

# Proposal for a Capacity Market Rules Change



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Reference number (to be completed by  
Ofgem): CP344

**Name of Organisation(s) / individual(s):**

The Association for Decentralised Energy / Endeco Technologies Limited

**Date Submitted:**

16th October 2017

**Type of Change:**

- Amendment
- Addition
- Revoke
- Substitution

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

[Click here to enter text.](#)

**Proposal summary** (short summary, suitable for published description on our website)

To permit the proving of Satisfactory Performance Days from data gathered by Balancing Services Metering.

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

This proposal relates to Rule 13.4 and the proving of Satisfactory Performance Days. Rule 13.4.1 asks a CMU provider to demonstrate the delivery of “capacity at a level equal to or greater than its Capacity Obligation”. This must be demonstrated “...for at least one Settlement Period ... on three separate days ... during the Winter of the relevant Delivery Year”.

This proposal seeks to amend Rule 13.4.1 to permit the submission of data from an applicable Balancing Services Metering Configuration Solution, in acknowledgement of the fact that CMUs and, where applicable, their CMU Component sites, may be delivering Balancing Services which would meet the criteria of Rule 13.4.1 but which may not fall precisely on the beginning of a Settlement Period.

A CMU participant, for instance, may also be providing a Frequency Response service to National Grid, in the delivery of which it may respond more than three times for 30 minutes or longer during the Capacity Market’s Winter period. System frequency events, however, are unlikely to occur at the precise start and end times of predefined Settlement Periods. We believe that any 30 consecutive minutes of response should be acceptable to the Delivery Body for the proof of Satisfactory Performance Days where suitable data can be supplied by the provider to calculate the baseline for that 30 minute period.

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

It is possible for a CMU to register in its Metering Statement that it, or its component sites, will provide data to EMRS and to the Delivery Body via Supplier Settlement Metering, whilst at the same time delivering a Balancing Service. It is not deemed feasible, however, for a provider to meet Capacity Market reporting obligations via the Balancing Service data collected from the same asset or assets which make up the CMU, even though this data will generally be recorded at the second-by-second level, and will be much more precise than the Supplier Settlement Metering data.

This change proposal wishes to address the underutilisation of both the data from active CMUs Balancing Services metering and the actions those CMUs take in the fulfilling of Balancing Service obligations. We believe that data from Balancing Services metering, where Balancing Services actions can be shown to be at least 30 minutes in duration, should be deemed satisfactory for the demonstration of Satisfactory Performance Days, as required by Rule 13.4.

There are likely to be a number of occasions during the Winter period of a delivery year (1st October to 30th April) when a CMU engaged in a Balancing Service will have provided a response equivalent its Capacity Committed volume. It is inefficient for these clear demonstrations of capability not to be used to prove Capacity Market capability simply because they do not fall precisely and predictably on the start and end of established Settlement Periods.

Each Capacity provider will know the location of their CMU (or of each of their CMU components), and can therefore perform all necessary calculations required by Working Practice 195 to create data ready for submission. Second-by-second data for a period of six weeks preceding each Balancing Service action can easily be summarised into 30 minute blocks so that the requisite baselining calculations can be done. With agreement between EMRS and the Delivery Body on an update to Working Practice 195 regarding this process, there should be little in the way of hindrance for such a methodology to be widely adopted.

We understand that such data would be supplied to EMRS and the Delivery Body outside of the established Settlement Period windows. However, what is being asked of a Capacity Market provider is not that service can be provided precisely on the hour or half-hour, but that it prove on three separate occasions on three separate days during the Winter of the Delivery Year that a CMU can respond to an instruction to either reduce consumption, increase export, or generate to an agreed level for a duration of at least 30 minutes. This can be demonstrated to ample satisfaction from Balancing Service actions. In the event of a Capacity Market system warning, the Delivery Body should have full confidence that a CMU can respond to instructions within sufficient time and accuracy. We also note that data to demonstrate SPDs will be submitted to EMRS and the Delivery Body only on three occasions, or on a single occasion. This will cause little, if any, interruption to the ongoing monitoring of Settlement Metering data through the usual channels.

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

*RULE 13.4.1 Subject to Rule 13.4.1A and Rule 13.4.1B, if a Capacity Committed CMU has not demonstrated to the Delivery Body in accordance with Rule 13.4.2 capacity at a level equal to or greater than its Capacity Obligation or aggregate Capacity Obligations for at least one Settlement Period (which Settlement Periods may fall within a System Stress Event), or for a period of at least 30 consecutive minutes, to be demonstrated via an applicable Balancing Service Metering Configuration Solution, on three separate days (each a "Satisfactory Performance Day") during the Winter of the relevant Delivery Year:*

**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:**

CMUs which are constructed from many components, such a DSR CMUs, will benefit from this change in the Rules. Scheduling more 30-minute site responses than are necessary is expensive for businesses, and the less frequently that this can be done, the better. A business entering the Capacity Market via a DSR CMU will have to schedule four 30-minute load reductions in its first year, and three in each further year of participation, for no reason other than testing.

When 30-minute controlled reductions are already being delivered – and demonstrated – by CMUs through Balancing Services actions, it adds unnecessary cost to participation to require the scheduling of identical responses to load reduction instructions at the beginning of a Settlement Period, just for the convenience of the Delivery Body and EMRS.

We note that in the EMR Portal, a provider cannot directly indicate the specific Settlement Period in which the test is conducted. The Delivery Body will therefore only be looking at the data provided to them for the full 48 Settlement Periods contained within these dates, and could easily examine instead the data supplied

by a provider from Balancing Service metering.

The implementation of this Rule change will facilitate the stacking of system services. If National Grid are to achieve their stated aim of getting 30%-50% of their Balancing Services from Demand Side Response by 2020, then this amendment to the CM Rules will help to integrate DSR Services in such a way that they can grow to fill National Grid's needs.

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

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