

# Decision

---

## Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

Publication date:	12/06/2025
Contact:	Jack Britton and Andrew Macdonell
Team:	Electricity Security & Market Management
Email:	<a href="mailto:EMR_CMRules@ofgem.gov.uk">EMR_CMRules@ofgem.gov.uk</a>

This document follows on from our Statutory Consultation on Capacity Market Rules change proposals, published in January 2025. We set out our decisions regarding the implementation of the Capacity Market Rules change proposals.

We are progressing the following changes with no or minor alternations:

- CP376 – Clarifying Restrictions on the Role of Agent
- CP377 – Increasing Flexibility for Satisfactory Performance Day Portfolios
- CP381 – Change to the definition of Station Connection Entry Capacity in Rule 3.5.5

We are progressing the following changes with significant alterations:

- CP371 – Protection from Very Late Network Connections

We are not progressing the following changes:

- CP378 – Removing 50MW Limit on Individual Capacity Market Units in a Portfolio

These changes will come into effect from the opening of the 2025 prequalification submission window.

© Crown copyright 2025

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Any enquiries regarding the use and re-use of this information resource should be sent to: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

## Contents

<b>Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381 .....</b>	<b>1</b>
<b>Introduction.....</b>	<b>5</b>
Context and related publications .....	5
Background to this Decision Letter .....	5
Capacity Market change proposals we are deciding on .....	5
Our decision-making process .....	6
General feedback.....	7
<b>1. CP371 - Protection from Very Late Network Connections.....</b>	<b>8</b>
Background .....	8
<i>Figure 1: Connection Delays and Capacity Payments</i> .....	9
Minded-to position .....	11
Stakeholder feedback and our response .....	12
Decision .....	14
<b>2. CP376 – Clarifying Restrictions on the Role of Agent .....</b>	<b>15</b>
Background .....	15
<i>Figure 2: Possible Configurations of Agents Acting for Capacity Market Units</i> .....	16
Minded-To-Position .....	17
Stakeholder feedback and our response .....	17
Decision .....	17
<b>3. CP377 - Increasing Flexibility for Satisfactory Performance Day Portfolios .....</b>	<b>18</b>
Background .....	18
Stakeholder feedback and our response .....	19
Decision .....	20
<b>4. CP378 - Removing 50MW Limit on Individual Capacity Market Units in a Portfolio .....</b>	<b>21</b>
Background .....	21
Minded-to position .....	22
Stakeholder feedback and our response .....	22
Decision .....	23
<b>5. CP381 - Change to the definition of SCEC in Rule 3.5.5 .....</b>	<b>25</b>
Background .....	25
Minded-to position .....	26
Stakeholder feedback and our response .....	27
Decision .....	27
<b>Appendices .....</b>	<b>28</b>
<b>Appendix 1 – Proposed amendments to the Rules .....</b>	<b>29</b>

---

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

CP371 – Protection from Very Late Network Connections.....	29
CP376 – Clarifying Restrictions on the Role of Agent.....	30
CP377 – Increasing Flexibility for Satisfactory Performance Day Portfolios..	31
CP381 – Change to the definition of Station Connection Entry Capacity in Rule 3.5.5 .....	31

**Appendix 2 – Submitting Capacity Market change proposals to CMAG .. 34**

# Introduction

## Section summary

In this section, we describe the legislation underpinning the Capacity Market Rule Change process, the role of the Capacity Market Advisory Group and the decisions which are included in the document.

## Context and related publications

### Background to this Decision Letter

The Capacity Market (CM) is governed by secondary legislation through a combination of the Electricity Capacity Regulations 2014 (the CM Regulations)<sup>1</sup> and the Capacity Market Rules (the CM Rules).<sup>2</sup> The CM Rules provide the detail for implementing much of the Capacity Market operating framework set out in the CM Regulations. We share responsibility for the CM Rules with the Secretary of State and we are granted the power to amend, add to, revoke, or substitute CM Rules concerning the operation and administration of the capacity market under Regulation 77. Regulation 79 of the CM Regulations sets out who may submit a proposal to amend a provision of the Capacity Market to us and who must be consulted during the Rule Change process.

In 2022, we published our Decision on establishing the Capacity Market Advisory Group (CMAG).<sup>3</sup> CMAG is a body of impartial Capacity Market experts who are charged with prioritising, analysing and developing proposed changes to the CM Rules and making recommendations to us.<sup>4</sup> Unless applicants specifically request that their proposals go directly to us for reasons of urgency or confidentiality, all CM change proposals are shared with CMAG to be developed and submitted as a report to us before we consider them. Once we have the CMAG reports, in accordance with Regulation 79, we decide which proposals we will take forward for statutory consultation and which we will reject without further consultation. Finally, we will decide on the proposals through a Decision letter.

### Capacity Market change proposals we are deciding on

In January 2025, we published a statutory consultation on the following Capacity Market change proposals. Our consultation document included a description of the change

---

<sup>1</sup> [The Electricity Capacity Regulations 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

<sup>2</sup> [Informal Consolidated Version of the Capacity Market Rules July 2023 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

<sup>3</sup> [Decision on establishing the Capacity Market Group \(CMAG\) | Ofgem](#)

<sup>4</sup> [Homepage - Flexon CMAG](#)

## **Decision** – Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

proposal, the policy background, the proposed solution(s) and its implications, the CMAG discussion and our minded-to position, accompanied by the suggested changes to the legal text. This document sets out our decisions on five Capacity Market change proposals we consulted on:

- CP371<sup>5</sup> – Protection from Very Late Network Connections
- CP376<sup>6</sup> – Clarifying Restrictions on the Role of Agent
- CP377<sup>7</sup> - Increasing Flexibility for Satisfactory Performance Day Portfolios
- CP378<sup>8</sup> – Removing 50MW Limit on Individual Capacity Market Units in a Portfolio
- CP381<sup>9</sup> – Change to the definition of Station Connection Entry Capacity in Rule 3.5.5

We originally planned to include some housekeeping changes to reflect the transition from Electricity System Operator to the National Energy System Operator (NESO), but these changes will instead be a part of the Department for Energy Security and Net Zero's (DESNZ) Rules Modernisation work.

We have provided the background for each of these change proposals, including our original minded-to position. We have also included the responses we received from stakeholders on each question and have given our position on those responses and highlighted any changes to the Rule Change based on those response. Finally, we provide our decision on each change proposal. Where we have approved a change proposal, these changes will come into effect from the opening of the 2025 prequalification submission window.

We have also included the suggested changes to the legal text for each of the change proposals in Appendix 1. Additionally, Appendix 2 includes information on submitting Rule change proposals to CMAG.

Within this document, any capitalised terms have the same meaning as given in the CM Rules or Regulations.

