

Code administrators performance survey

Balancing and Settlement Code (BSC)

Elexon

Introduction

As part of its 2016 Code Governance Review Final Proposals (Phase 3) (CGR3), it was decided that Ofgem should commission a standardised cross-code study to monitor and assess the performance of code administrators in their role in respect of each code that they administer.

The study evaluates the service provided by code administrators in accordance with the principles of the Code Administration Code of Practice (CACoP) which aims to align processes across the industry codes and identify areas of best practice.

This report looks specifically at the results for the Balancing and Settlement Code (BSC) administered by Elexon and all verbatim comments within were provided in respect of the BSC and/or Elexon, however they may be more widely applicable.

Method

A mixed mode programme of research was conducted with organisations interacting with industry codes consisting of:

- A total of 15 depth interviews to inform questionnaire design
- A core survey with 204 participants to measure experience and performance of code administrators (57 participants answering about the BSC)
- 22 follow-up depth interviews to get an understanding of drivers of satisfaction/dissatisfaction

Throughout the report, results are shown:

At a total level (aggregated results for all codes)

At a total for the BSC (due to small base sizes, results are not broken down by subgroup)

*If BSC results are significantly higher than the average, the total is shown in **green***

*If BSC results are significantly lower than the average, the total is shown in **red***

Quotes from respondents included in the report and are not intended to be representative of the range of views, but rather offer a range of opinions, feedback and suggested improvements

*Where base sizes are small, this is shown by an * for bases less than 30 and ** for bases less than 15. This indicates that the data should be treated with caution*

Industry context

It is important that the structure and perceptions of the energy industry in which organisations operate are taken into account when interpreting survey results.

Organisations recognise that the energy market is going through a transitional phase and that the changes occurring may affect how they interact with codes. Highlighted changes include:

- Requirement for codes to be in line with European legislation.
- Prevalence of new entrants into the market.
- Attempts to streamline processes, such as the Code Administrators Code of Practice.

Some feel that the market is getting more complex and there are occasions when Ofgem can add to the complications of processes associated with codes.

Codes are perceived as complex and typically very different, with some being more technical than others. Organisations highlight that increased cross-code coordination overall and simplifying operational aspects of codes would greatly assist them. For example, when changes to one code affect another, communications and associated processes should be in place for all the codes that are impacted. There is also a call for a cross-code accession process (to avoid having to provide the same information to each code administrator).

Some organisations believe that industry-wide interventions could be initiated centrally to help streamline processes.

Generally, organisations perceive code administrators to be performing well despite these challenging external factors. However, these external factors can influence how organisations view the service code administrators provide.

Executive summary


Overall, Elexon is regarded highly.

- Eight in ten say they are satisfied with the service provided to their organisation overall (half are very satisfied).
- The majority are satisfied with the provision of support (85%) and the support received when requested (79%).
- However, while results are strong, there are a few areas where Elexon could further improve service:
 - *Helping organisations with interpreting information*
 - *Improving the website user experience*


Organisation profiling

Individuals employed by small organisations (0-49 employees), or new entrants to the market (within the last 5 years) tend to express slightly lower levels of contentment throughout the survey across all codes. It is likely this is due to lack of resource and expertise, which are more frequently highlighted as issues by these groups. However, even those working for larger organisations say they sometimes face challenges when interacting with codes.

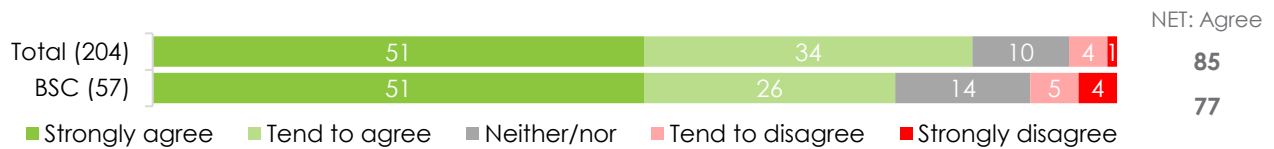
ORGANISATION'S SIZE

	No. of employees			
	0-49	50-249	250-999	1,000+
 Total (204)	27%	17%	15%	38%
BSC (57)	26%	18%	11%	44%

