

Capacity Market Advisory Group Draft Minutes

Meeting number **26**

Venue **Exelon Offices/MS Teams**

Date of meeting **19 November 2024**

Classification **Public**

Attendees and apologies

Attendees

Adam Peek	AP	Representative (DESNZ)
Adil Islam	AI	Guest
Andrew MacDonell	AM	Representative (Ofgem)
Beth Hanna	BH	Representative (EMR Delivery Body)
Brian Lake	BL	Member
Can Li	CL	Representative (EMR Delivery Body)
Chris Arnold	CA	CMAG Secretariat (Exelon)
Claire Butler	CB	Representative (DESNZ)
Eleanor Haynes	EH	Member
Ellen McGrath	EM	Representative (CM Settlement Body)
Ellie Wilkies	EW	Representative (EMR Delivery Body)
Hannah Pargeter	HP	Representative (EMRS)
Helen Cox	HC	Representative (EMR Delivery Body)
Jack Britton	JB	Representative (Ofgem)
Jenny McGowan	JM	CMAG Secretariat (Exelon)
Kat Gay	KG	Representative (EMRS)
Kyran Hanks	KH	Member
Matt Bowen	MB	Representative (DESNZ)
Matt Hairman-Brady	MHB	Representative (DESNZ)
Mark Duffield	MD	Member
Molly McQuade	MM	Representative (EMRS)
Oli Meggitt	OM	CMAG Facilitator (Exelon)
Paul Farmer	PF	CMAG Secretariat (Exelon)
Paul Jones	PJ	Member
Phillip Paul	PP	CMAG Secretariat (Exelon)

Attendees and apologies

Raoul Thulin	RaT	Member
Richard Thwaites	RT	Member
Rob Selbie	RS	Member
Sean Dryden-Woods	SDW	CMAG Secretariat (Elexon)
Shanelle Millage	SM	Guest
Stuart Wells	SW	Representative (EMR Delivery Body)
Toby Hastings	TH	Representative (CM Settlement Body)

1. Welcome and Introductions

1.1 Oli Meggitt (OM) welcomed members, representatives and guests.

2. CM Representative Updates

LCCC/ESC

2.1 There were no notable updates this month from LCCC.

CM Settlement Body

- 2.2 HP and MM from EMRS joined the meeting and provided an update on behalf of CM Settlement Body. Following the implementation of the functionality for metering configuration, DSR CMU Component reallocation, Metering Assessments, and Metering Tests into My EMRS in July, they have identified 17 potential issues, of which only 7 are customer facing. These concerns relate primarily to metering configuration and component reallocation. HP noted they are actively working to identify the root cause of these issues and are in the testing phase. Good progress is being made, and changes should hopefully be implemented into My EMRS next month. Capacity Providers will be updated on any changes through publications on the [latest change page of the EMRS website](#). They will also be circulated in the quarterly Newsletter in December. HP encouraged feedback from CMAG if additional communication channels are required.
- 2.3 HP noted service desk performance has slipped particularly for metering requests (although the 5WD SLA is being met on other matters). Management are aware of the issue and prioritising improvement in this area. HP reassured that outstanding queries will be resolved upon deployment of those changes. HP invited suggestions for improvements to My EMRS in terms of Metering functionality
- 2.4 RS provided feedback on EMR DB's recent portal improvements, noting the positive impact of their working group. EMR DB's updates have been particularly valuable, allowing users to view and track the issues others are facing. RS suggested, if feasible, consolidating updates into a single portal overview. This could provide a comprehensive update on the status of My EMRS and the DB portal, offering more clarity and streamlining communication on ongoing issues. However, if the feedback is related to the Capacity Market Rules then CMAG should be the forum for those suggested improvements. If there aren't rules or regulatory impacted changes, you can raise them on the EMRS service desk or via LCCC

EMR Delivery Body

- 2.5 BH noted the Tier 1 Disputes window closed today. While they can't comment on specific cases, the team is busy preparing their internal assessments.
- 2.6 KH questioned whether Tier 1 disputes are busier this year compared to last, particularly in terms of appeals, and noted that the new portal appears to be working well. EMR DB confirmed that it has been busier this year but noted that this may be due to the higher volume of applications received. They explained that Tier 1 disputes typically involve administrative issues, such as human or clerical errors, leading to many minor disputes. KH followed up, asking whether the increase in applications is primarily driven by DSR components or more conventional generation. BH responded that, while they couldn't provide specific details at this moment, the information will be published in the future.

