

G23 - EMR Metering Systems Site Testing Selection Process

EMRS Guidance

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Table of Contents

Change Amendment Record	3
1. Introduction	4
2. Purpose	4
3. Who is this document for?.....	4
4. Associated documents	4
5. What are the regulatory requirements?.....	5
6. What are the criteria for selecting sites for audit?	6
7. What is the process?	7
8. Further information?	8
9. Acronyms and Definitions.....	8

Change Amendment Record

Version	Date	Description
1.0	26 September 2019	Go Live Version
2.0	16 September 2020	Housekeeping changes throughout document
3.0	13 January 2022	Annual review – links updated
4.0	6 March 2023	Annual review – minor errors corrected

1. Introduction

As part of the Electricity Market Reform (EMR), a metering assurance process will be applicable to anyone awarded either a Contracts for Difference (CfD) or a Capacity Agreement in the Capacity Market (CM). This includes the right to carry out a Site Audit on the Metering Systems used in EMR.

Low Carbon Contracts Company Ltd (LCCC) performs the role of the CfD Counterparty and the Electricity Settlements Company Ltd (ESC) performs the role of the CM Settlement Body. LCCC and ESC have outsourced the metering assurance process to a Management Services Provider (MSP) and EMR Settlements (EMRS) is the appointed MSP.

LCCC and ESC determine the selection criteria for Site Audit selection.

2. Purpose

The purpose of this document is to provide guidance to CfD Generators and Capacity Providers on the process of selecting Projects, in CfD or Capacity Market Unit (CMU) Components, in the CM for Site Audits. The Site Audit can be targeted or randomly selected from a category of sites based on risk profile.

3. Who is this document for?

This guidance document is for use by CfD Generators and Capacity Providers to highlight the right of LCCC and ESC to carry out a Site Audit on the Metering System(s) used in EMR and how the process is managed.

4. Associated documents

Document
CfD Standard Terms and Conditions and all subsequent amendments applicable to the relevant CfD ¹
The Generator’s CfD Agreement and all subsequent amendments ¹
Private Network CfD Agreement and all subsequent amendments ¹
Electricity Capacity Regulations 2014 and all subsequent amendments ²
Capacity Market Rules 2014 and all subsequent amendments ³
WP134 - CfD Metering Technical Assurance ⁴
WP196 - CM Metering Technical Assurance ⁴
WP195 - Capacity Market and CfD Metered Data ⁴

¹ Standard Terms and Conditions are updated for each Allocation Round. The latest Standard Terms and Conditions and template agreement can be found at <https://www.gov.uk/government/publications/contracts-for-difference-standard-terms-and-conditions>

² <http://www.legislation.gov.uk/uksi/2014/2043/contents/made>

³ <https://www.gov.uk/government/publications/capacity-market-rules>

⁴ <https://www.emrsettlement.co.uk/publications/working-practices/>

5. What are the regulatory requirements?

The right of LCCC to be able to inspect Metering Systems used by the Facility under CfD is a condition in the contract; 31.13 (below) from the standard terms specifies this:

*"With effect from the Start Date, the Generator shall grant (or, if the Generator is not the Registrant of the Facility Metering Equipment, shall procure that the Registrant grants) the CfD Counterparty (and any and all persons nominated by the CfD Counterparty and considered by the CfD Counterparty to be suitably qualified) access to the Facility, the Facility Metering Equipment and to such plant, property or assets owned, occupied or controlled by the Generator (or the Registrant if the Generator is not the Registrant of the Facility Metering Equipment) and to which the Generator (or the Registrant if the Generator is not the Registrant of the Facility Metering Equipment) can lawfully grant access as may be reasonably necessary for the CfD Counterparty to read, test or verify any relevant data and inspect and conduct tests in respect of the Facility Metering Equipment (the "**Metering Access Right**")."*

The right of ESC to be able to carry out a Site Audit on Metering Systems used by the CMU is defined in the Capacity Market Rules (below – from section 1.2 Definitions):

"means a visit of the Metering Site by the CM Settlement Body during any Delivery Year to determine whether:

(a) the metering configuration for any Generating Unit, DSR CMU Component or Electricity Interconnector;

(b) meter data in relation to a Generating Unit, DSR CMU Component or Electricity Interconnector; or

(c) the metering configuration and meter data in relation to a Generating Unit, a DSR CMU Component or an Electricity Interconnector,

is compliant with the Rules"

Where Rule 13.5.1 (below) specifies the circumstances where a Site Audit can take place:

"A Site Audit may be carried out if:

(a) non-compliance is suspected by the CM Settlement Body;

(b) a change to a Capacity Provider's metering configuration has occurred further to Rule 8.3.3(f)(ii)(aa);

(c) a Capacity Provider submits meter data directly to the CM Settlement Body; or

(d) an on-site check has not been conducted by the CM Settlement Body to confirm the metering configuration used by the Capacity Provider."