ORGANISATION'S ENERGY MARKET EXPERIENCE

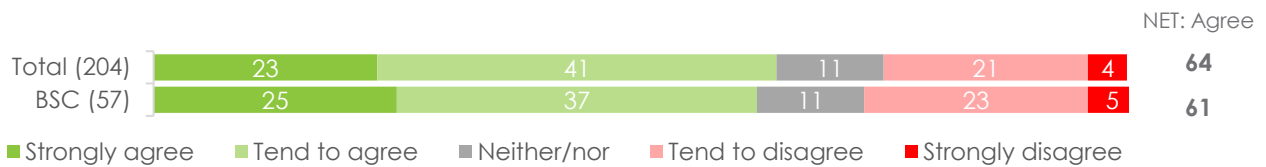
	0-5 years	6-9 years	10+ years
	 Total (204)	13%	10%
BSC (57)	11%	12%	77%

SUFFICIENT ORGANISATIONAL EXPERTISE TO DEAL WITH CODES



Q1. To what extent would you agree or disagree that your organisation has sufficient expertise to enable you to deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

ORGANISATION'S RESOURCE



Q2. And to what extent would you agree or disagree that you have enough resource within your organisation to sufficiently deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

Smaller organisations indicate that they often deal with multiple codes, which can make it challenging to know the intricate detail of the BSC, or other codes they may deal with.

“Our biggest challenge is that we are small and we don't have the volume of business that would allow for the breadth of knowledge we need for each code.”

Key findings

KPIs

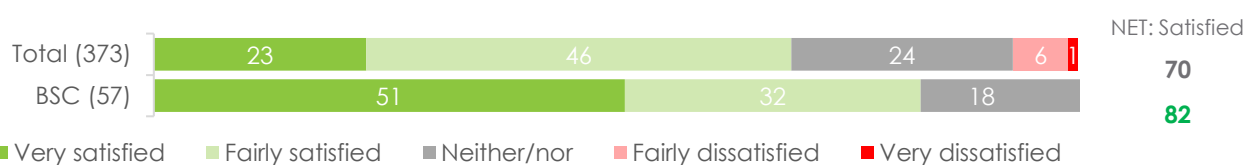
The survey collected three wide measures of satisfaction:

1. Overall satisfaction with the service provided to their organisation.
2. Satisfaction with the provision of support.
3. Satisfaction with support received when requested.

Organisations rate Elexon highly across all KPIs. There is no dissatisfaction reported across any of the measures and half say they are 'very satisfied' with the overall service. Three-quarters say they are satisfied with the provision of support from Elexon in respect of their interactions with the BSC.

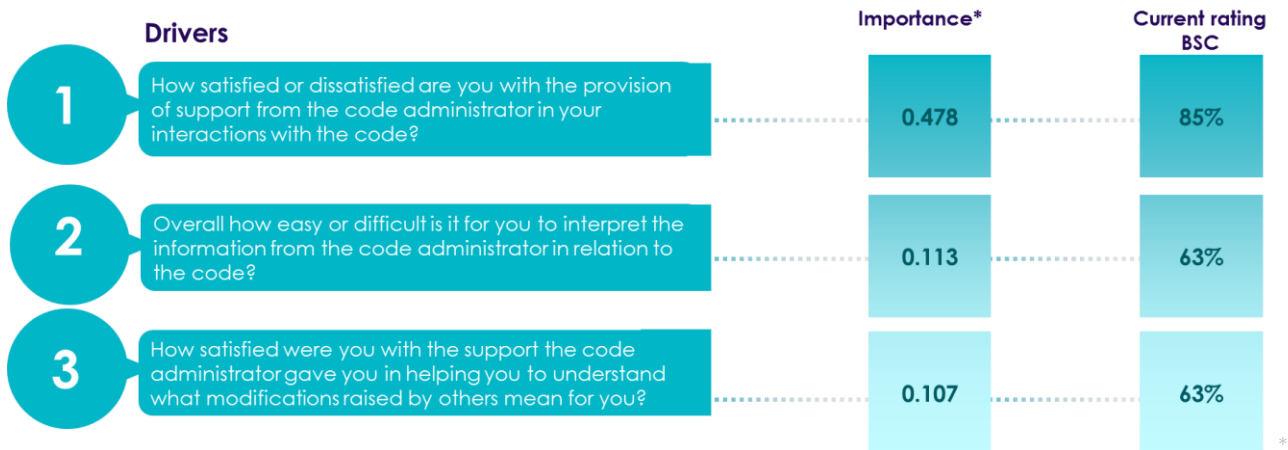
OVERALL SATISFACTION

At an all code level, seven in ten say they are satisfied with the service provided by their code administrator. Eight in ten say they are satisfied with Elexon's service regarding the BSC.



