

CfD Metering Policy

Licensed Generators Directly Connected to the Total System

1. This paper sets out the metering policy for Licenced Generators trading on the Transmission and Distribution Networks (i.e. the Total System).

Context:

2. Current UK Government policy requires that participation in the public electricity sector is by licence only, as governed by the regulator – Ofgem. Therefore all major electricity market players including Generators need a licence to operate in their respective sections of the electricity market.
3. As a condition of their licence, all Generators are required to be party to the Balancing and Settlement Code (BSC), which defines and describes their public trading arrangements on the Total System. However, smaller Generators (e.g. those below 50 MW) may be exempt from the requirement to hold a licence. In this circumstance, the BSC requires a Licensed Supplier or other BSC Party to take settlement responsibility for the electricity exported by the Generator, onto the Total System, before it can be sold onto another party. Separate CfD metering arrangements have been developed for these smaller Generators and are not covered by this paper.
4. The licensing regime and industry codes therefore ensure that either the Generator themselves or a BSC Party acting on their behalf is responsible (for purposes of BSC settlement) for any generation traded over the Total System.
5. As a further requirement under the BSC, all Generators (or the BSC Parties acting on their behalf) must register their metering systems either via the Central Meter Registration Service (CMRS) or the Supplier Meter Registration Service (SMRS). The relevant Registration Service will depend on whether the generation is licensable and on their type of network connection (i.e. transmission or distribution connected).
6. Large scale generators are typically registered on the CMRS and smaller embedded generators via the SMRS.

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7. To participate in the CfD scheme, all public-trading Generators must install a BSC registered and compliant metering system (unless a metering dispensation has been approved). Once registered with the BSCCo, their metering system will be assigned a Balancing Mechanism Unit/s (BMUs). These BMUs will capture and record Metered Output for each Settlement Unit.
8. Net Metered Output volumes will be collected at the BSC Boundary Point (i.e. the point at which the Generator's metering system connects to the Total System) and is the product of gross metered output less all gross metered inputs (i.e. input electricity). Once adjusted for Distribution Network electrical losses, it is known as BM Unit Metered Volume.

9. For the purposes of the CfD scheme, sources of input electricity is defined as:
 - a. Electricity produced by the generator used in its operation, including essential services;
 - b. Electricity imported by the generator from the Total System used in its operation; and
 - c. Standby generation electricity used.

This definition will be applicable to all Generators with CfD support.

10. Line Loss Factors (LLF) to account for losses on the Distribution Networks, will be determined in accordance with the LLF Methodology Principles set out in BSC Procedure 128.
11. BM Unit Metered Volume will be further adjusted by the BSCCo for electricity losses on the Transmission Network, as appropriate, to derive the final volume used in CfD Settlement. To do this, the appropriate Transmission Loss Multiplier (TLM) will be applied as allocated under the BSC. This final volume is defined in the CfD contract as Loss Adjusted Metered Output (LAMO).
12. BSCCo will provide LAMO to the CfD Settlement Services Provider for CfD settlement.
13. Where necessary and applicable, the CfD Settlement Services Provider will undertake and apply up to two further calculations. In this instance the Generator's LAMO would be multiplied by:
 - a. Combined Heat and Power Qualifying Multiplier (CHPQM); and/or
 - b. Renewable Qualifying Multiplier (RQM);
14. Refer to the CfD contract for further details on the applicability of the RQM and CHPQM.