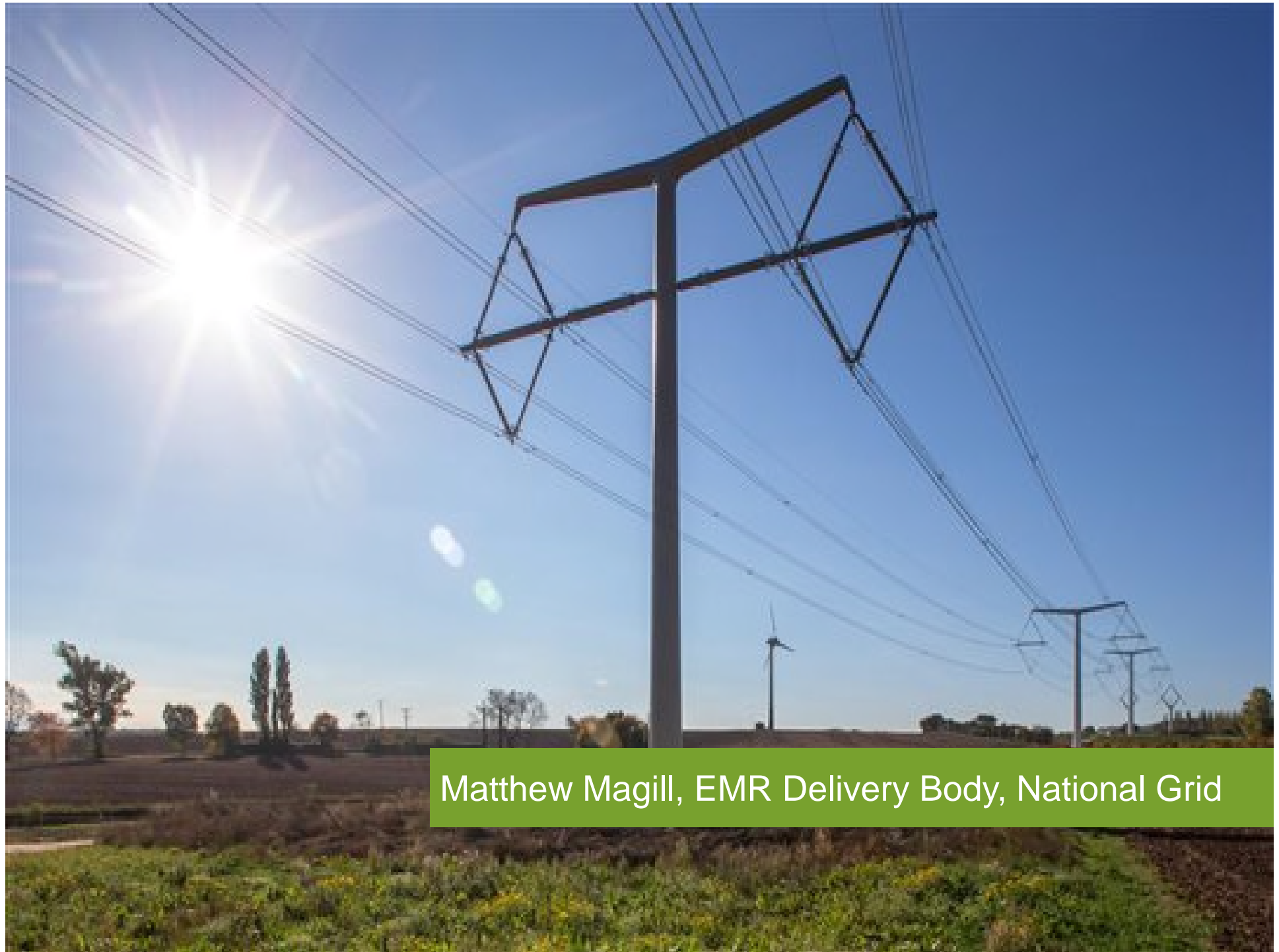


Capacity Market

Operational Coordination Event– June 2016





Matthew Magill, EMR Delivery Body, National Grid

Housekeeping



Welcome and Purpose of Today...

- EMR process for the three 2016 Auctions
 - EMR CM – Operational Plan
 - EMR Delivery Body Systems – National Grid IS
 - EMR Delivery Body and Applicants - Prequalification

- Ensuring that everything is in place for the first delivery year
 - DSR and Agreements update – EMR Delivery Body

