

ELEXON

CAPACITY MARKET RULES CHANGE PROPOSAL REPORT: CP386 – ALIGNMENT OF METERING TEST PROCESSES, DSR DELIVERY PERIODS, AND TERMINOLOGY

This Change Proposal (CP) seeks to align the deadline for Metering test processes, DSR Delivery Periods and terminology in the CM Rules

Public

Document owner
Elexon

Document author
Jenny McGowan

Date
May 2025

Table of Contents

CAPACITY MARKET RULES CHANGE PROPOSAL REPORT:	0
CP386 – ALIGNMENT OF METERING TEST PROCESSES, DSR DELIVERY PERIODS, AND TERMINOLOGY	0
Table of Contents	1
About this Document	1
Executive Summary	2
Issue	2
Solution	2
Impacts and Costs	2
Recommendation	2
Issue	3
Solution	3
Legal Text for CP386	3
CMAG Development/Discussions	4
Impacts & Costs	5
CP386 Impacts and Benefits	5
Rules	5
Costs	5
Views against CM Rules Change Objectives and Ofgem’s Principal Objective	5
Recommendations	6
Appendix 1 – Summary of Issue and Government Policy Questions for CP386	7
Appendix 2 – Summary of Standard Change Proposal Questions for CP386	8

About this Document

Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read the executive summary
- Have 15 mins? Read the issue, solution and impact and costs sections
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments

Executive Summary

A summary of CP386, including the Proposal Form, can be found on the CMAG Website.

Issue

Following the implementation of CP373, several inconsistencies and outdated provisions remain within the Capacity Market Rules that create confusion for Capacity Providers and introduce unnecessary administrative burden. Specifically, conflicting responsibilities for initiating Metering Tests, outdated submission requirements for DSR Test metering information, and inconsistent terminology regarding Metering Test Certificates have led to a lack of clarity and potential misinterpretation.

This misalignment may hinder the efficient operation of the Capacity Market and create compliance risks despite no actual change in intended responsibilities or processes. While there are no direct risks to consumers or the wider market, the lack of clarity undermines confidence in the rules and places unnecessary strain on Capacity Providers attempting to meet their obligations.

The proposed changes are therefore necessary to align the rules with the updated processes introduced by CP373, remove redundancy, and ensure consistency in language and responsibilities. This supports the objectives of Regulation 78 of The Electricity Capacity Regulations 2014, including promoting efficient administration, reducing barriers to entry, and supporting cost-effective delivery of capacity to consumers.

Solution

To resolve current inconsistencies, the proposal recommends three key amendments to the Capacity Market Rules:

- **Remove Rule 13.3.2(a):** Eliminates a redundant and circular requirement, aligning the responsibility for initiating a Metering Test solely with the CM Settlement Body, as per Rule 8.3.3(c).
 - **Amend Rules 13.2.6(a) and 13.2B.6:** Removes the phrase “prior to Prequalification only” to reflect the updated process introduced by CP373, which requires DSR Test metering information to be submitted via the CMSB Portal at a later stage.
 - **Revise Rule 8.3.3(e):** Updates the language to clarify that the Capacity Provider is responsible for obtaining the Metering Test Certificate, ensuring consistency with other parts of the Rules.
-

Impacts and Costs

This proposal involves minor amendments to the Capacity Market Rules to align them with the process changes implemented under CP373. These changes are purely administrative and do not introduce any new obligations, systems changes, or reporting requirements for Capacity Market participants.

There are no material impacts on CM participants, systems, or delivery bodies. The changes clarify existing responsibilities and remove redundant or outdated provisions, thereby improving operational understanding without requiring system modifications or additional resources.

There are no associated costs for CM participants, the Delivery Body, or the CM Settlement Body. If any administrative updates are required by Elexon, these are expected to be minimal and would be <£1k.

Impacts and Costs	
Organisation	Comment
CMSB	None anticipated
EMR DB	None anticipated
Industry	None anticipated

Recommendation

At Meeting 32 on 20 May 2025, the CMAG made the following recommendations to Ofgem:

- a) That CP386 better facilitates Ofgem’s Principal Objective
- b) The CP386 better facilitates CM Rules Change Objectives;
 - i. facilitating the efficient operation and administration of the Capacity Market
- c) The draft legal text; and
- d) That CP386 should be **implemented**.

Issue

Following the implementation of CP373, there is now a misalignment in the CM Rules regarding the responsibility for initiating a Metering Test. Rule 13.3.2(a) currently places the responsibility on the Capacity Provider to notify the CM Settlement Body (CMSB) that a Metering Test is required. However, revised Rule 8.3.3(c) now assigns this responsibility to CMSB, who must notify the Capacity Provider and Delivery Body if a Metering Test is required following a Metering Assessment. This creates a circular process where CMSB tells the Capacity Provider a test is required, and the Capacity Provider is then obligated to tell CMSB the same, which is both redundant and confusing.

