

Capacity Market Advisory Group Draft Minutes

Meeting number **4**

Venue **Elexon Offices/MS Teams**

Date of meeting **17 January 2023 10:00-16:00**

Classification **Public**

Attendees and apologies

Attendees

Brian Lake	BrL	Member
Caroline Farquhar	CF	Member
Claire Sedgwick	CS	Member
Emma Burns	EB	Member
Libby Glazebrook	LG	Member
Mark Duffield	MD	Member
Paul Jones	PJ	Member
Raoul Thulin	RaT	Member
Richard Thwaites	RiT	Member
Sophie Lethier	SL	Member
Andrew Macdonell	AM	Representative (Ofgem)
Grendon Thompson	GT	Representative (Ofgem)
Aled Williams	AW	Representative (EMR DB)
Rebecca Yang	RY	Representative (EMR DB)
Andy Hawkins	AH	Representative (LCCC/ESC)
Ross Haigh	RH	Representative (LCCC/ESC)
Eleanor Haynes	EHay	Guest (EDF Energy)
Kyran Hanks	KH	Guest (Waters Wye Associates)
Elliott Harper	EH	Elexon (Facilitator)
Amy Stackhouse	AS	Elexon (Secretariat)
Chris Arnold	CA	Elexon (Secretariat)
Kathryn Gay	KG	Elexon (Secretariat)
Matthew Woolliscroft	MW	Elexon (Secretariat)

Apologies

Sarah Honan	SH	Member
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1. Welcome and Apologies

- 1.1 Elliott Harper (EH) welcomed Members and Representatives and noted apologies from Sarah Honan with Emma Burns as Alternate.

2. Action Log

- 2.1 The CMAG reviewed the Action Log, all 'Complete' actions will be marked as closed. Discussion on actions 'In Progress' can be found in the CMAG Action Log v4.1 – 24.01.23.

3. Secondary Trading - Approach

- 3.1 EHar noted the Delivery Partners have considered how best to approach the issues with secondary trading in CMAG. An option is rather than considering individual CPs, to consider the broader topics and individual issues with secondary trading and to draft solutions around these. The intention with this approach is to allow CMAG to understand the key issue areas with secondary trading to understand what the problems that need to be addressed are and to ensure that recommendations from the CMAG are consistent.
- 3.2 EHar noted for the next CMAG Meeting, all Members should consider any challenges with secondary trading and key issue areas that CMAG need to consider in addition to the areas presented to members.
- 3.3 EHar noted Elexon will look at creating a delta between all raised issues for secondary trading and the current live CPs associated with secondary trading (CP364, CP356, CP362 and CP369), to be reviewed at the next CMAG Meeting.
- 3.4 **0123/01 – Elexon to draft a secondary trading approach, including CP364, CP356, CP362 and CP369, to be presented at the next CMAG Meeting.**
- 3.5 **0123/02 – CMAG Members to confirm to the Secretariat any issue areas with secondary trading within the CM Rules to be addressed at the next CMAG Meeting.**
- 3.6 KG noted taking a holistic approach to secondary trading could delay the CMAG work around secondary trading, where the BEIS CM Consultation is seeking a review to be completed by March 2023. CMAG needs to be efficient in how we address and assess these issues to ensure the group is working optimally.
- 3.7 A Member noted CMAG needs to remain mindful that it does not pass up on opportunities for quick wins with secondary trading, and should consider packages of changes if certain issues are holding things up.
- 3.8 The LCCC/ESC representative noted LCCC/ESC had reviewed secondary trading arrangements previously and would share the outcome of this work with CMAG.
- 3.9 **0123/03 – The LCCC/ESC representative to share information from the LCCC/ESC review of secondary trading arrangements with CMAG.**
- 3.10 EHar highlighted this review would not be at the detriment to any CP proposers, who can continue to move their proposals forward if they wish to.