## **Our decision-making process**

We consulted on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381 through a statutory consultation which we published on the Ofgem website on 9

---

<sup>5</sup> [Protection from Very Late Network Connections - Elexon CMAG](#)

<sup>6</sup> [Clarifying restrictions on the role of Agent - Elexon CMAG](#)

<sup>7</sup> [Increasing flexibility for SPD Portfolios - Elexon CMAG](#)

<sup>8</sup> [Removing 50MW Limit on Individual CMUs in a Portfolio - Elexon CMAG](#)

<sup>9</sup> [Change to the definition of SCEC in Rule 3.5.5 - Elexon CMAG](#)

---

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

January 2025 and closed on 19 February 2025. It can be accessed here: [Capacity Market Rule change proposals CP371, CP376, CP377, CP378 and CP381: statutory consultation - Ofgem](#)

**General feedback**

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this report. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Are its conclusions balanced?
5. Did it make reasoned recommendations?
6. Any further comments

Please send any general feedback comments to [EMR\\_CMRules@ofgem.gov.uk](mailto:EMR_CMRules@ofgem.gov.uk).

# 1.CP371 - Protection from Very Late Network Connections

## Section summary

In this section, we outline the intent of CP371, which seeks to reduce the possible impacts of late network connections on Capacity Providers. We also provide our minded-to position, stakeholder feedback and our final decision on this change proposal.

## Background

- 1.1 Capacity Providers are required to meet their Auction Acquired Capacity Obligations during a System Stress Event in order to receive Capacity Payments. To be able to deliver power in the event of a System Stress Event, Capacity Providers must connect their generation assets to either the GB Transmission System or the Distribution Network. Connections are managed in the following ways for the Transmission System and Distribution Network:
  - (a) Transmission System – There are bilateral Grid Connection Agreements<sup>10</sup> between the Transmission Licensee and the relevant generation provider, which specifies a connection date for generation assets. Under Rules 6.8.2 and 6.8.3 all Prospective Capacity Market Units with a Capacity Agreement are expected to meet their Minimum Completion Requirements by the Long Stop Date. For Capacity Market Units connected to the Transmission System, these provisions can only be met if the relevant Generating Units comprising a Capacity Market Unit are connected to the GB Transmission System.
  - (b) Distribution Network – Distribution Connection Agreements<sup>11</sup> (Schedule 13 of Distribution and Use of System Agreement) between the relevant Distribution Network Operator and the relevant generation provider specifies a connection date for generation assets. Under Rules 6.8.2 and 6.8.3, all Prospective Capacity Market Units with a Capacity Agreement are expected to meet Minimum Completion Requirements by the Long Stop Date. For Capacity Market Units connected to the Distribution Network, these provisions can only be met if relevant

---

<sup>10</sup> [Schedule 2 - Exhibit 1 of the Connections and Use of System Code](#)

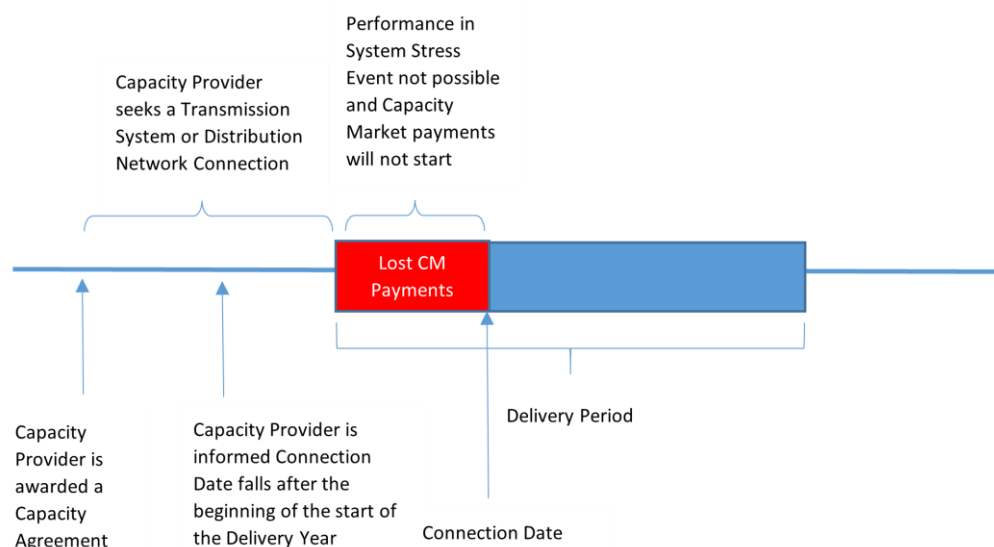
<sup>11</sup> [Schedule 13 of the Distribution and Use of System Agreement](#)



Generating Units comprising a Capacity Market Unit are connected to the Distribution Network.

- 1.2 Currently, Rule 6.7.7 allows a Capacity Provider with a New Build Capacity Market Unit to extend their Long Stop Date<sup>12</sup> on a day-by-day basis (i.e. how many days has the Substantial Completion Milestone been delayed at the point the extension is requested) for any delay in achieving their Substantial Completion Milestone that is solely due to the Transmission Licensee or the relevant Distribution Network Operator failing to provide an active connection point when required to do so in accordance with a valid Grid Connection Agreement or Distribution Connection Agreement.
- 1.3 The proposer of CP371 contended that there are issues with the current management of delayed network connections that go beyond the situation covered by Rule 6.7.7. To illustrate the issue, consider the case below:

**Figure 1: Connection Delays and Capacity Payments**



- 1.4 The figure shows a Capacity Provider who secures a multi-year connection agreement and is then informed of a delayed Connection Date which falls after the beginning of the Delivery Year. While Rule 6.7.7 means that the Capacity Market Unit would not be Terminated due to a failure to meet

---

<sup>12</sup> Long Stop Date has, in respect of a Capacity Agreement for a New Build CMU or Refurbishing CMU, the meaning given in whichever one of paragraphs (a) to (c) applies:  
(a) where a T-1 Agreement has been awarded in respect of the CMU, the Long Stop Date is the start of the Delivery Year;  
(b) in the case of a Declared 24 Month Long Stop CMU, the Long Stop Date is the date falling 24 months after the start of the first Delivery Year;  
(c) in any other case, the Long Stop Date is the date falling 12 months after the start of the first Delivery Year

Minimum Completion Requirements, the Capacity Provider would not start receiving their Capacity Payments until the Connection Date, when the Capacity Provider is able to demonstrate that they are able to meet at least the Minimum Completion Requirement, and would not therefore be required to meet their Capacity Obligation in a System Stress Event. However, Rule 6.7.7 does not extend the duration of the overall Capacity Agreement, so any delays in meeting the Minimum Completion Requirements due to delays of the connection date result in an overall reduction in the length of the Capacity Agreement secured at Auction.