As a result of CP373, DSR Test metering information is no longer submitted during Prequalification via the Delivery Body (DB) Portal, but later through the CMSB Portal. However, Rules 13.2.6 and 13.2.2(a) still require this information to be provided to the Delivery Body either prior to Prequalification (for Proven DSR CMUs) or with two working days’ notice prior to testing. This creates a conflict in timing and submission requirements between the updated process and existing Rules, causing confusion for Capacity Providers.

Furthermore, there is an inconsistency in Rule 8.3.3(e) relating to the responsibility for the Metering Test Certificate. The Rule currently states that the Capacity Provider must “be awarded” a Metering Test Certificate, which implies the responsibility lies with CMSB. However, in other parts of the Rules, the term “obtain” is used, which places responsibility on the Capacity Provider. This inconsistency may lead to confusion regarding who is accountable for ensuring the certificate is acquired within the required timeframe.

Solution

To resolve the inconsistency for initiating a Metering test, it is proposed that Rule 13.3.2(a) be omitted. This change will remove the circular requirement and align the Rule with the updated responsibility under Rule 8.3.3(c), ensuring clarity on who is responsible for initiating a Metering Test.

To align the Rules with the updated process under CP373, it is proposed that the phrase “prior to Prequalification only,” be removed from Rule 13.2.6(a). This change will ensure the Rule reflects the revised timeline for submitting DSR Test metering information via the CMSB Portal. The same amendment is proposed for Rule 13.2B.6 to resolve the identical issue for Joint DSR Tests.

To provide clarity and ensure consistent terminology across the Rules, it is proposed that Rule 8.3.3(e) be amended to read:

“The date by which a Capacity Provider must obtain a Metering Test Certificate where required to do so under Rule 8.3.3(d) is: ...”

This change ensures the Capacity Provider understands they are responsible for obtaining the certificate and aligns with terminology used elsewhere in the Rules.

Legal Text for CP386

Issue 1:

13.3.2(a) **Omitted**

Issue 2:

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

~~(a) prior to Prequalification only~~, provide

Issue 3:

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

CMAG Development/Discussions

The CMAG discussed CP386 at:

- [Meeting 30](#) (18 March 2025);
- [Meeting 31](#) (19 April 2025); and
- [Meeting 32](#) (20 May 2025)

A summary of the discussion is noted below.

At CMAG 30, the CMAG Secretariat introduced the CP373 follow-on Priority 1 workstream, outlining that CP373: *Process Transfer from EMR Delivery Body to CM Settlement Body* shifted responsibilities from the EMR Delivery Body (DB) to the Capacity Market Settlement Body (CMSB) for Metering Aggregation, Metering Assessment, Metering Test, and DSR Component reallocation.

The CMAG Secretariat noted that although CP373 implemented key changes, some consequential amendments to the CM Rules were not made. These omissions were identified during an audit conducted by the CMAG Secretariat and presented at CMAG26. As a result, four key issues were raised under CP373 Priority 1:

- Who is responsible for initiating a Metering Test;
- The timeframe for DSR CMUs to submit metering information; and
- The process for issuing a Metering Test Certificate.

The CMAG Secretariat explained that Rule 13.3.2(a) currently requires Capacity Providers to notify CMSB when a Metering Test is required, while updated Rule 8.3.3(c) assigns this responsibility to CMSB. This creates a circular and unclear process. To resolve the conflict, the CMAG Secretariat proposed omitting Rule 13.3.2(a). CMAG members supported this proposal.

The CMAG Secretariat then outlined a potential duplication in the CM Rules regarding CMSB's obligation to notify the DB of Metering Test outcomes. Specifically, Rule 13.3.10 and Rule 8.3.3(da) contain similar, but not identical, provisions. CMAG members, including RT, agreed that while the wording was similar, each Rule served a distinct function and therefore no change was required. The CMAG Secretariat confirmed that this item would not be progressed further.

Regarding the timeframe for DSR CMUs submitting metering information, the CMAG Secretariat noted that CP373 resulted in DSR Test data being submitted later via the CMSB Portal, whereas the current Rules require this information to be submitted to DB before Prequalification. EW raised a concern that removing "prior to Prequalification only" could permit Unproven DSR CMUs to use historical data in a way inconsistent with policy intent. It was agreed that a change of this nature would require policy approval from DESNZ. CMAG members expressed no objections to an alternative solution of inserting additional text into Rule 13.2.6(a) and 13.2.6(b), but EMR DB agreed to take this proposal away for further review and bring it back at the next CMAG meeting.

The CMAG Secretariat presented the final issue related to Rule 8.3.3(e), where the use of "be awarded" implied CMSB responsibility for Metering Test Certificates, whereas "obtain" would more clearly place responsibility on the Capacity Provider. CMAG members agreed the wording change made sense, provided CMSB were aware of their associated timelines. EM agreed to review this item, and the CMAG Secretariat confirmed it would return for consideration at the next CMAG.

