

ELEXION

**Capacity Market Advisory Group (CMAG)
Meeting 26**

19 November 2024

Heath & Safety

In case of an emergency

- An alarm will sound to alert you.
- The alarm is tested for fifteen seconds every Wednesday at 9.20am.

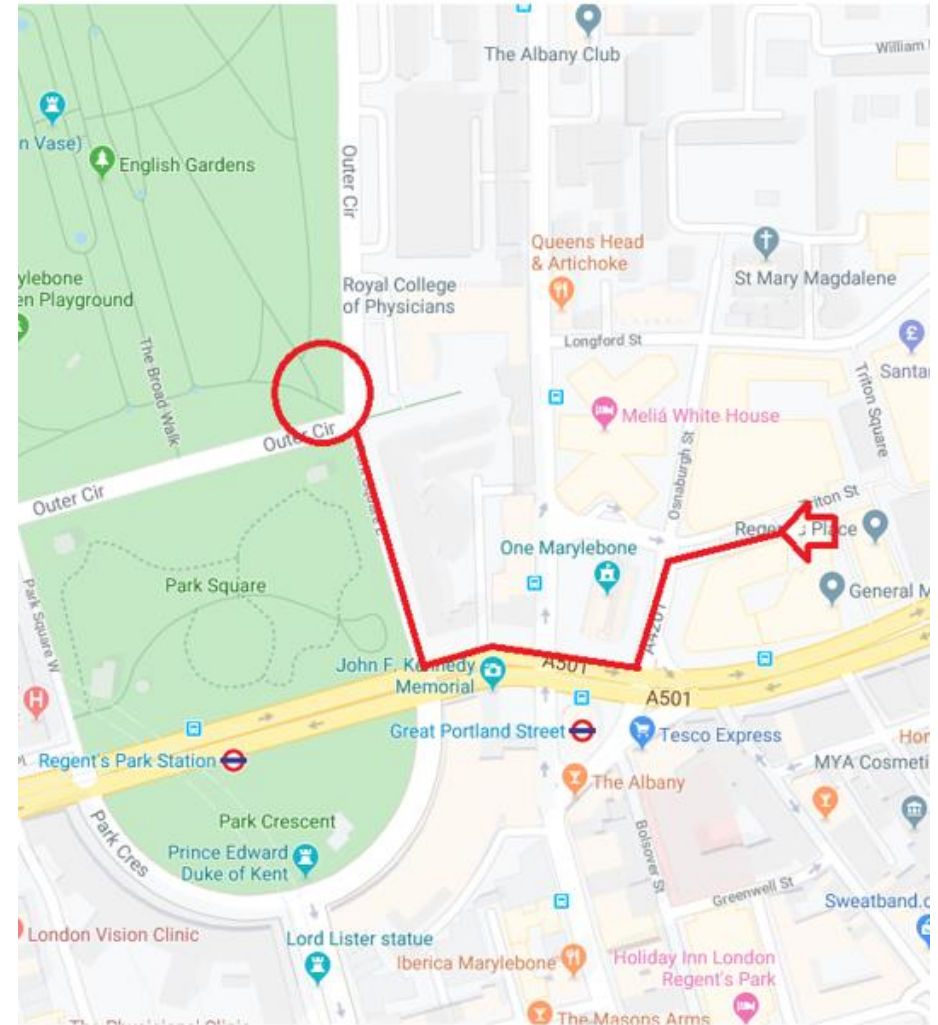
Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to assembly point.
- Please remain with a member of Elexon staff and await further instruction from a fire warden.
- For visitors unable to use stairs, a fire warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the fire warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



Meeting Agenda

Agenda Item	Lead	Guide Start Time
Standing Items		
1. Welcome and Apologies	Oli Meggitt (CMAG Facilitator)	10:00 (5 mins)
2. CM Representative Updates	CMSB; EMR Delivery Body; Ofgem and DESNZ	10:05 (20 mins)
3. CMAG Secretariat Update <ul style="list-style-type: none"> Updates to the ToRs and Operating Procedure 	Oli Meggitt	10:25 (15 mins)
4. Industry Feedback <ul style="list-style-type: none"> CMR format and large file size DESNZ Consultation update 	Oli Meggitt Eleanor Haynes Claire Butler and Adam Peek	10:40 (40 mins)
Break (11:30 – 11:40)		
5. CMAG Surgery <ul style="list-style-type: none"> CP373 Implementation review Rule 6.10.1 Termination reasons over GCA TEC Full Review of Exhibits in the CM Rules Connection Capacity 	Phillip Paul (CMAG Secretariat) Paul Farmer (CMAG Secretariat) and Kyran Hanks Chris Arnold and Jenny McGowan (CMAG Secretariat) Chris Arnold (CMAG Secretariat)	11:40 (65 mins)
Lunch (12:45 – 13:30)		
6. Developing CM Rules Change Proposals <ul style="list-style-type: none"> CM Register to Include Storage Duration 	Sean Dryden-Woods (CMAG Secretariat) and Lisa Waters	13:30 (20 mins)
7. CMAG Forward Work Plan	Paul Farmer (CMAG Secretariat)	13:50 (10 mins)
8. Action Log	Sean Dryden-Woods (CMAG Secretariat)	14:00 (15 mins)
9. Any Other Business (A.O.B)	All	14:15 (5 mins)

Meeting Agenda – Scheduled Breaks

- **Set breaks at:**

Break Type	Time
Comfort Break	11:30 – 11:40
Lunch	12:45 – 13:30
Comfort Break	14:30 – 14:40



WELCOME AND APOLOGIES



CM REPRESENTATIVE UPDATES

- CMSB
- EMR DB
- OFGEM
- DESNZ



CMAG SECRETARIAT UPDATE

Updates to Terms of Reference and Operating Procedure

The draft changes required to the Terms of Reference and Operating Procedure for the proposed updated membership process have been circulated with the Meeting 26 materials.

CMAG are requested to confirm their recommendation to Ofgem to:

- **Approve** the changes to the Terms of Reference;
- **Approve** the changes to the Operating Procedure.

TERMS OF REFERENCE

3. Composition of the CMAG

Current:

3.1.5 The CMAG membership shall comprise of the following:

- ⑩ At least six Members, which may include CM participants, trade associations (or groups that represent multiple stakeholders), consumer groups, or other interested stakeholders with relevant experience;
- ⑩ Representatives from each CM Delivery Partner;
- ⑩ Representative(s) from Ofgem; and
- ⑩ The CMAG Secretariat.

Proposed:

- The CMAG membership shall comprise of the following:
 - At least six Members, which may include CM participants, trade associations (or groups that represent multiple stakeholders), consumer groups, or other interested stakeholders with relevant experience;
 - Representatives from each CM Delivery Partner;
 - Representative(s) from Ofgem;
 - [DESNZ](#);
 - [Energy UK](#); and
 - The CMAG Secretariat.

OPERATING PROCEDURE

4. General CM Rules Change Provisions

Current:

If a Proposer wishes to submit confidential information directly to Ofgem, it may do so. However, Ofgem may, at its discretion, share information shared directly with it to the CMAG Secretariat and CMAG, if appropriate. The processes for this sit outside this CMAG Operating Procedure.

Proposed:

If a Proposer wishes to submit confidential information directly to Ofgem, it may do so in a document that is clearly marked as confidential and is separate from the Change Proposal form. Ofgem will not share information marked as confidential with the CMAG Secretariat and CMAG unless legally obligated to do so or if written permission is subsequently given by the proposer. Change Proposal forms will be made public as part of the Statutory Consultation process, so no information submitted as part of a Change Proposal form will be considered confidential.

12. Delivery Partner Impact Assessment of CM Rules Change Proposals

Current:

Where a Delivery Partner does not provide an Impact Assessment for any reason, at the latest two CMAG Meetings after it was requested by the CMAG, the CMAG will determine whether the CM Rules Change Proposal should continue to be progressed in absence of Impact Assessment response for Ofgem decision.

Proposed:

Where a Delivery Partner does not provide an Impact Assessment (which was formally requested) for any reason, at the latest two CMAG Meetings after it was requested by the CMAG, the CMAG will determine whether the CM Rules Change Proposal should continue to be progressed in absence of Impact Assessment response for Ofgem decision.

13. Industry Consultation of CM Rules Change Proposals

Current:

13.5 The CMAG Secretariat shall:

- A) Publish the CM Rules Change Proposal Consultation on the CMAG Website;
- B) Highlight the consultation to all interested stakeholders that it holds contact details for; and
- C) Highlight the consultation to Ofgem and the delivery Partners, which may include a request to highlight it to their respective interested stakeholders where contact details are held.

Proposed:

13.5 The CMAG Secretariat shall:

- A) Publish the CM Rules Change Proposal Consultation on the CMAG Website;
- B) Highlight the consultation to all interested stakeholders ~~that it holds contact details for~~; and
- C) Highlight the consultation to Ofgem and the Delivery Partners, which may include a request to highlight it to their respective interested stakeholders where contact details are held.



