



EMR Consultation Response Document (Part 6 of 7)

Comments on the Electricity Capacity Regulations

Name of reviewer

ELEXON

Name of document being reviewed

The Electricity Capacity Regulations 2014

Page	Part / Chapter	Section	Paragraph	Response (Comment / Observation)
General comment				All the comments in this document, on the Electricity Capacity Regulations, are made without prejudice to our general comment that the Settlement Agent should not be named in the Capacity Market Regulations and Rules.
Pg 7 & 17	Part 1 & Part 4-Chapter 5	Interpretation & DSR transitional auctions	2 & 27(1)	The definition of the T-1 auction permits it be held as late as 2 months before the start of the relevant delivery year. We observe that any successful CMUs in that auction must have established metering, communications links and other requirements, e.g. a baseline if DSR, in sufficient time before the start of the delivery year to permit the Settlement Body and Settlement Agent to carry out their functions under these Regulations and the Capacity Market Rules.
Pg 7	Part 1	Interpretation	2	A “ volume ” of capacity would normally be expressed in MW or kW, so is this definition consistent with its usage elsewhere in the Capacity Market Regulations and Rules?
Pg 7 & 8	Part 1	Generating CMU	4(3) and 4(4)	It is not a BSC settlement requirement that a BM Unit is connected to a single meter, and aggregation of metered data from a number of relevant meters is permitted. It is unclear why a CM Unit has to be connected to a single half hourly meter. As long as the meters in combination and when suitably aggregated together measure the true export of that CM Unit alone this should be sufficient.
Pg 8	Part 1	Customer demand response CMU	5(4)	CDR test does not appear to be defined.
Pg 18	Part 5	Capacity agreement	29	The settlement body and settlement agent will also need this information from the Delivery Body.

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		notices		
Pg 19	Part 5	Termination of capacity agreements	30(2)	Is there any scenario where a termination notice is given and where the termination notice is later withdrawn under this regulation where payments will be affected, e.g. termination fees would need to be repaid, or if during the capacity year, payments would need to be reconciled? And, if so, are these scenarios considered under the Regulations or the Rules?
Pg 20	Part 6	Termination of capacity agreements: CFDs and ROO conversions	33(2)(b)	The settlement agent will need this information so it would make it more efficient to require the Delivery Body to issue this information directly to the settlement agent.
Pg 21	Part 6	Null and void capacity agreements	35	If a capacity agreement becomes null and void, are there scenarios where payments will have already been made under that agreement and, if so, what actions are the settlement body and settlement agent required to undertake?
Pg 25	Part 9	Dispute resolution by the Authority: procedure	41(4)	This refers to paragraph (6) but there is no paragraph (6) in this regulation 41.
Pg 26	Part 10	Procedure	45(1)	If the change impacts on capacity market settlement, it would be appropriate to require the Authority to consult the settlement body and the settlement agent to confirm the feasibility/timing of any proposed rule.
Pg 27	Part 10	Procedure	45(2)	If would be appropriate to include the settlement body and the settlement agent in the list of persons who can raise a proposal to change the rules, e.g. if there are issues with settlement that can be resolved/improved by a rule change.



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Pg 27	Part 11	Appointment of Settlement Body and Settlement Agent	46(1) and (3)	Are there situations where a settlement agent may be in place without a settlement body? If so, any contracts and processes will need to cover this scenario, e.g. if the settlement agent needs to refer any issues, disputes, data, etc. to the settlement body or because the settlement agent is funded by the settlement body.

