

EMR - PANEL UPDATE

MEETING NAME	BSC Panel
Date of meeting	13 November 2014
Paper number	230/10
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Purpose of paper	Information
Classification	Public
Summary	This paper is the Panel's monthly update on ELEXON's appointment as the Settlement Services Provider for both Contracts for Difference (CfD) and for the Capacity Market (CM).

1. Engagement

- 1.1 We continue to participate in LCCC's and National Grid's stakeholder engagement events where appropriate.
- 1.2 On 23 October we presented at the LCCC's CFD Supplier Implementation event. We provided an update on the implementation of the EMR settlement system, the likely impact of DECC's proposed changes to the CFD Supplier Obligation on EMR settlement (<https://www.gov.uk/government/consultations/emr-changes-to-the-cfd-supplier-obligation>), our proposed approach to the sending of the first reserve fund amount to Suppliers, and a look at upcoming events and activities.
- 1.3 We will present an EMR Supplier and CFD generator settlement processes set of slides at the LCCC implementation events around the end of November 2014. This will be similar to our Supplier focussed event we held on 2 July 2014. Once the LCCC have confirmed the dates for these events we will communicate these dates to industry.
- 1.4 DECC continue to progress its Energy Intensive Industry (EII) policy. We are continuing to work with DECC on the consequential amendments to the BSC to give effect to this exemption. Any changes to the BSC for EII will be directed by the Secretary of State.
- 1.5 As we did with the changes that became effective in August of this year, we will seek to share the proposed changes with BSC Parties and industry by publishing the draft changes on the BSC website. However, this will be subject to the agreement of DECC.
- 1.6 DECC are now considering consulting on two sets of BSC changes. Option one would require EII metered volumes to be captured using Additional BM Units. Option two would require EII metered volumes to be provided by Half Hourly Data Aggregators (HHDA) to the Settlement Services Provider. Option two would effectively extend the scope of the HHDA metering solution that was approved as part of the BSC changes directed for EMR in August 2014.
- 1.7 EMR updates are currently being provided to the Panel sub-committees, triggered by the potential for further BSC changes for EMR resulting from DECC's EII policy. At its October meeting (30 October 2014), the Performance Assurance Board (PAB) asked ELEXON to clarify the impact of the BSC changes for EMR on the BSC Performance Assurance Framework (PAF). The PAB sought clarity on its roles and responsibilities for these new BSC obligations. We have committed to provide this clarity to PAB as soon as possible. Furthermore, the Panel may like to note that a paper the impact of EMR on the BSC Trading Disputes process is going to the next Trading Disputes Committee meeting (6 November 2014).
- 1.8 On 16 October we issued a consultation (<http://emrsettlement.co.uk/publications/consultations/>) on the proposed approach to calculating Supplier Demand for EMR charging. This consultation, of interest to

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Suppliers, focusses on how to handle CVA BM Units registered to a BSC Party who holds a supply licence. As of 5 November we have received two responses, with one day left before the consultation closes.

2. EMR Systems Implementation

- 2.1 Implementation of the settlement system remains on track for go-live, despite a three week delay to the build phase.
- 2.2 The first operational process, the CM Interim Credit Cover process, went live on 3 October 2014 when the CM prequalification results were announced. The process continues to operate successfully. Guidance has been published on the EMRS website <http://emrsettlement.co.uk/documents/2014/09/working-practice-capacity-market-applicant-credit-cover-process.pdf>.

3. Funding

- 3.1 Grant invoices are being paid in accordance with the agreed payment schedule and we continue to maintain a positive cash-flow.
- 3.2 "Actual" resource utilisation is not materially different to "budget" and "forecast".

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the EMR update.

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