INDUSTRY FEEDBACK

CM REGISTER FORMAT AND LARGE FILE SIZE

Industry Feedback – CM Register

Raised by a Member - format of the CM Registers and the increasing difficulty of large file sizes, caused by data submissions for DSR CMUs with many hundreds or thousands of Components.

The Member's CM Agreement Management team and Forecasting team, have provided the below feedback:

- As the Delivery Body publishes the registers in Excel format, which need to be separately downloaded, the file sizes do impact the ease of analysis of the data. The registers which have many thousands of rows (usually DSR components) are now too large to conveniently use as they are very slow to download, open, save on the system etc.
- For context, the 2024/25 T-1 register, two Axle Energy CMUs have 19,993 rows of data but only 6.010 MW De-Rated Capacity.
- In the 2024/25 T-4 register, four Axle Energy CMUs have 72,543 rows of data, but only 58.790 MW De-Rated Capacity. In this example, there are 74,917 rows of data in the entire register, meaning the **Axle Energy CMUs represent 96.8% of the data in the register, but only 0.1% of the de-rated capacity** (58.28 GW total);
- Industry are seeing increasing numbers of these 'many-component CMUs' (up to tens of thousands per CMU now). The recent DESNZ Phase 2 announcements for DSR (e.g., 3-year Agreements with no capex threshold, address redaction, and component reallocation limit) may increase DSR participation even further for future prequalification rounds / Delivery Years.
- The Settlement Body has noted these issues at previous CMAG meetings, and these CMUs are now causing wider data / process problems. The specific concern is with the format of the CM Registers and at least one market participant would really welcome a move from the Delivery Body to provide this data in a different format (e.g. an API or other database format / SQL).
- Perhaps in the meantime, Industry would welcome the component information for these 'many-component CMUs' being published in a separate spreadsheet, so this data does not automatically inflate the size of the CM Register file.

Industry Feedback – CM Register

CMAG Secretariat ran a quick analysis, comparing a downloaded 'set' of 8 CMR files for DY 24 / 25 on 28 October, against downloaded CMRs on 4 November, checking for any before and after increase in file sizes:

- Only the T-1 DY 24 / 25 has changed significantly, from 13.7MB to 55.1MB. Comparing the two versions of T-1 DY 24 / 25 CMR files shows that 4 Unproven DSR CMUs have had almost 140,000 components added.

For future Delivery Years, the T-4 DY 27 / 28 is as large, reflecting that the large files arise from 2023 Pre-Qual and Feb-24 Auctions.

As part of this Industry Feedback, it was noted CM registers have been discussed before as an Industry Feedback agenda item (January 2024) which maybe worth revisiting.

Key questions raised included:

- What is the objective of the CMR, e.g., Transparency over CM participants and their obligations;
- What should be in the CMR, i.e., currently based on Rules 7.4 / 5 / 8, but also what could change;
- What does “publicly available” (Rule 7.6) mean and with changing technology since 2013, should this now require DB to provide a data analytics portal (with API to Open Data) covering all Applicants / Auctions / Agreements and Secondary Trading;
- Who can report an error in the CMR, i.e., under Rule 7.7 this is currently only the Applicant / Capacity Provider for the pertinent CMU.

DESNZ UPDATE



November 2024

Security of supply and supporting decarbonisation

Capacity Market Consultation and Call for Evidence



CONTEXT

The variable nature of renewables makes it critical that we have sufficient flexible capacity. Whilst low carbon flexible tech scales up, we will rely on unabated gas. We aim to move gas to a backup role to ensure security of supply.

The recent Decarbonisation Readiness Legislation and the Capacity Market consultation and call for evidence are focused on maintaining security of supply whilst decarbonising the grid.





Decarbonisation Readiness (DR) Legislation

Laid October 2024



DECARBONISATION READINESS

Ensure new and substantially refurbishing combustion power plants in England have a credible route to decarbonise from February 2026, through either carbon capture or hydrogen firing technology.

DR is an update and renaming of existing Carbon Capture Readiness requirements, it removes the 300MW threshold and expands the type of technologies in scope, introduces hydrogen firing as a decarbonisation route and moves the requirements from planning consent to environmental permitting.





NEXT STEPS

- The Statutory Instrument that will bring forward the requirements has been laid and is currently progressing through parliament. The legislation is expected to come into force from February 2026.
- In the meantime, the Environment Agency (EA), who will administer the requirements, are developing accompanying guidance and will consult with stakeholders in the coming months.
- We will soon be holding a stakeholder engagement event which will afford attendees the opportunity to ask questions about DR to DESNZ and the EA.



Capacity Market: Proposals to Maintain Security of Supply and Support Decarbonisation

Consultation and Call for Evidence published October 2024



LIFETIME EXTENSIONS

Supporting the economic case for extending the life of ageing plants by lowering the capital expenditure threshold required to access three-year 'refurbishing' Capacity Market agreements from £165/kW to £50/kW.





MANAGED EXITS

Introduce an exit pathway for unabated gas generators with multi-year Capacity Market agreements to exit the Capacity Market and transfer to the Dispatchable Power Agreement, enabling conversion to pCCUS.

We are also seeking views on additional managed exits pathways that could be implemented in the future to enable decarbonisation of unabated gas.





Department for
Energy Security
& Net Zero

ENSURING READINESS TO DECARBONISE

Provide assurance that all substantially refurbishing or new combustion power plants participating in the 2026 Capacity Market auction have a credible plan to decarbonise before they become operational, whether through converting to hydrogen firing or carbon capture.





Department for
Energy Security
& Net Zero

LONGTER-TERM CAPACITY NEEDS

Future options for developing NESO's modelling of longer-term capacity needs to include indicative future capacity targets out to the T-8 delivery year.





NEXT STEPS

- The consultation and call for evidence will remain open to written responses for 8 weeks from 15 October, closing on 10 December 2024.
- We expect to respond to the consultation and call for evidence in early 2025.
- We are hoping to make any legislative changes before the Capacity Market auction pre-qualification in July 2025.



Department for
Energy Security
& Net Zero

Any questions?



CMAG SURGERY

CP373 AUDIT OF PROPOSALS TO RULES CHANGES

Background to the CP373 Audit

- CP373 sought to move responsibility for some CM functions from DB to CMSB and was implemented by Ofgem as part of Rules 2024.
- At CMAG23 it was noted that it appeared some proposed changes had not been made, so it was agreed that an ‘audit’ of the CP373 proposed changes with Rules 2024 should be undertaken.
- To undertake this exercise a redlined version of Rules 2024 was required, which was provided at CMAG25.
- The ‘audit’ has compared:
 - Proposed edits and comments to Rules 2023 made by Delivery Partners in drafting CP373;
 - CP373 Report [Attachment A – CP373 Legal Text Extract v4.0](#);
 - Ofgem [Consultation](#);
 - Ofgem [Decision](#);
 - CMAG Secretariat redline (on the CMAG SharePoint) of the published [CM Rules 2024](#).
- The outputs of this ‘audit’ will be a spreadsheet and briefing document to be published on the CMAG SharePoint.
- The outcomes are summarised on the following slides.

CP373 Audit Outcomes – Housekeeping Changes

Rule 1.2 Definitions

Capacity Provider – capitalise ‘**T**ransferee’ as a defined term

Capacity Market Metering Register – capitalise ‘**A**pproved **M**etering **S**olutions’ as a defined term

CM Settlement Body Portal – capitalise ‘**A**pproved **M**etering **S**olutions’ as a defined term

Rule 4.4.2 Prequalification Criteria (as previously raised by Eleanor and discussed at CMAG23)

4.4.2(c) make **Omitted** as originally proposed

4.4.2(d) make **Omitted** as originally proposed

Rule 8.3.3(c) Metering Assessment requires Metering Test

8.3.3(c)(i) make **Omitted** instead of simply deleted

8.3.3(c)(ii) make **Omitted** instead of simply deleted

Rule 8.3.3(d) Obtain Metering Test

8.3.3(d)(i) delete 8.3.3(c)(~~i~~) leaving just 8.3.3(c)

8.3.3(d)(ii) delete 8.3.3(c)(~~ii~~) leaving just 8.3.3(c)

Rule 9.2.4 inserted text about CMMR should be within the () relating to CMR

‘in each case such transfer of the Capacity Agreement to be in accordance with the Regulations and the Rules (including the requirements relating to the updating of the Capacity Market Register) and the Capacity Market Metering Register).’

