

## Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP294

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

Date Submitted:  
17.10.17

Type of Change:

- Amendment
- Addition
- Revoke
- Substitution

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

CP131

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

This proposal relates to the treatment of Interconnector CMUs with respect to the obligation and the output of the CMU.

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

**Interconnector CMUS**

This proposal relates to the treatment of Interconnector CMUs with respect to the obligation and the output of the CMU.

**The specific sections of the Rules are:**

Determining the output of an Interconnector CMU: Rule 8.6.2A

Determining the Capacity Obligation of an Interconnector CMU: Rule 8.5.1(ba)

Capacity Market Rules Version 2017 (Consolidated version)

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

### **Current Position**

For an Interconnector CMU the Capacity Market Rules state: Determining the output of a capacity committed CMU Rule 8.6.2A  $E_{ij} = \text{Interconnector Scheduled Transfer}$  For other types of CMU the output  $E_{ij}$  is an actual metered volume but for an Interconnector CMU it is a scheduled value as given in Rule 8.6.2. For an Interconnector CMU the Capacity Market Rules state:

### **Discharging a Capacity Obligation**

Rule 8.5.1(ba)

An Interconnector does not have an obligation to deliver ALFCO where the System Operator has reduced the Net Output of a CMU below the Interconnector Scheduled Transfer (IST)

Rule 14.4.2A

Provides for the provision of any such reduction of Net Output

Rule 8.5.2 specifies

ALFCO for:

- a generating CMU comprised of BM Units
- a generating CMU that is not comprised of BM Units
- a DSR CMU

There is no statement regarding ALFCO for an Interconnector CMU or an explicit statement of the equivalent obligation for an Interconnector CMU

Note that 8.5.1 states capacity committed CMU must deliver ALFCO but 8.5.2 picks out specific CMUs but not interconnector.

The application of the current Rules will result in:

- $E_{ij} = \text{Interconnector Scheduled Transfer (IST)}$
- The Capacity Obligation (CO) for an Interconnector CMU is the IST which is implied by 8.5.1(ba) 8.5.2 is not explicit as regards ALFCO for an Interconnector CMU
- If the IST has been reduced due to System Operator instructions then no obligation applies to the Interconnector CMU □ If the IST has not been reduced then:
  - If  $IST \geq CO$  then over delivery applies to the Interconnector CMU

However if it was the intention to also check the **actual** metered volume for the Interconnector CMU against the **obligation** then the following would apply:

If the volume from the CDCA-I041 file  $> CO$  then the over delivery is the lower of IST and the CDCA-I041 volume for the Interconnector CMU

In this situation the Interconnector CMU would be entitled to over delivery payments or liable to penalty charges.

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

**Metered output of an Interconnector CMU**

If the intention is to use actual metered volumes for the Interconnector CMU then Rule 8.6.2A becomes:

8.6.2A in the case of an Interconnector CMU, the Net Output as recorded for the purposes of the BSC

by file CDCA-I041 of the Central Data Collection Agent (CDCA)

In this situation the Interconnector CMU would be entitled to over delivery payments or liable to penalty charges.

**Capacity Obligation for an Interconnector CMU**

Include a specific statement that the capacity obligation of an Interconnector CMU is IST Add a provision to Rule 8.5.2 to include:

(d) for a CMU which is an Interconnector CMU:

ALFCO = Interconnector Schedule Transfer

**Data Provision for an Interconnector CMU - System Operator and Delivery Body**

**Add the following paragraph:**

14.4.2B The System Operator must provide to the CM Settlement Body in respect of each Settlement Period in which a System Stress Event occurs, for each Capacity Committed CMU which is an Interconnector CMU, the Interconnector Schedule Transfer.

If the actual metered volume is to be used then the following change would also be required

**Data Provision for an Interconnector CMU - BSCCO data**

Add the following paragraph:

14.3.4 The BSCCO must provide to the CM Settlement Body metered volume data for an Interconnector CMU as defined in the CDCA-I014 file.

**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:**

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

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