

ELEXION

**CAPACITY MARKET RULES
CHANGE PROPOSAL REPORT:
CP373 - AGGREGATION,
METERING AND DSR
COMPONENT REALLOCATION
PROCESS TRANSFER FROM DB
TO SB**

This Change Proposal (CP) seeks to transfer responsibilities from the Delivery Body to the Settlement Body for Metering Aggregation, Metering Test, Metering Assessment and DSR Component Reallocation.

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Table of Contents

Table of Contents	1
Executive Summary	2
Issue	2
Solution	2
Impacts and Costs	2
Recommendation	2
Issue	3
Solution	3
Metering Processes	3
Metering Data Provision	3
DSR Component Reallocation	3
Capacity Market Metering Register	3
Legal Text for CP373	4
Prioritisation	5
CMAG Development/Discussions	5
Capacity Market Metering Register	5
Submission of Metering Data	5
Single Line Diagrams	6
Impacts & Costs	6
CP373 Impacts and Benefits	6
Rules	7
Costs	7
Regulation and Other Code Impacts	7
Views against CM Rules Change Objectives and Ofgem’s Principal Objective	7
Delivery Partner Comments	7
Recommendations	7
Appendix 1 – Key Questions for CP373 Summary	8

Executive Summary

A summary of CP373, including the Proposal Form, can be found on the [CMAG Website](#).

Issue

In progressing the New Portal project, the EMR Delivery Body (EMR DB) has been working closely with the CM Settlement Body (CMSB) to define and deliver integrated processes. The EMR DB and CMSB have identified an opportunity to make the existing Metering processes less complex to benefit end users, reducing cost and risk, where the data owner is not the data controller.

Solution

In a joint review, the EMR DB and CMSB are recommending a transfer of roles and responsibilities from the EMR DB to the CMSB for Metering Aggregation, Metering Assessment, Metering Test and DSR Component reallocation.

Impacts and Costs

Impacts and Costs	
Organisation	Comment
CMSB	<ul style="list-style-type: none">• Add functionality to the existing MyEMRS portal related to metering and DSR Component reallocation• Overall reduced operational cost to carry out settlement activities.• Reduced risk to the accuracy of data used in key settlement processes.• Reduced risk of a delay to settle a Stress Event.
EMR Delivery Body	<ul style="list-style-type: none">• Removal of obligation to handle metering data that is not required for Delivery Body operational processes and development in the New EMR Portal to receive and provide access to the Settlement Body.• Reduces Delivery Body involvement in responding to metering related queries.
Industry	<ul style="list-style-type: none">• Introduction of a separate CM Metering Register for metering information will mean that CPs will need to access two registers to have all their information.

Recommendation

The CMAG recommends to Ofgem:

- a) That CP373:
 - i. Better facilitates the efficient operation and administration of the Capacity Market
- b) Implementation as soon as practicable;
- c) The legal text for CP373; and
- d) That CP373 should be **implemented** subject to statutory consultation.

Issue

In progressing the New Portal project, the EMR DB is working closely with the CMSB to define and deliver integrated processes. At [CMAG Meeting 5](#), the EMR DB and CMSB presented an overview of their process exploration.

The DB and CMSB identified Aggregation and Metering processes as the highest priority, with the following issues highlighted:

- **Complex inefficient data transfer method:** 36 daily interface files split across 12 auctions
- **System interface inconsistency:** Increased number of manual workarounds and increased cost to resolve operational issues
- **Capacity Provider feedback:** Lack of clarity and visibility of what and which Delivery Partner is doing the work

Solution

CP373 seeks to implement a transfer of responsibilities from DB to CMSB for Metering Aggregation, Metering Assessment, Metering Test and DSR Component reallocation.

Metering Processes

CP373 seeks to simplify Capacity Provider obligations at prequalification by extracting metering processes from the Prequalification process to move to become a post-Prequalification process for Applicants/Capacity Providers to be provided directly to the CMSB. This includes Metering information, Metering Arrangements and relevant Declarations.

Metering Data Provision

CP373 will clarify within the CM Rules that Metering Arrangements are to be supplied and validated with the CMSB as a prerequisite to provision of relevant milestones. CP373 will amend the Rules to include confirmation of metering status from the CMSB as prerequisites to the Substantial Completion Milestone, Secondary Trade Request, Location Change Request & DSR Test processes. All Metering related information and processes will be validated with CMSB and will be required and checked prior to meeting delivery milestones.

DSR Component Reallocation

CP373 will transfer process of DSR Component reallocation from the EMR DB to the CMSB, with requests issued to and validated by the CMSB to enable metering validation in line with Rule obligations. CP373 will clarify that the process owner for DSR Component Reallocation will be transferred from the EMR DB to CMSB.

