

CMP243

‘a fixed Response Energy Payment option for all generating technologies’



CUSC Panel – 26th February 2016

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Proposed CUSC Modification

- CMP243 was raised by Drax Power and was submitted to the CUSC Modifications Panel for their consideration on 21st May 2015.
- CMP243 aims to allow all generators, regardless of technology type, the option of choosing whether their Response Energy Payment is based on the current methodology or a fixed value initially suggested at £0/MWh. The fixed value is now suggested to be a market derived price.

Workgroup Consultation

- Three responses were received to the Consultation and were considered by the Workgroup.
- Responses were supportive of the modification and all suggested that 'option two' outlined in the document was the best option
- No alternatives were raised in response to the Consultation.

Proposed options

- Two WACM's were agreed by the Workgroup
 - **Original Proposal** – Baseload wholesale month ahead price
 - **WACM1** – Peak and off-peak wholesale month ahead price, peak is 7am-7pm weekdays and off-peak is the rest.
 - **WACM2** – Peak wholesale month ahead price.

None of the options include the option to revert back to the existing REP and would set the REP ten days ahead of Holding Prices being submitted.

Workgroup vote

- The Workgroup voted on the Original Proposal and two WACM's against the CUSC (Standard) objectives.
- The Workgroup concluded that all options are better than the baseline, however had differing views on the best option with three Workgroup members voting for the Original, three voting for WACM1 and one voting for the Baseline.

Workgroup Conclusions

- Terms of Reference have been met
- Proposed legal text agreed by the Workgroup
- The workgroup have proposed implementation for CMP243 to be similar to CMP237 and to have 3 full months after implementation within the CUSC to introduce the practical application of the changes.

Workgroup Analysis Request

- The Workgroup report was sent back to the Workgroup by the CUSC Panel in January 2016 to consider including additional analysis requested by the Authority Representative.
- The Workgroup met on 19th February and agreed that additional analysis could not be produced.
- Additional wording has been included within the summary of the report to explain why.

Next Steps

- The Panel is invited to:
 - Accept the Workgroup Report
 - Agree for CMP243 to progress to Code Administrator Consultation

Proposed Timetable

3rd March 2016	Issue CA Consultation (20 Working days)
4th April 2016	CA Consultation closes
7th April 2016	Issue draft FMR for comment
14th April 2016	Deadline for comment
21st April 2016	CUSC Panel Papers Day
29th April 2016	Panel Recommendation vote
12th May 2016	FMR submitted to Authority
17th June 2016	Authority decision due
1st July 2016	CMP243 Implemented