6. What are the criteria for selecting sites for audit?

LCCC and ESC can select any site with a CfD Agreement or a CM Agreement for a Site Audit. This can either be targeted or randomly selected.

The selection of sites for audit is taken on a risk based approach. Where the Metering System used in EMR is subject to the requirements of other codes or agreements the level of assurance and controls already in place through those arrangements are taken into account. Primarily this is the Balancing and Settlement Code (BSC) managed by BSCCo.⁵

The risk categories are split into three distinct areas, two of which fall under the BSC. Table 1 defines these and the relevant EMR scheme.

Table 1 – Risk Categories.

Risk Category	Scheme
Central Meter Registration Service (CMRS)	Capacity Market
	CfD (Investment Contract and Standard Terms)
Supplier Meter Registration Service (SMRS)	Capacity Market
	CfD (Investment Contract and Standard Terms)
Non-Settlement (i.e. Non-BSC) Capacity Market Metering Configuration Solution <ul style="list-style-type: none"> • Bespoke • Balancing Services – Short Term Operating Reserve • Balancing Services – Frequency Control by Demand Management • Balancing Services – Firm Frequency Response Contracts for Difference <ul style="list-style-type: none"> • Private Network Metering Operational Framework 	Capacity Market
	CfD (Private Network Agreement)

The CMRS and SMRS metering options are subject to the Performance Assurance Framework (PAF) under the BSC⁶. With the controls and governance in place under the BSC and the assurance provided through the PAF, more focus on EMR Site Audits is placed on the non-Settlement risk category.

Where a BSC Metering System is used but data is submitted through a non-Settlement process; that Metering System will be considered to be part of the non-Settlement risk category. More information on this can be found in WP195 – Capacity Market and CfD Metered Data.

⁵ <https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/>

⁶ <https://www.elexon.co.uk/reference/performance-assurance/>

In the CM for each Delivery Year; ESC will determine the sites to be randomly selected from each of the risk categories. ESC will also select any site for a targeted audit irrelevant of the risk category it falls under, this can be based on any other risk criteria as determined by ESC.

The random selection criteria can be, but is not limited to, selecting CMUs from a Capacity Provider’s portfolio or from the total population with Agreements in the relevant Delivery Year.

In CfD, LCCC will carry out targeted Site Audits on all Private Network Agreements throughout the lifetime of the agreement. The first audit will be shortly after the Start Date. LCCC can also select any CfD site for a targeted or randomly selected audit irrelevant of the risk category it falls under, this can be based on any other risk criteria as determined by LCCC.

The random selection criteria can be, but is not limited to, selecting CfD Projects from a CfD Generator’s portfolio, a particular Technology Type or from the total population with Agreements.

7. What is the process?

Where ESC or LCCC, as applicable, have targeted a CMU (or CMU Component) or CfD Project for a Site Audit, there will be no selection process and the relevant Working Practice for the Site Audit is followed. This will be WP134 – CfD Metering Technical Assurance for CfD or WP196 – CM Metering Technical Assurance as applicable.

The process to determine the selection criteria and volumes of CMU Components to test as part of the annual random selection process for the Capacity Market for a Delivery Year is shown in Figure 1 below.