Rule 13.2.12E insert ‘**CM**’ before ‘Settlement Body’

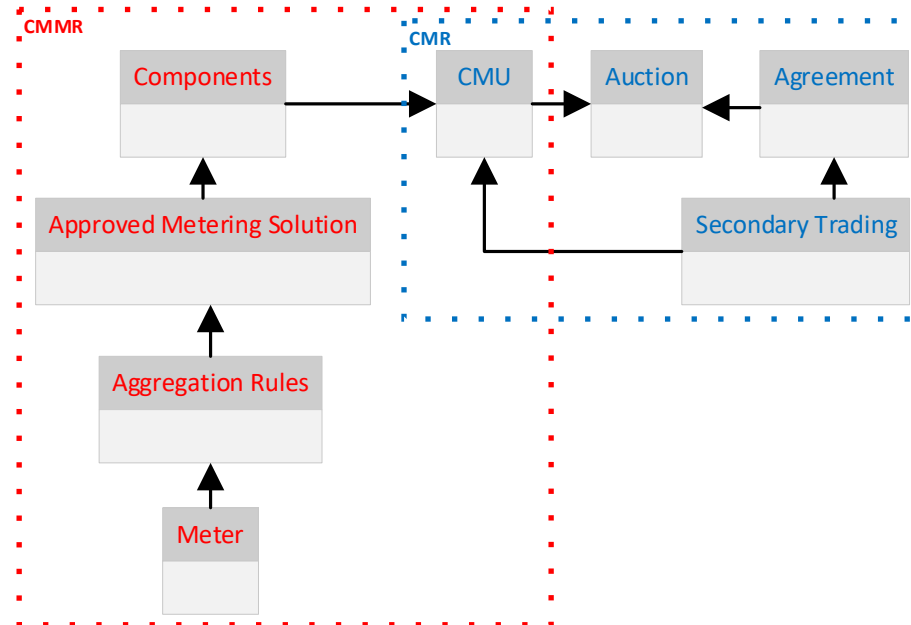
Rule 13.2B.20 insert ‘**CM**’ before ‘Settlement Body’

Rule 13.2B.23 insert ‘**CM**’ before ‘Settlement Body’

FORMAT OF THE CM METERING REGISTER (CMMR)

CP373 has replicated the format of the CM Register (CMR) for the CMMR, ie under Rule 7.4A.1 'With respect to each Capacity Auction'. This means that for each CMR there will be an equivalent CMMR.

However, the nature of the data entity relationships for CMMR data is different to that for CMR data.



Should a future Surgery Item consider reformatting the CMMR specified in the Rules?

CONSEQUENCES OF IMPLEMENTING CP373 (1 of 5)

CP373 resulted in metering information not being provided via DB at Application, but later via CMSB Portal.

When such information was provided within an Application it was covered by Rule 3.12 Declaration that includes ‘is true and correct’ and ‘has been authorised by the board of directors of the Applicant’.

No such declaration is made when submitting information to the CMSB Portal.

Rule 1.2 Definitions has

Metering Assessment means a questionnaire relating to the metering arrangements for a CMU, hosted on the CM Settlement Body Portal

Metering Statement means a statement provided which must include, as applicable, the metering information set out in Schedule 6 of the Rules, which includes at (r) a declaration which includes ‘true, complete and accurate’ but not ‘authorised’

Rule 13.3.2(b) only requires a Metering Statement if a Metering Test is required by CMSB, or under Rule 13.5.3(e) Site Audit.

So if a Metering Test or Site Audit is not required there will be no declaration concerning metering information.

Should a future Surgery Item consider adding to 8.3.3 Metering Assessment such declarations, for Capacity Committed CMUs, Secondary Trading Transferees and CMVR Registered Participants?

CONSEQUENCES OF IMPLEMENTING CP373 (2 of 5)

Existing Rule 13.3.2

- 13.3.2 A Capacity Provider for a CMU that is subject to a Metering Test must:
- (a) notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU; and
 - (b) at the same time, submit a Metering Statement setting out the Metering Configuration Solution that each Generating Unit or DSR CMU Component comprised in the CMU, or the Electricity Interconnector comprised in the Interconnector CMU, is to be tested against.

Originally DB determined if a Metering Test is required, but that role now sits with CMSB under Rule 8.3.3(c).

- 8.3.3(c) Following the completion of a Metering Assessment pursuant to Rule 8.3.3(a), (b) or (ba), or 8.3.4(h)(i)(bb) (and following the completion of amendments made to a Metering Assessment, pursuant to Rules 3.6.4(d), 3.6A.3(c), 3.9.4(d), or 8.3.3(h) where applicable) the **CM Settlement Body** must notify the relevant Capacity Provider and the Delivery Body whether or not, based on such Metering Assessment, the metering arrangements for such CMU will be subject to a Metering Test:

So CMSB tell the CMU a Metering Test is required, who under 13.3.2(a) have to tell CMSB a Metering Test is required and under (b) provide a Schedule 6 Metering Statement.

Should a future Surgery Item consider making 13.3.2(a) ‘Omitted’?

CONSEQUENCES OF IMPLEMENTING CP373 (3 of 5)

CP373 inserted a new Rule 8.3.3(da)

The CM Settlement Body must notify the Delivery Body within five working days from the date that a Metering Test Certificate has been issued to the Capacity Provider, including confirmation of the date that the Metering Test Certificate was awarded.

However there was already Rule 13.3.10

The CM Settlement Body shall notify the Delivery Body of the outcome of any Metering Test carried out pursuant to this Rule 13.3 and confirm the date that the Metering Test Certificate was awarded.

Should a future Surgery Item consider removing such duplication?

CONSEQUENCES OF IMPLEMENTING CP373 (4 of 5)

CP373 changed the wording of Rule 8.3.3(e)

The date by which a Capacity Provider must **be awarded** ~~provide~~ a Metering Test Certificate where required to do so under Rule 8.3.3(d) is: ...

However the terminology used impacts the implied responsibility:

- ‘provide’ the CMU
- ‘be awarded’ CMSB
- ‘obtain’ the CMU

Should a future Surgery Item consider changing ‘be awarded’ to ‘obtain’?

CONSEQUENCES OF IMPLEMENTING CP373 (5 of 5)

CP373 resulted in metering information not being provided via DB at Application, but later via CMSB Portal.

However, we still see Rules providing for DSR Test meter volumes to be provided before application in:

13.2.6 Following the submission of the information referred to in Rule 13.2.5 [metering configuration] above, the Applicant or Capacity Provider (as applicable) must for each DSR CMU either:

- (a) prior to Prequalification only, provide ... [historic information] or
- (b) give the Delivery Body no less than 2 Working Days' notice of its intention to test activate the DSR CMU and of the Settlement Period in which such activation will be carried out.

See also 13.2B.2(a) and 13.2B.6 re similar requirements for Joint DSR Tests

Does 'prior to qualification only' mean that the data relates to Settlement Periods before the Prequalification Window, but can be submitted at any time, or that the data can only be submitted during the Prequalification Window?

Should a future Surgery Item consider removing 'prior to qualification only'?

METERING CONFIGURATION (1/2)

CP373 has continued to use preexisting requirements specific to MPANs and BMUs.

This is even though the key requirements around metering are defined as:

Approved Metering Solution [AMS] made up of MCS
Metering Configuration Solution [MCS], comprised of
Balancing Services Metering Configuration Solution [for specific Relevant Balancing Services]
Bespoke Metering Configuration Solution [ie ‘behind the meter’]
Supplier Settlement Metering Configuration Solution [using Suppliers’ half-hourly meters]
or comprised of a BMU registered with CMRS

Some Rules do refer to AMS, eg: 11.3.5D(b)(i)(cc) Transitional Auction Metering Test; 13.2.5(b)(ii)/13.2B.5(b)(ii) DSR Tests; and 13.3.1/13.3.6(a)(iii)/13.3.6B(a)(iii) Metering Tests.

However, CP373 has not taken the opportunity to do away with other specific references to MPANs/BMUs (eg in Rules 3.11.2B, 7.4A.1(b)(vi/vii), 8.3.3(f)(i)(dd), 8.3.7(b)(i), 13.2.5/13.2B.5) and standardise on MCS/AMS.

Should a future Surgery Item consider reworking the Rules accordingly?

METERING CONFIGURATION (2/2)

CP373 has done away with the requirement to provide Single Line Diagrams (other than for when Schedule 7 Bespoke Technical Requirements applies, as proposed by the Elexon Meter Team).

However, we see

SCHEDULE 6: METERING STATEMENT

- (a) Single Line Diagram – to determine that the Metering System is at the Meter Point and to measure the Metered Volume of the CMU. The single line diagram must show all CMU components and all connections to the Total System, as applicable.

Which means that for any CMU requiring a Metering Test a SLD would need to be provided as part of the Metering Statement.

Should a future Surgery Item consider moving the SLD requirement from Schedule 6 to Schedule 7 accordingly?

SCHEDULE 6 METERING STATEMENT TERMINOLOGY

CP373 has not addressed that Schedule 6 Metering Statement only refers to Capacity Provider.

However, Schedule 6 must be completed by any CMU who has to complete a Metering Test, including:

- Capacity Providers (Reg 1.2: means the holder of (a) a capacity agreement, or (b) a transferred part);
- Prequalified Acceptable Transferee;
- Secondary Trading Entrant; or
- CMVR Registered Participant

So Schedule 6 is currently only aimed at the first of those 4 groups.

Should a future Surgery Item consider rewording Schedule 6 to address this limitation?

RECONFIGURATION OF A CMU

CP373 has not taken the opportunity to address that the Rules currently consider a CMU's connection as fixed as to its:

- Transmission Connected v Distribution Connected;
- CMRS v Non-CMRS.

However, we believe that these can change for a CMU, with appropriate changes to the Approved Metering Solution (including Aggregation Rules) and hence the data flows to be used for metered data.

Should a future Surgery Item consider Rules changes to provide for such reconfiguration?