- 1.5 The proposer highlighted that Capacity Providers make investment decisions based on the full duration of the Capacity Agreement, and that some Capacity Providers are losing out on multiple years of payments due to delays in connection dates which are outside of their control.
- 1.6 The proposer also noted that such delays used to be unusual but are now becoming more frequent due to the size of the connection queue. This is recognised in the DESNZ Transmission Acceleration Action Plan<sup>13</sup>, the Strategic Spatial Energy Plan<sup>14</sup>, the DESNZ/Ofgem Connection Action Plan<sup>15</sup> and NESO's Connections Reform<sup>16</sup> work.
- 1.7 CMAG agreed that the situation set out is challenging for Capacity Providers, but recognised that the original solution brought forward by the proposer (to extend the duration of Capacity Agreements to compensate for the Connection Date delay) would require changes to the Regulations, which the Authority (Ofgem) does not have the power to do. CMAG instead propose the following changes to the Rules to mitigate the consequences of long delays in Connection Dates:
  - (a) The wording of the current Rule 6.7.7 requires Capacity Providers to apply for an extension to the Long Stop Date based on how long their Substantial Completion Milestone has been delayed, but the Capacity Provider must then reapply for the extension the following year. CMAG therefore propose to allow Capacity Providers who have a delayed connection date to apply for a single extension to their Long Stop Date

---

<sup>13</sup> [Transmission Acceleration Action Plan](#)

<sup>14</sup> [Strategic Spatial Energy Plan](#)

<sup>15</sup> [Connections Action Plan](#)

<sup>16</sup> [Connections Reform](#)

---

that would reflect the planned connection date for the relevant Connection Agreement.

- (b) If the start of a Capacity Agreement is significantly delayed due to a delay in Connection Date, Capacity Providers are still required to meet their Financial Commitment Milestone requirements in accordance with Rule 6.6.2 as if they were starting their Capacity Agreement in the original Delivery Year. CMAG therefore propose to give Prospective Generating Capacity Market Units (i.e. Refurbishment and New Build Capacity Market Units) the option to postpone the Financial Commitment Milestone requirements day-by-day in accordance with the delay up to the day before the start of the first Delivery Year of the Capacity Agreement, if the delay is a result of the Transmission Licensee or Distribution Network Operators failing to provide an active connection point.
- (c) Rule 6.7.6 allows Prospective Generating Capacity Market Units who are not already generating at 100% of their Capacity Obligation an 18-month window after the start of the first Delivery Year in which they can notify the Delivery Body that a Generating Unit in their Capacity Market Unit has increased its Operational physical capacity and can deliver a higher proportion of its Capacity Obligation. CMAG propose that this 18-month window be postponed in line with a delay in the Connection Date, allowing a window of 6 months after the new Long Stop Date.

- 1.8 The intention of the above amendments is to reduce the administrative burden imposed by long delays to connection dates and to give Capacity Providers more options in managing the impacts of these delays.

### **Minded-to position**

- 1.9 We agreed with the CMAG position that the original proposal to extend the Capacity Agreement length would require changes to the Regulations and is outside of the scope of our powers. Taking into consideration the discussion with industry through CMAG, we were minded to take forward CMAG's proposal to allow Long Stop Dates to be extended based on the planned connection date, and to take forward the proposal to postpone the 18-month window in which Operational physical capacity can be increased, in order to ease the administrative burden of connection delays. However, we had concerns about the effect that the proposed change to the Financial

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

Commitment Milestone would have on delivery assurance and aimed to review this before making our decision.

**Stakeholder feedback and our response**

*Q1. Do you agree with the proposed amendment on postponing the Long Stop Date based on the planned Connection Date?*

1.10 82% (9/11) of respondents agreed with the proposed amendment on postponing the Long Stop Date based on the planned connection date.

*Q2. Do you agree with the proposed amendment on postponing the Financial Commitment Milestones in line with the delayed Long Stop Date?*

1.11 80% (8/10) of respondents agreed with the proposed amendment regarding postponing the Financial Commitment Milestones in line with the delayed Long Stop Date.

1.12 One respondent believed that this amendment may be de-risking heavily caveated or non-firm connection offers and required further consideration. DESNZ also indicated that they disagreed with this amendment, as this relates to delivery assurance, which is being considered by DESNZ. As a result of this feedback, we are deciding to remove this amendment from the proposal.

*Q3. Do you agree with the proposed amendment on postponing the 18-month window in which Operational physical capacity can be increased in line with the delayed Long Stop Date?*

1.13 100% (8/8) of respondents agreed with the proposed amendment of postponing the 18-month window in which Operational physical capacity can be increased in line with the delayed Long Stop Date.

*Q4. Do you have any comments on the specific changes to the legal text of the Rules proposed in Annex A?*

1.14 Five respondents had comments on the specific changes to the legal text of the Rules proposed in Annex A.

1.15 Many respondents left detailed comments, which included suggestions to improve the clarity of the wording, some concerns around how the element of future delay was to be evidenced, and some suggestions which were felt

to be beyond the scope of this change proposal. We have revised the legal text in response to these comments to improve clarity.

<p><i>Q5. Do you foresee any unintended consequences as a result of implementing this proposal?</i></p>
---

- 1.16 Six respondents foresaw unintended consequences as a result of implementing this proposal.
- 1.17 Some respondents raised concern around the use of a connection agreement as evidence of a latest planned connection date (as we suggested in our proposed text for Rule 6.6.10), suggesting that Capacity Providers would be unlikely to be able to provide such evidence before they are connected. We understand this concern, and will therefore only be asking for an Independent Technical Expert report as evidence of the latest planned connection date.
- 1.18 One respondent raised a concern regarding updated connection agreements. For example, in Rule 6.7.6B, the text we proposed includes reference to an updated connection agreement. The respondent expressed concern that signing a modification application for a later connection could trigger a termination event under Rule 6.10.1 (g). We understand the respondent's concern, but the legal text for Rule 6.10.1 (g) does not apply to CMUs which are experiencing a failure by a Transmission Licensee to provide a connection point when required to do so, which is the setting for the changes proposed in CP371.

#### Additional comments from stakeholders

- 1.19 Several respondents queried about when the Rules change would take effect, hoping Capacity Providers could benefit from the change as soon as possible. We can confirm that the changes will take effect as soon as the Rules are amended.
- 1.20 Several respondents queried about whether Providers would still be able to apply for a fixed period (single) extension. We confirm that Providers are welcome to apply for a Long Stop Date extension which is either purely retrospective, covering the delay period they have experienced thus far, or apply to extend their Long Stop Date in line with a planned connection date which has been included in an Independent Technical Expert's report.

