

17/06/21

Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London E14

By email to EMR_CMRules@ofgem.gov.uk

Non-confidential

Dear Sohail,

Capacity Market Rules Statutory Consultation 2021

Drax Group plc (Drax) owns and operates a portfolio of flexible, low carbon and renewable electricity generation assets – providing enough power for the equivalent of more than 8.3 million homes across the UK. The assets include Drax Power Station, based at Selby, North Yorkshire, which is the country's single largest source of renewable electricity. Drax also owns two retail businesses, Haven Power and Opus Energy, which together supply renewable electricity and gas to over 390,000 business premises.

Drax participates in the Capacity Market as a capacity provider. We welcome this opportunity to provide comments on the annual statutory consultation. We are broadly supportive of the proposals set out in the consultation and make the following specific comments.

Applicant Notice

This is a very sensible amendment which we fully support, noting that this will be an offline process until the portal refresh has been completed.

Evergreen Prequalification

We welcome evergreen prequalification being available for the 2022 Prequalification window. We look forward to receiving the detail of those proposals, including what exactly is meant by a "difference" from the previous Application that would merit a new Exhibit. We would welcome prior consultation on the form of the emissions exhibits.

Following the usual annual Rules change cycle will mean that the CM Rules for 2022 will only be available immediately prior to the prequalification window opening and, given the wholesale changes evergreen prequalification will bring, this could bring a significant change in approach for capacity providers which could impact internal workstreams and volumes (particularly for capacity providers with multiple CMUs). Would it be possible to share these Rules in advance and give capacity providers time to digest and query the new

requirement in advance? Otherwise, while this may improve prequalification in the long term, it may lead to a more challenging prequalification round in 2022.

Relevant Balancing Services

We support the decisions made by Grid around intertrip and dynamic containment. We continue to believe that the approach of listing out specific RBS is inappropriate given the pace with which the ESO is evolving the products and services it procures. It would be preferable to specify that any service where the ESO requires a CMU not to generate or to turn down should be captured as an RBS. We support the move to a formal guidance document managed by Ofgem. We think capacity providers should be able to trigger a review, as well as the Delivery Body, Ofgem and BEIS.

We agree that it is too early to legislate for TERRE in the CM Rules, given the current uncertainty around its implementation.

Relevant Planning Consents

We support the changes to the relevant planning consents as this increases potential participation in CM auctions.

CM Register

No comment.

Maximum Obligation Period

We are in favour of the Maximum Obligation period changes and do not see any unintended consequences.

Other Questions:

We would welcome clarification on the auctions being moved forward to allow participants four years to deliver a new build plant. Is this something Ofgem is considering?

Yours sincerely,

Submitted via email

Claire Sedgwick
On behalf of Drax Group plc