

CIRCULAR

TYPE & NUMBER EMR Circular 174

Date 4 February 2019

Purpose For information

Updates applied to the EMR Settlement Systems and processes

On behalf of [Low Carbon Contracts Company](#) (LCCC) and [Electricity Settlement Company](#) (ESC), EMRS would like to inform that the EMR Settlement Systems and processes have been applied to support these changes:

- **CFD Generators:** changes to support Contract for Difference (CFD) Apportioned Metering and changes to the Strike Price Adjustment following the implementation of [P350: seasonal Zonal Transmission Losses](#); and
- **Suppliers:** to support the interim solution to exclude exempt electricity supplied to Licensed Generators or Storage Facilities from paying EMR levies and a change to the format of the '[D0355 - EMR Reporting Confirmation](#)' sent to EMRS.

The circular provides a summary of the changes and the EMRS documents that have been updated accordingly.

What are the changes to enable CFD Apportioned Metering?

This change will only affect **CFD Generators** of '**Phased Offshore Wind**' projects who have selected the apportioned metering. These projects are built in multiple phases and have a contract for each phase though all phases are metered by a single Balancing Mechanism Unit (BM Unit). Each phase may have a different 'start date' and all phases may not be generating at the same time. The contracts allow for payments to be made through the **apportionment of the metered volume**.

A new interfaces file 'Apportioned Metering Data Interface File' has been implemented to allow the Generator to submit for each Settlement Date (i) the sum of the Turbine Installed Capacity (MW) of the active turbines in each phase and (ii) the sum of the Turbine Installed Capacity (MW) of the active turbines across all phases. The applicable Generator will set up a Secure File Transfer Protocol (SFTP) account with EMRS once the Settlement Required Information check is completed in order to submit the Apportioned Metering Data Interface File. Once this is received, the EMR Settlement System will extract the details and apportion metering accordingly against the phases.

CFD Generators will be expected to provide a process document to the CFD Counterparty outlining how the systems and implemented processes allows the CFD Generator to accurately record the information which is provided in the 'Apportioned Metering Data Interface File'.

What are the impacts on backing data as a result of CFD Apportioned Metering?

CFD Generators that are '**Phased Offshore Wind**' projects that have signed an apportioned metering CFD Agreement will see a change in the [D0365 'CFD Generator Invoice Backing Data'](#) data flow which provides the backing data for their monthly invoices.

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It is our intention that within circa 9 months a new data item will be added to the data flow. The multiplier used, Phase Apportionment Percentage in this instance, will feature under a title such as '**Phase Multiplier**' to populate with this information. The backing data will contain the **multiplier** as calculated using the information of Turbine Installed Capacity of Active Turbines sent in the 'Apportioned Metering Data Interface File'. This will allow the CFD Generator to fully validate their invoices using the backing data received.

Strike Price Adjustment following the implementation of P350: seasonal Zonal Transmission Losses

On 1 April 2018, [P350: Introduction of a seasonal Zonal Transmission Losses scheme](#) was implemented for each [BSC Season](#) in order to allocate transmission losses on a geographical basis. This change is reflected in Condition C3.5 (a) of NGET's Transmission Licence and communicated to EMR Parties via [EMR Circular 154](#).

The implementation of seasonal Zonal Transmission Losses impacted the Strike Price Adjustment calculation for **CFD Generators**. EMRS have implemented changes to the EMR Settlement System and processes to support both calculations of the Delivering Transmission Loss Multiplier (TLM(D)) prior to P350 and the new Zonal Delivering Transmission Loss Multiplier (TLM(D)). This allow for the relevant calculation to be applied to the CFD Generator.

When the Strike Price Adjustment spreadsheet is next published it'll be updated to reflect both:

- **Average Metered Volume Weighted for Legacy Delivering Transmission Loss Multiplier (TLM(D))**
- **Average Metered Volume Weighted for Zonal Delivering Transmission Loss Multiplier (TLM(D))**

The Strike Price Adjustment spreadsheet is located on the [Settlement Data: CFD Generator](#) webpage on our website.

Background to the interim solution to exclude exempt electricity supplied to Licensed Generators or Storage Facilities from paying EMR levies

On 12 July 2018 [ELEXON](#) presented paper [280/11](#) to the BSC Panel. This paper explained that the gross demand data currently reported to EMRS includes certain volumes of electricity for which **Suppliers** are responsible (for the purpose of [Section K](#) of the BSC), but which are not 'supplying' (for purposes of the Electricity Act and EMR Regulations). The relevant volumes are:

- Electricity provided to a Licensed Generator (for purposes of licensed generation); and
- Electricity supplied by an exempt Supplier across a licensed Distribution System, where the Licensed Supplier is facilitating the supply (by providing meter registration services).

To address the issues presented within the paper, on 15 October 2018 ELEXON published a '[Consultation on how to align BSC reporting with EMR Regulations](#)' to seek industry views on how ELEXON should progress an enduring solution and the acceptability of LCCC/ESC implementation of an interim solution.

