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Capacity Market Rules Change

Reference number (to be
completed by Ofgem):
P005

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

Bill Reed, RWE Supply and Trading GmbH

Date Submitted:

23rd 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):

Publication of Bid Data during a Capacity Market Auction: This proposal relates Rule 5.5 Capacity Auction Format and Rule 5.10 Capacity Auction Results. The proposal requires the publication of bid and continuing bid data following the completion of each Bidding Round and at the conclusion of a Capacity Auction.

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

The Rules do not allow for the publication of information between Bidding Rounds or following completion of a Capacity Market Auction. It is proposed that Capacity Auction information is published in a timely and consistent manner following completion of a Bidding Round and prior to the commencement of a new Bidding Round. The process for publishing Capacity Market information after the completion of a Capacity Auction should also be specified in the Rules.

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

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

New Rules in 5.5:

5.5.22 Following completion of a Bidding Round the Auctioneer shall publish the following information (the **Auction Round Information**)

- (a) aggregate information on the volume and duration of Duration Bids remaining in the Capacity Market Auction including breakdown of volume by Delivery Year;
- (b) aggregate information on the volume all Exit Bids related to the completed Bidding Round including breakdown by CMU classification and breakdown by CMU type;
- (c) the indicative Clearing Price of the completed Bidding Round, if applicable

5.5.23 The Auctioneer shall publish the Auction Round Information no later than 30 minutes prior to the commencement of an Auction Round except in relation to the First Bidding Round.

New Rules in 5.10:

5.10.8 The Delivery Body shall publish the Auction Results no later than 7am on the working day following the final Auction Round (the **Auction Report**). The information included in the Auction Report shall be (the “Auction Results Information):

- (a) the Clearing Price
- (b) the complete list of CMUs with an Auction and their provisional status with respect to the award of an Capacity Market Agreement;
- (c) the list of CMUs removed by the Auctioneer;
- (d) the aggregate capacity of CMUs provisionally awarded Capacity Agreements including breakdown by CMU classification and breakdown by CMU type;
- (e) the duration of Capacity Agreements awarded and the breakdown of volume by Delivery Year;
- (f) the aggregate capacity of the capacity that existed the Auction above the Clearing Price including breakdown by CMU classification and breakdown by CMU type

5.10.9 The Auction Report shall only include the Auction Results Information

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 improving the consistency of information published during and after a Capacity Round and after a Capacity Auction;
- facilitate the efficient operation and administration of the Capacity Market by clarifying the process for publishing information after completion of a Capacity Round and after completion of a Capacity Auction; 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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