DSR CMU COMPONENT REGISTER

CP373 has not inserted into the Rules any reference to the proposed DSR CMU Component Register (Component Register) managed by CMSB, but left it as an operational means for CMSB to affect the controls set out in Rule 8.3.4 Changing DSR Components.

Should a future Surgery Item consider inserting the DSR CMU Component Register into the Rules?

If so, then this could also address:

- Current issues over the volume of DSR Components within the main CMR
- Transparency over DSR Components moving between CMUs
- Reporting Rule 3.9.3 Business Model relationship between Components and DSR CMUs
- Taking over from CMR Rule 7.4.1(a)(id) reporting of PFT and capacity for permitted on-site generation
- If a DSR Component has Capex subject to Relevant Expenditure/Benefit under Rule 8.3.8/A-C
- Rule 8.3.11(a) Fossil Fuel Emissions Declaration per DSR Component comprising a Fossil Fuel facility

DSR TESTS, NEW DSR TESTS, JOINT DSR TESTS, NEW JOINT DSR TESTS (1/2)

CP373 has not moved the responsibility for DSR Tests from DB to CMSB, even though the DSR Component Register, Component Reallocation and Metering have all moved to CMSB. For example:

- 13.2.9(b) receipt of data from the CM Settlement Body regarding Metered Volumes at the relevant meters during the relevant Settlement Periods referred to in Rule 13.2.6(b) [\[DSR Test\]](#), the **Delivery Body** must, for each of the relevant Settlement Periods or DSR Alternative Delivery Periods in the case of Rule 13.2.6(a) above and for the activation Settlement Period in the case of Rule 13.2.6(b), notify the Applicant or Capacity Provider of its verified calculations of:
- (i) Baseline Demand;
 - (ii) the DSR evidenced (which can be zero); and
 - (iii) the Proven DSR Capacity calculated by multiplying the DSR by two (and in the case of Rule 13.2.6(a) using the Settlement Period or DSR Alternative Delivery Periods which evidenced the lowest DSR).

Are EMR DB in a position to determine the Baseline Demand or the CMU's Output, which are EMRS functions.

Should a future Surgery Item consider moving the responsibility for DSR Tests to CMSB?

DSR TESTS, NEW DSR TESTS, JOINT DSR TESTS, NEW JOINT DSR TESTS (2/2)

CP373 has not addressed the issue that submission of any incorrect meter data, change in metering configuration or reallocation of any DSR Components, all invalidate the DSR Test certificate for the CMU and necessitates a New DSR Test for the CMU – even if the issue only arose on a single DSR Component.

For example Rules 13.2.12/14, 13A.2.4/7, 13A.3.4/7, 13A.4.5/8, 13A.5.4/7 all include a variation of:

‘notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or 13.2C respectively’

The situation is complicated by the DSR Capacity of a CMU being an Applicant’s view of what they can commit to delivering in the case of a Capacity Market Notice being issued, from the aggregate of their DSR Components’ ability to respond at different times and in different circumstances.

Should a future Surgery Item consider changing what DSR Testing is required in such situations?

SATISFACTORY PERFORMANCE DAYS & EXTENDED PERFORMANCE TESTS

CP373 has not addressed the issue that SPD and EPT are still the ultimate responsibility of DB, even though the Approved Metering Solution (AMS) and metered data volumes are CMSB's responsibility.

For example Rules 13.4.1/4/7 re SPDs, when the current 'automated' SPD process is managed by CMSB and DB are only involved in SPD Portfolios (with the intent that this will also move to CMSB in the future).

While Rules 13.4A.9(c)/12/13/14 relate to EPTs managed by DB.

Should a future Surgery Item consider changing the responsibility for SPD and EPT?

LONG STOP DATE DEADLINE FOR METERING ASSESSMENT

CP373 has retained the deadline for Metering Assessment as the Long Stop Date (LSD). For example:

- 8.3.3(h)(iv)(bb) as soon as reasonably practicable after the date on which the Capacity Provider receives a notification under Rule 8.3.3 (d)(i), and in any event not later than the Long Stop Date
- 13.3.2A(e) in the case of a Prospective CMU, as soon as reasonably practicable after the date on which the Capacity Provider receives notification under Rule 8.3.3 (d)(i), and in any event not later than the Long Stop Date

However, under Rule 6.8.2 a CMU can meet MCR within 120WD of the LSD:

- 6.8.2 Subject to Rules 6.8.2A to 6.8.2F, if the Delivery Body becomes aware of any New Build CMU that has failed to reach its Minimum Completion Requirement by the Long Stop Date, the Delivery Body must issue a written notice to the Capacity Provider, the Secretary of State, the CM Settlement Body and the Authority (a “Notice of Intention to Terminate”) stating that, unless the Minimum Completion Requirement is achieved (as determined in accordance with Rule 6.8.3 or 6.8.3A) within 120 Working Days from the date of the Notice of Intention to Terminate, a Termination Notice will be issued in accordance with Rule 6.10.2(a).

Should the CMU be able to submit its Metering Assessment within that 120WD window after the LSD?

Should a future Surgery Item consider amending the Metering Assessment deadline?

PROVISION OF INFORMATION BY THE SYSTEM OPERATOR

CP373 has not addressed that Rule 14.4.2(b) requires SO to provide ‘Declared_Availability’ and ‘Contracted_Output’ variables to CMSB, but SO have never done that, it has always been DB (from data submitted by CPs).

8.5.2(b) “Declared_Availability” and “Contracted_Output” have the meaning given to them in Schedule 4

14.4.2 The System Operator must provide to the CM Settlement Body...

(b) values for “Declared_Availability” and “Contracted_Output” for the CMU components comprised in that CMU in accordance with Schedule 4; and

SCHEDULE 4 RELEVANT BALANCING SERVICES

The Relevant Balancing Services Guidelines shall be published by the Delivery Body and must provide the following information: ...

definitions for the terms “Declared_Availability” and “Contracted_Output”, for the purpose of Rule 8.5.2(b) for a CMU that is not also a BM Unit, in respect of each balancing service the CMU is providing

Should a future Surgery Item consider changing the responsibility from SO to DB, or will SO be able to meet their current responsibility?

CP373 Audit Outcomes – Potential Surgery Items

DATA RETENTION POLICY

CP373 has replicated Rule 7.2.5 concerning CMR as Rule 7.2A.5 for CMMR, both to retain data for 5 years after receipt (if no Capacity Agreement arises from an Application) or 5 years from expiry (or earlier termination) of the Capacity Agreement arising from an Auction.

- 7.2A.5 The CM Settlement Body shall retain all data submitted to or stored on the Capacity Market Metering Register for a period of:
- (a) 5 years from the date on which the content was received by the CM Settlement Body, in the case of data referred to in Rule 7.4A; and
 - (b) 5 years from the date of the expiry or earlier termination of the Capacity Agreement, in the case of data referred to in Rule 7.4A.

However:

- 3.14 Retention of Applications and Opt-out Notifications by the Delivery Body
- 3.14.1 Subject to Rule 3.14.2, the Delivery Body must retain all Applications and Opt-out Notifications (including the Additional Information and any evidence submitted with the Application or Opt-out Notification) for a period of ten years from the end of the relevant Delivery Year.
- 3.14.2 The Delivery Body must retain all Applications which as at the end of the period referred to in Rule 3.14.1 are the subject of a review or appeal brought in accordance with the Rules or the Regulations until such review or appeal has been determined and no further review or appeal may be brought.

HMRC requires accounting records be retained for 6yrs after the end of the financial year, eg March after the last DY;

The CMMR relates to Approved Metering Solutions for a GU that may persist through different CMU configurations in multiple Auctions and Capacity Agreements.

Should a future Surgery Item consider reworking 7.2A.5 accordingly?

DSR ALTERNATIVE DELIVERY PERIODS

CP373 did not take the opportunity to address DSR Alternative Delivery Periods (ADP), as set out in 1.2 Definitions and Schedule 2 Baseline Methodology

DSR Alternative Delivery Period means a continuous period of 30 minutes

Sch 2 1.2 The baseline Demand will be determined for each Settlement Period or DSR Alternative Delivery Period based on the relevant data points for that period. For the purposes of this methodology a DSR Alternative Delivery Period may be identified by a CMU only where:

- 1.2.1 that CMU is metered using a higher time sampling frequency than half-hourly; and
- 1.2.2 the metered data is available both to the Applicant or Capacity Provider and to the Delivery Body.

So Sch 2 1.2.1 requires a higher sampling frequency than 1/2hr, yet Rule 1.2 Definition still requires a continuous 30 minute period, eg six 5 minute samples covering minutes 16-45 of the hour would meet both these criteria, but be inconsistent with BSC 1/2hr Settlement Periods (SP). EMRS have always considered it impossible to settle CM using both SP and ADP at the same time.

Rules 13.2.6A(b) and 13.2B.6A(b) still provide for DSR Tests using ADP.

Should a future Surgery Item consider amending ADP so that it can always be aggregated to SP?

