

## Response Energy Payment Update



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## Response Energy Payment Evolution

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<b>NETA</b>	<b>Go Live</b>	
<b>CAP001 2001</b>	<b>Imbalance Compensation Mechanism</b>	<b>Approved</b>
<b>CAP009 2002</b>	<b>Volume Changes to frequency imbalance calculation</b>	<b>Rejected</b>
<b>CAP010 2002</b>	<b>Replace SSP and SBP with Individual Bid and Offer Price</b>	<b>Rejected</b>
<b>CAP011 2002</b>	<b>Implement P71 (removal of imbalance when supplying applicable balancing services including MFR)</b>	<b>Approved</b>
<b>CAP016 2002</b>	<b>Changes to re-introduce certain adjustment factors into imbalance calculations</b>	<b>Approved</b>
<b>CAP046 2002</b>	<b>Mandatory Frequency Response Energy Volume Calculation</b>	<b>Approved</b>
<b>CAP047 2003</b>	<b>Introduction of a competitive process for the provision of MFR</b>	<b>Approved</b>
<b>CAP107 2006</b>	<b>Re-definition of Response Energy Payment for MFR - Result in the current mechanism with Market indexation Price</b>	<b>Alternative 2 Approved</b>

## Options

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**Recognise that each of the following options carry different risks for both Generators and SO**

## High Level Options

	Holding Price	REP	Competitive Signal	Implement Lead Time	Optimisation Complexity
1	Individual	Universal	Clear	None	Current
2	Individual	Zero	Clear	Small	No change
3	Individual	Individual	More complex	Long	Higher
4	Universal	Individual	Clear	Medium	Similar
5	Blue Sky Solution				

### Variables for all options:

- Frequency of price submission: monthly, weekly, daily
- Vehicle for price submission: bespoke submission, BO data, ...