4. CM Representative Updates

- 4.1 The Ofgem representative noted Ofgem is finalising the Tier 2 disputes process for the end of this month.
- 4.2 The LCCC/ESC representative noted they are looking at continuous improvement, including the aggregation process. The LCCC/ESC representative further noted it is likely the CM will be impacted by the Market-wide Half Hourly Settlement (MHHS) so LCCC/ESC is working with BEIS on potential changes to the Regulation and CM Rules required to align with the programme.
- 4.3 The EMR DB (Delivery Body) representative noted EMR DB is working with BEIS to begin preparing for the T-1 and T-4 Auctions in February 2023 and is on track to confirming the parameters of the auction by 24 January 2023. The EMR DB representative also noted the prequalification related features have been designed and implemented in the new EMR Portal. It is due to be put out to parties in a beta environment for testing in February.

4.4 The EMR DB representative highlighted there are 19 proposed changes put forward from BEIS in its CM 2023 Consultation, which could be required to be implemented by July 2023. The NGENSO representative noted there will be a webinar in early February 2023 to discuss ongoing changes and taking the EMR Portal forward.

5. BEIS Consultation Update/Discussion

5.1 The BEIS representative noted the BEIS CM Consultation focuses on two themes, the first improving delivery assurance which is seeking to strengthen the performance management regime in the CM; and secondly aligning the CM with the government policy on net zero.

Satisfactory Performance Days (SPD)

5.2 The BEIS representative noted that SPDs play an important role in providing assurance that CMUs can deliver, BEIS is seeking to improve assurance of the availability of capacity ahead of challenging winter months and at regular intervals.

5.3 A Member queried what the consequences would be if a Participant holds a multiyear agreement but misses an SPD in the stated windows. The BEIS representative noted the Participant would be able to appeal any termination notices and will be given opportunity to meet its SPDs as part of the appeal.

5.4 A Member noted concerns where a Participant gets a 15 year agreement but has an outage longer than planned for circumstances outside of their control, they cannot meet their SPDs or secondary trade their obligation and therefore could be terminated and lose their agreement. A Participant may make a significant investment on the basis of securing a 15 year agreement which would ultimately be terminated.

5.5 The BEIS representative noted that the majority of plants are in line with the proposed SPD windows and generating before the extended pass windows, this proposal looks to catch speculative participants rather than penalising those that operate in line with their obligations.

5.6 A Member noted this proposal is over-penal, it can be difficult for Participants to find capacity when selling and this will become even harder if the CM Rules change proposals to allow secondary trading ahead of meeting a SCM are implemented. The Member further noted that the BEIS Consultation also considers increasing the penalty regime which increases the difficulty and pressure on Participants to comply with SPDs.

5.7 A CMAG Member questioned whether the date ranges are suitable and whether there was a risk that this proposal could lead to undesirable outcomes. The Member illustrated this with the following examples:

a) A Capacity Provider has an outage on 1 October which continues until 1 December which could result in termination for a two month outage.

b) A Capacity Provider has an outage mid-October which continues until mid-February i.e. a four month outage but meets the SPD requirements (by demonstrating suitable performance at the start of October and the end of February) and avoids termination.

5.8 A Member noted this anomaly could withdraw any incentive for CMUs to come online early and generate again if they have missed their SPDs due to an outage.

5.9 A Member highlighted the important of not conflating SPDs with availability, there may be CMUs able to generate that have not yet completed their SPDs.

5.10 A Member proposed an alternate option of stopping any CM payments to Participants until they meet their SPDs rather than serving a termination notice under the suggested amendments.

5.11 A Member noted LCCC/ESC had looked at automating and improving the SPD process and queried if the support for 3 windows had come from this work. The LCCC/ESC representative noted the SPD data has improved and participants have fed back that the automated process is much easier, with less than 4GW not meeting SPDs.

5.12 It was highlighted that it is not always the case that low system margins are observed over the traditional winter period so there could be merit in exploring expanding the window for demonstrating SPDs.

5.13 The BEIS representative noted the BEIS minded to position is that penalties for missed SPDs align with the current penalty regime.

