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Swindon, 17/06/2021

## Statutory Consultation on Capacity Market Rules Change Proposals

Dear Sohail

We welcome the opportunity to respond to Ofgem's Statutory Consultation on Capacity Market Rules Change Proposals. This response is provided on behalf of RWE Generation UK plc and RWE Renewables. Our comments are as follows:

### Relevant Balancing Services

- **Q1 (4.9) Do you have any comments on the proposed revised governance framework and change process for the Relevant Balancing Services?**

We agree with the proposed revised governance framework and change process for the Relevant Balancing Services. We also agree with the intention to include Category 2 and 4 intertrips. However, we do not understand the exclusion of commercial intertrips. The consultation document suggests that these should be taken into account when entering the Capacity Market, but this does not allow for commercial agreements entered into when a CMU is already committed in the CM and could therefore make potential intertrip providers offering the service unwilling to provide the service or to expand the provision of an existing service. We are not aware of any other commercial service being excluded on these grounds.

### Planning Consents

- **Q4 (5.17) 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 the proposal. However, the proposed wording in 4.7.1(c) is not clear. Existing Rules require the RPC to be submitted. As drafted, Rule 4.7.1(c) reads:

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...

*An Applicant for a Prospective Generating CMU that has submitted a declaration pursuant to Rule 3.7.1(a)(i) must submit to the Delivery Body by no later than the date falling 22 Working Days prior to the commencement of the first Bidding Window for such Capacity Auction:*

*...*

*...*

*(c) and the maximum allowable capacity granted under the Relevant Planning Consents.*

This has deleted the requirement to submit the RPCs, leaving an incomplete sentence and losing clarity as to what the obligation is.

#### **Further Amendments to the Rules – Maximum Obligation Period**

- **Q7 (7.9) 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 the intent behind the proposed change, and the drafting of the change in the definition of the Maximum Obligation Period. However, the proposed consequential changes elsewhere in the Rules may give rise to difficulties during prequalification.

- **Q8 (7.10) Do you foresee any unintended consequences as a result of implementing this proposal?**

We do not see any unintended consequences from the change of the definition itself, but elsewhere in 3.7.2(d) and 3.10.1(aa)(i)(bb), we see no requirement to change the Rules. As proposed, if an Applicant's spend was greater than the 15 year threshold, an Applicant would need to confirm both that the spend would be in excess of the 3 year threshold and that it would be in excess of the 15 year threshold. If this is implemented as an either-or option in the Portal, this would not be possible.

Yours sincerely

RWE Supply & Trading GmbH

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By email