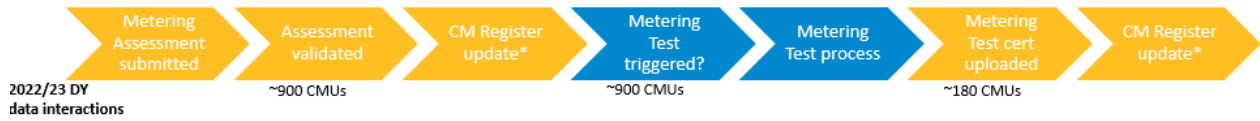
Capacity Market Metering Register

CP373 will include the creation of a Capacity Market Metering Register. The CMSB will create and maintain a register of metering information. This will include Approved Metering Solution (including CM Aggregation Rules) for each component as well as for each CMU their Meter Point Asset Number (MPAN), Balancing Mechanism Unit (BMU) ID, Metering Assessment, Meter Test deadlines, Metering Assessment Responses, confirmation of Meter Test Certificate issue date and the status of DSR components.

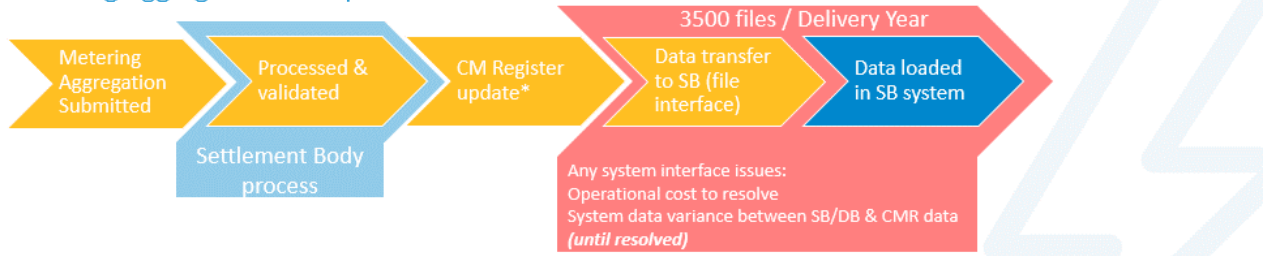
Existing process: CM Register update

Delivery Body
Settlement Body

Metering Assessment & Test process



Metering Aggregation Rules process



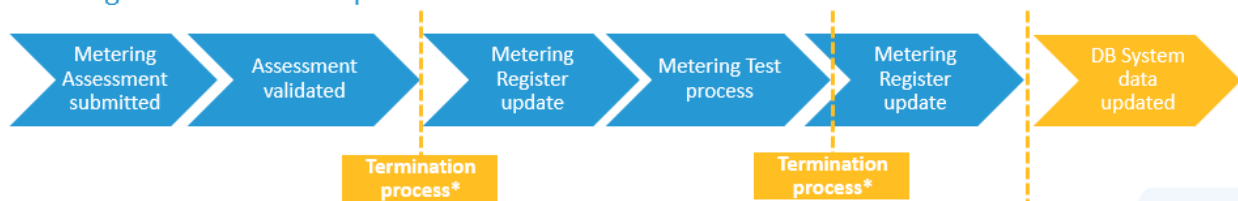
The CMSB has identified that the current process results in system interface issues and is complex in nature; the transfer of data between EMR DB and CMSB for the purposes of publishing the CM Register can create excess cost and risk due to variances between system data.

Proposed Capacity Market Metering Register Process

Metering Test Register: To-be process

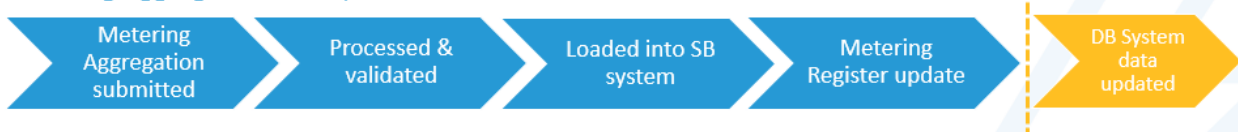
Delivery Body
Settlement Body

Metering Assessment & Test process



*Replicating Credit Cover and SPD processes data interface

Metering Aggregation Rules process



The proposed Capacity Market Metering Register will reduce the number of interfaces and data transfer points between EMR DB and CMSB, to align with the transfer of responsibilities for metering processes under CP373.

This will reduce the costs and risks associated with data transfer and the required system interface workarounds currently in place between EMR DB and CMSB.

Legal Text for CP373

The legal text for CP373 is available as *Attachment A – CP373 Legal Text Extract v4.0*.