CLARIFY RULE 6.10.1
TERMINATION REASONS
OVER GRID CONNECTION
AGREEMENT
TRANSMISSION ENTRY
CAPACITY

CMAG Surgery

What is the Issue?

As discussed at CMAG 25, a concern has been raised that 6.10.1(g/ga) mean for example, a Transmission Connected site with 4 Prospective Generating CMUs, and 1 CMU has their Agreement Terminated, cannot reduce the site Transmission Entry Capacity (**TEC**) without risking Termination for the remaining 3 operational CMUs.

Upon review, existing Termination reasons (g) / (ga) concerning Transmission Connected CMU Grid Connection Agreement (**GCA**) and TEC require clarity.

Termination reason (g):

- (g) where the Capacity Agreement relates to a Generating CMU or an Interconnector CMU, the Capacity Provider ceases to have a Grid Connection Agreement that secures Transmission Entry Capacity for each relevant Delivery Year at least equal to the De-rated Capacity (**DRC**) of the Capacity Committed CMU and any other CMUs to which the Grid Connection Agreement applies, except as a result of a failure by a Transmission Licensee to provide a connection point when required to do so in accordance with a valid Grid Connection Agreement;

For example, the above does not appear to clarify that the 'other CMUs' would need to have an effective capacity agreement or transferred part (PTCO-in).

CMAG Surgery

What is the Issue?

Termination reason (ga):

(ga) where the Capacity Agreement relates to a Generating CMU or an Interconnector CMU, the Capacity Provider reduces the Transmission Entry Capacity secured by its Grid Connection Agreement for a relevant Delivery Year so that it is no longer at least equal to the aggregate of all Capacity Obligations applying at any time in that Delivery Year in respect of:

(i) the CMU to which the Capacity Agreement applies, and

(ii) any other CMUs to which the Grid Connection Agreement applies,

except where such a reduction in Transmission Entry Capacity arises as a consequence of a failure by a Transmission Licensee to provide a connection point when required to do so in accordance with a valid Grid Connection Agreement;

Reason (g) appears to be trying to ensure $GCA\ TEC > DRC$ – is this appropriate?

Reason (ga) is testing that GCA TEC is at least enough to cover the maximum aggregate Capacity Obligations for the CMU during any period of the Delivery Year. As with (g), this will be limited to the CMU's DRC, but could be lower as a result of Secondary Trading.

CMAG Surgery - Further questions from CMAG Secretariat analysis

- Why should a GCA / TEC be required that covers each Delivery Year of an Agreement or PTCO-in, when Rules allow for Prospective CMUs to become effective (Operational) by their Long Stop Date (LSD) or even 120WD thereafter, or when their PTCO-in takes effect?
- Why are TEC requirements here based on DRC?
 - Existing TEC control at Application (Rule 3.5.1A) is already acknowledged as ineffective, a separate CP to address this issue is already outstanding.
 - How Flexible is changing TEC across Financial Years and CM Delivery Years?
- Are there any current Balancing Services that provide for Output exceeding TEC, e.g. where the aggregated Connection Entry Capacity of a site ($\sum_s \text{CEC}$) exceeds the contracted for TEC?

Initial conclusions

- Separating out between (g) no GCA / TEC (or $\text{TEC} < \text{DTC}$), and (ga) $\text{TEC} < \text{Max Capacity Obligation}$ during the DY, appears unnecessary.
- Neither existing Rule appears effective at delivering on the Policy intent, Termination of Agreements if there is 'insufficient' TEC for Transmission Connected CMUs, and a more appropriate rule appears necessary.

Questions on Issue and Government Policy

Members are requested to provide a response to the below questions on issue and Government policy:

Questions on Issue and Policy

Is there a valid issue?

Is the CM the right place to address the issue?

Would any solution be counter to the policy objectives of the CM? What is the impact on:

- **Security of Supply**
- **Cost (including cost to consumers)**
- **Unintended consequences – if there are any, what is the impact?**

Would any solution explicitly affect any functions granted to the Secretary of State?

For example, the Energy Act 2013 set specific functions to the Secretary of State. Derating factors is an explicit function of the Secretary of State.

Is there an impact on subsidy control?

For example, anything that would favour one technology class over another, that would probably mean you have to go through the subsidy control framework.

Do you agree that CMAG should proceed with raising a CM Rules Change Proposal for this issue?

Rationale to support answers to this question should take into consideration the likely prospects of this CP being approved and the required levels of work from the CMAG.

FULL REVIEW OF EXHIBITS

Background

- At CMAG25, CMAG Members agreed to review the Exhibits in the CM Rules.
- Key features of the Exhibit review include:
 - An explicit requirement in the CM Rules for the exact text of the exhibit to be used when completing relevant declarations
 - The text is made as simple, straightforward and unambiguous as possible
 - Minimise or eliminate any sections of the exhibits that involve deleting parts of the text if alternatives can be proposed
 - Include cross referencing to relevant clauses in the CM Rules.
- The CMAG agreed to consider changes to the Exhibit and set the expectation that 1 or 2 Exhibits should be reviewed at each CMAG meeting of the course of the next few months.

Approximate Timeline

Exhibit	Title	Expected Drafting Date
A	Form of Prequalification Certificate	December 2024
E	Form of Agent Nomination Form	December 2024
B	Form of Price Maker Certificate	December 2024*
C	Form of Certificate of Conduct	December 2024*
C	Form of Certificate of Conduct	December 2024*
D	Form of Applicant Declaration	January 2025*
DA	Form of Joint Owner Declaration for Existing Interconnector CMU	January 2025*
DB	Alternative Form of Joint Owner Declaration for Existing Interconnector CMU	February 2025*
DC	Form of Joint Owner Declaration for Prospective Interconnector CMU	February 2025*

*These dates are subject to change

Approximate Timeline

Exhibit	Title	Expected Drafting Date
F	Form of Aggregator Declaration	March 2025*
G	Form of Legal Owner Declaration	March 2025*
H	Form of Aggregator Transfer Declaration	April 2025*
I	Form of Legal Owner Transfer Declaration	April 2025*
J	Form of Funding Declaration	May 2025*
ZA	Form of Fossil Fuel Emission Declaration	May 2025*
ZB	Form of Fossil Fuel Emissions Commitment	June 2025*
ZC	Form of Fossil Fuel Removal Declaration	June 2025*

*Date subject to change

Background - List of Exhibits

- There are currently 16 Exhibits in the CM Rules, 7 of which are available for creation in the Exhibit Generator Tool.
- The Exhibit Generator was created as part of the new EMR Portal following customer feedback and allows the creation of exhibits within the portal which can then be downloaded or sent for signature. This tool reduces the manual work to populate exhibits as it builds the correct version of the exhibit based on information already held in the Portal or entered as part of the generation process.
- A demonstration of the Exhibit generator tool and how to use it can be found on the EMR DB guidance page [here](#).

Exhibit	Title	Available for Exhibit Generation?	'Evergreen' Exhibit
Exhibit A	Form of Prequalification Certificate	Yes	
Exhibit B	Form of Price-Maker Certificate		
Exhibit C	Form of Certificate of Conduct	Yes	Yes
Exhibit D	Form of Applicant Declaration	Yes	Yes
Exhibit DA	Form of Joint Owner Declaration for Existing Interconnector CMU		Yes
Exhibit DB	Alternative Form of Joint Owner Declaration for Existing Interconnector CMU		Yes
Exhibit DC	Form of Joint Owner Declaration for Prospective Interconnector CMU		Yes
Exhibit E	Form of Agent Nomination Form		Yes
Exhibit F	Form of Aggregator Declaration	Yes	Yes
Exhibit G	Form of Legal Owner Declaration	Yes	Yes
Exhibit H	Form Of Aggregator Transfer Declaration		
Exhibit I	Form Of Legal Owner Transfer Declaration		
Exhibit J	Form of Funding Declaration		
Exhibit ZA	Form of Fossil Fuel Emission Declaration	Yes	*
Exhibit ZB	Form of Fossil Fuel Emissions Commitment	Yes	
Exhibit ZC	Form Of Fossil Fuel Removal Declaration		

QUESTIONS ON EXHIBITS

Questions on Exhibits

Q1: Where CMUs are required to be identified in the Exhibits how should they be identified?

- **CMU ID** – More common throughout CM Rules. Used in ITE reports for identifying CMUs
- **Description of the CMU** – Current wording in Exhibits.
- **Other**

Q2: Should it be possible for a CMU level exhibit to apply to multiple stated CMUs if all details are the same or should there be a requirement for an Exhibit per CMU?

Q3: Are there any circumstances in which alterations/changes to the Exhibit text should be acceptable?

Q4: Where square brackets currently indicate that text should be deleted should these be replaced with boxes where the relevant person(s) have to complete the information with associated guidance. (this would align to the CP382 ITE report template format)

Questions on Exhibits

Q5: Should footnotes be removed and replaced with guidance in the relevant section?

Q6: Some exhibits require certain declarations to be included or removed depending on relevant information. One of the outcomes of the exhibit review is to minimise the sections of the exhibits that involve deleting parts of the text if alternatives can be proposed. Should more general language be used in the declarations to minimise the number of sections that could be deleted (e.g. ‘if applicable...’) or should different versions of Exhibits be created to cater to different scenarios?

