

11th January 2022

Ofgem
Sohail Ahmed
10 South Colonnade
Canary Wharf
London
E14 4PU

EMR_CMRules@ofgem.gov.uk

Non-confidential

Dear Sohail,

Consultation on Capacity Market Rule amendments

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, Drax Energy Solutions (formerly trading as Haven Power) and Opus Energy, which together supply renewable electricity and gas to over 390,000 business premises.

We are writing in response to the Ofgem consultation on Capacity Market Rule amendments (Evergreen, CMR and Applicant Notice). Drax are in agreement with all proposals, and would welcome further scope to be considered in some areas as specified below.

Section 1: Evergreen Prequalification

Do you agree with our proposed Rule amendments to facilitate the implementation of reusing Exhibits and other information?

Drax agree with the proposed Rule amendment to allow the re-using Exhibits and other application information. Where information remains unchanged, it should not require re-submitting.

In order to make the move to 'evergreen' prequalification effective, CM providers need sufficient time to adjust to new requirements. Changes should be signposted and timings should allow for industry to be consulted and properly informed on changes to the portal.

Following the usual annual Rules change cycle, the CM Rules for 2022 prequalification will only be available immediately prior to the prequalification opening. Given the material changes evergreen prequalification will bring, this is likely to lead to a significant change in approach for capacity providers which could impact internal resource over Summer during prequalification (particularly for capacity providers with multiple CMUs). It is vital that providers have adequate prior notice and a timely understanding of what is changing and how the changes might impact their participation in the CM. Sufficient notice ahead of implementation will allow parties to plan their resource requirements for the pre-qualification period in the most efficient manner. Otherwise, while this may improve prequalification in the long term, it may lead to a more challenging prequalification round in 2022.

Section 2: Capacity Market Register

Do you agree with the draft Rules to implement CP270 and partially implement CP271?

We support the move to including more detailed information in the CMR which would promote increased transparency of the scheme. We also believe that further information on defaulting CMUs should be included (i.e. where termination notices have been issued in respect of CMUs) and would welcome further consultation on this inclusion.

Do you agree with our proposal where Applicants would provide the “Primary Fuel” for each Generating Unit or Component comprising a CMU?

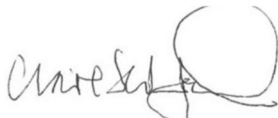
Drax agree with the proposal for Applicants to provide the ‘Primary Fuel’ for each Generating Unit or Component comprising a CMU.

Section 3: Application Notice

Do you agree with our proposed amendments to the Rules to facilitate our Applicant Notice proposal?

As indicated in previous consultation responses, we continue to support this decision as it avoids any doubt over the status of the CMU. We would support one channel for notices from the Delivery Body to CM participants.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Claire Sedgwick', with a large, stylized circular flourish at the end.

Claire Sedgwick

Drax Power Limited