



Establishing the Capacity Market Advisory Group
RWE Response to Call for Input

Submitted 11th February 2022

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

We are broadly supportive of the intention to establish CMAG. This should allow for a more structured approach to CM Rule changes and avoid reliance on the annual process that is currently in place. The membership of the group will need to be representative of the industry as a whole to ensure that prioritisation of change proposals does not become unintentionally skewed towards the interests of any particular section of the industry.

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

From the process described in the guidance document, it is not apparent that CMAG can reject proposals directly. It may therefore not be possible in all circumstances to ensure that CM Rule changes submitted to Ofgem further Ofgem's principal objective and the CM Rules change objective, since all proposals will be submitted to Ofgem. Therefore, objective 1 should perhaps change to 'Provide a clear view of the extent to which CM Rule changes submitted to Ofgem via CMAG further Ofgem's principal objective..'.

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

We do not foresee unintended consequences from the process described.

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?

We believe that Elexon would be a suitable body to provide Secretariat.

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.

Not all CM participants are BSC parties and not all BSC parties will participate in the CM. The approach proposed therefore risks introducing an inappropriate distribution of costs. The materiality is likely to be low and therefore we consider the proposal to be workable.

However, our preferred option would be to treat the cost of CMAG as an addition to CM costs more broadly and to be recovered through the supplier levy through which capacity payments are collected.

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?

We have no comments on the template.

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.

We would be interested a putting forward a suitable candidate for joining the inaugural CMAG.