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

- 1.21 A respondent sought clarification about whether Rule 6.7.7 would take into account multiple delays. We confirm that if a Capacity Provider experiences multiple delays, Rule 6.7.7 can be utilised to extend the Long Stop Date each time a delay occurs.
- 1.22 A respondent highlighted that the System Operator should be included with the Transmission Licensee and the Distribution Network Operator because the 2024 changes to the Connections process.<sup>17</sup> We have added this to the legal text.

**Decision**

- 1.23 We have decided to proceed with CP371, but will reject one of the three amendments. We will proceed with allowing Long Stop Dates to be extended based on the planned connection date, and will add a 6-month window after the extended Long Stop Date in which Operational physical capacity can be increased. We will reject the amendment to postpone the Financial Commitment Milestone in-line with a connection delay, as it relates to delivery assurance, which is being considered by DESNZ.

---

<sup>17</sup> [CMP434 Implementing Connections Reform - National Energy System Operator](#)

---

## **2.CP376 – Clarifying Restrictions on the Role of Agent**

### **Section summary**

In this section we outline the intent of CP376, which proposes to clarify the role of an Agent. We also provide our minded-to position, stakeholder feedback and our final decision on this change proposal.

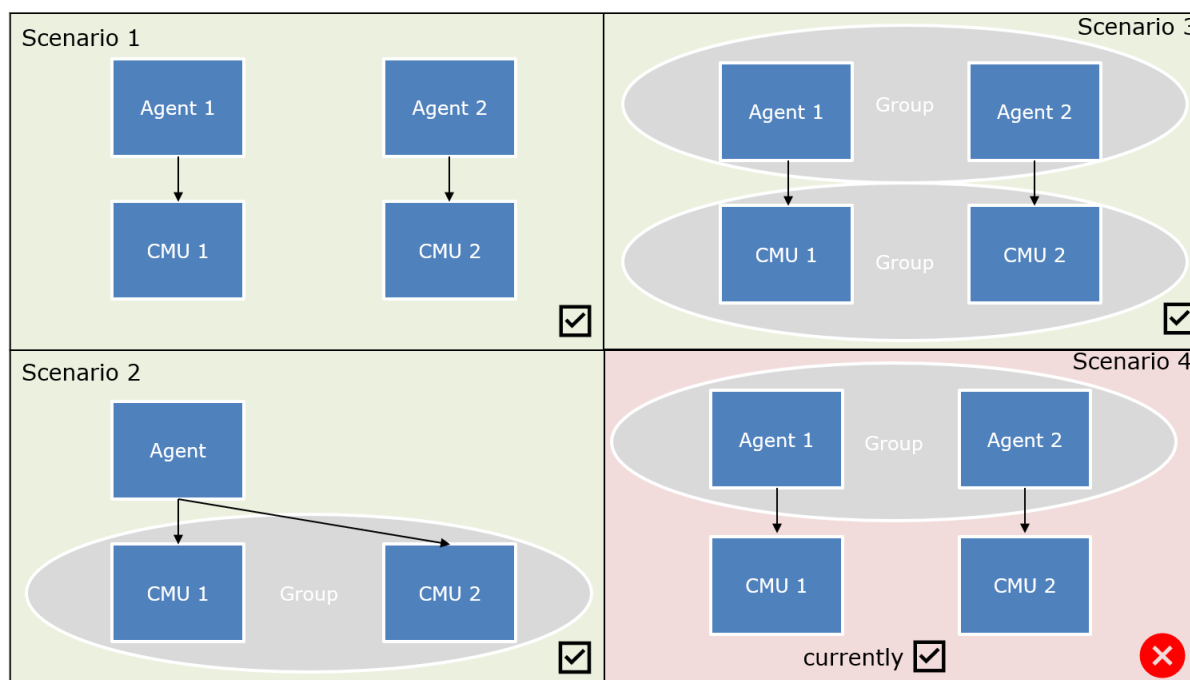
### **Background**

- 2.1 Under the Rules, the Applicant is the person that has submitted or is entitled to submit an Application with respect to a Capacity Market Unit. There must be only one Applicant with respect to any Capacity Market Unit, and the status required to be an Applicant is set out for each category of Capacity Market Unit in Rule 3.2.
- 2.2 Pursuant to Rule 3.3.5, an Applicant may nominate an Agent to perform its obligations with respect to a Capacity Market Unit by submitting an Agent Nomination Form. This can permit the Agent to act as Bidder on behalf of that Capacity Market Unit, which is a role that is otherwise reserved for the Applicant.
- 2.3 The policy intent for Rule 3.3.5 is that each single Capacity Market Unit or multiple Capacity Market Units which belong to the same Group (a holding company and its subsidiaries) is represented either by the Applicant themselves or by a nominated Agent who acts as Applicant, Bidder and/or Capacity Provider for only that Capacity Market Unit or the Capacity Market Units of that Group.
- 2.4 This Rule is in place to reduce gaming opportunities and to ensure that those with the ability to bid in the Capacity Market auctions are acting independently so that the market remains competitive.
- 2.5 It is currently possible within the Rules for one Group to act as an Agent for multiple Capacity Market Units from different Groups by forming subsidiaries, such as a special purpose vehicle. By forming a number of subsidiaries and having each of them act as an Agent on behalf of a Capacity Market Unit, one Agent Group could control the bidding behaviour of multiple Capacity Market Units from different Applicant Groups in the Capacity Market or could bid with the advance knowledge of how Capacity

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

Market Units from different Applicant Groups would be bidding. This risks an Agent Group obtaining a level of market power which could be used to secure an artificially higher clearing price in the Capacity Market auctions.

**Figure 2: Possible Configurations of Agents Acting for Capacity Market Units**



2.6 Figure 2 shows the possible combinations of Agents acting on behalf of Capacity Market Units.

- (a) In Scenario 1, a single Agent acts for each Capacity Market Unit.
- (b) In Scenario 2, a single Agent acts for multiple Capacity Market Units who all belong to the same Group.
- (c) In Scenario 3, multiple Agents belonging to the same Group represent multiple Capacity Market Units belonging to the same Group.
- (d) In Scenario 4, multiple Agents for the same Group represent multiple Capacity Market Units who **do not** belong to the same group.

Scenarios 1 to 3 are in keeping with the policy intent of Rule 3.3.5(c), but Scenario 4 does not align with this intended policy intent.

This proposal seeks to extend the definition of Agent in the Rules to clarify that an Agent may not act for an Applicant if the Agent (or any member within the Agent's Group) is also an Agent for another Applicant (unless the Applicant is in the same Group). This is intended to better realise the policy intent behind Rule 3.3.5(c), which limits Agents to



**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

representing either a single Capacity Market Unit or multiple Capacity Market Units who all belong to a single Group. We would also like to address a small housekeeping error in Rule 3.3.5(e).