Agenda

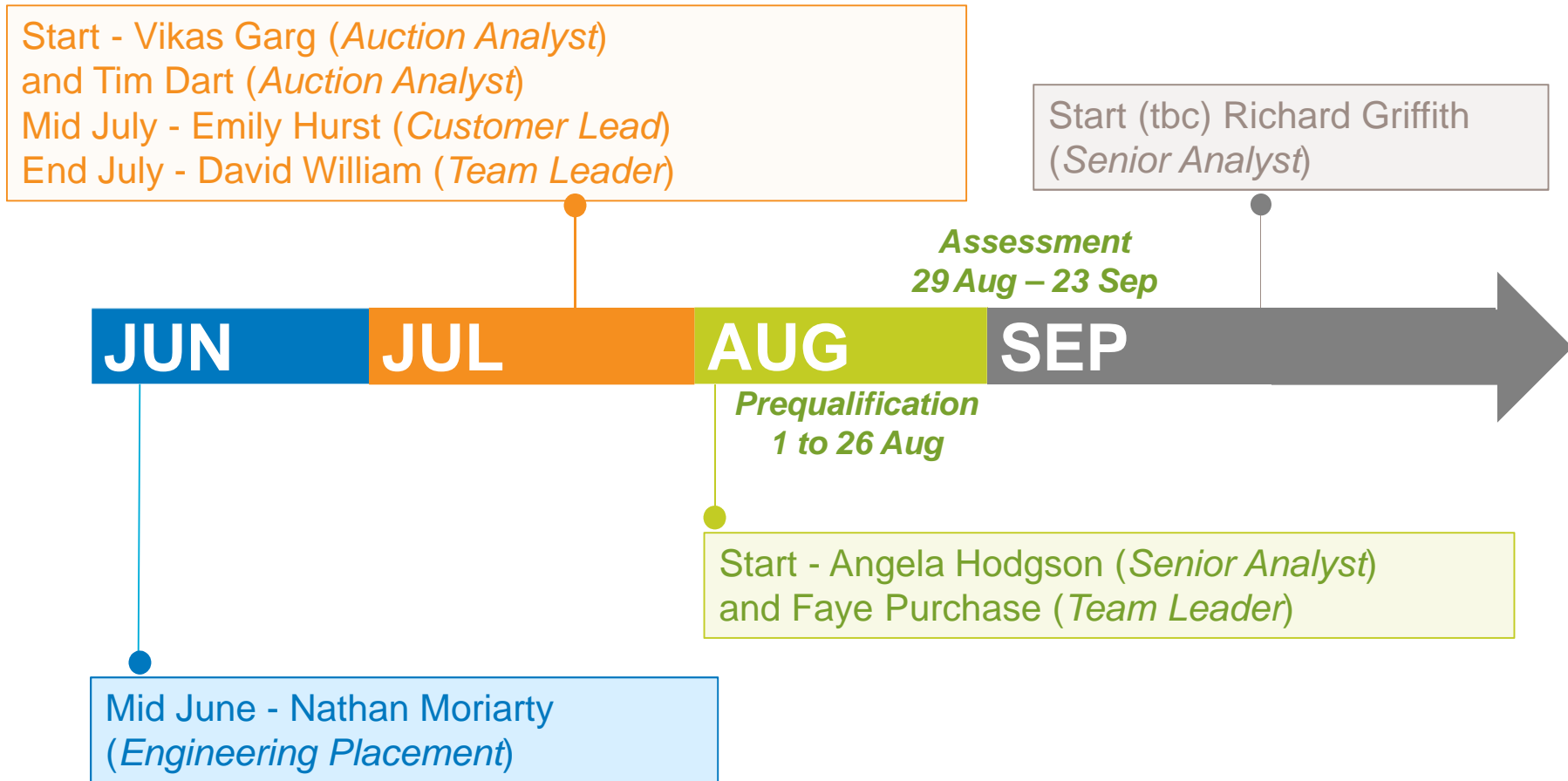
Time	Agenda & Description	Presenter
09:30 – 09:45	Welcome, Safety, Agenda and Operational Plan	Matthew Magill
09:45 – 10:15	DB Admin system / Portal update	Mark Duffield & Tom Kingston
10:15 – 10:30	Charging Review	Andrew Wainwright
10:30 – 10:40	Preparing for Prequalification	Matthew Magill
10:40 - 11:00 - Break		
11:00 – 11:40	1. General - Existing CMU & Historic Data	Mark Duffield
	2. New Build & Construction Plan	Eleanor Brogden
	3. DSR	Tushar Singh
	4. Preparing for the Auction	Ian Nicholas
11:40 – 12:00	DSR update, financial commitment milestones for 2014, upcoming July event and Key Messages	Matthew Magill
12:00 – 13:00 - Lunch		
13:00 – 14:00	121's	

Farewell & Thank you...



- Mark Duffield has a new role of Interconnector Regulation Manager working for Non-Regulated Business.
- Mark will be leaving the EMR ring-fence on 1st July before starting his new role on 1st October 2016
- From 1st July Mark will not be available to applicants due to the way the EMR team is structured
- Today will be Mark's last Operational Co-ordination Event

New Starters in the EMR Team



What we've been doing...

