

CMP243 'a fixed Response Energy Payment option for all generating technologies' - Panel Recommendation Vote



CUSC Panel – 29 April 2016
Heena Chauhan, Code Administrator

Background

- CMP243 was proposed by Drax Power in 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 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 was included within the summary of the report to explain why and the CUSC Panel agreed for the Workgroup Report to be sent to Code Administrator Consultation at the March CUSC Panel meeting.

Code Administrator Consultation

- Four responses were received to the Code Administrator Consultation.
- Three responses supported the proposal and one did not.
- The response that did not support the proposal stated that it would be detrimental to objective (b) as the proposed options have the potential to reduce risk with frequency response provision to a greater extent for some provider over others.

Questions before Panel Vote?



Panel Recommendation Vote

- a) the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission 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.

Proposed Timetable

29 April 2016	Panel vote
4 May 2015	Issue FMR for final comment
12 May 2016	Deadline for comments
14 May 2016	Final Report sent to Authority for decision
29 June 2016	Indicative 25 day KPI for decision
13 July 2016	CMP243 Implemented (if approved)