Ofgem

- 2.7 AM introduced Jack Britton (JB) from the Capacity Market team who will be supporting Ofgem at CMAG meetings going forward.
- 2.8 AM provided an update on the timelines for the next statutory consultation. The current plan is to publish the consultation on December 11th, with the consultation window closing on January 22nd. Final decisions are expected to be published at the beginning of April.
- 2.9 Ofgem provided an update on their ongoing secondary trading review, which is currently underway and will run for approximately six months, concluding by the end of February. The review will involve two months of internal analysis. As a result, [CP362](#) and [CP364](#), which address secondary trading, will be paused during the consultation period. However, any relevant suggestions will be included in the broader review of secondary trading.
- 2.10 EH inquired about the involvement of DESNZ in the Secondary Trading review workstream, recalling that it was raised as a cross-party review at the November meeting last year. AM clarified that Ofgem is leading the review, noting that DESNZ currently has a heavy workload and is not involved in this particular process. AM added that the report will likely include a series of recommendations, and the process will probably become more collaborative as those recommendations are implemented. It's expected that the recommendations will go beyond CM Rule changes to policy and Regulation.

Department for Energy Security and Net Zero (DESNZ)

- 2.11 MB thanked those who responded to DESNZ's open letter on new Generating Technology Classifications in the Capacity Market. MB highlighted that several documents were published last month, including a consultation on managed exits from the Capacity Market and Decarbonisation Readiness. More details on these topics will be provided later in the meeting during the Industry Feedback session.

3. CMAG Secretariat Update

Update to Operating Procedure and Terms of Reference

- 3.1 OM asked CMAG to approve changes to Terms of Reference and Operating Procedure. JM presented the updates to CMAG.
- 3.2 RS queried why Energy UK was chosen as a representative over other trading associations, such as Citizens Advice. OM explained that Energy UK was once a CMAG member but had difficulty attending meetings and believed therefore their position as a member was not fully justified. As they were still keen to be involved to some capacity in the meetings, the possibility of introducing an alternative role for Energy UK was discussed. AM added that Citizens Advice had a similar situation, noting that the technical nature of discussions was challenging for their level of representation, leading to limited meaningful engagement. PJP noted this was the same situation for ADE who eventually left CMAG. OM clarified that CMAG members could notify the Secretariat if they believed other trading associations or parties should be considered for representation.
- 3.3 JM highlighted the update regarding confidential CPs in the Operating Procedure. AM noted that the change addresses a potential scenario where a confidential proposal is urgent, clarifying how such cases should be managed in terms of information sharing. CMAG was uncertain about the intent behind this change, so JM agreed to contact Ofgem for further clarification and potential re-drafting.
- 3.4 CMAG discussed the contact list for consultations and agreed to remove the word "all" from "all interested stakeholders." The reasoning behind this change is that the Secretariat cannot practically commit to reaching out to all interested stakeholders, as there is no guarantee that we'll be able to do so. By removing "all," this ensures that if any stakeholders are inadvertently missed, it won't be considered a breach of the Operating Procedure.

4. Industry Feedback

Capacity Market Register (CMR) format and large file size

- 4.1 EH gave feedback, primarily from the member's Agreement Management team. EH highlighted that overtime CMR file changes have become significantly larger and take longer to download and analyse. EH noted that the primary driver for this is DSR CMU Components. EH highlighted that Axle Energy CMUs represents 96.8% of data and less than 0.1% of De-Rated Capacity in the relevant registers for DY24/25. EH noted DB are looking

at the format of the CMR as part of the new portal launch and perhaps using an API or other data set format could be possible. EH also questioned whether there was a better administrative way of presenting data in the short term, perhaps having a separate spreadsheet for DSR CMUs with large numbers of Components.