Finished expanding the size of the team for the additional auction	Deploying IS Systems (June and next one in July)
Finalising the recruitment for the enduring team	Finalising the changes with DECC and talking about implementation from their consultations
Finalising the specifications for the Stress Events	Talking to Ofgem about implementation following their consultation
Redesigning the prequalification Assessment process	Running the ongoing Agreement Management activities
Listening and applying your feedback from the Customer & Stakeholder research	Ensuring the EMR DB is compliant with all Licence



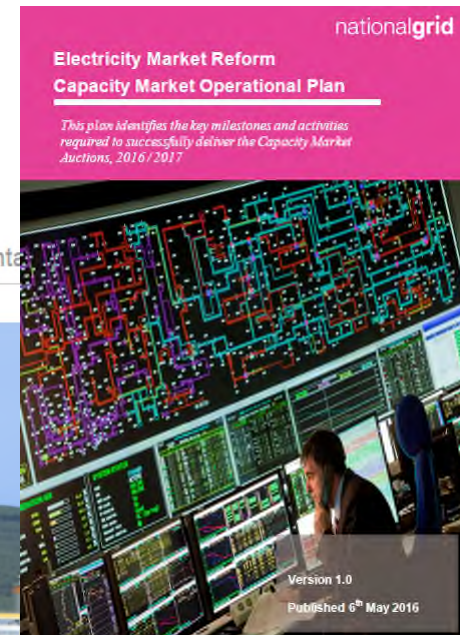
Operational Timetable for 2016/17

Operational Timetable

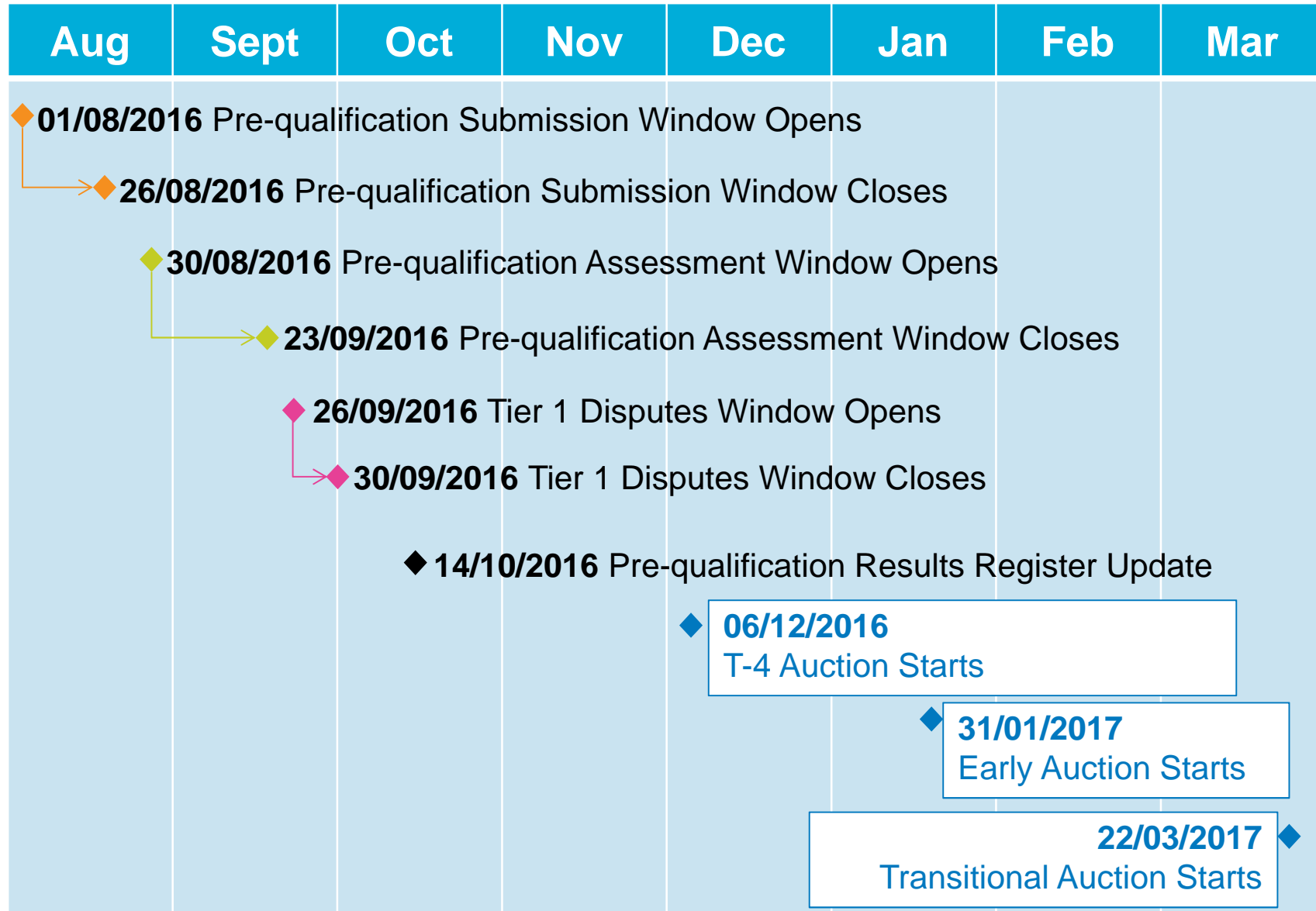
National Grid, as the Delivery Body, have recently published the key dates for the three planned Capacity Market auctions (including prequalification and other key milestones) in the Operational Plan

Electricity Market Reform

Electricity Market Reform aims to deliver low carbon energy supplies whilst maintaining security of supply and minimising the cost to the consumer. EMR introduces two key mechanisms to provide incentives for the investment required in our energy infrastructure.