Q7: EMR DB have indicated that The Exhibit Generator cannot manage the same individual signing with multiple roles (e.g. a shared Director between two joint owners) and cannot implement significant changes by non-portal users.

EXHIBIT A EXAMPLE

Exhibit A Example

- A draft version of Exhibit A ‘Form of Prequalification’ is available for member review on the CMAG SharePoint/CMAG Website.
- The intention of this Exhibit draft is to give members an indication of the possible format of the new Exhibits.
- The design is subject to change depending on meeting feedback and further consideration.

CONNECTION CAPACITY – RULE 3.5.1A

Background & Context

- [CP381 'Change to the definition of SCEC in Rule 3.5.5'](#) is a proposal that allows SCEC to be determined from either the sum of each Generating Unit's Connection Entry Capacity (CEC) as it is now or station CEC. The CMAG recommended implementation of this proposal to Ofgem following [CMAG Meeting 23](#) (August 2024).
- As part of the development of CP381, the CMAG Secretariat conducted analysis that has raised a series of questions relating to the Connection Capacity provisions detailed in Rule 3.5. These questions were shared with Members at CMAG Meeting 23 (slides 83 and 84).
- CMAG Members agreed that these questions were separate to CP381 but should be considered at a future meeting.
- The intention of this session is to initially consider the questions raised at CMAG Meeting 23.

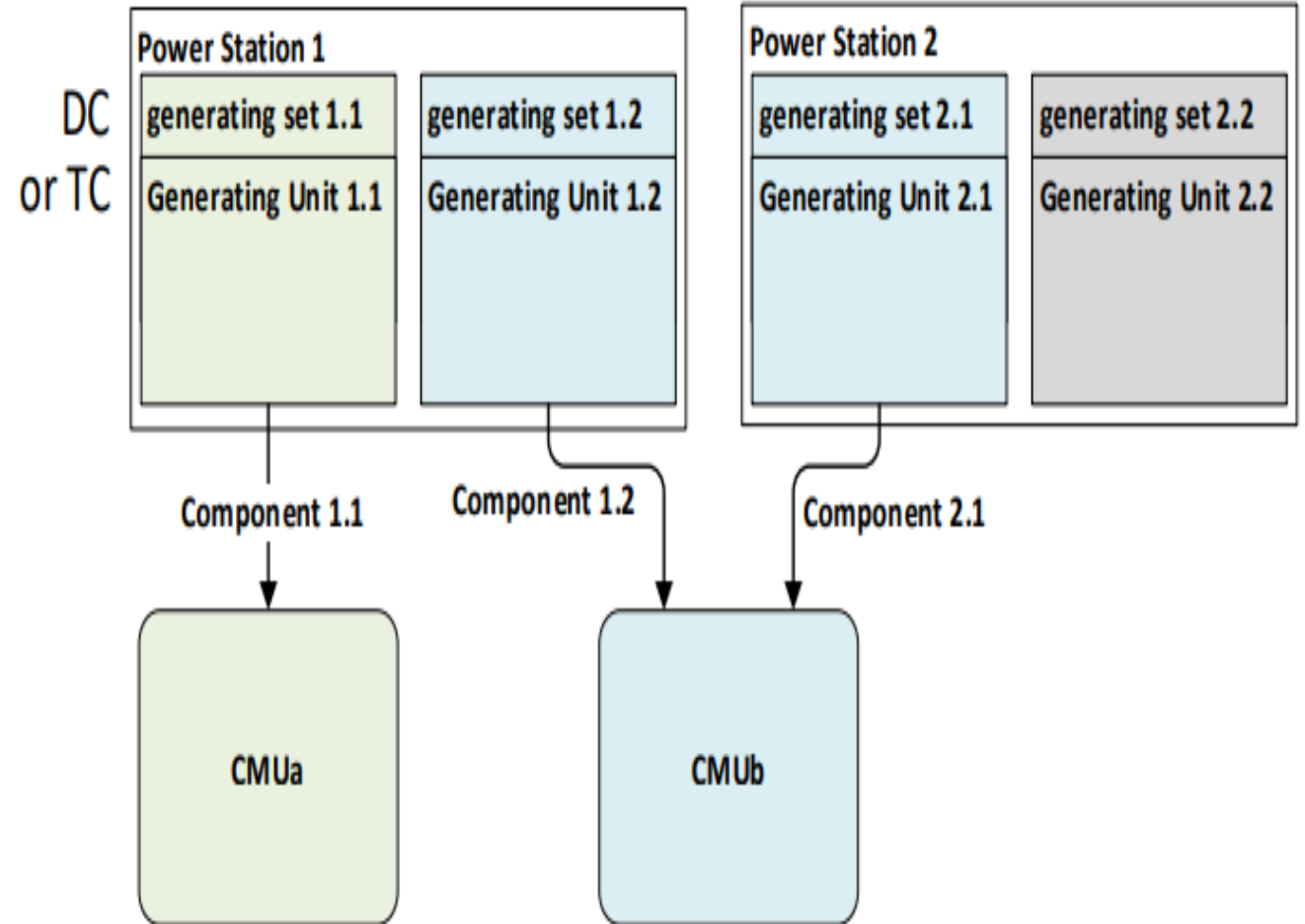
Power Stations, Generating Sets, Generating Units, Components and CMUs

For a Generating CMU the Rules discuss:

- **Capacity Market Units (CMUs)** – Generating CMUs consist of Generating Units.
- **Generating Unit** – This means any equipment in which electrical conductors are used or supported or of which they form part which produces electricity and includes such equipment which produces electricity from storage.
- **Generating set** – A synonym of Generating Unit. Has the meaning given to it in the relevant Distribution Connection Agreement.
- **Component** – The same as a Generating Unit or generating set with the key difference that a component is part of a CMU i.e. all components are Generating Units/generating sets but not all Generating Units/generating sets are components.
- **Power stations** – A collection of Generating Units or generating sets.

Note that:

- Not all Generating Units or generating sets within a power station are required to be part of the same CMU.
- Not all Generating Units or generating sets within a power station are required to be of the same Generating Technology Class (GTC).
- A power station can consist of both Generating Units and generating sets.
- A single Generating Unit or Generating Set can be a power station.



Key Point – TEC/MEC by Power Station or TEC/MEC by Generating Unit

Transmission Entry Capacity

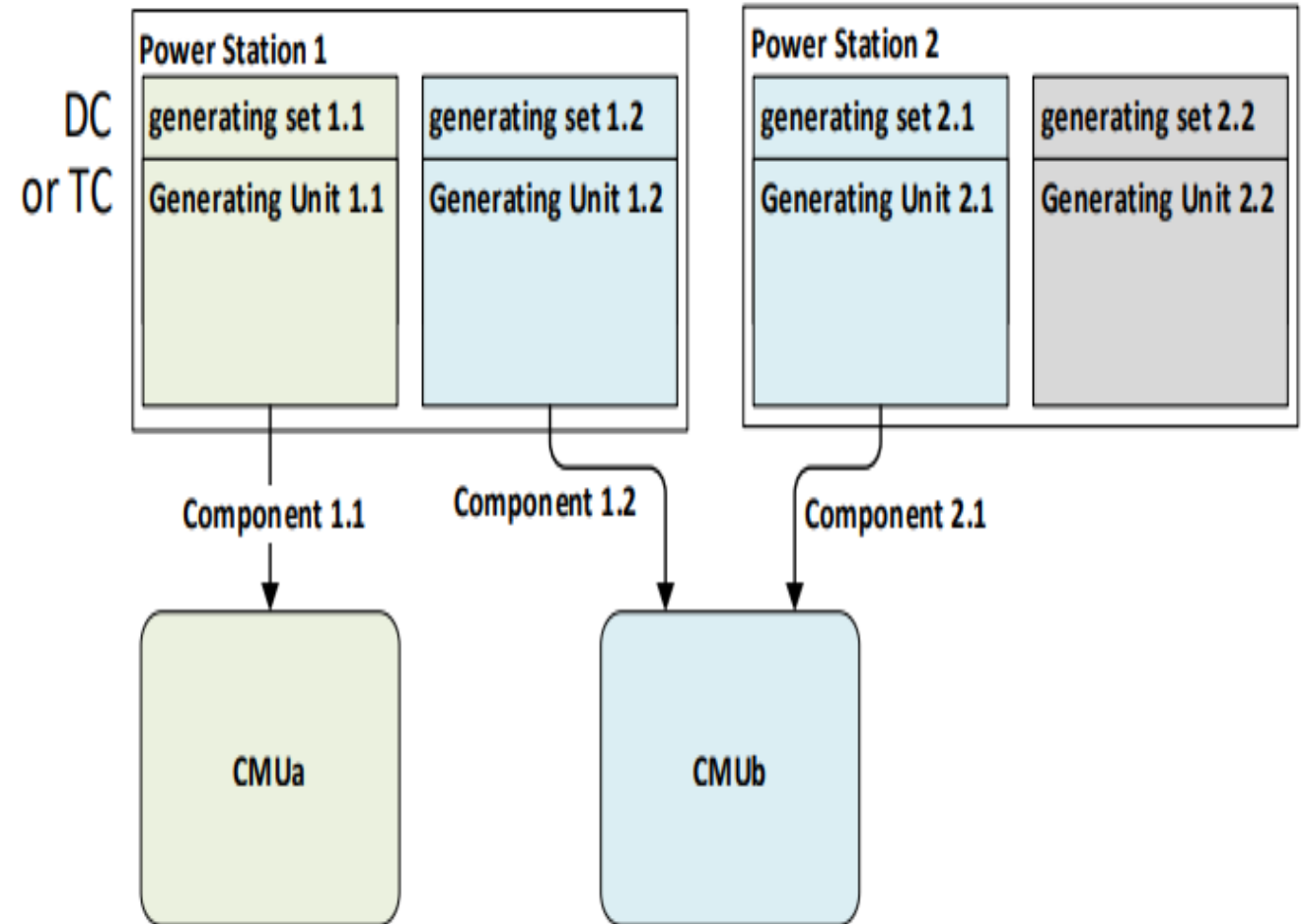
- Maximum output that transmission connected assets can output to the Transmission System.
- Defined in the Grid Code