Prioritisation

All CM Rules Change Proposals are assessed based on the impact and frequency/likelihood of the benefits and risks realised from the change. This assessment determines the priority of CM Rules Change Proposals and their priority for consideration by CMAG.

CMAG Members first considered CP373 at its meeting on Tuesday 20 June 2023, where CMAG determined CP373 as a medium priority change.

CMAG Development/Discussions

The CMAG discussed CP373 at:

- [Meeting 9](#) (20 June 2023);
- [Meeting 11](#) (15 August 2023); and
- [Meeting 12](#) (21 September 2023).

A summary of discussion is noted below.

Capacity Market Metering Register

The CMSB informed CMAG that CP373 will include a Capacity Market Register (CMR) enhancement, proposing there are two registers moving forwards; one register to be owned and published by the CMSB which includes metering data and a second register owned and published by the EMR DB which includes milestones and CMU data.

CMAG Members noted they support having two registers and do not envisage any issues from this, but having both registers stored and accessible from a single location would be useful from a usability perspective.

The CMSB noted that having two separate registers will allow for a cleaner process rather than creating a new interface to transmit metering data from Settlement Body to Delivery Body for a single register. Mitigations for Capacity Providers include, ensuring all relevant CMU information is held in the CMR and retaining up-to-date links on DB and ESC websites.

A Member highlighted that it is important that where there is reference data between the two registers, that both are updated in line with one another to avoid inconsistencies.

The CMSB stated the objective of the two registers will be to ensure data is not duplicated between both and there is a single version of the truth.

A Member queried why the CMR is published weekly rather than updated more frequently. The CMSB noted this is due to the internal process of how the register is published, which required a transformation logic carried out weekly or where there is a specific milestone. The CMSB further noted that the EMR DB is seeking to improve this within the new Portal, so there is opportunity to update the register more frequently.

Submission of Metering Data

The CMSB noted the first area of change proposed by CP373 will seek to simplify the obligations on Capacity Providers at Prequalification and review the timing of when metering data is provided.

A Member queried if it is envisaged that all applicant interactions would be completed through the Portal v2.0. CMSB noted the intent is that at Prequalification, all required applicant data would be provided in one single place through the Portal V2.0.

A Member noted that it may be easier to have applicant data signed off by company registered Directors all at one time and queried if it would be possible to submit metering data earlier than the date specified in the legal text. The CMSB noted there is functionality available in the MyEMRS Portal for a CMU to submit data in advance and will consider this option if there is strong feedback from industry.

Single Line Diagrams

The CMSB noted they had considered the removal of the requirement to submit Single Line Diagrams (SLD) as part of the metering assessment. The CMSB highlighted it was unclear whether the submission of SLDs was required, as the CMSB and EMR DB do not audit these as part of the metering assessment.

To streamline the CMU metering assessment process, CP373 will clarify that a Capacity Provider will not submit a SLD if their CMU has a component made up of Supplier Settlement metering (MPAN/BMU). If a Metering Test is triggered, an SLD will be required to be submitted as part of the Metering Test (Schedule 6), to determine that the Metering System is at the Meter Point and to measure the Metered Volume of the CMU for settlement purposes.

Impacts & Costs

CP373 Impacts and Benefits

Impact Summary			
Stakeholder	Item	High/Medium/Low	Comment
CMSB	Knowledge and Expertise	High	Data validation is carried out by the subject matter expert in the correct system.
	Reduced Operational Cost	High	Removal of manual workarounds and data transfer interface, previously required for settlement.
	Reduced Settlement/Stress Event Risk	Low	Lower risk due to removal of manual workaround and data correction between Delivery Partners.
EMR Delivery Body	Removal of Metering Interface	High	Settlement processes will lie with the CMSB and EMR DB will no longer require a system interface to transfer this data.
	Reduced Operational Cost	High	Removal of manual workarounds and data transfer interface, previously required for settlement.
Industry	Improved Customer Experience	Low	Clarity on Delivery Partner accountability & metering process ownership
	Data Submission Simplified	High	Transitioning metering obligations to be submitted post-qualification simplifies the obligation and reduces customer risk at prequalification.

Rules

Please refer to *Attachement A – CP373 Legal Text Extract v4.0* to view the proposed Rules amendments.

Costs

Costs	
Organisation	Comment
CMSB	Low - No extra cost expected as this change is contained within the existing CMSB change pipeline.
EMR Delivery Body	Low - avoidance of system development costs in developing Metering related processes in the new EMR Portal. No enduring costs expected.
Industry	Low - expected changes to accommodate the use of the CMMR as an implementation cost. No enduring costs expected.

Regulation and Other Code Impacts

The CMAG determined there are no impacts on the Regulations or other industry codes.