Q10. Thinking about all aspects of your dealings with the code administrator in relation to <this/these> codes, overall how satisfied are you with the service provided to your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

To understand the aspects of service delivery that most affect overall satisfaction, key driver analysis (KDA) was conducted.¹ The aspects of service that have the greatest impact on overall satisfaction are:



The importance value will always have a value between -1 and +1, where, a large positive correlation means two ratings 'move together' and a negative correlation means the ratings move in the opposite direction. A correlation of 1 means an exact linear relationship (i.e. everyone gives the same rating for overall satisfaction as for provision of support.)

Due to the small base sizes, it is not possible to identify the key drivers for individual codes. The importance scores are based on the combined total for all codes and the current rating is specific to the BSC.

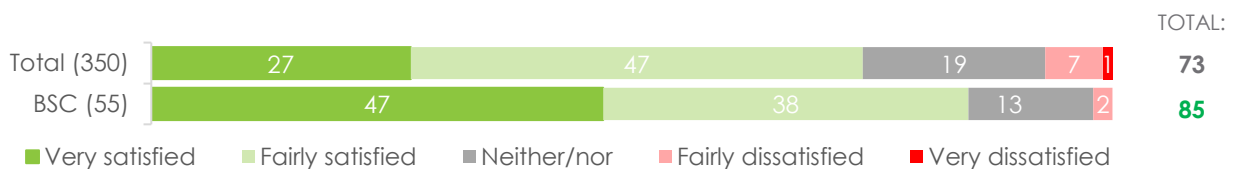
SATISFACTION WITH PROVISION OF SUPPORT

Generally, organisations acknowledge the need for comprehensive detail from administrators. However additional support in interpreting this information is appreciated, particularly for small organisations or those new to the market. Elexon is rated very highly for providing support in relation to the BSC. Some organisations highlight that the BSC is particularly complex but Elexon manages this well.

"The BSC tends to be very intense."

Organisations with a dedicated Operational Support Manager (OSM) at Elexon are very positive about the service. OSMs are praised for being knowledgeable about the BSC and easily contactable, offering additional support through modifications or the accession process where relevant and helping organisation to remain compliant with the code. Small organisations and those new to the market find this service particularly important as their OSM can help them to digest complex information and understand its relevance.

Elexon customers are highly satisfied with the provision of support they receive.



Q11a/Q11c. How satisfied or dissatisfied are you with the provision of support from the code administrator in your interactions with the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

"Elexon are most efficient in the way information is communicated, and I have an OSM to go to if more information is required."

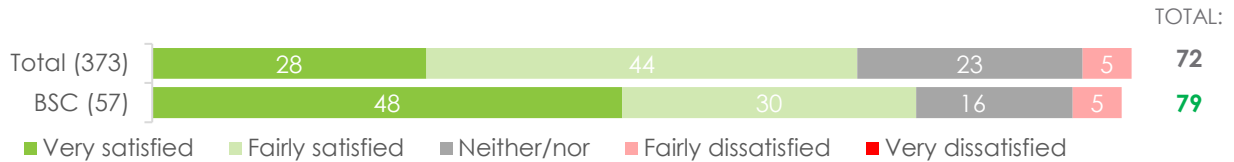
¹ KDA tests the strength of the correlation between ratings of core metrics against perceived level of satisfaction by which we can derive which factors have the greatest impact on satisfaction – this is a subconscious measurement rather than a stated level of importance.

“An OSM should be something offered by other codes.”

“Someone like Elexon has operation service managers and we interact with them quarterly. Some of these administrations do not have the time to reach out.”

SATISFACTION WITH SUPPORT RECEIVED WHEN REQUESTED

Organisations are also highly satisfied with the support they receive when it's requested from Elexon. Organisations praise Elexon for its helpdesk service, its speed in responding to queries (by email and phone) and its website accessibility.