Maximum Export Capacity

- Maximum output that distribution connected assets can output to a distribution network
- Defined in the relevant Distribution Connection Agreement

Key Point

- A TEC or MEC value may be at either the Generating Unit/generating set level or at the Power Station level.



Rule 3.5 and Connection Capacity

- For Transmission or Distribution connected CMUs a Capacity Providers De-rated Capacity is determined in accordance with the below:

$$\text{De-rated Capacity} = \text{Connection Capacity} \times \text{De-rating Factor}$$

- The De-rated Capacity is a key factor in the determination of the energy required to be delivered in a System Stress Event and monthly payments to Capacity Providers.
- For Generating CMUs Connection Capacity must be determined in accordance with Rule 3.5.
- Rule 3.5 gives a number of different options for the determination of Connection Capacity. The reason different options are given in Rule 3.5 for determining Connection Capacity is because Transmission Entry Capacity (TEC) by Generating Unit or Maximum Export Capacity (MEC) by Generating Unit may not exist in all cases.

What are the different options to determine Connection Capacity

Case	Connection Capacity Determination	CM Rule Reference
A Generating Unit forming all or part of a Transmission CMU (For Existing or Prospective CMUs)	The Transmission Entry Capacity stated in the Grid Connection Agreement for that Generating Unit	3.5.2 (a)
A Generating Unit forming part or all of an Existing Generating CMU which is a Distribution CMU	Maximum Export Capacity stated in the Distribution Connection Agreement for that Generating Unit or in the written confirmation from the Distribution Network Operator provided pursuant to Rule 3.6.3(c)(ii) (as applicable)	3.5.2 (b)
A Generating Unit forming part or all of a Prospective (New Build or Refurbishing) Generating CMU which is a Distribution CMU where the Generating Unit does not have a Distribution Connection Agreement or a connection offer, or has a Distribution Connection Agreement or a connection offer but such agreement or offer contains no information relevant to the calculation of registered capacity or inverter rating	The estimated capacity that the Applicant, with respect to the Generating CMU (that includes that Generating Unit) anticipates (acting in good faith) to be the maximum capacity which will be physically capable of being transmitted from the Generating Unit to the Distribution Network	3.5.2(c)(ii)(bb)

What are the different options to determine Connection Capacity

Case	Connection Capacity Determination	CM Rule Reference
<p>A Generating Unit which forms part of an Existing Generating CMU</p>	<p>Applicants may choose as an alternative to the options given in Rule 3.5.2 (The three cases detailed above) to determine the Connection Capacity as the Average Output.</p> <p>The Average Output of a Generating Unit is defined as mean average of the physically generated net outputs, or Metered Volume where applicable in MWh, multiplied by two to convert to MW and stated to three decimal places, of that Generating Unit in the three Settlement Periods identified by the Applicant under Rule 3.6.1(a) or Rule 3.6.1(aa)</p>	<p>3.5.3 & 3.5.4</p>
<p>A Generating Unit which forms part of an Existing Generating CMU</p>	<p>Applicants may choose as an alternative to the options given in Rule 3.5.2 (The three cases detailed above) to determine the Connection Capacity as the Average Output.</p> <p>The Average Output of a Generating Unit is defined as mean average of the physically generated net outputs, or Metered Volume where applicable in MWh, multiplied by two to convert to MW and stated to three decimal places, of that Generating Unit in the three Settlement Periods identified by the Applicant under Rule 3.6.1(a) or Rule 3.6.1(aa)</p>	<p>3.5.3 & 3.5.4</p>
<p>Subject to Rule 3.5.1A, an Applicant for a Generating CMU may, as an alternative to the determination of Connection Capacity set out in Rule 3.5.2 or 3.5.3</p>	$CC = \frac{UCEC_i}{SCEC} \times STEC$	<p>3.5.5</p>

Rule 3.5.1A

Current Wording of Rule 3.5.1A

‘The aggregate Connection Capacity of all Generating Units comprised in a Generating CMU must not exceed the sum of the Transmission Entry Capacity (TEC) and Maximum Export Capacity (MEC) (as applicable) which apply to each of the Generating Units comprised in that Generating CMU.’

The questions for discussion in this session relate to the current interpretation of this Rule, the original design intent and possible areas for further consideration.

CMAG Secretariat Questions

Q1: It is our understanding that not all Generating Units within a Generating CMU will have an associated TEC or MEC (e.g. where TEC/MEC is only given at the power station level and not at the GU level in the GCA or DCA) if this is the case how is the TEC/MEC for each Generating Unit within a Generating CMU under Rule 3.5.1A determined?

Q2: In some cases Distribution Connected Prospective CMUs may defer providing their Distribution Connection Agreements (under Rule 3.7.3 (c)). In this case how is Rule 3.5.1A applied in practice given that MEC will not be available until after Application?

Q3: Initial design intent of Rule 3.5.1A was to cap the sum of the Connection Capacity of the relevant units (i.e. Generating Units within a power station) at the site/power station level of TEC or MEC whereas 3.5.1 does this at a CMU level (As detailed by Raoul in supporting paper). Is there a reason this has changed as the current drafting does not meet this intention?

Q4: Private Networks (PN) are not included in the controls in Rule 3.5.1A (Rule 3.7.3(ba) refers to a 'maximum export' to the PN, which is not the defined MEC). Is there a need for additional controls for Private Networks under Rule 3.5.1A?



DEVELOPING CM RULES CHANGE PROPOSALS

CP383-‘CHANGE TO THE CM REGISTER TO ADD STORAGE DURATIONS’

Issue and Proposed Solution

What is the Issue?

- Storage technologies are unique from other Generating Technology Classes (GTCs) as they can declare their connection capacity and their selected GTC's duration has a major impact on their de-rating factor and Extended Performance Testing. However, it is unclear whether self-declarations are being understated or overstated as Capacity Market Registers (CMRs) lack these details. This lack of transparency during pre-qualification and post-auction(s) is causing an issue whereby it is hard to track the importance of storage technologies as there is missing information in CMRs that could help develop an understanding of their significance to the security of supply.
- Also, this issue was noted by the Panel of Technical Experts (PTEs) in Electricity Capacity Report 2024. The PTEs in the report made **Recommendation 87**, which states 'ESO should explore means to update to the Capacity Market Registers to include storage durations, for example by making more use of the post-auction reports.'

What is the Proposed Solution?

- Amending Capacity Market (CM) Rule 7.4.1. to include the publication for all storage technologies part of the CMRs. This would create transparency on what is being declared by storage technologies for pre-qualification and post-auction(s).
- Rule 7.4.1(a):

'Each Generating Unit comprising such CMU and in the case of a Generating CMU, the Primary Fuel Type, Generating Technology Class, Connection Capacity and De-rated Capacity for the CMU and the Primary Fuel, Generating Technology Class, Connection Capacity and De-rated Capacity for each Generating Unit comprising such

CMU'

Initial identified issues with CP383

The CMAG Secretariat and Delivery Partners have conducted a Critical Friend Review and comments received are summarised below:

- The proposed solution of adding "publication for all storage technologies as part of the Capacity Market Rules (CMRs)" is already in place; the CMRs include storage technologies GTCs and their storage duration. Is the solution already in place?
- How are storage technologies declaring their Connection Capacity and storage duration? Can storage technologies self-declare or provide a good-faith estimate for their Connection Capacity and storage duration?
- What are the operational parameters of storage technology facilities? For instance, are there differences between higher-capacity storage technologies with shorter durations compared to lower-capacity storage technologies with longer durations?

In most cases the Capacity Market Register (CMR) contains storage duration information. The following cases have been highlighted as possible areas where this duration information is not published on the CMR:

1. Any agreements awarded before 2017, some of these are still in force as multi-year agreements.
2. Storage CMUs who opt out are not required to declare a duration.

The decision to de-rate storage by duration was made between prequalification and the auction and so these agreements do not include a storage GTC. For those who confirmed entry and have won agreements we re-calculated their de-rating factors based on their duration, but these durations are not published.