Extended Performance Test (EPT)

- 5.14 The BEIS representative noted concerns had been raised for how the CM could account for battery degradation, this Call for Evidence in the Consultation is an exploratory question to see if stakeholders have additional evidence of any barriers and concerns in relation to the requirements for the EPT.
- 5.15 A Member noted the EPT should be based on net capacity rather than the original connection capacity, the issue currently is that you cannot secondary trade your obligation to reduce your connection capacity and one interpretation of Rule 4.4.4 does not allow a Participant to change the configuration of a CMU so they cannot add additional batteries or capacity. The Member noted a workaround for many Participants is to derate their battery when prequalifying to avoid future issues with EPT.
- 5.16 A Member noted it is important to distinguish between whether this is a specific issue for a limited number of participants or a broader industry issue.
- 5.17 A Member queried if a CM Rules change proposal was raised regarding battery degradation, how would that interact with this Consultation. The BEIS representative noted BEIS is keen to engage with CMAG and would identify the most appropriate route to take forward any proposed changes. The BEIS representative noted this is a Call for Evidence at this stage and BEIS is not looking to put forward a specific proposal but is seeking evidence of a wider industry issue.
- 5.18 A Member noted that Participants with batteries could apply for shorter agreements to reflect degradation, there is a finite amount of charge cycles for batteries so CMUs could operate in a way that would maximise life or consider changing battery cells to minimise future degradation.
- 5.19 A Member noted Participants would replenish battery cells to maintain a certain level of performance as agreed with suppliers, who are paying for a performance warranty for the entire agreement length.
- 5.20 The BEIS representative noted that in practice, if storage providers find barriers or concerns with the process of swapping batteries or cells within the CM Rules, this should be raised in the Consultation response.

Connection Capacity

- 5.21 The BEIS representative noted BEIS is seeking to improve assurance that a CMU's connection capacity accurately reflects the total amount of capacity it can export to the grid, and to simplify the process for selecting connection capacity, we propose that all CMUs will be able to base connection capacity on one of the following 3 options only: Transmission Entry Capacity (TEC); Maximum Export Capacity (MEC); and The CMU's Average Output (calculated in accordance with Rule 3.6.1(a) on Previous Settlement Period Performance).
- 5.22 A Member noted an unintended consequence of this proposal could be Participants who are looking to increase their TEC effectively can already choose their Connection Capacity based on their output.
- 5.23 A Member noted that TEC is measured on a power station basis, some CMUs are eligible but others are not so cannot correct their cap sum of connection capacity at site level.
- 5.24 The BEIS representative noted that the intention of this proposal is that the Connection Capacity at site for a multi-unit site is not connected to TEC or MEC.
- 5.25 A Member noted that for some CMUs, purchasing TEC can be expensive and difficult where the CMU's derated capacity exceeds TEC, due to the expensive charging zone. This change may increase the cost of TEC in the CM, as it would push the demand curve higher in order to secure capacity. The Member further noted that

Mothballed plant

- 5.26 The BEIS representative noted it is BEIS' intention to retain and make permanent the change to allow plants to enter prequalification where they have declared that they are unable to provide data from the required timeframe for demonstrating Previous Settlement Period Performance under Rule 3.6.1(a) due to being mothballed.
- 5.27 The BEIS representative queried if CMAG had any comments on the additional credit cover alignment being proposed for these CMUs.
- 5.28 CMAG Members noted this was a good proposal and agreed with its intention.
- 5.29 A Member queried when a Participant would expect to not be required to provide £10,000 worth of Credit Cover under this proposal. The BEIS representative noted it would be returned once the plant has demonstrated it can meet its first SPD.

Penalty regime

- 5.30 The BEIS representative noted this proposal comes from responses to the BEIS Call for Evidence issued in 2021. The proposal is to strengthen the penalty rate from 1/24 of the clearing price to 1/4 of the clearing price. In order to improve the accuracy of data used to calculate penalties, BEIS is considering a change of deadlines to issue non-delivery notices from 21 working days to 35 working days.
- 5.31 A Member queried if there would be any change to the annual or monthly penalty cap. The BEIS representative noted the intention is for the monthly and annual caps to remain the same.
- 5.32 A Member noted CMUs would reach their monthly cap within 40 minutes under this penalty regime in a System Stress Event.
- 5.33 The BEIS representative noted the proposal seeks to avoid discouraging these CMUs to come back on the system when required. A Member noted the incentive for coming back on the system when under a System Stress Event would be limited by this proposal for CMUs that hit their penalty cap.
- 5.34 A Member highlighted the monthly penalty cap calculation within the Regulations would incentivise CMUs to continue responding in a System Stress Event even after hitting their monthly penalty cap.
- 5.35 A Member queried if this proposal would apply retrospectively and how over delivery is calculated.
- 5.36 MW noted that over delivery is calculated at the end of a delivery year, either using the penalty rate or total penalties collected through the penalty regime, whichever of these is smaller is applied.

