

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number(*to be completed by Ofgem*):  
**CP233**

Name of Organisation(s) / individual(s):  
**Electricity Settlements Company**

Date Submitted:  
Click here to enter text.

Type of Change:

- Amendment
- Addition
- Revoke
- Substitution

If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:

N/A

**What the proposal relates to and if applicable, what current provision of Rules the proposal relates to (please state provision number):**

For generating CMUs the volume of auxiliary load is determined by the applicant/capacity provider. Currently applicants/capacity providers can consult a frequently asked question on how they should declare their auxiliary load at pre-qualification. However, there is no rule setting out how the auxiliary load should be proportioned for sites that share the load amongst a number of generating units and where the auxiliary load is not separately metered.

Relevant regulations/rules are:

The definition of Net Output in the CM Regulations requires applicants/capacity providers for generating CMUs or a generating unit to minus their auxiliary load from the amount of electricity they produce.

“Auxiliary load” means, in relation to a generating CMU or a generating unit, the total amount of electricity used by that unit for purposes directly related to its operation (including for fuel handling, fuel preparation, maintenance and the pumping of water), whether or not that electricity is generated by the unit or used while the unit is generating electricity.

Rule 3.5B.1(c) also requires applicants/capacity providers to ensure that references made to the values of the Connection Entry Capacity, Transmission Entry Capacity, registered capacity or inverter rating must be specified net of Auxiliary Load.

**Description of the issue that the change proposal seeks to address:**

For consistency, and to enable an operable settlement system to determine output, ESC proposes to apply ‘multiplier’ values to the auxiliary load where the metered volumes from one metered site are split across multiple generating units.

The ESC propose that the applicant declares the auxiliary load volume during pre-qualification and determines suitable multiplier values based on their site for settlement. For example, where a site contains two identical generating units we would expect the capacity provider to proportion the auxiliary load to account for both units and therefore the multiplier value would be 0.5.

For more complex sites with generators that were not identical, we would expect the multiplier value to be proportional to the usage of the individual generators. For example, in a situation where one generator is

rated at 300MW and another rated at 150MW, the multiplier values applied to the Auxiliary Load for the 300MW generator would be 0.67 and for the 150MW generator a value of 0.33.

The ESC will review the auxiliary load, multiplier values and proportioning methodology through the metering test process and site audits.

**If applicable, please state the proposed revised drafting** *(please highlight the change):*

We propose that an amendment is made to Chapter 3 to require applicants for an Existing Generating CMU to submit to the Delivery Body at prequalification the volume in MW of their auxiliary load and the multiplier values based on their site and methodology. We also require that any proportion of auxiliary load to be applied is based on metered volumes measured by the Half Hourly Metering System.

A new rule is also needed after Rule 8.6.4 to ensure that ESC will apply the multiplier values to auxiliary load for settlement purposes.

We would welcome through the Ofgem rule change process stakeholder views of any consequential impacts, particularly on demonstrating Satisfactory Performance Days.

**Analysis and evidence on the impact on industry and/or consumers including any risks to note when making the revision - including, any potential implications for industry codes:**

The multiplier approach provides flexibility on how auxiliary load is determined, but also enables a one method approach that can be operationally applied by delivery partner systems for settlement purposes.

**Details of Proposer** *(please include name, telephone number, email and organisation):*

**Electricity Settlements Company**