**Minded-To-Position**

- 2.7 We proposed this Rule change and we were minded to take it forward as we believed it better achieves the policy intent of Rule 3.3.5.

**Stakeholder feedback and our response**

*Q1. Do you agree with the proposal to amend the definition of Agents to clarify the policy intent of Rule 3.3.5?*

- 2.8 100% (12/12) of respondents supported the proposal. A respondent highlighted that, while this was a positive change, a more holistic review of the role of Agents in the Capacity Market was required.

*Q2. Do you have any comments on the specific changes to the legal text of the Rules proposed in Annex A?*

- 2.9 One respondent expressed concern that applicants could use special purpose vehicles to bypass the updated text of this Rule, but we disagree with this, as expanding the Rules to include members of an Agents Group will also include any special purpose vehicles owned by the same parent company, as “Group” in the CM is defined as “for any person, another person who is the direct or indirect Holding Company of that person and any Subsidiary of that Holding Company.”

*Q3. Do you foresee any unintended consequences as a result of implementing this proposal?*

- 2.10 Zero respondents identified unintended consequences as a result of implementing this proposal.

**Decision**

- 2.11 We have decided to proceed with CP376, which clarifies that the requirements of Rule 3.3.5(c) apply to Agents and to their Group (their holding company and/or subsidiaries).

## **3.CP377 - Increasing Flexibility for Satisfactory Performance Day Portfolios**

### **Section summary**

In this section we outline the intent of CP377, which seeks to amend Rule 13.4.1B to allow Capacity Market Unit Portfolios to be formed across Company Groups to allow for greater flexibility to meet Satisfactory Performance Day targets. We also provide our minded-to position, stakeholder feedback and our final decision on this change proposal.

### **Background**

- 3.1 Currently a Capacity Market Unit Portfolio ("CMU Portfolio") is defined as "a group of Capacity Committed Capacity Market Units with the same Capacity Provider". This definition does not allow the formation of a Portfolio where multiple Capacity Market Units are owned by a common parent company but have been entered into the market under different Applicant companies, with the Applicant companies acting as separate Capacity Providers. Following discussions with Capacity Providers in this situation, there are several reasons a Group may choose to enter through different Applicant companies, the most common being to allow proper financial settlement of any Capacity Agreements against the same asset. This restriction is primarily an administrative hurdle, as the Capacity Market Units could still form a Portfolio if they were to transfer ownership to the Ultimate Holding Company.
- 3.2 During the Winter 2023/24 Satisfactory Performance Day window, some Capacity Providers requested to combine Capacity Market Units that currently do not meet the requirements of Capacity Market Unit Portfolios, either due to the 50MW single Capacity Market Unit cap (as per Rule 13.4.1B(b)) or the restriction that a Capacity Market Unit Portfolio may only include Capacity Market Units shared by a single Capacity Provider.
- 3.3 For a Group to combine Capacity Market Units into a Capacity Market Unit Portfolio, Capacity Providers have to complete Capacity Market Unit transfers of ownership (under Rule 9.2.4(b)) to Holding Companies to then meet their Capacity Obligation in aggregate for the Satisfactory Performance Day. This process requires additional administration costs for the Applicant and potentially causes non-market downsides for the Capacity

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

Provider. An example is for payments being made to a Holding Company rather than the correct Subsidiary.

- 3.4 As this behaviour is currently allowed within the Rules through Capacity Market Unit transfers, the Delivery Body believe it is appropriate to remove this additional administrative burden by explicitly allowing Capacity Market Unit Portfolios for Capacity Provider Groups.
- 3.5 This issue was also highlighted in past Capacity Market change proposal CP124, which noted that unnecessary costs may be incurred by Capacity Providers where they can meet an obligation across their Portfolio but not within the strict Applicant companies and Capacity Provider boundaries.
- 3.6 The Capacity Provider Group's aggregated output could already be used to meet each Capacity Market Unit's Adjusted Load Following Capacity Obligation (under Rule 8.5.2) during a Stress Event through Volume Reallocation (under Rule 10).
- 3.7 Consequently, the Delivery Body consider the Capacity Market Unit Portfolio restriction to a single Capacity Provider's Capacity Market Units currently represents an unnecessary and artificial hurdle for Capacity Providers.
- 3.8 This proposal seeks to use the existing definition of "Group" in the Rules to allow Capacity Provider Groups to use all Capacity Market Units owned by such a Group (be that relationship a direct Holding/Subsidiary or Subsidiary/Subsidiary relationship) to meet the aggregated Capacity Obligation for Satisfactory Performance Days.
- 3.9 Implementation of this proposal would mean that a Capacity Market Unit Portfolio is defined as "a group of Capacity Committed Capacity Market Units with the same Capacity Provider Group".

### **Stakeholder feedback and our response**

<p><i>Q1. Do you agree with the proposal to amend Rule 13.4.1B to allow Capacity Market Unit Portfolios to be formed across Company Groups to allow for greater flexibility to meet Satisfactory Performance Day targets?</i></p>
---

- 3.10 89% (16/18) of respondents supported the proposal. Two respondents stated that they hoped that the changes would not alter the way that the notification process and cut-off period for forming a portfolio currently operate, and we can confirm that there is no intention to change these processes. Three respondents also highlighted the operational challenges

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

currently involved in adding or removing assets to and from portfolios as an area for improvement in future.

*Q2. Do you have any comments on the specific changes to the legal text of the Rules proposed in Annex A?*

3.11 No specific issues were raised with the legal text, but one respondent asked if the proposed changes would take effect as soon as the Rules were amended, and we can confirm this. Another respondent asked if the entire company Group would be penalised if one Capacity Provider failed to meet its obligations, and we can confirm that the process for forming a CMU Portfolio will still be the one set out in NESO's Satisfactory Performance Days and Extended Performance Guidance Document.<sup>18</sup> This means that an Applicant will have to specifically request to have its Satisfactory Performance Days considered as part of a Portfolio, and it will only be considered as a Portfolio if Satisfactory Performance is demonstrated.

*Q3. Do you foresee any unintended consequences as a result of implementing this proposal?*

3.12 Zero respondents identified unintended consequences as a result of implementing this proposal.

**Decision**

3.13 We have decided to proceed with CP377, which allows CMU Portfolios to be formed across a Capacity Provider Group. We do not see any benefit in maintaining the administrative hurdle that currently exists and consider that allowing Portfolios to be formed across company Groups better achieves the policy intent of 13.4.1B.

---

<sup>18</sup> [Satisfactory Performance Days and Extended Performance Guidance Document](#)

## **4.CP378 - Removing 50MW Limit on Individual Capacity Market Units in a Portfolio**

### **Section summary**

This section contains questions asked at consultation stage and outlines the policy background for CP378, which seeks to amend Rule 13.4.1B(b) to allow Capacity Market Units with an aggregate connection of more than 50MW to be part of a Capacity Market Unit Portfolio. We also provide our minded-to position, stakeholder feedback and our final decision on this change proposal.