Emissions limits in the CM

- 5.37 The BEIS representative noted this proposal only affects new builds and seeks to incentivise unabated gas plants to abate or operate a limited peaking profile.
- 5.38 A Member noted that with limits on operating hours, some plants may use up these hours fairly early running the risk of less efficient plants operating later.
- 5.39 A Member queried if this proposal would look at retro-fitted plants alongside new builds. The BEIS representative noted both new build and refurbishing plants are included in the consultation.

Barriers to decarbonisation for existing CMUs

- 5.40 The BEIS representative noted this Call for Evidence seeks to look at any barriers Capacity Providers may experience in decarbonising existing CMUs, and on the potential creation of 'managed exit routes' which would enable CMUs to be withdrawn from the CM in order to decarbonise, subject to security of supply.
- 5.41 A Member noted an unintended consequence of this could be Participants delaying entering auctions as they wait for higher prices to lock in, due to lower capex investment. This would therefore increase the total value of the CM.
- 5.42 A Member noted they were supportive of a change in this area, the Call for Evidence needs to distinguish between DSR and DSR with behind the meter generation. Only DSR should qualify to partake in this process.
- 5.43 A Member raised concern that the process of requiring an ITE to sign off on site emissions could be an administrative burden for participants.

Short multi-year agreements for low carbon, low Capex CMUs

- 5.44 A Member highlighted there is a clear interaction between this proposal and CP366.
- 5.45 The BEIS representative noted there needs to be a review to understand which proposal is in the right place to take forward.
- 5.46 A Member queried if BEIS decides to not take this change forward following the Consultation, would CMAG continue to proceed with CP366.

Clarifications concerning auctions

- 5.47 The BEIS representative noted BEIS is proposing a minor amendment to Rule 5.9.7 to provide additional clarity that in CM auction scenarios where the amount of capacity required for an auction to clear cannot be exceeded due to demand being higher than supply, then each eligible bidding CMU should be awarded an agreement.

Removal of ITE requirements for construction progress reports

- 5.48 The BEIS representative noted BEIS is aware of concerns raised regarding ITE reports and Ofgem sought views on this in 2019. BEIS is proposing to remove the requirement for ITE assessment and to remove the

requirement to provide an explanation if a Construction Date has moved more than two months earlier than the previous construction progress report's earliest date.

Amendments to the transfer route between the CM and CfD schemes

- 5.49 A Member noted support for the ability to move from CM to CfD, but this would depend on how wide the definition for CfD is. The BEIS representative noted BEIS had included proposals on the Call for Evidence to include low carbon and decarbonisation schemes in the CfD definition but will take forward the current definition within the Regulations.
- 5.50 KG noted the ambitious timelines for getting these changes implemented and considering any consequential impacts as a result is difficult for all involved. Achieving this by July 2023 in line with the current delivery year seems very optimistic. The BEIS representative noted the timeline is tight but they have signalled to Delivery Partners and Participants in advance what the proposed changes will be and will continue to consult with industry on any changes.