Key Dates





Thomas Kingston, IS, National Grid
and
Mark Duffield, EMR Delivery Body

System changes from 2015

Two key themes:

“Missing” Functionality

- Prequalification Results
- Disputes & Credit Cover
- Setting up auction bidding groups
- DSR tests, Transfer a CMU, Security Interest
- Elexon reports, some DECC / Ofgem changes

Defects in Functionality

- Port issue that saw some firewalls block the site
- “Look and feel” defects
 - Buttons, clearer descriptions
- Huge number of lower priority functional defects

All data from 2015 process still in system – may be reused for 2016 process if required

System changes from 2015

Continuing to work on “Agreement Management”
workstream:

- Due for release in Q4 2016
- Capacity Agreements and all facets of managing them
 - 6-monthly reporting, FCM, SCM
 - Provision of deferred items (connection agreements etc.)
 - Secondary Trading
 - Satisfactory Performance monitoring
 - Termination
 - Capacity Market Register

Recent Deployments – June (1)

The June release is now live and includes additional functionality:

- CMU transfers (Rule 9.2.6),
 - Security Interest (Rule 7.5.3) and
 - the “port fix”
- Check that you can still log in and access the system and check it is performing as expected

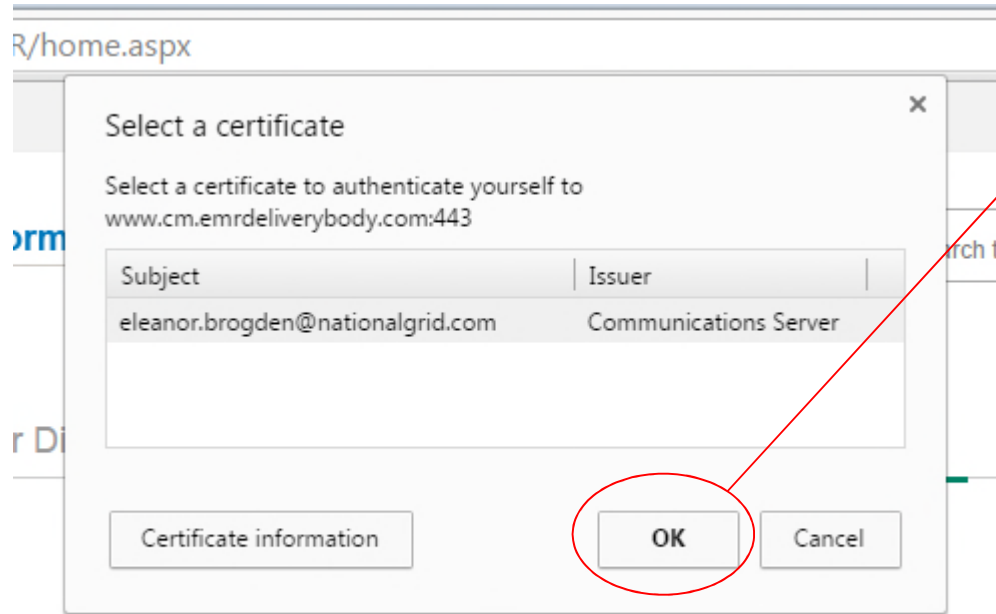
Recent Deployments – June (2)

As expected a successful deployment with very few issues reported from Users

- Observations and Minor Issues:

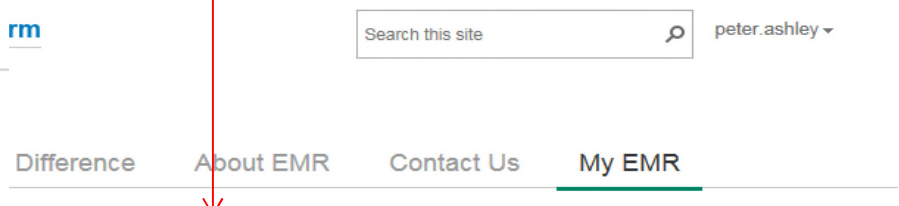
- A 'DSR Test' tab: this function will be activated in future deployments
- Experienced an issue with security certificate
 - Resolvable by clicking "cancel" then refresh the browser if asked to use a specific security certificate
- New Users
 - An old defect proving difficult to fix. A new user may not have access to all functionality when first created only "Notifications". Contact EMR team to perform a quick manual restore

Certificate Issue



Clicking 'Cancel' removes this box.

