

**CMA CHANGE PROPOSAL**Form  
version 2.7Change Proposal reference  
(To be allocated by the CMA MDA.)**CMACPx213**

Version No.

**B.3****SUBMISSION**

## GENERAL DETAILS

TITLE

AS: Deferred WCDS II Charges

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ASSOCIATED DOCS.

PROPOSED URGENCY

NON-URGENT

REASONS FOR URGENCY

The CMA CEO will review this information and make a decision as to whether to take this CMACP forward as urgent

## CMACP DETAILS

### BACKGROUND: ISSUE OR DEFECT WHICH THIS CMACP SEEKS TO ADDRESS

The current Wholesale Charge Deferral Scheme (WCDS) was introduced in May 2020 under the auspices of MCCP251 – CC (Wholesale Charge Deferral Scheme) which established the arrangements for deferring charges (and associated MCCPs).

The WICS have consulted on ending the WCDS and establishing a revised WCDS (WCDS II). The current expectation is that WCDS II will operate in much the same way as WCDS, except that up to 100% deferred amount is anticipated (using the 29e) and no WCDS vacancy will be required. Additionally, some form of cap on the deferred amount will be applied to LPs.

The application of a cap leaves an issue for SW, in that they will need to monitor the deferred amounts, to ensure that no caps on the allowable deferrals are breached.

This proposal sets out a process for providing information to SW to support this cap checking.

The proposed approach is for the CMA to provide IP settlement runs for each month in which a deferred amount has been applied for WCDS II, but to remove the 29e discounts (wherever they have been applied) for that month and to then generate these additional settlement runs that can then be compared to live settlement runs.

This arrangement is to be treated as an Additional Service, albeit charged at £0 (i.e. with actual costs incurred to be charged to all market participants via CMA invoicing), as this supports market arrangements for the WCDS II.

### USER REQUIREMENTS

#### **UR 1 Infrastructure.**

**UR 1.1** The Azure based CS-SET-X environment should be used to host the 'Set-X' settlement runs

**UR 1.2** Set-X should be active throughout the required period (assumed to be from 2021-06-20 until 2022-11-30).

**UR 1.3** Set-X should be capable of being run to cover settlement periods from May 2021 to March 2022, inclusive and to use relevant datasets for these periods for P1, R1, R2 and R3 run types.

**UR 1.4** An LVI and a secure ftp should be established for Set-X.

**UR 1.5** Set-X should be modified to version 7 of the CMA CS, in line with all other CMA CS environments, when version 7 of the CMA CS is deployed.

**Commentary:** This is an existing CMA CS environment that was set up for the CMA to use internally to assist with WCDS related settlement but is currently only being used sporadically. The preferred end date for this proposal suggests that there is a requirement to rebuild this environment to cater for the CMA 'S Tech Refresh, currently expected to deliver in June 2022.

The use of this environment ensures no confusion with other test environments or CMA CS Live and no interference with other test requirements that might cause difficulty with the need for the DB to match that of CMA CS Live.

The start date recognises that, although the WCDS II will be initiated on 2021-06-01, it will back-date to 1<sup>st</sup> May 2021 and some LPs may wish to establish deferred amounts as soon as they become aware of the agreement that WCDS II will be established.

The set-up of an LVI and secure ftp is the easiest way to create the Set-X environment, albeit with the usual security arrangements as apply to CMA CS Live.

**UR 2 Access to Set-X.** Access and suitable privileges will be allocated to CMA staff, CMA Service Providers and to SW DAs and Users. SW will also be able to make use of the secure ftp in order to access Disagg Reports.

**UR 3 Process for Settlement Runs on Set-X.** The following process should be set up to run from 2021-06-20:

1. The Set-X environment will access the latest local CMAdbDEV db (or ODS, for post-version 7 of the CMA CS) and will establish an equivalent settlement run schedule to those runs have been set-up and scheduled that evening, excluding R4s and RFs.
2. The back-up process on CMA CS - Live will be amended to copy the back-up files across to Set-X (NOTE: These back-ups are created after any RAs have been run, typically around 11pm).
3. These back-ups will then be restored on Set-X.
4. The back-ups will also be retained on CMA Share (separately to those for CMA CS-Live)
5. A number of SQL scripts should be run on Set-X:
  - a. Environment set-up
  - b. Stop any e-mails being generated
  - c. Set all D2006 29es to zero (wherever the existing value is not zero).
6. The scheduled settlement run will then be executed on Set-X to create the usual unpublished Agg and Disagg report files. (NOTE: The standard process of CMA checking of settlement runs, followed by publication will not be executed on Set-X, as this will be done for Live settlement and CMA will notify SW of any issues arising).
7. The Disaggs should be given names that mimic those on CMA CS-Live, but with the X22\_SWW pre-fix amended to X22\_SWW\_SetX.
8. The CMA OSP will execute an additional manual check to see if there are any errors on the Set-X environment (to make sure that settlement completed successfully).
9. All files and reports on Set-X will be retained.
10. SW will need to have access granted to the Set-X environment.

**Commentary:** This process is largely automatic, allowing SW to see settlement runs via the usual LVI and download capabilities, with no discount, but are otherwise equivalent to their counter-part Live settlement runs (with discounts), allowing deferred amounts to be estimated.

It is assumed that SW will be able to check Set-X once a settlement run has been published on CMA CS -Live.

It is also assumed that all 29e discounts pertaining to the original WCDS will have been overwritten by WCDS II discounts or set to zero, as applicable, before these settlement runs are executed.

<b>ASSESSMENT</b>			
ASSESSMENT PROCESS			
ASSESSMENT START DATE	2021-05-27	ASSESSMENT END DATE	2021-06-08
IMPACT ASSESSMENT REQUIREMENT		IA REQUIRED	
Associated docs to this part b			
ASSESSMENT DETAILS			
CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
CMA STAFF REVIEW			
ASSESSMENT AGAINST PRINCIPLES (Y OR N OR N/A, AND ELABORATE AS NECESSARY)			
<p>Completeness — Y  Duly Signed — Y  Within MC Objectives — Y  Proportionality — Y: See below  Transparency — Y: Provides SW with an explicit settlement run identifying all charges, including those that have been deferred under WCDS II.  Simplicity — Y: The process is largely automatic  Cost-effectiveness — Y: See below.  Security — N/A  Non-exclusivity — N/A  Barriers to entry — N/A  Non-discrimination — Y: Facilitates the equitable management of WCDS II discount caps.  Non-detrimental to SW Core Functions — N/A</p>			
COST ESTIMATE	£8k (IA + 33%) (Additional Service, payable by all market participants) (NOTE: This includes operational costs for Azure of £200/month.)		
BENEFITS	Avoids complicated manual calculations and remedial effort by SW and CMA to assess discounts and caps.		
BENEFIT ESTIMATE (L: < £10k. M: £10k to £100k. H: > £100k)	Assume M.		
RECOMMENDATION	RECOMMEND		
PLANNED IMP DATE	June 2021		

<b>APPROVAL</b>	
CMA CEO APPROVAL STATUS	APPROVED CHANGE / REJECTED
DATE OF APPROVAL STATUS	yyyy-mm-dd
CMA CEO SIGNATURE	
CMA CEO COMMENTS	

<b>IMPLEMENTATION</b>	
IMPLEMENTATION DATE	yyyy-mm-dd
IMPLEMENTATION DETAILS (CMA Central Systems release number, etc.)	