

Update to the CALF Guidance Document – Holiday CALFs for CVA Registered Consumption BM Units

Imbalance Settlement Group

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Summary **The CALF Guidance contains a process for Lead Parties to raise a Holiday CALF appeal for Supplier BM Units if their consumption will significantly decrease over the Christmas or Easter periods. Elexon propose that this provision is extended to Consumption Central Volume Allocated (CVA) registered BM Units by introducing a change to the CALF Guidance Document.**

1. Background

- 1.1 The concept of Holiday CALF appeals was introduced into the BSC and the CALF Guidance Document in 2003 via Approved Modification [P122 'Assessment of Credit Cover during Holiday Periods'](#). This process allows Supplier Volume Allocation (SVA) registered BM Units to adjust their CALF value over the Christmas and Easter Holiday Periods to take into account where their BM Units have reduced demand over these Periods.
- 1.2 [BSC Section M1.5A](#) contains the requirements for Holiday CALF Appeals. This defines the Annual Holiday Periods. The Easter Holiday Period always lasts six days, starting on Maundy Thursday and ending on the Tuesday after the Easter Bank Holiday Monday. The Christmas Holiday Period varies slightly in length depending on what day of the week Christmas Day falls on. The latest starting day is Christmas Eve and the earliest ending day is 2 January.
- 1.3 The formula for the calculation of Holiday CALF values and all other requirements relating to Holiday CALF Appeals are contained in the CALF Guidance.

2. Central Volume Allocation (CVA) registered BM Units

- 2.1 The [BSC K2.1.1](#) states that Plant and Apparatus that is directly connected to the Transmission System must be registered in CVA. This would include any Import only Plant and Apparatus which is connected to the Transmission System such as Industrial premises.
- 2.2 The CALF Guidance Document states that the Holiday CALF process can be used by SVA registered BM Units. It therefore should not be applied to CVA registered BM Units. This is consistent with P122 which was raised by a Supplier BSC Party to introduce a Holiday CALF appeals process for SVA registered BM Units. The Modification Documents do not make any reference to CVA registered BM Units,
- 2.3 A Party has been applying for Christmas Holiday CALF appeals for two of its CVA registered Consumption BM Units since 2018, which Elexon has been processing without realising that it should not have been. We challenged the Party this year who argued that the drop in demand over Christmas applies as much to CVA registered Consumption BM Units as SVA registered ones and so the Holiday CALF process should also apply.
- 2.4 The P122 Modification Report noted that Industrial and Commercial Suppliers saw a drop in demand of 70% over Christmas 2002.

- 2.5 In December 2021, a Party stated that the holiday variance for a CVA Site could be quite extreme. When in use the BM Unit could consume over 50MWh in a typical half hourly period. With standby supply only during the holiday period, the same unit could consume less than 1MWh per half hour.
- 2.6 Elexon agrees with the Party that the Holiday CALF Appeal process should apply to CVA registered Consumption BM Units as well as SVA Registered ones on the basis that these BM Units should be treated consistently, no matter which system they are registered in. We also note that the BSC specifies the registration system for Industrial premises depending on whether they are Transmission or Distribution connected, so a Party cannot choose to register a Transmission connected Consumption unit in the SVA registration System to be able to use the holiday CALF process.

3. Changes to the CALF Guidance Document

- 3.1 When P122 introduced Holiday CALF Appeals, the changes to the BSC did not make this process specific to SVA registered BM Units. The calculations and applicable BM Units are specified in the CALF Guidance Document.
- 3.2 Therefore, to implement this change, the Elexon legal team have advised that this can be done by changing the CALF Guidance Document, without the need for a Modification.
- 3.3 The proposed changes to the CALF Guidance Document have been redlined and are included as Attachment A. The proposed changes are adding the words 'CMRS Registered Consumption Primary BM Units' to the paragraphs that relate to which BM Units can use the Holiday CALF Appeal process. These are paragraphs 1.7 and 5.3.5 and we suggest adding the following: 'Lead Parties of SMRS-registered Primary BM Units and CMRS-registered Consumption Primary BM Units ...'
- 3.4 As the Owner of the CALF Guidance Document, the ISG must determine any changes proposed to it.

4. Recommendations

- 4.1 We invite you to:
- a) **NOTE** that expanding the Holiday CALF Appeals to CVA registered BM Units can be done without a Modification and by a change to the CALF Guidance Document; and
 - b) **APPROVE** the draft changes to the CALF Guidance Document which will allow CVA registered Consumption BM Units to raise Holiday CALF appeals.

Attachments

Attachment A – Credit Assessment Load Factors Guidance Version 28.2

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