

Standing Reserve in Negative Charging Zones

Richard Lavender

TCMF 9 December 2003

Results of Discussion Paper

- UoSCM-DP-01 was circulated on 22nd October with responses requested by 18th November.
- Issues raised included
 - re-iterating that the proposal (raised in UoSCM-M-06) to meter generation in negative zones in each of the four months of winter will not be going ahead
 - chargeable capacity in negative zones is based on full station output
 - whether the contract modification proposed for the 1 April 2004 fully meets the concern of the incentives on SR units
 - whether any additional refinements to the methodology would result in inequitable treatment between SR providers, and
 - whether altering commercial agreements to achieve a resolution to a charging issue is appropriate
- There were 5 responses.

Station vs Unit

- Majority supported chargeable capacity on a station basis
- One made no comment on this issue
- One does not support payments on actual output

Proposal to amend SR contracts

- All respondents supported the proposal to allow SR providers to submit 3 non-zero PN's without an “event of default” being recorded, however,
- One stated that this only partially fixes the problem
- One queried the detail with regard to availability payments when the PN was non-zero, and
- One provider wished to be exempt from the “proving run” if certain dynamic parameters were met

Other Issues

- **Other proposals**

- No explicit support was received for the alternatives mentioned in the discussion paper.

- **Issues raised**

- One respondent raised the issue of limiting costs and emissions
- One respondent stated that a SR provided should factor any lost TNUoS revenue into their contract price
- Two respondents raised the general issue of negative charging zones for all types of generation

Conclusions

- On the specific issue of standing reserve we are not planning to bring forward any change to the charging methodologies at this time.
- O&T Account Managers are still proposing the amendment for the 2004 SR contracts - details still to be finalised