6. Developing CM Rules Change Proposals - CP364 (Allow Secondary Trading from T-4 / EDF)

- 6.1 EHay provided a recap of the issue CP364 seeks to address, noting under the current Rules, secondary trading cannot be executed until the relevant T-1 auction has cleared. It is also not possible to hold a secondary trading obligation and enter the T-1 auction for the same delivery year.
- 6.2 EHay noted that the proposed weighted PTCO component of CP364 has been considered to account for the requirement that CMUs would need to be prevented from holding multiple obligations that may exceed its total capacity. The Capacity Provider would also need an option to exit the auction should they exceed their total capacity. CP364 also notes the need for a solution for the EMR DB to track trades at a component level so that these are accommodated for in auctions.
- 6.3 The EMR DB representative noted the impact assessment for CP364 flagged many areas that require further clarity, including the weighted PTCO component. EMR DB noted differing derated positions would require a large system change to manage this at a component level.
- 6.4 EHay noted the desired outcome of the weighted PTCO component is to ensure that a CMU does not hold obligations above its derated capacity volume.
- 6.5 The EMR DB representative noted the impact assessment highlighted how detailed CP364 is and the clear need for further discussion on the finer details including calculation being required. The EMR DB representative noted this would be not a productive use of CMAG time and may require a separate meeting/workgroup to work through the finer details of CP364.
- 6.6 The LCCC/ESC representative noted LCCC/ESC is agnostic in its view towards changing the timeline for when secondary trading can occur; but introducing the weighted PTCO component adds a level of complexity that would need to be thoroughly discussed and assessed before it can be progressed any further.
- 6.7 CMAG Members agreed with the approach to discuss CP364 in further detail at a workgroup, with the option of inviting wider industry participants and experts to contribute.
- 6.8 **0123/04 – Elexon to arrange a workgroup to discuss and develop the details and solution for CP364 further, inviting wider industry participants where appropriate.**
- 6.9 KG noted a review of secondary trading has been included within the BEIS CM 2023 Consultation, this wider industry work and discussion must be captured within the responses the Consultation to ensure it is considered.
- 6.10 KG noted that Elexon has not identified any impacts of moving the trading window to 6 weeks before the T-1 on the Credit Cover process, but this should be recapped during the CP364 workgroup.
- 6.11 The Ofgem representative noted the policy intention behind limiting secondary trading was to prevent parties that had failed to build plants on time from profiting from higher prices during auctions.
- 6.12 A Member noted an unintended consequence of CP364 would be that the Rules would then allow trading of 15 year agreements before plants meet their Significant Completion Milestone (SCM), CMAG needs to consider the possible impacts of CP364 encouraging speculative bidding.

- 6.13 CA presented the legal text for CP364 and noted there had been some minor amendments to the proposed solution to provide additional clarity. CMAG noted this legal text would need to be reviewed following the outcome of the workgroup.
- 6.14 CA queried how Ofgem would like the legal text presented. The Ofgem representative noted it is easier to digest in tracked change format, and Ofgem could convert it into the government prose if needed at a later stage.
- 6.15 EHay raised concern with possible delays to CP364 by holding a workgroup and considering all of the finer details of the solution, noting that if there is a simpler alternative solution that may be more restrictive but implemented sooner – this would be agreeable.
- 6.16 The EMR DB representative noted they would raise this with the workgroup to consider if there is an alternate solution that is more agreeable, so that it is not based solely on the EMR DB's feasibility and deliverability but instead is an alternate solution that delivers the intention of the CP.
- 6.17 The EMR DB representative highlighted possible resourcing challenges in the upcoming months due to the auctions to be held in February 2023, a response to the BEIS CM Consultation due in March 2023 and an expectation of a number of changes from BEIS to be implemented by July 2023.

7. Developing CM Rules Change Proposals - CP365 (ITE Reports / Engie)

- 7.1 LG noted this proposal seeks to remove the requirement for an assessment from an Independent Technical Expert if construction milestones have moved by more than 2 months from that set out in the Construction Plan in the pre-qualification application.
- 7.2 A Member noted it is not clear if this proposal goes further than what BEIS is proposing in its consultation, as CP365 may incentivise participants to put a later date in at the start of its progress reports to avoid any impact from CP365. The Member further noted the BEIS Consultation states no requirement for an ITE report or declaration letter from 2 directors where there is a change that would move construction milestones more than 2 months earlier.
- 7.3 The EMR DB representative noted there is a requirement for the EMR DB to submit ITE reports to BEIS. A review of the legal text is required to ensure this obligation is removed.
- 7.4 Members agreed to move forward with CP365, on the basis that it includes the additional change from the BEIS Consultation which goes further in removing ITE reporting requirements.
- 7.5 Members unanimously agreed to propose an implementation date of June 2023 to allow CP365 to be implemented in time for Prequalification 2023.
- 7.6 Members unanimously agreed CP365 furthered Ofgem's Principal Objective.
- 7.7 Members unanimously agreed CP365 is positive in promoting investment in capacity to ensure security of electricity supply.
- 7.8 Members unanimously agreed CP365 is positive in facilitating the efficient operation and administration of the Capacity Market.