- 4.2 SW confirmed EMR DB are aware of this issue and have been looking at this. There are two different solutions being looked at. EMR DB is currently testing API integration with NESO portal and will keep CMAG updated on this longer-term fix, which has been de-prioritised at this time. SW sought CMAG views of having certain large volumes of DSR Components on a separate tab or spreadsheet but need to discuss the risks of users having to take extra steps. Would also like to hear views on what users use the DSR Components on the register for.
- 4.3 KG queried whether component level or agreement level data for the CM Metering Register. KG also questioned what the Metering Register data is currently being used for.
- 4.4 RS expressed support for EMR DB's suggested approach to API integration and can EMR DB engage on design, not just one on one but perhaps workgroups with interested parties. On short term fixes, be wary of separate tab as could cause confusion. Perhaps publish a CMU level register in addition to the existing CMR that includes all Component level data.
- 4.5 SW will take that suggestion to the team at DB, could be a good, but DSR Component level data will have to be published somewhere. In terms of API, plan to take to User Group and keen to get engagement, especially on what domestic DSR Component data is used for.
- 4.6 EH confirmed for all other CMU types, Generating Unit level data is useful to have in the same place, because sometimes you have multiple Generating Technology Classes in a CMU and that is the only way to see that. Not asking for Rules to be relaxed for domestic DSR Components, but their data is huge and not so useful and is slowing down everything.
- 4.7 BH, domestic DSR Components must be published under Rules, but where it is published is what is the trade-off between usability, transparency and assurance. EH suggested having that data in EMRS portal is not that different from separate spreadsheet on EMR DB register. SW noted transparency of domestic DSR Components is useful and happy to work on this issue with CMSB in the medium term in a joint working group, perhaps through the User Group already established. Also, EMR DB are happy to engage via usual channels and open to discussing further.
- 4.8 EH commented that their Agreement Management team could find the first half of the postcode useful for geographic analysis. RS noted a use case for domestic DSR Components is that sometimes customers will have no idea they are signed up to the CM, so a new flexibility provider will use the register (CMR or CMMR) of those DSR Components to confirm status, even before going into EMR DB or CMSB verification processes.

DESNZ Consultation Feedback

- 4.9 CB and AP joined and presented on the recent Decarbonisation Readiness (DR) Legislation and the Capacity Market consultation and call for evidence. Decarbonisation Readiness (DR) Legislation was laid in parliament on 30th October and Capacity Market consultation and call for evidence was published on 15th October. CB and AP covered the legislation and four major policy proposals in the presentation.
- 4.10 DESNZ informed CMAG Members that the consultation and call for evidence will remain open to written responses for 8 weeks from 15 October 2024, closing on 10 December 2024. DESNZ expect to respond to the consultation and call for evidence in early 2025. DESNZ are hoping to make any legislative changes before the Capacity Market auction pre-qualification in July 2025.
- 4.11 RaT raised that DESNZ have outlined exit routes for CMUs holding multiyear agreements but have not outlined exit routes for CMUs with single year agreements, who can build up to almost 5 years of single year Capacity Agreements. RaT questioned whether there was any reason for this as Capacity Providers may need exit routes in this scenario.
- 4.12 KH noted that NESO advice to Government was 35GW of gas in 2030 is needed in all scenarios. Is this policy design reflective of conversations with providers and are you confident these policies will meet the 35 GW target? CB said DESNZ has been working closely with gas developers and consultants, but this is part of this consultation. DESNZ are seeking industry views on whether they think these policy proposals are good enough. Is anything further needed to secure the gas we need.
- 4.13 RS noted this consultation was all gas focused, which is disappointing from a de-carbonisation perspective and are there other policies in the pipeline which could support other technologies. CB responded that it's a fair challenge and there's lots of work going on with other technologies. DESNZ have outlined in the consultation

what's going on to try and support low carbon flexible technologies, power CCUS, Hydrogen to power and Long Duration Storage. However, this consultation is about security of supply and supporting unabated gas suppliers and how they decarbonise and manage their exit. Happy to take feedback on exit strategies for any other technology.

- 4.14 MD raised a broader question – how this consultation fits together with CM 10-year review and REMA. CB responded that DESNZ are very conscious there is a lot going on and are trying to link up internally. If there are any policy areas that appear disjointed, happy to take that away and discuss.

