

# WS1A P8

## ANM Apportionment Stakeholder feedback summary

28<sup>th</sup> September 2021

## Stakeholder Feedback Session

- With the release of OFGEM's SCR minded-to position, there is the potential for an evolution of the P8 caps-and-collars mechanism to move to pro-rata curtailment instead of LIFO.
- Proposal was for an honest conversation with stakeholders regarding their views on LIFO and the key pros & cons they see with the approach
  - Is LIFO seen as the mechanism by which customers limit their risk of curtailment?
  - Would they accept a capped value instead?
- While feedback on the approach was received, there was also more feedback on the caps-and-collars approach

## Key Points Raised by Stakeholders

- Overall, view seems to be that LIFO is predictable and preferred.
- Some concerns with Caps-and-collars approach, coupled with pro-rata curtailment of collar mechanism:
  - the importance of setting the right values for the cap and collar,
  - Whether (and how) the new approach would be implemented for existing customers in existing ANM zones
  - Whether the cap and collar values would be fixed or variable
- Suggestion that DNO not taking any risk, as costs are fully recovered from DUOS customers if cap triggers reinforcement, but risks of collar mechanism resulting in increased curtailment of LIFO customers.
- One positive comment: caps-and-collars preferable to curtailment trading

## Next Steps

- For proposals as presented previously:
  - Concerns relating to caps-and-collars raised were largely expected and already captured as issues
    - No changes proposed
  - Risks apportioned to DNOs will depend on regulatory treatment of capped curtailment levels triggering load-related reinforcement
    - Meeting with OFGEM to take place 29<sup>th</sup> September
    - Risk of cost non-recovery by DNO to be covered