


<h2 style="text-align: center;">Proposal for a Capacity Market Rule Change</h2>	 <p style="text-align: center;">Making a positive difference for energy consumers</p> <p>Reference number: CP398</p>
<p>Title (<i>a short title which summarises your CM rule change request</i>) Enabling Capacity Providers to utilise their own Meter Operator Agent where appropriate</p>	
<p>Name of organisation(s)/individual(s): Ellen McGrath, Low Carbon Contracts Company / Electricity Settlements Company</p>	<p>Contact e-mail address: Ellen.mcgrath@lowcarboncontracts.uk</p>
<p>Contact Telephone Number:</p>	<p>Date submitted:</p>
<p>Proposal abstract (<i>a short summary, suitable for published description on our website</i>) This proposal seeks to introduce an optional pathway for Capacity Providers to have their Metering Statements (Schedule 6) completed and verified by an authorised Meter Operator Agent, rather than solely by the Settlement Body and the Metering Agent that undertakes work on behalf of the Settlement Body.</p> <p>By allowing the additional pathway it will enable:</p> <ul style="list-style-type: none"> • Streamlined processing and reduced administrative impact • Reduction in duplicated costs where Capacity Providers currently use an Authorised Meter Operator • Reduced cost to consumer as less Settlement Body/Metering Agent resource utilised 	
<p>Description of the issue that the change proposal seeks to address: According to the current CM Rule 13, a Capacity Provider (CP) must submit a Metering Statement (Schedule 6) to the Settlement Body. Once checked by the Settlement Body, the Metering Statement is sent to the Metering Agent to carry out the Metering Test on behalf of the Settlement Body. At peak periods, the resource of the Settlement Body and its Metering Agent can be at a capacity, potentially creating a risk for delays to Metering Tests causing an administrative bottleneck. This risk has been exacerbated by the Metering Testing of multi-thousand component Domestic DSR CMUs with Bespoke metering setup. ESC propose an update to the CM Rules to allow a CP to choose to have the Metering Statement compiled and verified by an authorised Meter Operator Agent, reducing the demand and administrative burden on the Settlement Body and its Metering Agent.</p>	
<p>Proposed solution to the issue: The proposed solution is to change the CM Rules to enable a Capacity Provider to choose to have their Metering Statement (Schedule 6) verified by an independent Meter Operator Agent rather than by the Settlement Body's Metering Agent, whilst the current approach still remaining as an option.</p> <p>To ensure the appropriate independence of the Metering Agent, they must be a fully accredited member of the Association of Meter Operators.</p> <p>If this solution was permitted, it would reduce the risk of delays due to there being a reduced amount of checks for the Settlement Body's Metering Agent to do, as well as reducing cost to the consumer in administering the scheme. By enabling CPs to use their chosen Meter Operator Agent to complete and validate the Metering Statement (schedule 6), it reduces the risk of effort being duplicated in instances where a CP uses a Meter Operator Agent to compile and validate the Metering Statement (schedule 6) before it is submitted to the Settlement Body.</p>	

There would still be the existing option for a CP to submit the Metering Statement (Schedule 6) and the Settlement Body having this tested by a Metering Agent would remain the same, increasing optionality for CPs.

The Settlement Body as part of this change will also update its Guidance, providing more instructions for Meter Operator Agents to follow and will create more structured templates standardise the Metering Statement (Schedule 6) submission format. As part of this process, we will engage with Metering Operators to get their feedback through this process. This will mitigate the risk of variation between different Meter Operators.

The Settlement Body will still retain the right for a Site Audit to be carried out if there is non-compliance suspected as per Rule 13.5.1(a).

List of alternative proposals already submitted which this proposal relates to (if any):

N/A

If you know the specific change to the Capacity Market (CM) Rules you wish to make, please select the type of change below and propose specific revised text, indicating the provision number from the CM Rules and highlighting the change (if left blank, the Capacity Market Advisory Group (CMAG)/Ofgem may suggest revised text to achieve the proposed solution above):

Amendment Addition Revocation Substitution

13.3.1 A Metering Test is a test conducted by the CM Settlement Body *or a Meter Operator Agent which is registered with the Association of Meter Operators* to determine whether or not the metering arrangements for each Generating Unit or DSR CMU Component comprised in a CMU, or the Electricity Interconnector comprised in an Interconnector CMU, constitutes an Approved Metering Solution.

Analysis and evidence for the impact of the proposed change on industry and/or consumers, highlighting how the proposal meets the Ofgem/Capacity Market objectives set out in Regulation 78 of The Electricity Capacity Regulations 2014, any risks to consider and any implications for industry codes:

The Settlement Body carried out a survey of 23 CPs (16 distinct companies) that submitted the majority of Metering Tests for the 2025/26 Delivery Year – 12 CPs responded:

- 8 Capacity Providers already use a Meter Operator to assist in the compilation of their Metering Statement
- 3 Capacity Providers have Domestic DSR CMU and have installation partners to install their respective technologies.

Note: We are reaching out to the remaining CPs to get a more complete stakeholder view.

The Settlement Body carried out 243 Metering Tests for the 2025/26 DY. Following the T-1 CAN release we will be able to forecast the expected number of Metering Tests for the 2026/27 DY, we expect the number of tests to be at a similar level to the current DY (2025/26 DY).

There would be no reduction in the delivery assurance of the proposed option, as the meter operator would be a part of the Association of Meter Operators and therefore must be independent as well as following the same guidelines as the meter operator which the Settlement Body uses. Rule 13.5.1(a) would also remain, meaning a Site Audit can take place if any non-compliance is suspected.

Urgency

Select this box if you would like this proposal to be treated as “urgent” (see 1.14 of “The Change Process for the Capacity Market Rules – Guidance” (2022) for details on the requirements of an urgent proposal)?

If selected, please include a justification, including any dates by which the CM Rule Change needs to be made and the consequences of not acting in time (*Note that urgent proposals may be deprioritised or rejected if the Rule Change suggested cannot be implemented before the date(s) set out in this section*)

The Settlement Body, subject to approval, would require the Rule Change Proposal to be in force by Auctions 2027 to enable to benefits of the proposal to be realised.

Confidentiality

We want to promote transparency in the Capacity Market Rule Change process. Submitting proposals directly to the Capacity Market Advisory Group (CMAG) supports transparency whilst ensuring that proposals benefit from the input of a panel of impartial capacity market experts whose role it is to support the development, scrutiny, and prioritisation of proposals to improve CM Rules.

Proposals submitted directly to Ofgem may be shared with CMAG or published on our website as part of a public consultation before any rule change is enacted, provided the information shared has not been marked as confidential.

To submit your proposal directly to CMAG, e-mail this document to cmag@elexon.co.uk

If you wish to submit confidential information to Ofgem as part of your proposal, there are two routes to do this:

1. Submit this document directly to CMAG (cmag@elexon.co.uk) excluding the confidential information, then submit a copy of this document plus an additional file containing the confidential information (marked as confidential) to emr_cmrules@ofgem.gov.uk
2. Submit this document plus an additional separate file containing the confidential information (marked as confidential) directly to Ofgem at emr_cmrules@ofgem.gov.uk

Nothing marked confidential will be shared outside of Ofgem without the express permission of the proposer.