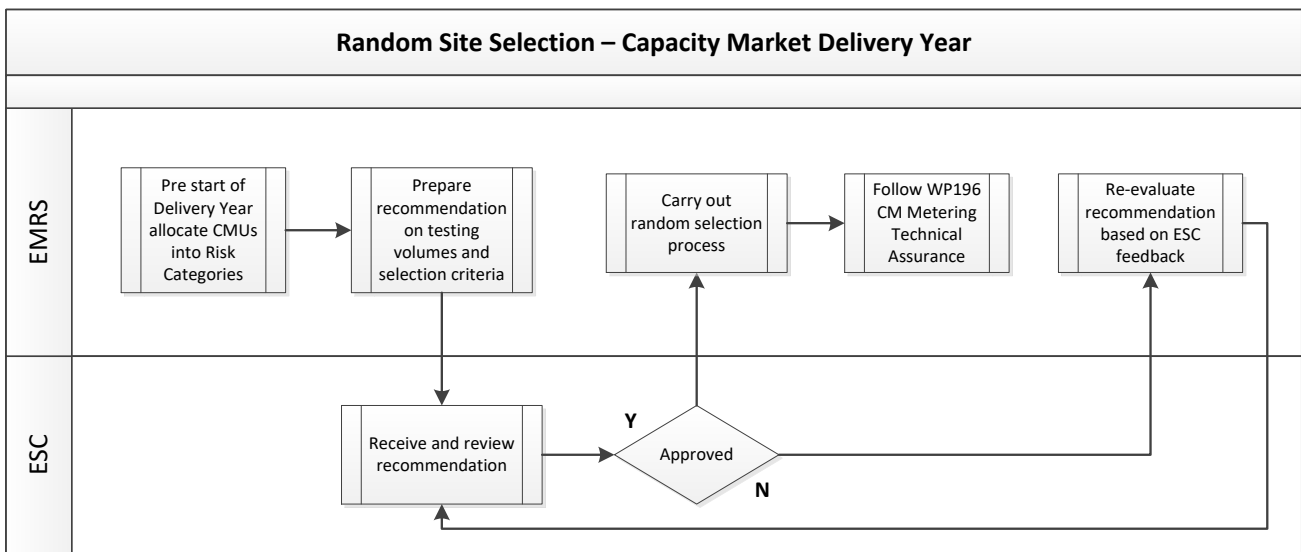


Figure 1: Site selection process for random selection for a Capacity Market Delivery Year.

Where ESC or LCCC send criteria for random selection, the process will be the same, irrelevant of it being for CfD or the CM. This is shown in Figure 2 below:

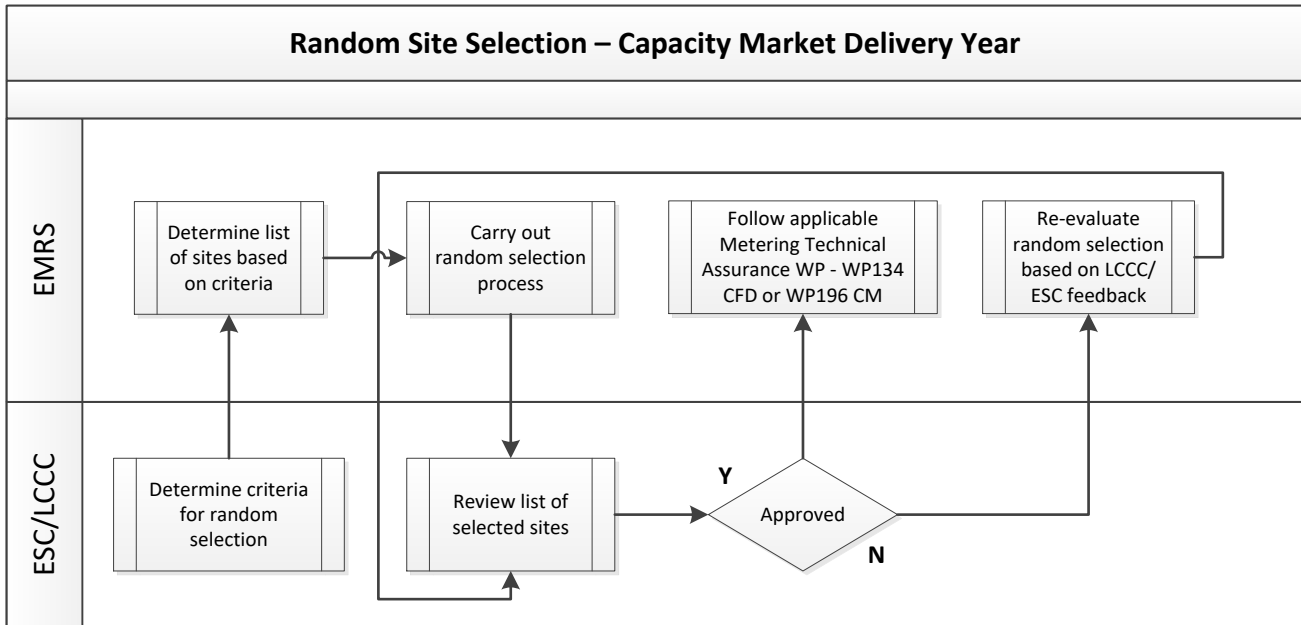


Figure 2: Site selection process for random selection for a ESC/LCCC criteria.

8. Further information?

For more information, please visit our website <https://www.emrsettlement.co.uk/> or email us at contact@emrsettlement.co.uk or metering@emrsettlement.co.uk.

9. Acronyms and Definitions

A list of acronyms and definitions can be found on our website.⁷

⁷ <https://www.emrsettlement.co.uk/glossary/>