5. CMAG Surgery

CP373 Implementation Review

- 5.1 PP outlined the reason and process for the review of the implementation of CP373 into CM Rules 2024. Comparing the CP373 Change Proposal Report with the Ofgem consultation, Ofgem decision document and a redline version of the CM Rules 2024. The outputs from the CMAG Secretariat initial review were summarised in the meeting and PP noted that a separate spreadsheet with all the details is already available on CMAG SharePoint for members and representatives to review. In this meeting, PP was seeking views on whether members were concerned or not about the variations from the original points raised with the 2023 Rules to the final 2024 Rules.
- 5.2 PP summarised the Housekeeping Changes found and suggested these were straight forward but asked for views. SW sought to confirm the process of whether these changes were not in the recent published CM Rules and PP confirmed that these housekeeping changes have come up in 2024 Rules when reviewing them for the CP373 related changes. No other views raised.
- 5.3 PP summarised how the format of the CM Metering Register (CMMR) was drafted and implemented in the Rules. Posing a question of whether a surgery item to consider the scope or reformatting of the CMMR specified in the Rules should be developed. Highlighting that future proofing of the rules to enable format updates to the Metering Register should be considered, especially considering the Industry Feedback discussion at this meeting. Also querying if a more fundamental review of the register information itself and the possible uses of the register should be progressed. RS supported discussing use cases for CMMR to consider the questions raised. PP also suggested developing a separate surgery item working with EMRS and EMR DB as to what is the right level of information in the Register for appropriate and useful transparency.
- 5.4 SW noted that the appeared lack of response to the question of uses of the CMMR, could mean we have an issue, but that it isn't a priority, and we could also be straying into policy if CMAG discusses what is published. EH agreed, but it could be bought forward if DESNZ are comfortable for CMAG to review and knows that the CMMR has been used to validate CMUs. AM agreed that the discussion of CMMR content could be straying into policy, but if CMAG could discover cases of how the CMMR is used, and DESNZ and Ofgem discuss this, that would be useful feedback. KG highlighted that if there is a decision of whether to publish DSR Metering Registers on the CMMR, then that is a policy question. Also noting that CPs should be using the CMMR to see if their reallocations are correct or not. PP confirmed a separate surgery item will be developed on the CMMR scope and format.
- 5.5 PP raised five possible issues on the consequences of implementing CP373. It was agreed that a separate surgery item should be raised to amend the lack of formal declarations when submitting metering information in My EMRS. It had previously been covered in the Rules when metering information was provided to EMR DB at Application.
- 5.6 It was also agreed to raise a surgery item for omitting 13.3.2 (a), which requires a Capacity Provider to notify the CMSB that a CMU is subject to a Metering Test, which is now a duplication. Also, for a duplication from new Rule 8.3.3(da) and existing Rule 13.3.10.
- 5.7 Along the same theme, should a future Surgery Item consider changing 8.3.3(e) and making it clear who is responsible for initiating the award of a Metering Test Certificate. No challenges were raised to it progressing.
- 5.8 PP raised that CP373 resulted in DSR Test metering information not being provided to EMR DB at application, but later via the CMSB Portal. However, Rules require DSR Test Meter volumes to be provided to EMR DB prior to prequalification (as a Proven DSR CMU) or give EMR DB 2 working days' notice of its intention to activate test the DSR CMU. SW confirmed that most CPs give 2 working days' notice and don't see this causing confusion, but there could be scope for clarification. CMAG Secretariat agreed to develop Surgery item for further consideration.