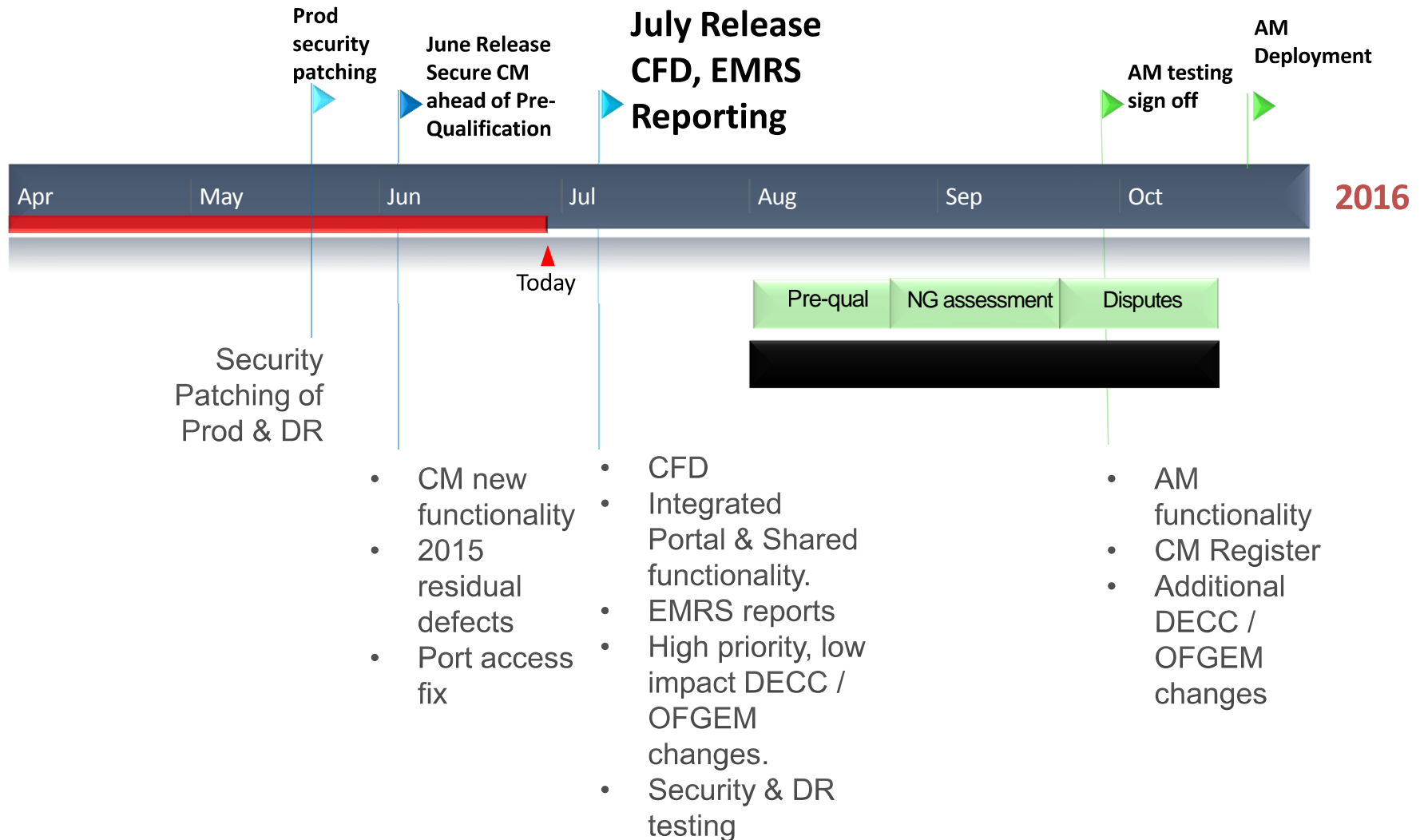
Clicking 'OK' results in the screen below