### **Background**

- 4.1 Rule 13.4.1B(b) currently states that any Capacity Market Unit within a Capacity Market Unit Portfolio must have an aggregate Connection Capacity of 50MW or less.
- 4.2 The 50MW limit was initially introduced by the Capacity Market Expert Group to limit the aggregation of Generating Units on different sites into a single Capacity Market Unit. The Rules have mirrored this control for Existing and Prospective Generating Capacity Market Units, however no specific reasoning could be identified for this.
- 4.3 This rule may be unnecessarily restricting how Capacity Providers demonstrate their Capacity Obligation during Satisfactory Performance Day targets, given that each Capacity Market Unit within a Portfolio is limited by the amount of capacity which it can aggregate and therefore deliver.
- 4.4 The proposed solution is to remove the 50MW limit on aggregate capacity for Capacity Market Units within a Portfolio, and to obligate each Capacity Market Unit within a Portfolio to deliver more than 50% of the individual Capacity Market Unit's Capacity Obligation on Satisfactory Performance Days.
- 4.5 Removing the 50MW limit on aggregate capacity is suggested to increase flexibility for Capacity Providers to meet their Satisfactory Performance Day obligations. The obligation for each Capacity Market Unit to exceed 50% of their individual Capacity Obligation on Satisfactory Performance Days is to provide delivery assurance through yearly testing of each Capacity Market Unit and thereby contributes toward maintaining security of supply, aiming to avoid unintended consequences associated with the 50MW limit removal.

## **Minded-to position**

- 4.6 We were minded to approve this CP378. Following discussions with CMAG, we saw no obvious reason to cap the aggregate generation of a Capacity Market Unit within a Capacity Market Unit Portfolio at 50MW and we believed that the requirement for a Capacity Market Unit to output over 50% of their Capacity Obligation provided equivalent or better security of supply guarantees.

## **Stakeholder feedback and our response**

<p><i>Q1. Do you agree with the proposal to amend the Rules to remove the 50MW aggregate connection capacity limit on Capacity Market Units within a Capacity Market Unit Portfolio?</i></p>
--

- 4.7 86% (12/14) of respondents agreed with the proposal to amend the Rules to remove the 50MW aggregate Connection Capacity limit on Capacity Market Units within a Capacity Market Unit Portfolio.
- 4.8 Respondents who disagreed stated several reasons for doing so. One respondent highlighted that changing Rule 13.4.1B(b) alone would not remove the 50MW cap for Demand Side Response Capacity Market Units, so they would only experience the 50% minimum Capacity Obligation requirement without the benefit of the 50MW cap being removed.

<p><i>Q2. Do you agree with the proposal to introduce a requirement for each Capacity Market Unit within a Capacity Market Unit Portfolio to deliver over 50% proportion of the Capacity Market Unit's individual Capacity Obligation on Satisfactory Performance Days?</i></p>
---

- 4.9 46% (6/13) of respondents agreed with the proposal to introduce a requirement for each Capacity Market Unit within a Capacity Market Unit Portfolio to deliver over 50% proportion of the Capacity Market Unit's individual Capacity Obligation on Satisfactory Performance Days.
- 4.10 Respondents who disagreed raised concerns about how the Rule change would affect Demand Side Response Capacity Market Units. Respondents suggested the change was a barrier to Demand Side Response in the Capacity Market, and contradictory to the efforts of DESNZ to encourage Demand Side Response in the Capacity Market. Respondents suggested that flexibility for Portfolios to meet Satisfactory Performance Day testing would be reduced, increasing administrative complexity and the risk of

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

termination. Ultimately, such a change would challenge the existing business model for electricity aggregators.

*Q3. Do you believe that there would be additional benefits in adding a maximum capacity output cap for a single Capacity Market Unit within a Capacity Market Unit Portfolio operating on a Satisfactory Performance Day?*

4.11 0% (0/10) of respondents believed that there would be additional benefits in adding a maximum capacity output cap for a single Capacity Market Unit within a Capacity Market Unit Portfolio operating on a Satisfactory Performance Day.

4.12 Several respondents stated that a maximum output cap would add to the complexity of the Rules without providing additional benefit. Given this feedback, and the lack of support for this amendment, we will not be progressing with it.

*Q4. Do you have any comments on the specific changes to the legal text of the Rules proposed in Annex A?*

4.13 Six respondents had comments on the specific changes to the legal text of the Rules proposed in Annex A. Since we are not progressing this proposal, these changes will no longer be taken into effect.

*Q5. Do you foresee any unintended consequences as a result of implementing this proposal?*

4.14 Eight respondents foresaw unintended consequences as a result of implementing this proposal. Since we are not progressing this proposal, mitigations for the unintended consequences raised by respondents are no longer required.

**Decision**

4.15 We have decided to reject CP378, which proposes to amend Rule 13.4.1B(b) to allow Capacity Market Units with an aggregate connection of more than 50MW to be part of a Capacity Market Unit Portfolio and requires all Capacity Market Units in a Portfolio to demonstrate that they are exceeding 50% of their individual Capacity Obligations. We are choosing to reject this change proposal because the proposed requirement for each Capacity Market Unit in a Portfolio to demonstrate that it could exceed 50% of its Capacity Obligation on Satisfactory Performance Days amounts to an

**Decision** –Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

increased level of delivery assurance, and we do not want to make changes to delivery assurance at this point, as this is being considered by DESNZ.



## 5.CP381 - Change to the definition of SCEC in Rule 3.5.5

### Section summary

In this section we outline questions asked at consultation stage and the policy background of CP381, which seeks to amend Rule 3.5.5 to allow an additional method for calculating the Connection Capacity of Generating Units. We also provide our minded-to position, stakeholder feedback and our final decision on this change proposal.