Views against CM Rules Change Objectives and Ofgem's Principal Objective

Does CP373 better facilitate the CM Rules Change Objectives and Ofgem's Principal Objective		
Objective	Proposer's View	CMAG Views
Ofgem's Principal Objective	Neutral	Neutral
Promoting investment in capacity to ensure security of electricity supply	Neutral	Neutral
Facilitating the efficient operation and administration of the capacity market;	Positive The proposed change will allow for the simplification of interfaces between the Delivery Body and Settlement Body to remove risk of errors in data transfer.	Positive CMAG agree with the Proposers view.
Ensuring the compatibility of capacity market rules with other subordinate legislation under Part 2 of the Act.	Neutral	Neutral

Delivery Partner Comments

The EMR DB and CMSB had no further comments to provide for CP373.

Recommendations

At Meeting 12 on 21 September 2023, the CMAG made the following recommendations to Ofgem:

- a) That CP373:
 - i. Better facilitates the efficient operation and administration of the Capacity Market
-

- b) An Implementation Date of as soon as practicable;
- c) The legal text for CP373; and
- d) That CP373 should be **implemented** subject to statutory consultation.

Appendix 1 – Summary of Standard Change Proposal Questions for CP373

Standard Change Proposal Questions Considered by the CMAG	
Question	Comment
Does the CP further the CM Rules Change Objectives?	The proposed change supports the objective of facilitating the efficient operation and administration of the Capacity Market. The change does this by: <ul style="list-style-type: none"> a) Creation of single accountability for metering obligations to clarify responsibilities with Capacity Market participants and to enable quicker resolution of any issues. b) Simplification of interfaces between the Delivery Body and Settlement Body to remove risk of errors in data transfer. c) Ensure that data is held with a single data owner to ensure integrity of Capacity Market participant metering details. d) Removal of administrative workarounds between the Delivery Body and Settlement Body
Does the CP impact on the Regulations?	The Proposer and CMAG did not determine any impact on the Regulations.
Are there any impacts on any other central industry frameworks or obligations?	The Proposer and CMAG did not determine any impacts on other central industry frameworks or obligations.
Are there any impacts on consumers, and if so, what are the impacts?	The Proposer and CMAG did not determine any material impact on consumers.
Does CMAG agree with the proposed solution? Are there any suitable alternative solutions to address the defect?	CMAG agrees with the proposed solution, as presented in the legal text.
What are the expected impacts on: <ul style="list-style-type: none"> • CM Participants? • Delivery Partners? 	<p>CM Participants</p> <ul style="list-style-type: none"> • Improved customer experience, clarity on Delivery Partner accountability & metering process ownership. • Improved access to the Metering data on Settlement Body Portal as less issues due to interface issues. • Transitioning metering obligations to be submitted post agreement, simplifies prequalification obligations and reduces customer risk at prequalification. • Centralises metering and settlement activities under the Settlement Body • Introduction of a separate CMMR for metering information will mean that CPs will need to access two registers to have all their information.

	<p>Mitigations include, ensuring all relevant CMU information is held in the CMR and retaining up-to-date links on DB and ESC websites.</p> <p>Settlement Body</p> <ul style="list-style-type: none"> • Overall reduced operational cost to carry out settlement activities. • Reduced risk to the accuracy of data used in key settlement processes. • Reduced risk of a delay to settle a Stress Event. <p>Delivery Body</p> <ul style="list-style-type: none"> • Removal of obligation to handle metering data that is not required for Delivery Body operational processes and development in the New EMR Portal to receive and provide access to the Settlement Body. • Reduces Delivery Body involvement in responding to metering related queries.
<p>What are the expected implementation/enduring costs for:</p> <ul style="list-style-type: none"> • CM Participants? • Delivery Partners? 	<p>CM Participants – expect changes to accommodate the use of the CMMR would be an implementation cost. No enduring costs expected.</p> <p>Settlement Body – no extra cost as contained within existing change pipeline. Implementation is aligned with architecture advancement which will enable a three-year pay back (including this project delivery). Through the architecture advancement there will be a reduced CM change cost and time reduction for all Settlement Body system updates post go live.</p> <p>Delivery Body – Avoidance of system development costs in developing Metering related processes in the new EMR Portal.</p>
<p>What are the expected timescales for implementation?</p>	<p>If approved by Ofgem, the change would need to be implemented as part of the changeover to the New Portal expected in Q1 FY 2024/25 in time for the next prequalification window.</p>
<p>Does the draft legal text deliver the intention of the solution?</p>	<p>CMAG unanimously agreed the draft legal text delivers the intention of the solution.</p>
<p>Does the CMAG recommend to Ofgem that the change be made?</p>	<p>CMAG unanimously agreed to recommend to Ofgem that CP373 be implemented.</p>