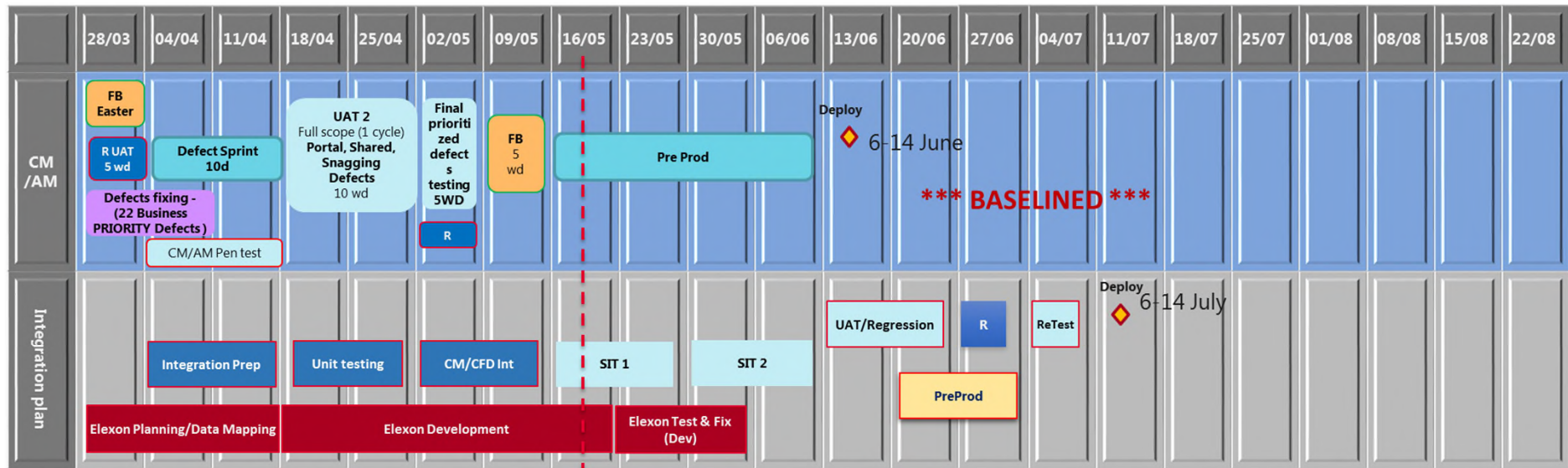
- Companies ▶
- Manage Login Credentials
- My Profile
- Messaging ▶
- Capacity Market ▶

403 - Forbidden: Access is denied.
You do not have permission to view this directory or page using the credentials that you supplied.

EMR Live Admin System Deployments



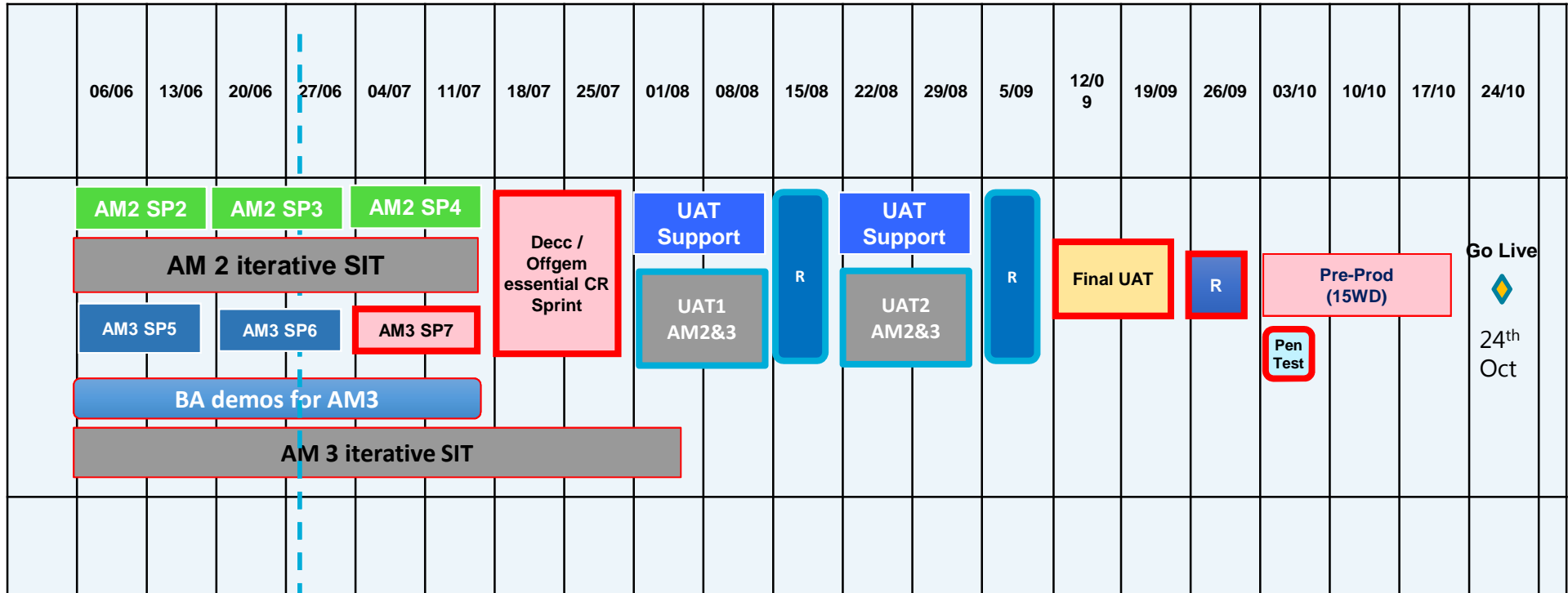
Integration / EMRS Reporting Delivery Plan



Technical Deployment period likely to run between
6/6-15/7

Precise timings to be provided by the end of this week

AM Delivery Plan



A limited number of essential DECC / OFGEM changes will be included in the October AM Release

July Deployments – What we'd like you to do

- Most new functionality will not be visible immediately following deployment focussed on CfD and EMRS functionality
- Please again log in, and review system working as expected
- Majority of minor CM system changes will become visible once prequalification initiated for the 2016 auctions later in July
- More detailed comms shortly before and after the deployment.