- 5.9 PP highlighted rules inconsistencies relating to Metering Configuration. Firstly, some Rules have specific references to MPANs/BMUs and not to Metering Configuration Solutions (MCS) and Approved Metering Solution (AMS). Meanwhile, other Rules refer to AMS only and a Surgery Item could review the consistent use of MCS/AMS. No challenges received.
- 5.10 In the final Metering Configuration issue raised, no challenges were received to considering the requirement for any CMU that requires a Metering Test, to provide a Single Line Diagram (SLD) as part of a Schedule 6 Metering Statement and move that SLD requirement to Schedule 7 Bespoke Technical Requirements.
- 5.11 CP373 has not addressed that Schedule 6 Metering Statement only refers to Capacity Providers, which means a provider who has a Capacity Committed CMU. However, Schedule 6 must be completed by any CMU who must complete a Metering Test. It was agreed that a Surgery item to consider the terminology of Schedule 6.
- 5.12 KG would like to parallel discussions on Domestic DSR with all Metering Configuration Surgery items.
- 5.13 PP raised the issue of reconfiguring a CMUs connection. For example, changing from Distribution Connected to Transmission Connected, or changing from Non-CMRS to CMRS. Would CPs want flexibility over a possible 19-year period from Application to the end of a 15-year agreement. KG raised that this may need to be considered as a cross-code item. RaT thought the ability to move from Non-CMRS to CMRS is a scenario that has been used and is useful. No challenge to progressing this as Surgery item raised.
- 5.14 PP raised the context and use of the DSR CMU Component Register (used operationally to implement DSR CMU Component reallocation within the Rules), and whether a future Surgery item should consider inserting the DSR CMU Component Register into the Rules. SW raised this is an issue considering Domestic DSR components and future assurances for those. However, this was considered a Policy matter, so isn't a CMAG issue and KG agreed. This issue will not be discussed at CMAG.
- 5.15 PP raised if this review of CP373 should look at a future change of responsibility for DSR Tests from EMR DB to CMSB. RS confirmed it was extra effort to supply data to one portal and have the test run by another party. SW confirmed that this is under discussion, but isn't ready for discussion at CMAG, therefore it will not be progressed at this time. PP also noted the current mixture of responsibilities between Rules and operational practice over Satisfactory Performance Days (SPD) and Extended Performance Tests (EPT). Again, this is under current development with Ofgem, DB, CMSB and EMRS and will not be taken forward by CMAG as a Surgery Item at this time.
- 5.16 CMAG agreed to bring forward as a Surgery item amending the Metering Assessment Long Stop Date (LSD) deadline when a Prospective CMU can still meet its Minimum Completion Requirement during the 120WD after a Notice of Intention to Terminate is issued at LSD.
- 5.17 PP raised the Provision of Information by the System Operator to CMSB as DB has always done it, from data submitted by CPs regarding 'Declared Availability' and 'Contracted Output'. SW noted that such data would be verified with the System Operator and does not see this as a high priority. RS would like clarity for CPs, as doesn't believe that all CPs will read the guidance or rules and think there is nothing for them to do. HP advised that CMSB are working on increasing awareness of Stress Event obligations on CPs and are going to be releasing video guidance. HP/SW would welcome feedback on guidance and if something else needs to be done. CMAG will not do anything about this issue while CMSB, NESO and DB go through their process or guidance. RaT made a general observation that we shouldn't amend the Rules to what is happening in reality, but CMAG should assess if the Rules need changing.
- 5.18 PP highlighted that Data Retention rules should be aligned concerning CMR, CMMR and HMRC. CMAG agreed to progress to Surgery as a low priority.
- 5.19 PP noted that CP373 did not take the opportunity to address DSR Alternative Delivery Periods (ADP) and would like these to align with BSC Settlement Periods of 30 minutes, for DSR Tests and settlement during a System Stress Event using ADP. CMAG agreed for these this to be progressed.
- 5.20 CMAG agreed to work in all the CP373 surgery items agreed into the Forward Work Plan for approximately the next 12 months.

Rule 6.10.1 Termination Reasons over GCA TEC

- 5.21 PF outlined the basics of the issue. KH confirmed this is not a hypothetical issue, it is holding up a client and agreed with CMAG Secretariat's analysis so far.

- 5.22 PF asked for any view on how a solution could be found, should the solution be about the clarity of 'any other CMUs' in the wording of termination (g) and (ga) in 6.10.1 and combining the reasons.
- 5.23 PJ noted that De-Rated Capacity is used rather than capacity as this was historic position and for consistency. De-Rated Capacity could be seen as out date compared to new capacity rules for TEC and Non-De-Rated Capacity. This issue comes from reality moving on rather than the rule being wrong, therefore should we draft a rule that means TEC covers Capacity Obligations. KH agreed and PJ noted this would align with what everyone thinks this rule should be saying.
- 5.24 RaT thought a new rule should say the TEC covers the Connection Capacity of those CMUs with Capacity Obligations. This would tie in 3.5.1A as intended. PJ noted this could have an issue for a CMU with a Partially Traded Capacity Obligation. RaT agreed.
- 5.25 PP would like to parallel with Extended Performance Tests, where Rules 2024 introduced changes to EPT to pro-rata for Secondary Trading in Rule 13.4A.4(c).
- 5.26 SW possibly two slightly different issues, and perhaps Ofgem could consider Secondary Trading in their upcoming review. If a CP trades away their obligation and then it is traded back in, there is a re-test obligation on the CP under EPT and there could be similar complexities here. Should this be considered separately to this CP?
- 5.27 KH reluctant to look at Secondary Trading issue as that is an ongoing issue from 2018. Would like to keep this CP simple, by simply requiring TEC or export capacity to meet Capacity Obligations. PJ noted that meeting the Rules at Pre-qualification means having enough Connection Capacity, which is slightly different to this Rule which would use Capacity Obligation, which is only ever De-Rated Capacity.
- 5.28 CMAG agreed to proceed to a CP with simple solution at the next CMAG and consider secondary trading in the Ofgem secondary trading review.
- 5.29 PF asked CMAG the standard surgery questions. CMAG agreed this is a valid issue and the CM is the right place to address it.

