

## CMP221 Interruption Compensation in the Absence of Market Suspension during a Partial Shutdown



CUSC Panel – 29 November 2013  
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## Background

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- BSC Mod P276 (to come into effect 31 March 2014) introduces the opportunity for continuation of market operations during a Partial Shutdown
- The Final Report from the P276 Working Group recommended that consideration is given to extension of Interruption Payment provisions within the CUSC.
- CMP221 raised in September 2013 and proceeded directly to Code Administrator Consultation.

## Summary of Defect

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- BSC Mod P276 enables the market to continue to operate during a Partial Shutdown providing that none of the criteria for market suspension are deemed to be met
- This creates a potential scenario in which a generator that loses access to the Transmission System, due to a Partial Shutdown, will be exposed to imbalance prices on its contracted volume and no means of compensation
- Generators who lose transmission access as a result of a system event can normally claim Interruption Payments under the CUSC
- The CUSC definition of a 'Relevant Interruption' (for which compensation payments are applicable) currently excludes a Partial or Total Shutdown

## Proposed CUSC Modification

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- To extend eligibility for Interruption Payments under the CUSC to include the incidence of a Partial Shutdown event where the market is not suspended
- Modification of Section 11, Interpretation and Definitions\*:
  - **“Allowed Interruption”** definition (interruptions which are not eligible for CUSC compensation payments).
    - Amended to specify only Partial Shutdowns where the market is suspended
  - **“Market Suspension Period”** definition
    - Introduced to ensure precision of definition (cross-referencing definition in the BSC)

## Code Administrator Consultation

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- 4 responses received
  - Question on Interaction with the potential Electricity Market Reform (EMR) Force Majeure clause in the Capacity Market arrangements.
    - not anticipated that the changes detailed in this modification are impacted by or impact the Capacity Market proposals for Force Majeure arrangements.
    - DECC may choose to consider how to treat the new scenario introduced by P276 (of market continuation during a Partial Shutdown) when determining the Capacity Market rules
  - Two of the responses suggested that CMP221 should be aligned to BSC P276 implementation date of 31<sup>st</sup> March 2014.
  - Proposer agrees that for consistency that this would be more appropriate.

# Justification against Applicable CUSC Objectives

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nationalgrid

**“Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity”**

**The proposal ensures that Generators who lose access to the Transmission System are consistently and appropriately compensated for costs associated with their imbalance exposure**

## Questions before Panel Vote?



## Panel Recommendation Vote

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- a) The efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;
- b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
- c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.