



Consultation on Capacity Market Rules change proposals – E.ON response

E.ON welcomes the opportunity to comment on the Rules change proposals following earlier closure of the Capacity Market Rules change consultation in July 2020 which we provided a response to.

We are fully supportive of all initiatives aimed at improving the Prequalification process and reducing administrative burden in line with our previous responses. We look forward to the implementation of the Evergreen Prequalification which will ease and simplify the application process significantly although we are disappointed that it has not been prioritised for Prequalification 2021 as we believe this would provide many benefits to prospective Capacity Market (CM) providers.

The proposal does not have a substantial impact on the requirements that Applicants are subject to. We also expect electronic signatures to form part of the portal update in future delivery years.

In addition to the above we are in favour of the increased flexibility in your proposed approach surrounding the Relevant Balancing Services (RBS) framework in response to new services and products developed by NGESO.

Applicant Notice

We welcome the changes on section 2 to provide more frequent updates.

We believe a similar approach should be followed for Unproven DSR CMUs, whereby regular check-ins and confirmations of the progress against milestones are introduced. We believe this is necessary due to the length of time between the awarding of an agreement and notifying EMR when the CMU has submitted its metering assessment. In our opinion introducing a process similar to the one for New Build Generating CMUs has the potential to offset the risk of administrative errors.

Evergreen Prequalification

While we appreciate that a decision has been made on the topic of the Evergreen Prequalification, we are disappointed that it has not been prioritised for Prequalification 2021. The benefits of introducing Evergreen Prequalification outweigh the required internal process alignments. We also expect electronic signatures to form part of the new portal update in future delivery years, without the need to carry out an offline process.

Relevant Balancing Services

Questions 1: Do you have any comments on the proposed revised governance framework and change process for the Relevant Balancing Services?

We are in favour of the general principles of the proposed revised governance framework and change process for the RBS. We believe a proposal draft of the DB document needs to be shared with participants in order to generate constructive feedback. A publication of the proposed template would ensure participants have a better understanding of the new framework. Further clarification on the steps, sequence and timelines of the change process is also required for additional feedback.

In our view the RBS classification needs to be clearly listed in the product description to further encourage market uptake once the revised framework is in place.

Question 2: Do you have any comments on the specific Rule amendments proposed in Annex A?

No comment.

Question 3: Do you have any comments on the definitions of “Declared Availability” and “Contracted Output” outlined in Table 4?

No comment.

Planning Consent

Question 4: We believe the process for an Applicant to declare that RPC has been obtained is no different to the existing process where the declaration is made within the Portal via a checkbox. Do stakeholders foresee any further changes required to be made to the existing declaration process to facilitate our proposal?

We agree with removing the requirement for Applicants to provide evidence of RPC at the Prequalification stage. We do not have any further comments.

Question 5: In scenarios where capacity is required to be redistributed among components, specifically where RPC has been deferred, do stakeholders believe that deadlines should be prescribed to ensure these changes are enacted before confirmation of entry to the relevant Auction?

No comment.

Capacity Market Register

Question 6: Do you have any comments on the Rule drafting provided in Annex A?

We agree with the proposal to require the CMR to include additional information. This will be beneficial in improving market transparency for both policymaking and participants, including those undertaking secondary trading.

Question 7: Do you agree with our suggestion to amend the definition of Maximum Obligation Period to allow greater flexibility for Prospective Generating CMUs in selecting a Capacity Agreement length?

We agree with amending the definition of the Maximum Obligation Period in order to allow greater flexibility in selecting an Agreement length.

Question 8: Do you foresee any unintended consequences as a result of implementing this proposal?

No comment.