Full review of the Exhibits in the CM Rules

- 5.30 CA presented CMAG with a set of questions regarding key areas to address in the review of Exhibits. CMAG agreed that clarification on how CMUs are identified within the Exhibits is needed, as the current terminology only refers to a 'description of the CMU' when requesting CMU details. CMAG noted that, during the ITE report review, CMU IDs were used for greater specificity and recommended that the Exhibits align with this approach. No further comments were received.
- 5.31 CA raised the issue that, in some instances, the same information may be required for multiple CMUs. The question was whether it would make sense to bundle these cases for administrative efficiency, where different sets of CMUs are being identified. CMAG agreed that it would be sensible to allow multiple CMUs where the information is the same, as the current approach can be quite tedious.
- 5.32 CA asked CMAG if there could be any circumstances in which parties or providers should be allowed to make alterations to the Exhibit text. SW noted that while there have been instances where text was added to an Exhibit, it often did not relate to its contents but was included to make directors more comfortable signing the document. SW emphasized that Ofgem's guidance is for parties to follow the form, and the current review is intended to assess whether there are grounds for such additional comments. However, the value of the Exhibits lies in their fixed nature, and allowing alterations would undermine this. CA agreed to review previous instances where additional text was added to assess whether there could be any benefit in modifying the text on a case-by-case basis.
- 5.33 CA asked CMAG whether more general language should be used in the declarations to reduce the number of sections that could be deleted, or if different versions of Exhibits should be created for different scenarios. SW noted that there have been comments where directors have been reluctant to sign an Exhibit due to the inclusion of specific sections, even though the circumstances for these sections are clearly outlined at the beginning. HC added that they would prefer to avoid increasing the number of versions of Exhibits, as it could lead to greater complexity and confusion. EM added that allowing deletions of irrelevant sections could pose a risk of individuals accidentally removing content, making it less likely that any omissions would be detected.
- 5.34 SW flagged Clause 3.3.6, which states that any changes to the Exhibits will invalidate those currently deemed Evergreen, requiring resubmission. EMR DB's view was that all changes should be implemented at once, ensuring that Exhibits remain Evergreen thereafter.

Connection Capacity

- 5.35 CA gave background and context for the Change Proposal. The CMAG Secretariat noted that as part of [CP381](#) broader questions relating to Connection Capacity provisions detailed in Rule 3.5 were raised.
- 5.36 CA gave brief overview of terminology in Rule 3.5. PJ clarified TEC is always at the power station level and never at the Generating Unit level as detailed in the slides. CA explained the different options for how the Connection Capacity can be calculated, according to different circumstances in Rule 3.5.
- 5.37 CA queried how TEC or MEC has historically been determined at GU level within a Generating CMU under Rule 3.5.1A. EH noted that they had previously been advised to use planning permission as evidence of GU level TEC/MEC for prequalification. EMR DB agreed to take away action to look for previous examples of Rule application. Including the question of how this is applied at Distribution Connected CMUs, as the MEC can be provided after Application.

Action (26/01) EMR DB to review applications of Rule 3.5.1A

- 5.38 CA raised a discrepancy between 3.5.1 and Rule 3.5.1A, which caps the sum of the Connection Capacity of the relevant units at the site / power station level of TEC or MEC. Whereas 3.5.1A caps the sum of the Connection Capacity at CMU level. DESNZ agreed to take this away and provide an update at the next CMAG Meeting.

Action (26/02) DESNZ to review why Rule 3.5.1A caps of the sum of Connection Capacity at site level TEC/MEC, whereas per 3.5.1, this is capped at CMU.

- 5.39 CA asked whether there is a need for additional controls for Private Networks under Rule 3.5.1A. SW confirmed this would be covered by other controls. PJ noted generally, the whole arrangements for Private Networks are very unclear and unprescribed, not least whether a Private Network can even be connected to the Transmission network. Therefore, trying to clarify this Rule in terms of Private Networks would be a wider issue and out of scope of this proposal.