The CMAG Secretariat concluded by summarising the actions agreed at CMAG30:

- Rule 13.3.2(a) will be omitted;
- Rule 8.3.3(e) will be amended to read: "The date by which a Capacity Provider must obtain a Metering Test Certificate where required to do so under Rule 8.3.3(d) is: [...]".

Following further discussion at CMAG31, and input from EW, it was agreed that the proposed amendment to Rule 13.2.6(a) would instead insert “for a Proven DSR CMU” before the phrase “prior to Prequalification only”

Impacts & Costs

CP386 Impacts and Benefits

Impact Summary			
Organisation	Item	High/Medium/Low	Comment
CMSB	Reporting	Low	Resolves metering assessment deadline misalignment
EMR DB	Reporting	Low	Resolves metering assessment deadline misalignment
Industry	Reporting	Low	Resolves metering assessment deadline misalignment

Rules

- i. 3.2.6;
- ii. 8.3.3(e);
- iii. 13.3.2(a).

Costs

Estimated Implementation Costs and/or time. Suggest the use of High/Medium/Low with less than £100k, between £100k and £1m and above £1m.

Costs	
Organisation	Comment
LCCC/ESC	None anticipated
EMR Delivery Body	None anticipated
Industry	None anticipated

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

Does CP387 better facilitate the CM Rules Change Objectives and Ofgem’s Principal Objective		
Objective	Proposer’s View	CMAG Views
Ofgem’s Principal Objective	Neutral – no better, no worse	Neutral – no better, no worse
Promoting investment in capacity to ensure security of electricity supply	Neutral – no better, no worse	Neutral – no better, no worse

facilitating the efficient operation and administration of the capacity market;	Positive – clarifies Capacity Provider responsibilities relating to metering processes	Positive – clarifies Capacity Provider responsibilities for Metering processes
Ensuring the compatibility of capacity market rules with other subordinate legislation under Part 2 of the Act.	Neutral – no better, no worse	Neutral – no better, no worse

Recommendations

At Meeting 32 on 20 May 2025, the CMAG made the following recommendations to Ofgem:

- a) That CP386 better facilitates Ofgem’s Principal Objective;
- b) The CP386 better facilitates CM Rules Change Objectives;
 - i. (b) facilitating the efficient operation and administration of the Capacity Market
- c) The draft legal text; and
- d) That CP386 should be **implemented**.

Appendix 1 – Summary of Issue and Government Policy Questions for CP386

Issue and Government Policy Questions	
Question	Comment
Is this a valid issue?	The CMAG agreed this was a valid issue.
Is the CM the right place to address the issue?	The CMAG agreed the CM was the right place to address the issue.
<p>Is the solution to this CP going to be counter to the policy objectives of the CM? What is the impact on:</p> <ul style="list-style-type: none"> • Security of Supply • Cost (including cost to consumers) • Unintended consequences – if there are any, what is the impact? 	<p>CMAG said that this Change Proposal would not impact the Security of Supply, create costs (including to consumers), or have any unintended consequences. CMAG said this change is aligning administrative provisions of the CM Rules to create clarity for Capacity Providers on their responsibilities relating to metering processes</p>
Are there any consequential impacts on the Regulations?	The CMAG said that there would not be any consequential impacts on the Regulations.
Does this explicitly affect any functions granted to the Secretary of State?	The CMAG said this would not affect any functions granted to the Secretary of State.
Is there an impact on subsidy control?	The CMAG said there would not be an impact on subsidy control.

Appendix 2 – Summary of Standard Change Proposal Questions for CP386

Standard Change Proposal Questions	
Question	Comment
Are there any related changes to the CM Rules in the pipeline?	No - CP386 is a follow-on from CP373 (implemented), which transferred responsibilities from the EMR Delivery Body to the CM Settlement Body.
Does the CP further Ofgem's Principal Objective?	Yes
Does the CP further the CM Rules Change Objectives?	Yes
Does the CP impact on the Regulations?	No
Are there any impacts on any other central industry frameworks or obligations?	No
Are there any impacts on consumers, and if so, what are the impacts?	No
Does CMAG agree with the proposed solution?	Yes
Are there any suitable alternative solutions to address the defect?	No
What are the expected impacts on: <ul style="list-style-type: none"> • CM Participants? • Delivery Partners? 	None material
What are the expected implementation/enduring costs for: <ul style="list-style-type: none"> • CM Participants? • Delivery Partners? 	None material
What are the expected timescales for implementation?	Awaiting approval from Ofgem
Does the proposed draft legal text deliver the intention of the solution?	Yes
Is there any alternative legal text that would deliver the intention of the solution?	No
What is CMAG's preferred legal text, to deliver the intention of the solution?	The draft text included in this report CP386
Does the CMAG recommend to Ofgem that the change be made?	Yes