8. Developing CM Rules Change Proposals - CP366 (Total Project Spend / Engie)

- 8.1 The Ofgem representative noted there is an interaction between CP366 and the new Government Subsidy Control Scheme and this CP may need to be reviewed further.
- 8.2 The BEIS representative agreed to provide additional information on the new Subsidy Control Framework.
- 8.3 **0123/05 – The BEIS representative to provide an update on the new Subsidy Control Framework and the parameters under which a CP would need to be considered by this group.**
- 8.4 A Member noted they do not agree with the proposed solution and as they do not believe there is a defect to address.
- 8.5 Members agreed by majority that CP366 should be approved.
- 8.6 Members agreed by majority that CP366 better facilitates Ofgem's principal objective, better facilitates promoting investment in capacity to ensure security of supply and better facilitates the efficient operation and administration of the Capacity Market.

8.7 Members unanimously agreed that CP366 should be Implemented by July 2023 or as soon as practicable afterwards if this date is not achievable and the draft legal text.

9. Developing CM Rules Change Proposal - CP362 (CM Agreement Transfers / Waters Wye Associates)

9.1 KH noted CP362 – CM Agreement Transfers seeks to remove Rule 9.2.5(a)(i). CP362 addresses the issue where a CM Participant cannot secondary trade until it meets its Significant Completion Milestone (SCM). Failure to allow this can result in termination of the plant and its associated capacity being taken off the system.

9.2 KH highlighted the guidance provided by the EMR DB can be interpreted as a plant is allowed to trade before meeting its SCM for years 1 and 4 onwards but not for years 2 and 3. It is not clear why this is the case.

9.3 KH noted speculative bidding has been considered when proposing CP362, but the proposer believes it is an overstated concern. A CM Participant is required to get planning permission, a CM Agreement, complete pre-qualification activities and provide credit cover in order to bid – this is an intense amount of resource and time so it is unlikely participants would speculatively bid.

9.4 KH stated CP362 would allow CM Participants to trade after T-4, before the delivery year and/or the long stop date without achieving their SCM.

9.5 KH noted removing the Rule entirely is a simple change that will address the issue and would immediately free up capacity that has not met its SCM to be able to secondary trade.

9.6 A Member noted an alternative approach could be to clarify in Rule 9.2.5(a)(i) that for the avoidance of doubt, a participant can trade year 1 of its Agreement without completing its SCM, but this could interact with the other secondary trading proposals live in CMAG.

9.7 KH noted if the Rule was clearer in that it allowed to trade in year 1, it would help Participants but a clear and permanent solution would be to delete the Rule entirely.

9.8 0123/06 – EMR DB to confirm their interpretation of Rule 9.2.5(a)(i) and the intention behind it.

9.9 A Member queried if Participants would still have the option of the long stop date. KH noted they would, if a Participant holds a 15 year agreement and trades their year 1 obligation they would still have a 14 year obligation after.

9.10 The LCCC/ESC representative noted the procurement process for T-1 top-up auction ensures that capacity is covered regardless of whether plants have met their SCM or not.

9.11 KH noted there are a number of participants who are aware they will miss their SCM but as there is no concept of self-termination within the Rules, the EMR DB is unaware of this until the plant is terminated. CP362 would allow for further transparency in the CM for the EMR DB when calculating capacity requirements.

9.12 A Member noted a challenge with CP362 would be to preserve the benefits in the CM to different classes of participants within an auction, as these should be kept even when secondary trading. An example provided was that not all participants are eligible to apply for a 15 year agreement, so restrictions around new build trading are to stop the benefits of a 15 year agreement from being passed on to other participants who otherwise would not be able to access them.

