

ElecLink Limited  
4 Kingdom Street  
London  
W2 6BD

Ofgem  
10 South Colonnade  
London  
E14 4PU

**Establishing the Capacity Market Advisory Group: Ofgem Call for Input, February 2022**

ElecLink welcomes the opportunity to respond to Ofgem's Call for Input on *Establishing the Capacity Market Advisory Group*.

This response is provided on behalf of ElecLink Limited. ElecLink Limited is constructing a 1000MW HVDC electricity interconnector between Great Britain and France. The interconnector is due to begin commercial operations by mid-2022. Once operational ElecLink will help to promote security of supply, decarbonisation and affordability of consumer energy bills.

Answers to the questions outlined in Annex C of the *Call for Input* publication can be found detailed below. Should you have any queries on our response please don't hesitate to contact one of the team on [Regulation@eleclink.co.uk](mailto:Regulation@eleclink.co.uk).

1. In general, do you agree with our intention to establish CMAG? If not, please explain your concerns.

Yes. ElecLink supports the introduction of the Capacity Market Advisory Group (CMAG) and its ambition to deliver a more "dynamic & adaptive" rule change process. We believe that the development of such a group has the potential to deliver significant improvements in the functioning of the Capacity Market (CM) rule change process.

However, by introducing an additional body into the rule change process there is a risk that the CMAG could potentially increase bureaucracy. The proposal for two routes for rule changes to be considered, through either the CMAG or directly via Ofgem, could further increase this risk. The establishment and management of the CMAG will therefore need to be closely managed to ensure that it serves to improve the rule change process rather than stagnate it.

2. Do you agree with the objectives and role of CMAG as set out in Section 2 of the new Guidance?

Yes. At ElecLink we agree with the objectives and role of CMAG as set out in Section 2 of the new *Guidance*, however we would like to take this opportunity to raise the importance of impartiality as set out in the third CMAG objective. It is critical that the CMAG remains technology neutral throughout its role in the rule change process. ElecLink believes that the membership of the group should reflect the composition of the market to ensure all views are fairly represented. The membership process and ongoing management of the group will need to be structured in such a way to ensure this impartiality.

Line 2.3 contains a proposal for an annual Ofgem review into the CMAG's performance against its objectives. We advocate that CMAG members, CM participants and the wider industry should also have an opportunity to contribute to this review. A process for raising concerns to Ofgem on the effective functioning of the CMAG in between annual review cycles may also be beneficial.

[3. Do you foresee any unintended consequences from following the indicative process as set out in Section 3 of the new Guidance?](#)

No. ElecLink supports the process outlined within Section 3 in its entirety. In particular, we support Ofgem's proposal to consider whether change proposals submitted directly to themselves are suitable to be first directed to the CMAG to prevent change requests from unduly avoiding the CMAG process. We propose that Ofgem should develop a clear set of principles which can be used to guide stakeholders on what makes a change request suitable to solely be reviewed by Ofgem prior to public consultation.

Ensuring that the majority of change requests are directed through the CMAG process, with only exceptional change requests submitted directly to Ofgem, will enable the entire industry to effectively participate within the rule change process. A single, streamlined change process will be easier for market parties (especially smaller participants) to contribute to than multiple, disconnected change processes.

[4. Do you have any concerns about the suitability of Elexon to act as Secretariat? If so, do you have a view on a suitable alternative?](#)

Yes. On the basis of Elexon's impartiality and experience in code management we support Elexon acting as the Secretariat as defined in the *Draft Guidance Change process for CM rules*.

[5. Do you agree that levying the administrative costs of CMAG on BSC users is an appropriate funding route? Please outline any concerns and/or alternative approaches, if appropriate.](#)

Yes. Levying the administrative costs of the CMAG on BSC users offers a simple funding solution in the event that Elexon is appointed as the Secretariat. However, careful management of this funding route is required to ensure that the costs of administering the CMAG costs through the BSC are not higher than the costs associated with the CMAG itself (which are expected to be relatively minor).

[6. Do you have any comments on the indicative template for the CMAG Terms of Reference we have included as part of this call for input?](#)

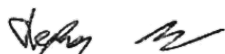
Yes. The indicative template CMAG Terms of Reference included within the *Call for Input* serve their purpose in so much as they provide a high-level guide which can be used to establish the CMAG. However, we would propose that prior to ratification the CMAG will need to first develop a more comprehensive Terms of Reference document detailing exactly how the group will convene and function.

We also advocate for an expansion of the key deliverables listed to include annual reviews into the effectiveness of the group as a whole, the Secretariat and the Chair to ensure that the CMAG delivers against the ambitions under which it was established.

[7. Please indicate if you or a suitable representative from your company or stakeholder group are provisionally interested in joining the inaugural CMAG. Please do not provide names at this stage. We will formally ask for expressions of interest when we publish the new Guidance.](#)

Yes. At ElecLink we have an interest in joining the inaugural CMAG as an individual organisation. More broadly we would like to take this opportunity to emphasise the importance of interconnector presence within the CMAG to ensure that this unique CMU technology class is fairly represented in the CM rule change process. As such, in the event that ElecLink is not able to directly participate in the CMAG, we would advocate that the chair of the GB Interconnectors Forum is granted membership as a representative for all GB interconnectors.

Yours Faithfully,



Stephen Gannon

**Commercial Manager, ElecLink**