

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP292

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

Date Submitted:
17/10/2017

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)

Addressing the double penalties that would be applied where storage is consuming in a stress event.

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

The A+B-C formula in 8.6.2

Description of the issue that the change

Rule 8.6.2 states:

8.6.2 in the case of a Generating CMU that constitutes a Storage Facility, the sum of $A + B - C$ where:

A is the electricity generated by the Generating CMU as determined in accordance with Rule 8.6.1(a) and 8.6.1(b) above;

B is the aggregate, for all Generating Units comprised in the Generating CMU, of the mean average metered Consumption (in MWh) of each such Generating Unit in the two Settlement Periods prior to the Settlement Period in which the Capacity Market Warning with respect to the Stress Event was published provided, if any such Generating Unit was generating electricity during any such Settlement Period, its Demand during that Settlement Period is deemed to be zero; and

C is the aggregate of the metered Consumption (in MWh) of each Generating Unit comprised in the Generating CMU in Settlement Period “j”;

There is an issue with this formulation if the storage unit is consuming during the stress event. The definition in 8.6.1 is based on the metered volume and so will yield the negative metered volume if the unit is consuming. The definition of ‘A’ then becomes confused since 8.6.1 clearly gives the negative metered volume – but this is not ‘electricity generated’. In order for 8.6.2 to work as intended, A needs to be set to zero in the case of a consuming unit (since this consumption is then taken into account in the ‘C’ term). If A is only to refer to energy exported, we also need to be clear about how the aggregation across multiple

generating units (which could include both exporting and importing units) is to work, and how this interacts with calculating aggregate generation/consumption.

It also seems inconsistent to use both of the terms Demand and Consumption within the definition of 'B'.

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

Rule 8.6.2

Since A-C should just be the metered volume (capped at QME) then this could be simplified to:

8.6.2 in the case of a Generating CMU that constitutes a Storage Facility, the sum of A + B where:

A is the electricity metered by the Generating CMU as determined in accordance with Rule 8.6.1(a) and 8.6.1(b) above;

B is the aggregate, for all Generating Units (including the relevant proportions of any Auxiliary Load BM Units) comprised in the Generating CMU, of the mean average metered Consumption (in MWh) of each such Unit in the two Settlement Periods prior to the Settlement Period in which the Capacity Market Warning with respect to the Stress Event was published provided, if any such Generating Unit was generating electricity during any such Settlement Period, its Consumption during that Settlement Period is deemed to be zero;

Note also that this suggestion builds on that suggested in **ENGIE rule change CMP xxx (reference our submission rule change 3)** in that the inclusion of Auxiliary Load is made clear.

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:

This will avoid storage being charged twice for non-delivery penalties when it is consuming energy is a stress event.

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

Mark Edwards, 01352 705288

Mark.edwards@engie.com

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