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## Capacity Market Rules Change

Reference number (to be  
completed by Ofgem):  
P004

**Name of Organisation(s) / individual(s):**

Bill Reed, RWE Supply and Trading GmbH

**Date Submitted:**

23<sup>rd</sup> January 2015

**Type of Change:**

- Amendment
- Addition
- Revoke
- Substitution

**If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:**

Click here to enter text.

**What the proposal relates to and if applicable, what current provision of Rules the proposal relates to (please state provision number):**

**Mixed Technology Class within a CMU:** Rule 3.4.5(b) does not recognise that a Generating CMU may include Generating Units from more than one Generating Technology Class.

**Description of the issue that the change proposal seeks to address:**

Clause 3.4.5(b) in the Rules requires a statement of the Generating Technology Class with respect to a Generating CMU. The Rules are not clear with respect to Generating CMUs that comprise generating units from more than one Generating Technology Class. For example, CMUs may comprise Generating Units that are classed as Coal/Biomass and OCGT and Reciprocating Engines.

**If applicable, please state the proposed revised drafting (please highlight the change):**

The following changes could be included in the Capacity Market Rules:

3.4.5 Statement as to Capacity

Each Application must specify:

- (a) the Connection Capacity or DSR Capacity (as applicable) of the CMU for the Delivery Year to which the Capacity Auction relates and, in the case of a Generating CMU, the basis on which the Connection Capacity has been determined pursuant to Rule 3.5;
- (b) in the case of a Generating CMU, the Generating Technology Class to which each Generating Unit that comprises such a CMU belongs;
- (c) the applicable De-rating Factor for the CMU and in the case of a Generating CMU that comprises more than one Generating Technology Class the applicable De-rating Factor for each Generating Unit and the aggregate De-rating factor for the Generating CMU; and
- (d) the anticipated De-rated Capacity for that CMU, based on the information provided pursuant to paragraphs (a) to (c) above (the “**Anticipated De-rated Capacity**”).

The Office of Gas and Electricity Markets

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Other changes may be required elsewhere in the Rules to reflect this amendment. The proposed changes are not definitive and may require further change to reflect the intent of this amendment.

**Analysis and evidence on the impact on industry and/or consumers including any risks to note when making the revision - including, any potential implications for industry codes:**

The proposed change will better meet the applicable CM Rules Change Objectives as stated in the “Change Process for the Capacity Market Rules – Guidance” published by Ofgem. In particular the proposed change will:

- promote investment in capacity to ensure security of electricity supply by enable power stations that comprise more than one Generating Technology Class to combine efficiently in order to submit bids into the Capacity Market Auctions;
- facilitate the efficient operation and administration of the Capacity Market by clarifying the Rules with respect to power stations that comprise more that Generating Technology Class; and
- ensure compatibility of the Capacity Market Rules with other subordinate legislation under Part 2 of the Energy Act 2013.6

**Details of Proposer** *(please include name, telephone number, email and organisation):*

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