On 8 November 2018, the responses from the consultation were presented in paper [284/07](#) to the BSC Panel, which sought approval of the LCCC/ESC proposed implementation of an interim solution and ELEXON's proposed enduring solution. The BSC Panel approved the interim solution being implemented by LCCC/ESC through EMRS (using existing EMR settlement systems and industry data

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flows), in order to enable timely implementation. The interim solution relies on self-declaration by Suppliers of eligible Metering Systems. This is confirmed within the [BSC Panel 284 – Minutes](#).

Who is eligible to apply using the interim solution to exclude exempt electricity supplied to Licensed Generators or Storage Facilities from paying EMR levies?

Those who are eligible to apply using the LCCC and ESC interim solution are sites that use Boundary Point Metering Systems that record only Imports provided to Licensed Generators for the purpose of licensed generation (and which therefore fall outside the Electricity Act definition of 'supply' and are not subject to EMR charges).

When will Suppliers be able to submit requests to EMRS?

On **22 November 2018**, EMRS informed **Suppliers** via [EMR Circular 170](#) of the interim solution to exclude exempt electricity supplied to Licensed Generators or Storage Facilities from paying EMR levies.

[EMR Circular 170](#) provided Suppliers with full details of the interim solution and what was the application process in submitting your requests to EMRS. This was supported by the updated [WP25 - EMR Aggregation Rules](#).

For Suppliers who submit requests between 22 November 2018 and 3 February 2019, EMRS will process these requests with an effective start date backdated to 22 November 2018.

Applications received from **4 February 2019**, EMRS shall only apply the exemptions to the latter date (meaning the latest date) of the following dates:

- the date the applications have been received by EMRS; or
- the effective date on the Director's Certificate (in the event of advance application) determined by either:
 - the date in the optional field in the Director's Certificate (per MPAN) or actual date in the Director's Certificate letterhead.
 - the date in the 'effective from' field on the D0355 for the Import MPAN.

Please note both the CFD Operational Cost Levy and CM Settlement Costs Levy are based on SF Settlement Run and are not reconciled. For the Operational Cost Levy, the exempted volumes will apply once successfully processed from the most applicable SF Settlement Run at that time. For the Settlement Costs Levy, this will be applied through the Settlement Costs Levy Revision once actual metered data is received and processed in late March 2019.

What documents need to be submitted with requests to EMRS?

[EMR Circular 170](#) detailed the application process for exempting the electricity supplied to Licensed Generators or Storage Facilities and Suppliers are reminded to provide the following items as part of the process:

- Director's Certificate signed by the licence holder's director.
- Supplier will be required to establish '[D0357 - Half Hourly Metered Data for EMR](#)' data flow with the appropriate Half Hourly Data Aggregator (HHDA) to submit metered data for the MPAN/s quoted within the Director's Certificate (both Import and Export MPANs) to EMRS.

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- Supplier needs to send a copy of '[D0355 - EMR Reporting Confirmation](#)' data flow to the [EMRS Service Desk](#) to enable EMRS to validate that it will receive the metered data for the MPAN/s quoted within the Director's Certificate (both Import and Export MPANs).

Changes to the format of the 'D0355 - EMR Reporting Confirmation' sent to EMRS

To enable more automation of the Energy Intensive Industries (EII) process in the EMR Settlement System this has been updated so that **Suppliers** can submit the '[D0355 - EMR Reporting Confirmation](#)' data flow in .txt format and email this to [EMRS](#).

This approach also applies to the interim solution to exclude exempt electricity supplied to Licensed Generators or Storage Facilities. The detailed process and format can be found in [WP25 - EMR Aggregation Rules](#).

Publication of impacted documents

The following [Working Practices](#) and [Guidance](#) documents have been updated and published on the [EMRS website](#) to reflect the above changes:

Change	EMRS Document ¹
CFD Apportioned Metering	WP24 - Settlement Required Information WP25 - EMR Aggregation Rules WP195 - CM and CFD Metered Data
Strike Price Adjustment following the implementation of P350: seasonal Zonal Transmission Losses	Strike Price Adjustment spreadsheet ²
To exclude exempting electricity supplied to Licensed Generators or Storage Facilities from paying EMR levies ³	WP25 - EMR Aggregation Rules G2 - Calculation of Supplier Demand for EMR Charging
Changes to the format of the 'D0355 - EMR Reporting Confirmation' sent to EMRS	WP25 - EMR Aggregation Rules

Where can I get more information?

If you have any questions, please email contact@emrsettlement.co.uk or call us on 020 7380 4333.

¹ WP25 – EMR Aggregation Rules for all EMR Parties the Aggregation Rule format has changed. We've replaced 'change' flag with 'effective from' and 'effective to date' and this is illustrated in Appendix 1.

² Strike Price Adjustment spreadsheet is located on the [Settlement Data: CFD Generator](#) webpage.

³ Documents associated with this change were updated and published on **22 November 2018** to facilitate early applications.