6. Developing CM Rules Change Proposals

Change Proposal 383 – Change to Capacity Market Register (CMRs) to add storage durations

- 6.1 SDW presented [CP383](#) to CMAG. CP383 was raised to address the concerns, held by the Panel of Technical Experts (PTEs) in the [Electricity Capacity Report 2024](#), that there was insufficient information within Capacity Market Registers (CMRs) for storage Generating Technology Classes (GTC), specifically their durations, affecting their De-Rating factors and Extended Performance Tests.
- 6.2 To resolve the lack of storage GTC duration information within CMRs the proposed solution was to amend CM Rule 7.4.1 by adding a requirement for publication of storage GTC duration to be included retrospectively in CMRs.
- 6.3 However, SDW noted that CMAG Secretariat, along with the Delivery Partners, had identified concerns with CP383, namely that CM Rule 7.4.1 already includes this information. This means that storage GTCs should be reporting all information required by CM Rule 7.4.1, which includes storage durations.
- 6.4 Also, EMR DB noted that the CMRs for the most part contain information related to storage duration and there are only a small number of areas where storage duration information was not published, these were:
- Any agreements awarded before 2017, where the Storage GTC was not stratified by duration, some of these are still in force as multi-year agreements (150 missing components);
 - Storage CMUs who opt out are not required to declare a duration (8 missing components);
 - The decision to de-rate storage by duration was made between the 2017 Prequalification Window and the subsequent auction and so these agreements do not include a storage GTC with duration from Application. For those who confirmed entry and have won agreements EMR DB re-calculated their de-rating factors based on their duration but these durations are not published;
 - 2017 T-4 applications who won agreements (44 missing components); and
 - 2017 T-4 applications who did not win agreements (302 missing components).
- 6.5 EMR DB said it would take action to investigate whether it would be able to ‘reverse engineer’ the stratified Storage GTC with durations and add those to the 44 Generating Units from the 2017 T-4 application where an agreement was won.

Action (26/03) EMR DB to investigate whether it would be able to add storage durations for the 44 Generating Units from the 2017 T-4 application where an agreement was won.

- 6.6 Members noted that historic guidance from DB, endorsed by DESNZ, enabled Capacity Providers with storage GTCs to 'nominate' their Connection Capacity to take into account the degradation of a battery over the term of the agreement they are seeking. In turn, the physical Connection Capacity and 'nominated' Connection Capacity may not align.
- 6.7 Further, Members noted that 'nominated' Connection Capacity' appears inconsistent with Rules 3.5
- 6.8 DB and DESNZ agreed to take action to look into prior guidance provided to capacity providers using storage GTCs over 'nominated' Connection Capacity.

Action (26/04) DB and DESNZ to look into prior guidance provided to Capacity Providers using storage GTCs and 'nominating' Connection Capacity.

- 6.9 Even though Rules 2024 introduced Permitted Battery Augmentation (PBA, under Rule 4.4.4A) and the DB Guidance therefore no longer refers to such 'nominated' Connection Capacity, it was advised during the meeting that Water Wye Associates had received an email from DB confirming that such 'nominated' Connection Capacity was still possible. Although previous use of 'nominated' Connection Capacity might have de-risked Termination as a result of failing Extend Performance Testing (EPT), Rules 2024 introduction of PBA and allowing for PTCO-out, have already mitigated that risk.
- 6.10 Members considered this was unfair to other technologies that may also suffer degradation to their generating capacity over time. CMAG Secretariat agreed and noted it could be raised as a surgery item in the future.
- 6.11 SDW queried whether members saw CP383 as being a valid issue CMAG should progress with developing a rule change for. The majority of members did not agree that Capacity Market Registers generally lacked storage duration information. Rather, CMAG held that CM Rule 7.4.1. did create sufficient reporting onus on Capacity Providers to provide information related to storage technologies, such as duration. CMAG Secretariat noted members' views and indicated a report would be produced to reflect these discussions.

7. CMAG Forward Work Plan

- 7.1 PF presented the CMAG Forward Work Plan and noted updates from last meeting. KH asked for confirmation from Ofgem on their next consultation dates. AM reconfirmed as per paragraph 2.7 of these minutes.

8. Action Log

- 8.1 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, published on the website.

9. Any Other Business

- 9.1 SW confirmed that this was the last day of the disputes window. Would appreciate if CMAG does not fall on dates like this. OM confirmed there is flexibility and for anyone to raise any concerns.
- 9.2 OM confirmed the next CMAG meeting will take place on 17 December 2024.