Review of Commercial Arrangements for Transmission Charging



Andy Wainwright, Charging Review Lead, National Grid

Introduction

- Remind you of the drivers for change
- Let you know about our upcoming seminars
- Mention some of the other related industry workstreams

The Drivers for Change



Market developments
(Impact of EU legislation on charging arrangements)



Distributed generation
(Increased penetration of distributed energy sources)




Smart & HH metering implications
(New consumer technologies)



Facilitating Flexibility
(demand side response, energy storage, DSO)



Predictable Charges
(improving our forecasts and removing volatility)



Reflecting Sunken Costs
(how to recover network costs over the life of an asset)

Charging Seminars

- Agenda being finalised;
 - Feedback so far
 - Results of initial analysis
 - Guest speakers
 - Tutorials
 - Next steps for the review



If interested contact Bridget Kerr; bridget.kerr@nationalgrid.com

Other Related Developments

Ofgem / DECC flexibility workstream

Industry reports (ADE, Energy UK)

Ofgem embedded benefits work

CUSC modification proposals

Any questions?





Break



Preparing for Prequalification

Preparing for prequalification

Pulled apart the internal prequalification assessment and put it back together again

As a result, we have a clear set of guidelines on what is needed to gain prequalification status

Developing a friendly format to share with applicants (by type specific and linked system action)

What we need from you is **what type(s) of CMU you plan to pre-qualify** so please respond to our upcoming email request

- The purpose of this session is to help prepare for prequalification based on the lessons learnt
- We can flex this time and allow people to swap at 20m if needed
- We are looking for an even spread across tables

Four breakout groups as Systems Changes will be absorbed into Group 1

1. General including Existing CMU & Historic Data - **Mark Duffield**
2. New Build & Construction Plan - **Eleanor Brogden**
3. DSR – **Tushar Singh**
4. Preparing for the Auction – **Ian Nicholas**