Q13/Q13b. And when you request support from the code administrator in relation to the <code> how satisfied or dissatisfied are you with the support you receive? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

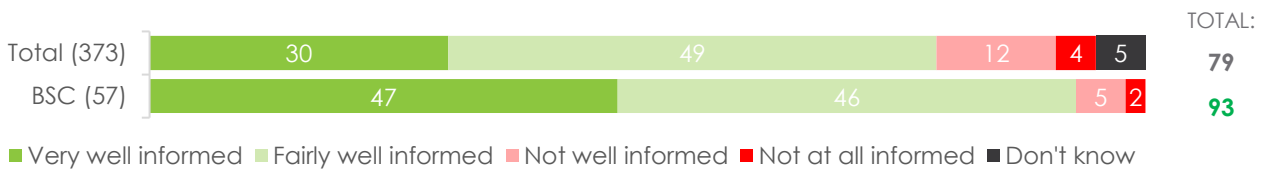
Perceptions of information provision

On average, organisations receive information about the BSC from Elexon 2-3 times a week and for the vast majority (87%), this frequency is about right.

KEPT INFORMED ABOUT THE CODE

At an overall level, there is correlation between the experience and size of an organisation and perceptions of being informed about the codes. This demonstrates that resource and familiarity tend to produce a more comfortable position in which to deal with code processes.

Elexon perform very well in this area: nine in ten say they feel 'very' or 'fairly' well informed about the BSC.

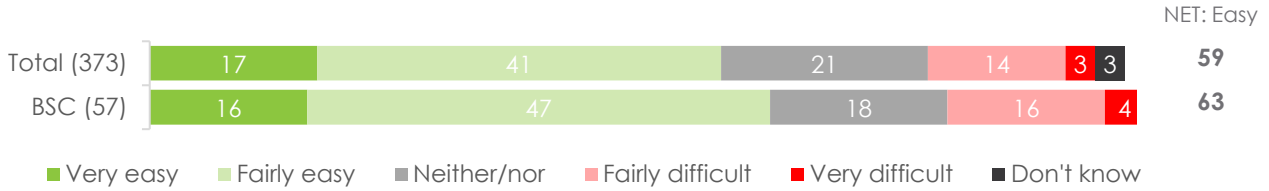


Q14/Q14b. How well do you feel your code administrator keeps you informed about the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

EASE OF INTERPRETING INFORMATION

Around six in ten say information from Elexon is easy to interpret. While organisations face some challenges with interpretation, they acknowledge that it may be difficult to simplify information due to the complexities of the code itself.

At an overall level, those with more experience of industry codes find it easier to interpret related information.



Q15/Q15b. Overall how easy or difficult is it for you to interpret the information from the code administrator in relation to Base: All responses for those involved with code (number of respondents in brackets) (results in %)

“Very bureaucratic code and long winded procedures to do seemingly simple things.”

“Interpretation of information should be more like what they do with the introductory workshops.”

Perceptions of direct services

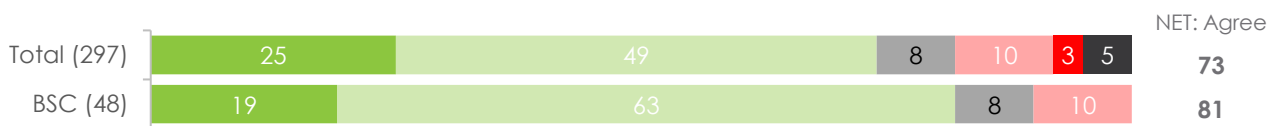
EMAIL

Generally, organisations prefer to receive information via email so they do not have to manually search through websites to keep track of developments. It helps them to stay on top of changes to the code and provides a ready-made audit trail they can reference.

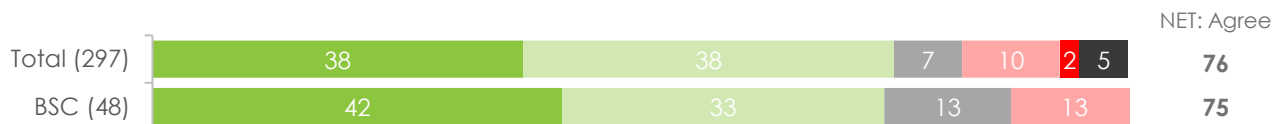
Some emails are considered too content heavy and the volume of information can be hard to digest for those with limited resource. Organisations mention difficulties in identifying which emails require immediate action or contain information that is relevant to them. This can lead to important information being missed. There is appetite for a more tailored service, such as mailing lists that are specific to company type (such as generators or suppliers) or company size.

There is a relatively high level of agreement that Elexon's emails are easy to understand (81%) and make it clear when action needs to be taken (75%). However, by simplifying and tailoring information for different types of organisations, Elexon could further improve these scores.

