

CONSULTATION PROFORMA

CONTINUOUS ACCEPTANCE DURATION LIMIT (CADL) AND DE MINIMIS ACCEPTANCE THRESHOLD (DMAT) CONSULTATION PROFORMA

We are seeking your views on the CADL and DMAT review. If you represent BSC Parties your responses to the consultation should be submitted in this proforma.

Please send your responses to market.operations@elexon.co.uk by **17:00 on Friday 9 November 2018** and use email subject 'CADL / DMAT Review 2018'.

Respondent:	<i>Libby Glazebrook</i>		
Company Name:	<i>ENGIE</i>		
No. of BSC Parties Represented			
Parties Represented			
No. of Non BSC Parties Represented (e.g. Agents)			
Non Parties represented	<i>None</i>		
Role of Respondent	<i>Supplier/Generator</i>		
Can we publish your response on the ELEXON website?	<i>Yes</i>		
Q	Question	Yes/No Error! Bookmark not defined.	Rationale

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<p>1</p>	<p>Currently the CADL is set to 15 minutes.</p> <p>Do you agree with the proposal to change CADL to 10 minutes (or some other value) based on the analysis provided?</p> <p>Please give any additional comments.</p>	<p>Yes</p>	<p>We agree that CADL should be reviewed although we do not understand why the justification is based on ensuring the methodology tags the largest percentage of fast reserve BOAS whilst minimising the number of Non-Fast BOAs that would be incorrectly flagged as CADL. It has not been made clear in the consultation why fast reserve BOAS are the distinguishing feature. Non-Fast Reserve BOAs could equally be of short duration.</p> <p>Nevertheless we support reducing CADL and would go as far as to no longer have CADL especially as it seems to conflict with the RSP function. The RSP function creates a proxy for the price that reserve providers would seek in the absence of an option fee in an ancillary service contract. The CADL function may well undo the scarcity signal that RSP is trying to create as if the reserve action is short duration, it will be tagged in any case.</p>
<p>2</p>	<p>Currently the DMAT is set to 1MWh.</p> <p>Do you agree with the proposal to change DMAT to 0.1MWh (or some other value) based on the analysis provided?</p> <p>Please give any additional comments.</p>	<p>Yes</p>	<p>ENGIE has for some time observed that the number of <1MWh actions being taken has been increasing and agrees that DMAT should be reduced.</p> <p>Currently, these small volume actions do not influence the NIV direction. With an increasing amount being taken and the move to more balancing actions coming from distributed and therefore smaller providers, it is therefore important to start to capture these actions in in the cashout price calculation and arguably more importantly in the NIV and the volume being taken can 'flip' the system direction. Reducing DMAT to 0.1MWh therefore seems appropriate</p>

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3	<p>If a change to either parameter is approved, do you agree with the proposed implementation date of 1 April 2019 (or believe another data is more preferable)?</p> <p>Please give any additional comments.</p>	Yes	Yes although ENGIE would support an earlier implementation.
4	<p>Do you have any further comments regarding the CADL review?</p> <p>Please give any additional comments.</p>	No	
Q	Question	Yes/No Error! Bookmark not defined.	Rationale
5	<p>Do you have any further comments regarding the DMAT review?</p> <p>Please give any additional comments.</p>	No	

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6	Do you believe the proposed CADL change will have a material impact to your systems? Please give any additional comments.	No	
7	Do you believe the proposed DMAT change will have a material impact to your systems? Please give any additional comments.	No	