

13th October 2020

Grangemouth CHP Limited's response to Ofgem's Consultation on Capacity Market Rules Change Proposals

About Grangemouth CHP Limited

Grangemouth CHP limited are the owners of a 145MW Natural Gas fired Combined Heat and Power plant. Its operations are co-located in Grangemouth, Scotland with the Kinneil Terminal, part of INEOS Forties Pipeline System Limited (IFPSL), transporting oil and gas from the North Sea, Petroineos Manufacturing Scotland Limited's (PIMSL) Refinery and INEOS Chemicals Grangemouth Limited's (ICGL) petrochemical facility.

Grangemouth CHP Limited not only play an important role in providing these key assets with low carbon heat and power, but also in providing power and grid inertia to Scotland's/Great Britain's transmission network, which is increasingly reliant on intermittent renewable power sources.

Summary

There is currently a significant administrative burden on businesses who wish to participate in the Capacity Market. Therefore, we are supportive of the primary intention of this consultation, which aims to reduce this burden for participants.

Evergreen Prequalification:

Question 8: Do you have any feedback on the proposal to look at reforming the method by which exhibits are submitted and signed?

We are supportive of the proposal to enable the applicant to submit a single exhibit annually, if there is no change to either the rules or underlying information. Incorporating the ability to enable electronic signatures would further reduce the administrative burden of the application process.

Prequalification Data:

Question 10: Do you agree with our proposal to remove the Previous Settlement Period Performance requirement in cases where Applicants are prequalifying a CMUs, which has previously delivered upon its Capacity Market Agreement obligations in the previous two Delivery Years?

We are supportive of this proposal as it reduces the administrative burdens of CMUs which have historically delivered on its obligations.

Capacity Market Register:

Question 16: Do you have any comments on our proposals to add the information outlined in paragraphs 6.5.1 to 6.5.7, paragraph 6.6, 6.9.4, along with the CP2701 and 271 proposals to the CMR?

We believe the current Capacity Market is functioning well and are therefore satisfied with the current level of detail contained within the Capacity Market Register. We appreciate the need for transparency; however, this should be balanced with the need for participant confidentiality as well the merits, both intended and unintended, of publishing the additional information.

Question 17: Do you have a view on our proposal outlined in paragraph 6.18, to record the new CMR information items additions proposed for capacity providers who hold valid capacity agreements, where the information has already been collected at the time of application?

See response to Question 16.

Application Notice:

Question 24: Do you believe it is appropriate to amend the Rules to mandate the Delivery Body to send a formal notice to an Applicant, as well as an update to the CMR, when their corresponding Prequalification Status changes from 'Conditionally Prequalified' to 'Not Prequalified'?

We are supportive of this proposal.