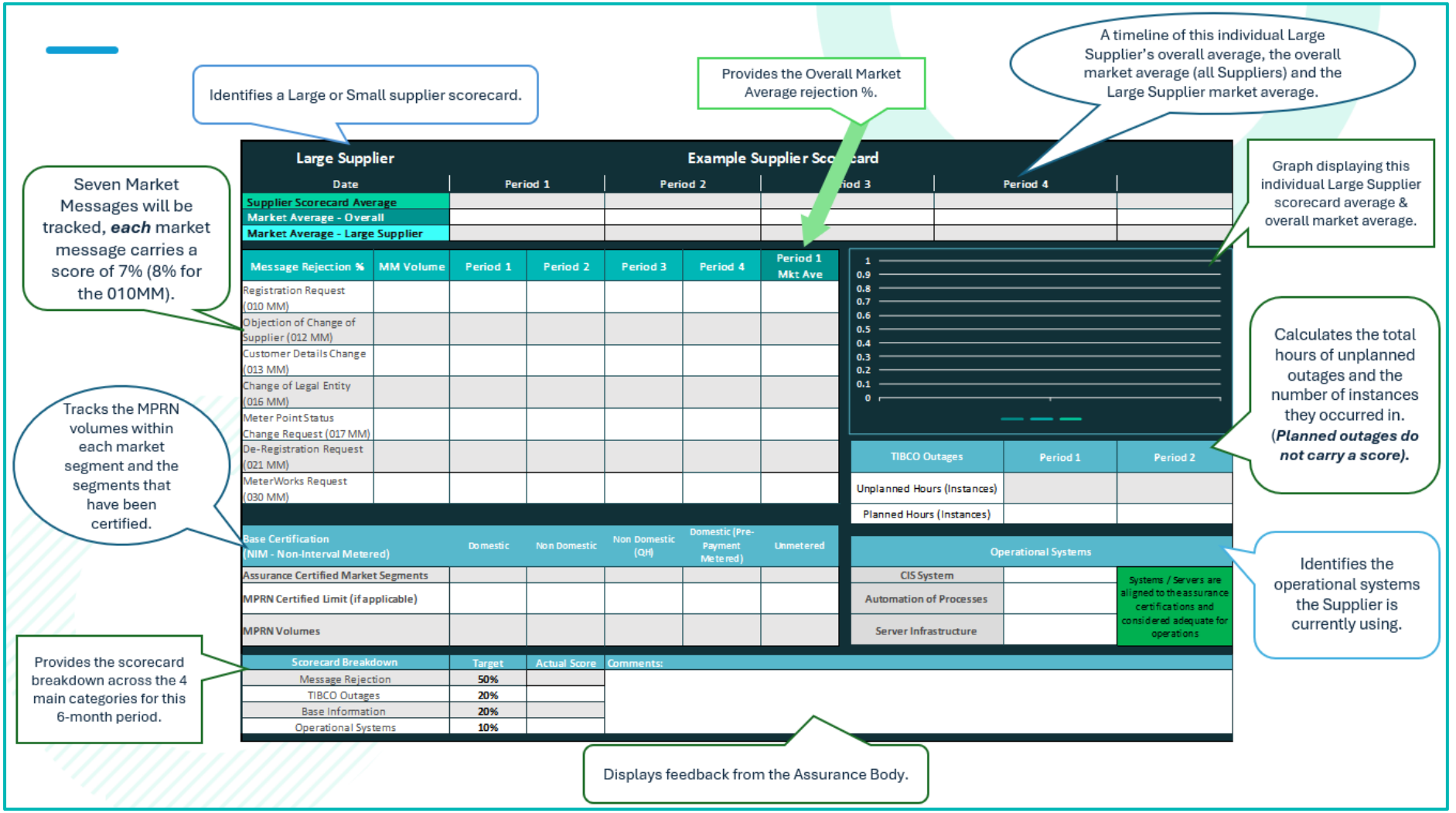
Base Certification (NIM - Non-Interval Metered)	Domestic	Non Domestic	Non Domestic (QH)	Domestic (Pre-Payment Metered)	Unmetered
Assurance Certified Market Segments					
MPRN Certified Limit (if applicable)					
MPRN Volumes					

Operational Systems		
CIS System		Systems / Servers are aligned to the assurance certifications and considered adequate for operations
Automation of Processes		
Server Infrastructure		

Scorecard Breakdown	Target	Actual Score	Comments:
Message Rejection	50%		
TIBCO Outages	20%		
Base Information	20%		
Operational Systems	10%		

This is a proposed template; however the final scorecard may differ slightly in design.

4.3 Appendix 3 – Balance Scorecard FAQ



4.4. Appendix 4 – Balance Scorecard – Page Two Rejection Code Analysis example

This is a proposed template; however the final scorecard may differ slightly in design.

Retail Market Design Service

www.rmdservice.com