‘The emails I receive are easy to understand’



‘The emails I receive make it clear when action needs to be taken’



Legend: ■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q19. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those receiving information from code administrator (number of respondents in brackets) (results in %)

"Make the updates supplier specific as some changes are not relevant. Make that clear from the start. Often you'll read way into the document and realise it doesn't apply."

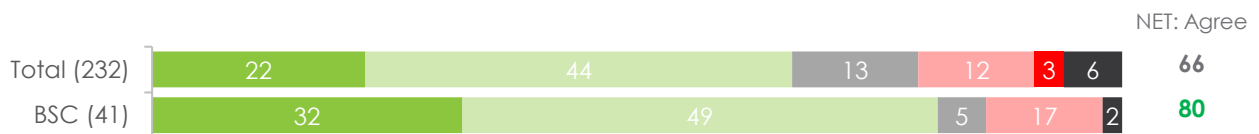
"In all cases, it would be useful to separate out supplier issues and other issues, and domestic issues from the rest of the market. Domestic only suppliers need only to be told things that apply to them. Limiting the information going to companies which have much narrower activities than the big six."

WEBSITES

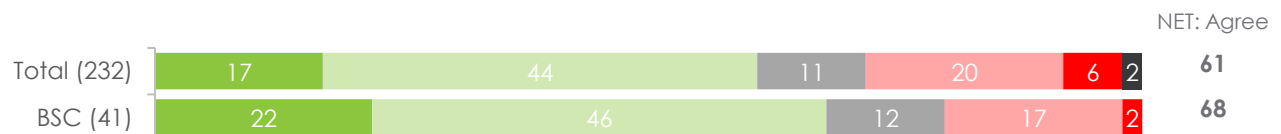
At an overall level, those accessing specific code websites more regularly find them easier to navigate, while those less familiar feel it can be difficult to find the information they are looking for. Code administrator websites are thought to vary in quality and some are not updated as frequently as others. However, a few appreciated that when they had fed back about website issues their code administrator made changes.

There is some dissatisfaction expressed with Elexon's website: one in five disagree that they are able to easily find information. Improving website accessibility could help those less familiar with the code to navigate it to find the information they are looking for more easily. However, the proportion of Elexon customers agreeing that the website keeps them sufficiently informed of any changes or modifications to the code is high.

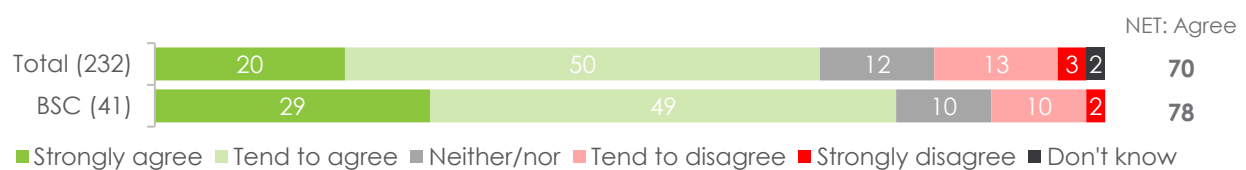
'The website keeps me sufficiently informed of any changes or modifications to the <code>'



'I am able to easily find information on the website'



'The information on the website is easy to understand'



Q20. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those using code administrator website (number of respondents in brackets) (results in %)

"Elexon are a bit more slick, their website is a bit easier to navigate."

"Make the website a little easier to navigate."

"The website needs to point you in the right direction. There's loads of different organisations. It needs to be clear who holds the information that you are looking for - make it more clear."

"The access of information on the website needs to be in clear English."

MEETINGS

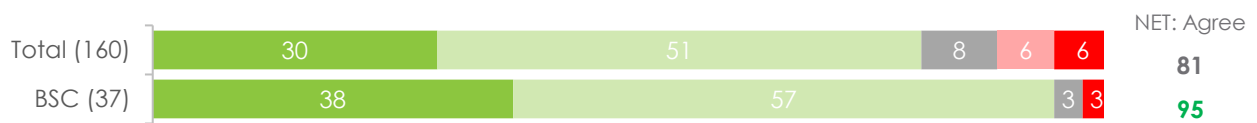
The proportion of those who have attended a meeting or workshop about the BSC in the last 12 months is significantly higher than average at 65%. At an overall level, 43% have attended a meeting or workshop in relation to the code they interact with.

Overall, meetings and workshops are perceived as well run and useful. Introductory sessions are valuable for new entrants, chairs are generally impartial and effective, and organisations find it easy to contribute. Organisations indicate that code administrators try to encourage attendance from stakeholders.