DSR and FCM update

Financial Commitment Milestone

– Rule 6.6

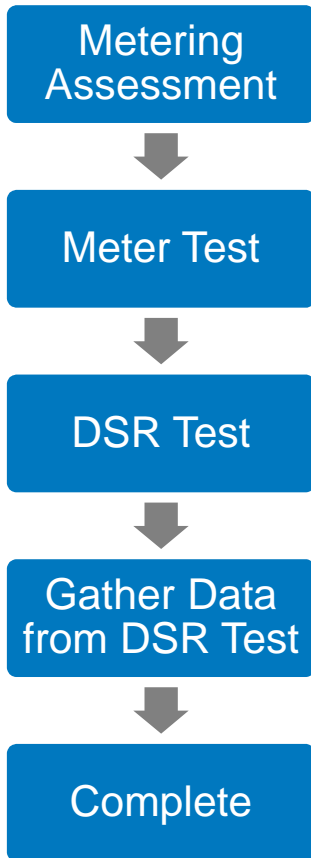
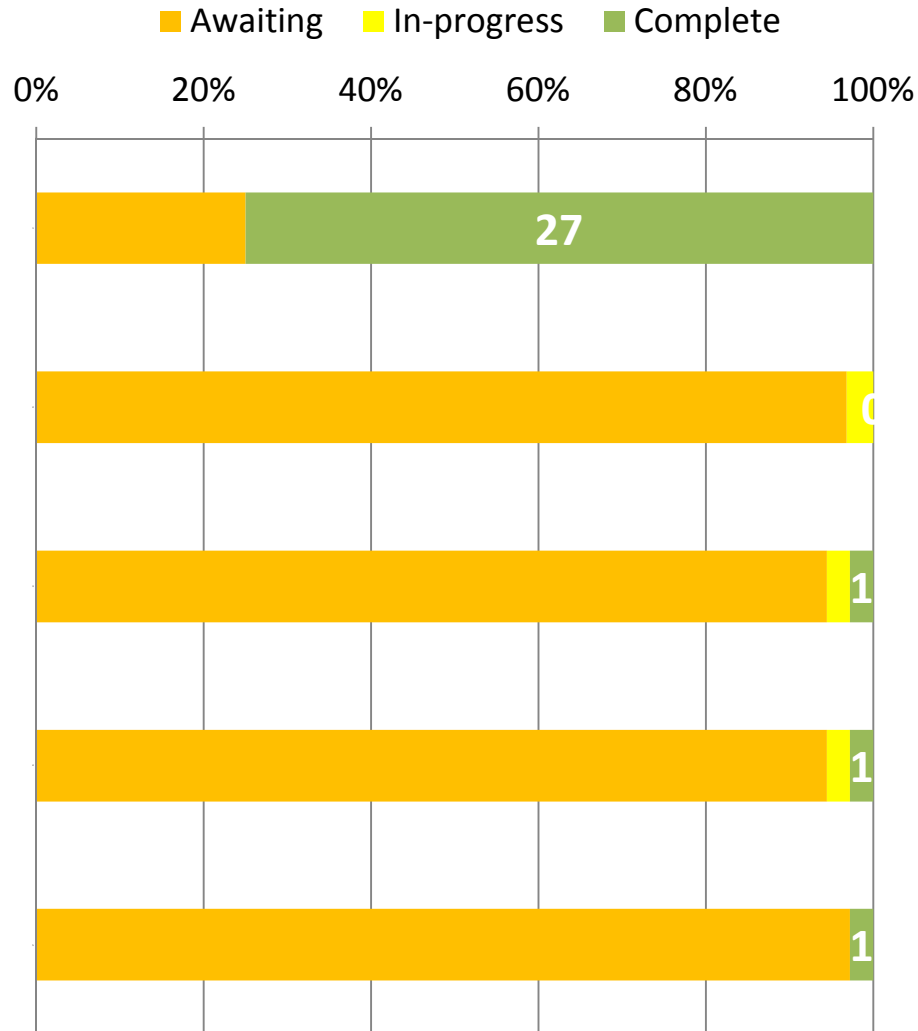
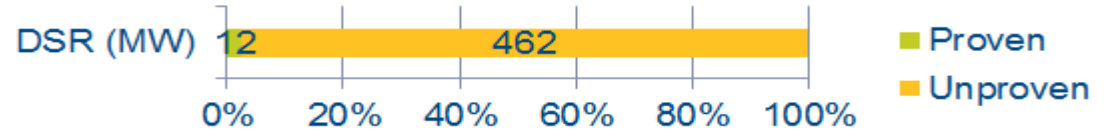
Auction Year	CMU Type	When (18 months after the Auction Results Day)	What you need to provide
2014 T-4	New Build & Refurbishing	02/07/2016	<p>Assessment by Independent Technical Expert as per the Required Technical Standard stating –</p> <ul style="list-style-type: none"> ■ 10% Capital Expenditure of the Total Project Spend has been met <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> ■ Sufficient financial resources to meet Total Project Spend ■ Capacity Provider has entered into a major contract <p>Along with -</p> <ul style="list-style-type: none"> ■ Directors resolution to complete project on or before start of Delivery Year ■ Directors Certificate confirming sufficient financial resources and validity of the contract entered into
2015 T-4	New Build & Refurbishing	22/06/2017	<p>Assessment by Independent Technical Expert as per the Required Technical Standard stating –</p> <ul style="list-style-type: none"> ■ 10% Capital Expenditure of the Total Project Spend has been met <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> ■ Sufficient financial resources to meet Total Project Spend ■ Capacity Provider has entered into a major contract <p>Along with -</p> <ul style="list-style-type: none"> ■ Directors resolution to complete project on or before start of Delivery Year ■ Directors Certificate confirming sufficient financial resources and validity of the contract entered into

6 Monthly Progress Update Reports

– Rule 12.2

Auction Year	CMU Type	When (every 6 months from Auction date till Substantial Completion Milestone is achieved)	What you need to provide
2014 T-4	New Build & Refurbishing 3 rd report	18/06/2016	<ul style="list-style-type: none"> ■ Progress Report <ul style="list-style-type: none"> ■ Schedule of Construction Milestone dates and material changes ■ Material changes to works described in the Construction Plan ■ Assessment from ITE ■ Directors Certificate
2015 T-4	New Build & Refurbishing 1 st report	10/06/2016	
2015 TA	New Build 1 st report	27/07/2016	

DSR Proving



Issues

- DSR Tests must be complete before the start of prequalification assessment
- Applicant is required to get accurate data from Half Hourly
- Aggregators to provide to Elexon, feedback is that it is more difficult than expected with the HHA.

Next Steps

- ESC and EMR DB joint letter on escalating the timeline with participants



July Event and Key Messages

July event update



Will be rescheduled to 19 or 21 July (tbc)

Agenda to include:

- End to End prequalification process
- DECC and Ofgem consultations
- Portal changes and Auction demo
- Capacity Market Notices
- Future Energy Scenarios
- ECR report
- 121's

Key Messages

We need to ensure that everything is in place for the first delivery year

- We are working towards the key dates for the three planned Capacity Market Auctions (including prequalification milestones) in the Operational Plan
- IS Deployments are on track so thanks to your feed
- Charging Review feedback to industry this summer
- If not already please submit:
 - your Metering Assessments and request DSR tests
 - a Metering Test request and a Metering Statement¹ to EMRS



Keep talking to us about prequalification!



Lunch Break

After Lunch...

121s as per your arrangements