### Background

- 5.1 Rule 3.5.5 details one method of how the Connection Capacity for a Generating Unit ( $CC_i$ ) can be calculated for an Applicant with a Generating Capacity Market Unit, in addition to the methods set out in Rules 3.5.2 and 3.5.3.
- 5.2 Rule 3.5.5 allows an Applicant for a Generating Capacity Market Unit to calculate the Connection Capacity of each Generating Unit ( $CC_i$ ) by dividing the maximum potential output of Generating Unit  $i$  - referred to as Unit Connection Entry Capacity ( $UCEC_i$ ) - by the maximum potential output of the power station - named Station Connection Entry Capacity ( $SCEC$ ) - and multiplying this by the amount that can actually be exported - referred to as Station Transmission Entry Capacity ( $STEC$ )

$$CC_i = \left( \frac{UCEC_i}{SCEC} \right) \times STEC$$

- 5.3  $SCEC$  is currently only permitted to be calculated as the sum of  $UCEC_i$ , for all Generating Units  $i$  associated with the Generating Capacity Market Unit, as given in the relevant Grid Connection Agreement or the registered capacities stated in the Distribution Connection Agreements.
- 5.4 Prior to 2016, Rule 3.5.5 (i) stated that  $SCEC$  could be calculated using the power station Connection Entry Capacity given in the Grid Connection Agreement or Distribution Connection Agreement for the power station, but this was removed to prevent calculations where the Connection Entry Capacity for the Capacity Market Unit exceeded the Transmission Entry Capacity or Maximum Export Capacity associated with the Capacity Market Unit. However, a 2023 amendment to the Capacity Market Rule (3.5.1A) capped aggregate Connection Capacity for all Generating Units in a

Generating Capacity Market Unit at the sum of the Transmission Entry Capacities or Maximum Export Capacities of the Generating Units, which means that the removal of 3.5.5 (i) is no longer required to limit Connection Entry Capacity.

- 5.5 The proposer contends that Rule 3.5.5 artificially constrains options for Applicants in cases where the sum of the:
- (a) Generating Unit Connection Entry Capacities for Transmission Capacity Market Units in the power station is greater than the power station Connection Entry Capacity; or
  - (b) Registered capacities for each generating set for Distribution Capacity Market Units in the power station is greater than the power station registered capacity.
- 5.6 The proposer believes that there is no clear rationale as to why this constraint exists and other appropriate options should be available to Applicants.
- 5.7 It is proposed to reinstate the original 2014 Rules definition of Station Connection Entry Capacity, giving Applicants the option to determine Station Connection Entry Capacity as:
- (a) The power station Connection Entry Capacity for Transmission Capacity Market Units; or
  - (b) The power station registered capacity for Distribution Capacity Market Units.
- 5.8 This option is in addition to the existing options for determining Station Connection Entry Capacity.
- 5.9 It is proposed that giving Applicants the option to determine Station Connection Entry Capacity will allow some applicants to better represent their true Connection Capacity.

### **Minded-to position**

- 5.10 We outlined our minded-to position regarding CP381 in our January 2025 Statutory Consultation. Taking into consideration the discussion by the industry through CMAG, we were minded to approve this change, given that the original intent of removing 3.5.5(i) was negated by the subsequent inclusion of 3.5.1A and we felt the proposed change provided a useful alternative calculation for some Capacity Providers.

## **Stakeholder feedback and our response**

*Q6. Do you agree with the proposal to amend Rule 3.5.5(i) to allow Applicants the option of using the power station Connection Entry Capacity as the Station Connection Entry Capacity (SCEC) for the purposes of calculating their Capacity Market Unit's Connection Capacity (CC)?*

5.11 100% (7/7) respondents agreed with the proposal to amend Rule 3.5.5(i) to allow Applicants the option of using the power station Connection Entry Capacity as the Station Connection Entry Capacity for the purposes of calculating their Capacity Market Unit's Connection Capacity.

*Q7. Do you have any comments on the specific changes to the legal text of the Rules proposed in Annex A?*

5.12 Zero respondents had comments on the specific changes to the legal text of the Rules proposed in Annex A.

*Q8. Do you foresee any unintended consequences as a result of implementing this proposal?*

5.13 Zero respondents identified unintended consequences as a result of implementing this proposal.

### Additional comments from stakeholders

5.14 One respondent sought assurance that Station Connection Entry Capacity will be a defined term in the CM Rules. We have made this change to the CM rules.

## **Decision**

5.15 We have decided to proceed with CP381, which proposes to amend Rule 3.5.5 to allow an additional method for calculating the Connection Capacity of Generating Units.

## Appendices

Index

<b>Appendix</b>	<b>Name of appendix</b>	<b>Page no.</b>
Appendix 1	Proposed amendments to the Rules	29
Appendix 2	Submitting Capacity Market change proposals to CMAG	34

## **Appendix 1 – Proposed amendments to the Rules**

### **CP371 – Protection from Very Late Network Connections**

- Amendments to Chapter 6

*Amend paragraph 6.7.6 as follows:*

A Capacity Provider may notify the Delivery Body that a Generating Unit forming part of a Prospective Generating CMU has increased its Operational physical capacity such that it is now sufficient to deliver a higher proportion (up to but not exceeding 100 per cent) of its Capacity Obligation:

(a) in the case of a Declared Long Stop CMU or a Prospective Generating CMU which has extended its Long Stop Date under Rule 6.7.7, at any time up to six months after the Long Stop Date for that CMU;

(b) in the case of any other Prospective Generating CMU at any time up to eighteen months after the start of the first Delivery Year of the Capacity Agreement,

and the Capacity Agreement will take effect from such date with respect to that increased proportion.

*Substitute paragraph 6.7.7 as follows:*

6.7.7 (a) Where the Substantial Completion Milestone is delayed solely due to a failure by the System Operator, Transmission Licensee or the relevant Distribution Network Operator (or their subcontractors, excluding the Capacity Provider or any member of its Group) to provide an active connection point in accordance with a valid Grid Connection Agreement or Distribution Connection Agreement, the relevant Long Stop Date must be extended where a Capacity Provider makes a request complying with paragraph (b).

(b) To obtain an extension under paragraph (a), the Capacity Provider must apply to the Delivery Body on the following basis:

- (i) as soon as practicable, but in any case no later than 5 Working Days before the Long Stop Date;
- (ii) identifying the duration of the extension sought;
- (iii) including a report from an Independent Technical Expert substantiating the reasoning for the duration of the extension sought under this rule.

(c) For the purposes of paragraph b(ii) the duration of the extension sought may be either:

- (i) day for day for the delay in achieving the Substantial Completion Milestone after the start of the first Delivery Year of the Capacity Agreement; or
- (ii) until the latest planned connection date, provided sufficient evidence from the Transmission Licensee, System Operator or the relevant Distribution Network Operator is provided in the Independent Technical Expert report.

*Amend paragraph 6.7.9 as follows:*

6.7.9 The relevant Long Stop Date must not be extended under Rule 6.7.7 where the relevant Capacity Provider has ~~released the Transmission Licensee or the relevant Distribution Network Operator from its obligation to provide an active connection point under a Grid Connection Agreement or Distribution Connection Agreement, or where the relevant Capacity Provider has agreed to~~ requested an extension from the relevant Transmission Licensee, System Operator or Distribution Network Operator (or their subcontractors) to the date by which an active connection point must be provided under a Grid Connection Agreement or Distribution Connection Agreement.

