

# CIRCULAR

**TYPE & NUMBER** EMR Circular 186

**Date** 12 August 2019

**Purpose** For Information

## Clarifications on Capacity Market Units providing Relevant Balancing Services

On behalf of [Low Carbon Contracts Company](#) (LCCC) and [Electricity Settlements Company](#) (ESC), EMRS would like to inform **Capacity Providers** that EMR Settlement systems and processes have been updated to support the changes to Capacity Market Units providing Relevant Balancing Services.

These changes were part of [the conclusion of the Ofgem statutory consultation on amendments to the Capacity Market Rules 2014](#) and now reflected in [Annex D - Proposed amendments to the Capacity Market Rules 2019](#).

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

## What amendments are being made to the Capacity Market Rules to implement these changes?

The amendments to the Capacity Market Rules:

- Removes the reference to Relevant Balancing Services (RBS) as the current definition of QMEij<sup>1</sup>, which refers to Capacity Market Units providing RBS. It is only the definition of QMEij that is changing. The calculations in terms of RBS and Balancing Services will continue as before these changes.
- Defines  $\beta$  in relation to each BMU/component, rather than in relation to the CMU as a whole and makes adjustments to determine ALFCO from LFCO which need to be defined on a BMU/component basis (using each BMU's value of  $\beta$ ).

[G20 – Capacity Market Metering Statement](#) has been updated and published on the EMRS website to reflect the changes summarised above.

## What are the objectives of this change?

- This solution clarifies the definition of QMEij. CMU component stress data <sup>2</sup>currently has QME at group level but needs to do Balancing Services at meter level for BMU only.
- Clarifies the Rules relating to a Capacity Obligation where a CMU includes more than one BMU/generating unit.
- Defines the terms that relate to a BMU (or component of a non-BMU) or a CMU.

<sup>1</sup> QMEij is the aggregate of the "Period Expected Metered Volume" (as defined in the BSC) for each BM Unit "I" comprised in the CMU which is providing Relevant Balancing Service in Settlement Period "j".

<sup>2</sup> CMU component stress data refers to the half hourly data collected for a particular meter point, during the stress event period as defined in Rule 8.4.1 of The Capacity Market Rules 2014:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/340046/capacity\\_market\\_rules.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/340046/capacity_market_rules.pdf)

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## More information

If you have any questions about this circular, please email [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk) or call 020 7380 4333.