

# EMR - PANEL UPDATE

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**MEETING NAME** BSC Panel

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**Date of meeting** 11 December 2014

**Paper number** 231/12

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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 (SSP) for both Contracts for Difference (CfD) and for the Capacity Market (CM).

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## 1. Engagement

1.1 We continue to participate in LCCC's and National Grid's stakeholder engagement events where appropriate.

1.1 Most recently we presented at LCCC's stakeholder event on 19 November 2014 where we covered the following topic areas:

- Interfacing with the settlement system;
- Participation in testing; and
- Invoices & backing data.

1.2 A Supplier event was held on 25 November at which we covered the following topic areas:

- CFD and CM Supplier payments
- Reserve Fund calculations, payments and reconciliation; and
- CFD Credit Cover requirements and reporting; and Interfaces.

1.3 A copy of the slide deck (including the LCCC's slides) can be found at the following link:

<http://emrsettlement.co.uk/documents/2014/12/supplier-implementation-event-25-november.pdf>

1.4 As signposted in last month's update, on 24 November 2014 DECC has published a consultation<sup>1</sup> on further changes to the BSC to support of the implementation of the Electricity Intensive Industries (EII) exemption from CfD costs. The draft BSC changes present two options that enable the identification of exempt electricity; one using Additional Balancing Mechanism Units (A. BMUs) and the other using Half Hour Data Aggregators (HHDAs).

1.2 The consultation closes on 21 December 2014 and EMRS Circular 22<sup>2</sup> was issued on 24 November 2014. The draft BSC changes are also available from the ELEXON website

1.3 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 Suppliers, focusses on how to handle CVA BM Units registered to a BSC Party who holds a supply licence. We received 5 responses and these are being evaluated. We hope to publish our consultation response before the start of the Christmas break.

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/377688/EII\\_exemption\\_from\\_CfD\\_costs\\_Amendments\\_to\\_the\\_BSC\\_consultation\\_PUBLICATION\\_\\_\\_\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/377688/EII_exemption_from_CfD_costs_Amendments_to_the_BSC_consultation_PUBLICATION____.pdf)

<sup>2</sup> <http://emrsettlement.co.uk/documents/2014/11/emr-circular-22-decc-publishes-energy-intensive-industry-amendments-balancing-settlement-code-consultation-2.pdf>

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- 1.4 On 26 November 2014 we issued EMR Circular 23<sup>3</sup> advising Suppliers that we had issued a letter (via post) to all licensed electricity suppliers' company secretaries asking for company contact details for the purposes of Electricity Market Reform (EMR). The company contact details provided will be used for the purposes of issuing notices, invoices, and credit notes required by the CFD and CM regulations.

### 2. EMR Systems Implementation

- 2.1 Implementation of the settlement system remains on track for go-live. The second release of the EMR settlement system software was successfully delivered on 28 November 2014 in accordance with the agreed plan and the second phase of System Integration Testing (SIT) began on 1 December 2014. Results from the first phase of SIT are encouraging with the test team reporting that all major areas delivered in the first software release have been tested successfully and that the system is stable.

### 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.

**For more information, please contact:**

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<sup>3</sup> <http://emrsettlement.co.uk/documents/2014/11/emr-circular-23-provision-supplier-company-details-electricity-market-reform.pdf>