## **CP376 – Clarifying Restrictions on the Role of Agent**

### **3.3 Submitting an Application for Prequalification**

3.3.5 An Applicant may nominate an Agent to submit an Application for a CMU on its behalf and to otherwise perform its obligations under the Regulations or the Rules (whether in its capacity as Applicant, Bidder or Capacity Provider) provided that:

- (a) an Agent Nomination Form with respect to such Agent is included in the Application;
- (b) only one Agent is appointed by an Applicant with respect to a CMU at any one time;
- (c) such Agent (or any member within the Agent's Group) is not also the Agent for any other Applicant (unless the other Applicant is a member of the same Applicant's Group);
- (d) if the Applicant wishes to revoke the appointment of an Agent or to appoint a different Agent, the Applicant must submit a new Agent Nomination Form to the Delivery Body; and
- (e) the Agent shall ~~have~~ not have the authority to sign any Prequalification Certificate, Price-Maker Certificate, Certificate of Conduct or any other directors' or officers' certificate or other formal representation required to be submitted by the Applicant pursuant to the Regulations or the Rules.

**Decision** – Decision on Capacity Market change proposals CP371, CP376, CP377, CP378, CP381

---

5.13 Prohibition on other unreasonable business methods

5.13.1(e)(iv) to any Agent nominated by or on behalf of the Applicant to conduct its Application and Bidding provided that such Agent (or any member within the Agent's Group) is not also the Agent of any other Applicant (unless such other Applicant is a member of the Applicant's group);

Exhibit E: Form of Agent Nomination Form

*Insert paragraph 2.5, 2.6 and 2.7 as follows:*

2.5 Agent's Company Number (Incorporated in England and Wales, or Scotland under Registered No. [ ]):

2.6 Agent's Group – Ultimate Holding Company Name:

2.7 Agent's Group – Ultimate Holding Company Number (Incorporated in England and Wales, or Scotland under Registered No. [ ]):

**CP377 – Increasing Flexibility for Satisfactory Performance Day Portfolios**

13.4 Demonstrating Satisfactory Performance

13.4.1B Subject to Rule 13.4.1D and for other purposes of the definition of "Satisfactory Performance Day" in Rule 13.4.1, 13.4.1ZA and 13.4.1ZE(b), in the case of a group of Capacity Committed CMUs with the same Capacity Provider or Capacity Provider Group (a "CMU Portfolio"), where those CMUs are either:

- (a) DSR CMUs which consist of DSR CMU components on two or more different sites; or
- (b) Distribution and Transmission CMUs, where, for each such CMU the aggregate connection capacity of all generating units is no greater than 50MW,

the demonstration that can be made to meet the requirements of Rule 13.4.1ZA or 13.4.1ZE(b) is capacity delivered in aggregate by the CMU Portfolio at a level equal to or greater than their combined Capacity Obligations for at least one Settlement Period (which Settlement Periods may fall within a System Stress Event) on three separate days during the Winter of a relevant Delivery Year.

**CP381 – Change to the definition of Station Connection Entry Capacity in Rule 3.5.5**

*In Rule 1.2, insert definitions as follows:*

**Station-level Transmission Entry Capacity (STEC)** has the meaning given in Rule 3.5.5

**Station-level Connection Entry Capacity (SCEC)** has the meaning given in Rule 3.5.5

*Amend paragraph 3.5.5 as follows:*

3.5.5 Subject to Rule 3.5.1A, an Applicant for a Generating CMU may, as an alternative to the determination of Connection Capacity set out in Rule 3.5.2 or 3.5.3, nominate a Connection Capacity for a Generating Unit comprised in that Generating CMU in accordance with following formula:

$$CC_i = \frac{UCEC_i}{SCEC} \times STEC$$

where:

$CC_i$  is the Connection Capacity of Generating Unit “i”;

**Station-level Transmission Entry Capacity (STEC)** is:

- (a) in the case of a Generating Unit which is part of a Transmission CMU, the Transmission Entry Capacity for the power station of which Generating Unit “i” is a component; or
- (b) in the case of a Generating Unit which is part of a Distribution CMU, the Maximum Export Capacity for the power station of which Generating Unit “i” is a component;

**Station-level Connection Entry Capacity (SCEC)** is:

- (a) in the case of a Generating Unit which is part of a Transmission CMU:
  - (i) ~~omitted;~~ the Connection Entry Capacity stated in the Grid Connection Agreement for the power station of which Generating Unit “i” is a component; or
  - (ii) the sum of the Connection Entry Capacities stated in that Grid Connection Agreement for each Generating Unit which is a component of that power station;
- (b) in the case of a Generating Unit which is part of a Distribution CMU:
  - (i) ~~omitted;~~ the registered capacity (or inverter rating, if applicable) stated in the Distribution Connection Agreement for the power station of which Generating Unit “i” is a component; or



(ii) the sum of the registered capacities (or inverter ratings, if applicable) stated in that Distribution Connection Agreement for each of the generating sets comprised in that power station;

## **Appendix 2 – Submitting Capacity Market change proposals to CMAG**

- A2.1 To raise a change, you can complete the Capacity Market rule change proposal form<sup>19</sup> and submit it to [CMAG@Elexon.co.uk](mailto:CMAG@Elexon.co.uk). The CMAG Secretariat will provide all proposers with 'critical friend' support to ensure there is appropriate level of detail in the change proposal to ensure productive CMAG prioritisation and development. Alongside the CMAG Secretariat's 'critical friend' work, Capacity Market Delivery Partners and Ofgem will complete their own assessment of the proposal form.
- A2.2 Proposers will be invited to attend a CMAG meeting to present their Capacity Market rule change proposal form to CMAG. CMAG will prioritise the change in line with other active changes, and it will be added to the CMAG forward work plan. CMAG will assess the issue and solution presented, confirming any impacts to both participants and consumers. Proposers will be invited to attend all CMAG meetings where their proposal is being discussed. CMAG will answer a list of standard change proposal questions during the development stage and confirm if any specific questions are required for the proposal. Proposers will be requested to share their responses to the standard and specific questions relating to their change proposal.
- A2.3 The CMAG Secretariat will work with the Delivery Partners to complete an impact assessment of all Capacity Market rule change proposals. This impact assessment will consider: the technical feasibility of the solution, implementation, ongoing costs for implementation, expected impacts to Delivery Partners and expected timescales for implementation.
- A2.4 CMAG will look to make a recommendation to us to approve or reject for each Capacity Market rule change proposal it receives. The recommendation will be noted within the Capacity Market rule change proposal report, which CMAG produces to accompany each of the Capacity Market rule change proposals it submits to us.
- A2.5 All Capacity Market rule change proposals will be consulted on by us via a statutory consultation, giving interested stakeholders the opportunity to share their feedback on the proposals, including where appropriate on the proposed drafting of the legal text.

---

<sup>19</sup> [CM-Change-Proposal-Template-2023.docx](#)