3. 2017 T-4 applications who won agreements.
4. 2017 T-4 applications who did not win agreements.

- Does the proposed solution address the issue raised?; and
- Should the solution be applied to areas of CMRs where reporting on storage technologies isn't currently published?

Questions on Issue and Government Policy

Members are requested to provide a response to the below questions on issue and Government policy:

Questions on Issue and Policy

Is there a valid issue?

Is the CM the right place to address the issue?

Would any solution be counter to the policy objectives of the CM? What is the impact on:

- **Security of Supply**
- **Cost (including cost to consumers)**
- **Unintended consequences – if there are any, what is the impact?**

Would any solution explicitly affect any functions granted to the Secretary of State?

For example, the Energy Act 2013 set specific functions to the Secretary of State. Derating factors is an explicit function of the Secretary of State.

Is there an impact on subsidy control?

For example, anything that would favour one technology class over another, that would probably mean you have to go through the subsidy control framework.

Do you agree that CMAG should proceed with raising a CM Rules Change Proposal for this issue?

Rationale to support answers to this question should take into consideration the likely prospects of this CP being approved and the required levels of work from the CMAG.



CMAG FORWARD WORKPLAN

CMAG Forward Work Plan

Title	2024		2025				Commentary
	November	December	January	February	March	April	
CM Register to include storage duration							To give greater clarity around the contracted CMUs, the CM Register would include the duration of the storage assets as submitted at pre-qualification and reported in the auction results.
Rule 6.10.1 Termination Reasons over GCA TEC							Lack of clarity for Rule 6.10.1(g) and (ga). Capacity Providers are having to maintain TEC of a site comprising multiple CMUs sharing a common GCA, even if one CMU's Agreement had been terminated for whatever reason
Clarify the scope of Rule 8.5.1 for Interconnectors							Review Rule 8.5.1 to take into consideration possible System Operator restriction on Interconnector Net Output
DSR Bespoke Metering Tests							A number of concerns have been raised by the ESC and some Capacity Providers in relation to Metering requirements for bespoke metering, reporting and assurance.
Full review of the Exhibits in the CM Rules							Ofgem wishing to conduct review of all Exhibits. Amendments to be implemented in Rules (Amendment) 2025
Review of the implementation of CP373							Review to answer if the implementation of CP373 (transfer of roles and responsibilities from EMR DB to CMSB) been consistent and as anticipated.
Rule 3.5 Connection Capacity Review							The aggregate Connection Capacity of all Generating CMUs at a site with a common Connection Agreement should not exceed the Transmission Entry Capacity and Maximum Export Capacity (as applicable) which applies to that site.
Total Project Spend							Seperated out from ITE subgroup
Foreign Currency methodology for Capex							Seperated out from ITE subgroup
Remedial Plan Review							Seperated out from ITE subgroup
Extended Years Criteria Review							Seperated out from ITE subgroup
EPT / SPD Review							Issues to be considered for grouping into Change Proposals: Amend Rules where granularity should be by Generating Unit or DSR Component rather than by CMU, even if the outcome is then aggregated by CMU (impacts ITE, Connection Capacity, SPD/EPT, etc.); Ensure 3.5 Connection Capacity (CC) covers pertinent scenarios, including multiple CMUs on a site and CMUs comprising GU/Components from multiple sites, as well as DC CMUs where the basis of CC may vary between GUs; Replace 3.5.1A with an effective Site level control over CMU Connection Capacities. Clarify GCA/DCA and Connection Capacities around Refurbishing CMUs; Make 13.4A demonstrating extended performance (EPT) work more effectively;
Wider consideration of use the use of Agents - (CP376 follow up)							Looking at wider CM roles such as NEDs/consultants/advisers and whether there are any cases where sensitive information relating to bidding behaviour could potentially be shared inappropriately between parties. At CMAG#15 Ofgem noted they are considering a broader issue of how much information is shared between parties and how transparent this is, looking at data flows and bidding behaviours prior to Auction, which could feed in to future reviews with DESNZ
Prequalification Updates							General area of consideration flagged by CMAG in it's initial view of issues
Housekeeping Changes							Administrative changes for the Spring 2025 consultation, to be implemented for Rules (Amendment) 2025.

Key	
	Pre-raise Consideration
	Development
	Initial Consideration of Proposal
	CMAG Recommendation
	With Ofgem
	On hold

CMAG Forward Work Plan

- The following changes are currently with Ofgem to consult on:
 - [CP371 'Protection from very late Network Connections'](#)
 - [CP376 'Clarifying the restrictions on the role of Agent'](#)
 - [CP377 'Increasing Flexibility for SPD Portfolios'](#)
 - [CP378 'Removing the 50MW Limit on Individual CMUs in a Portfolio'](#)
 - [CP380 'Extending the Financial Commitment Milestone'](#)

- The following changes are currently with Ofgem for decision:
 - [CP362 'CM Agreement Transfers'](#)
 - [CP364 'Allow Secondary Trading from T-4'](#)
 - [CP372 'Change to Rule 4.4.4'](#)
 - [CP374 'Splitting Capacity Market Units'](#)
 - [CP375 'Merging Capacity Market Units'](#)

CMAG Forward Work Plan

Title	2024		2025				Commentary
	November	December	January	February	March	April	
CP362 – CM Agreement Transfers							CMAG recommended to Ofgem that CP362 be approved
CP364 – Allow Secondary Trading from T-4							This proposal seeks to allow secondary trading for a Delivery Year from the conclusion of the relevant T-4 auction, rather than the conclusion of the relevant T-1 auction.
CP371 – ‘Management of connection delays by network companies’							The CMAG recommended to Ofgem that the CP371 solution be implemented
CP372 – ‘Change to Rule 4.4.4’							The CMAG agreed not to progress further with this on the basis that DESNZ expect to lead on this work as part of its Phase 2 consultation. CMAG discussions including the outcome of the industry survey will be presented to Ofgem and DESNZ.
CP374 – ‘Splitting CMUs’							CMAG agreed not to progress the proposal at Meeting 15 as there was a significant risk this proposal was contrary to the Regulations and policy intent (as expressed by DESNZ at CMAG Meeting 14), seen as a low priority (due to likely impact of the issues applying to a low number of sites) and work could be superseded by the wider review of Rule 4.4.4
CP375 – ‘Merging CMUs’							CMAG agreed not to progress the proposal at Meeting 15 as there was a significant risk this proposal was contrary to the Regulations and policy intent (as expressed by DESNZ at CMAG Meeting 14), seen as a low priority (due to likely impact of the issues applying to a low number of sites) and work could be superseded by the wider review of Rule 4.4.4
CP376 – Clarifying restrictions on the role of Agents							CMAG Recommended that CP376 be implemented. Amending Rule 3.3.5 to clarify that an Agent cannot also be a member of a Group
CP377 – ‘Increasing Flexibility for SPD Portfolios’							After splitting out the 50MW limit element, CMAG recommended that CP377 be implemented
CP378 – ‘Removing the 50MW Limit within a CMU Portfolio’							Separated out from proposal CP377. Amend Rule 13.4.1B to remove the 50MW limit to allow Capacity Providers to aggregate delivered capacity across a Portfolio
CP380 – Financial Commitment Milestone Extension							Extending FCM deadline for 10% TPS if applied for correctly, only for an agreement arising from a T-4 auction
CP381 – Change to the definition of SCEC in Rule 3.5.5							Proposal to determine Station Connection Entry Capacity.

Key	
	Pre-raise Consideration
	Development
	Initial Consideration of Proposal
	CMAG Recommendation
	With Ofgem
	On hold

CMAG Forward Work Plan

Title	2024		2025				Commentary
	November	December	January	February	March	April	
CP356 - Facilitate Secondary Trading before CMU Termination							To be considered as part of CMAG's wider review of secondary trading. The Proposer has agreed to keep this change on hold, pending the outcome of CM Rules Change Proposal CP364
CP363 - Changes to EMR Delivery Body Portal							The Proposer has agreed to keep this change on hold. EMR DB to review and advise following Portal 2.0 roll out.
CP370 - Changes to Extended Performance Test							At CMAG Meeting 7, DESNZ and Ofgem highlighted the policy interactions with CP367. It was agreed this Proposal would be discussed offline and not be progressed further by CMAG due to the interactions with policy
CP379 - Confidential Information Definition							CMAG agreed at Meeting 23, no action was required of CMAG Secretariat and the sharing of confidential information on Exhibit C would be picked up in the general Exhibit review.
CPXXX - DSR Component Reallocation							On hold pending outputs of DESNZ Phase 2 consultation work
CPXXX - Rule 2.3.3 De-rating Factors							Ofgem/DESNZ/EMR-DB in discussions to clarify policy intent.
CPXXX - Extension of Secondary Trading Principles for Extended Performance							Placed on hold as this is expected to be considered by DESNZ separately.
CPXXX - Managing SPDs and Secondary Trading							Number of changes expected in July, as per DESNZs decision on Phase 2 consultation. Any legal drafting cannot begin until then.

Key	
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ACTION LOG

Action Log

- [Link](#)



AOB AND MEETING CLOSE