

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



CUSC Panel – 29 November 2013
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Background

- 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

- 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

- 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

- 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 31st March 2014.
 - Proposer agrees that for consistency that this would be more appropriate.

Justification against Applicable CUSC Objectives

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

- 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.