However, organisations say it can be difficult to attend all meetings due to resource and financial constraints. Meetings are perceived as mainly London centric, which can be problematic for those not based in the capital.

Teleconference facilities can be problematic due to audio problems (hearing and being heard), and confusion about who is talking.

'I receive information in sufficient time before meetings'



'Meeting facilities are fit for purpose'



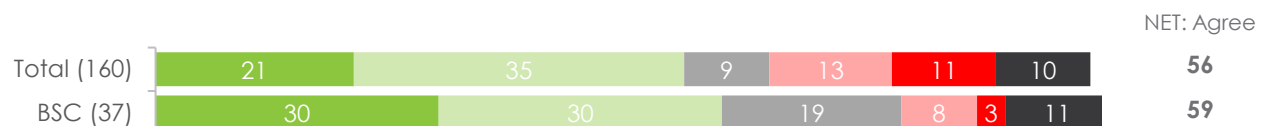
'It is easy for me to actively participate in the discussion'



'The materials that I receive prior to the meeting(s) provide me with enough information about the objectives'



'Teleconference facilities are fit for purpose'



■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q22. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those attending meetings (number of respondents in brackets) (results in %)

"Make sure they have good teleconference facilities in all rooms."

“Need to update the teleconference/web meeting facilities. Far behind other companies.”

“Teleconference facilities: code administrators are good at using Lync and other new technologies and they are better than teleconference. It would also reduce party's costs.”

“Provision of a meeting diary, as provided by the Joint Office, would help management of BSC meeting attendance substantially.”

RAISING MODIFICATIONS

Eighteen per cent have raised modifications in respect of the BSC within the last 12 months which is above the average (13%) for all codes, though not significantly so.

Of those raising a modification, all (100%) say the process of raising a modification was easy and nearly all (90%) are satisfied with the support Elexon gave in the development of their proposal.

Organisations also highlighted specific considerations to the BSC modification process.

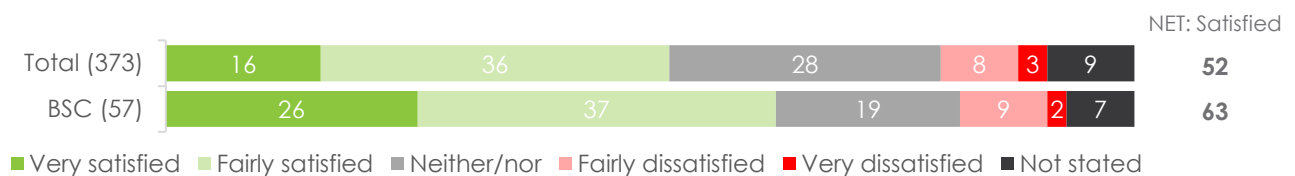
“To not be pressurised into rushing changes through to suit external parties which then result in incomplete analysis or subsequent rework as the original change did not deliver what was required.”

“Consider the impact of changes on customers rather than just on the accuracy of the settlement arrangements.”

UNDERSTANDING MODIFICATIONS

Overall, half of organisations are satisfied with the support their code administrator provides to help to understand what modifications raised by others mean for them.

Six out of ten organisations who deal with the BSC are satisfied with Elexon's support in understanding modifications, whilst one in ten are dissatisfied.



Q28. How satisfied were you with the support the code administrator gave you in helping you to understand what modifications raised by others mean for your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

“Good if the end to end process between modification and finally being implemented could be a little shorter. A double-edged sword I know but it does seem as if things can take a little time to progress... It takes time for people to absorb the changes so it may already be the correct length.”

“Elexon tend to move straight to "solution mode" with modifications which may stifle debate, innovation and a full investigation of issues.”

ACCESSION PROCESS

Seven respondents are employed by organisations who became party, or began the process to become party to, the BSC in the last five years. Of these, two found the process easy, two found the process difficult and three had no direct involvement with the process.

Conclusions

- Elexon is performing strongly on most aspects of service provision.
- There is scope to improve the ease of interpreting information for organisation. Improving this aspect of service may increase overall satisfaction with the service Elexon is providing in relation to the BSC.
- The support provided to enable organisations to understand what modifications raised by others mean is rated modestly. This is an area to improve on (and may be linked to ease of interpreting information which the BSC is also modestly rated).
- There are aspects of the website that are in need of attention; particularly the ease of finding information on websites.