9.13 EHar noted as discussed earlier, the CMAG will review secondary trading as a whole and consider how it can efficiently progress the issues identified. CP362 will form part of these discussions.

10. CM Rules Change Prioritisation

10.1 CA presented the current CMAG change proposal prioritisation scores, noting this informs the CMAG Forward Plan and future agendas.

10.2 A Member noted the prioritisation tool does not account for ease of implementation of a change, so simpler or quicker changes may be relegated to the bottom of the prioritisation table.

10.3 EHar noted the prioritisation scores and table would be kept to Members only, with the CMAG Forward Plan made available publicly as the output which shows upcoming agenda items and what CMAG is working on.

10.4 The Ofgem representative noted CMAG agreed to do an initial review on change proposals to identify if they are relevant and should be progressed by the group. The Ofgem representative stated CMAG should complete an initial review of CP360 at its next meeting.

- 10.5 **0123/07 – The Ofgem representative to complete an initial review of CP360 and provide its minded to position at CMAG Meeting 5.**
- 10.6 **0123/08 – CMAG Members to review CP360 and provide their initial view at CMAG Meeting 5, on whether CP360 should be taken forward.**
- 10.7 The EMR DB representative noted a solution has been delivered in the new EMR Portal that should address the issue raised in CP363. KH noted CP363 seeks to allow an agent to have one login where they can view all client portfolios, not as an agent but as a user, admin or deputy main admin.
- 10.8 The EMR DB representative noted they would organise a meeting with the CP363 proposer to discuss the proposal and changes made to the EMR Portal.
- 10.9 **0123/09– Elexon to facilitate a meeting with CP363 Proposer and EMR DB to discuss proposal.**

11. CMAG Forward Plan

- 11.1 CA presented the CMAG Forward Plan, noting that each CM Rules Change proposal has been scheduled according to its current priority score provided by Members.
- 11.2 CA noted the CMAG Forward Plan will be reviewed at each CMAG Member and will inform all future CMAG meeting agendas.
- 11.3 CA highlighted the CMAG Forward Plan would be updated following discussion from the meeting, including moving forward CP368 to be discussed at CMAG Meeting 5.

12. Any Other Business (AOB)

- 12.1 A Member highlighted it had previously been noted that a change proposal would be raised regarding battery degradation and queried if this had been submitted. AS noted it had not been received by the CMAG Secretariat yet but would be followed up offline.
- 12.2 A Member noted that the Relevant Balancing Services Guidelines available on the NGENSO website show a version of 1 April 2023, which includes the Balancing Reserve Product due to come online in February 2023. The Member queried if this was the correct version available. The EMR DB representative agreed to review this and confirm.
- 12.3 A Member queried whether the changes discussed today would impact current CM Agreements or only apply to future Agreements. The Ofgem representative noted there are a number of grandfathered terms, presented at CMAG Meeting 3, which would remain the same regardless of any changes implemented. AS noted the list of grandfathered terms can be found on the CMAG website.
- 12.4 EHar noted the February meeting will be rescheduled and a doodle poll would be circulated shortly to CMAG to confirm availability. The rescheduled February meeting will be confirmed to members via a post meeting communication.
- 12.5 EHar noted an industry participant had raised an issue with the way large battery storage sites are being registered as BMUs as a result of the Extended Performance Day requirement in the CM Rules. They note that if they register as a single BMU, they struggle to meet the Extended Performance Day requirement in the Rules as they start to degrade. The industry participant notes that a workaround to this is to split up the site into multiple BMUs as they can trade between the BMUs to be able to meet the requirements. The concern with this is the burden this puts on Elexon and NGENSO registering and managing more BMUs, and Elexon having to process Metering Dispensations to facilitate the splitting up of the site. The industry participant has queried if this is the most efficient way to manage the network.
- 12.6 A Member responded that they are aware of hydro assets that are BMUs split across sites for legitimate reasons but not within the CM, it would be difficult to understand the intent behind multiple BM registrations.
- 12.7 There was no further business and the meeting was closed. The next CMAG meeting date is Thursday 2 March 2023.