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## Capacity Market Rules Change

Reference number (to be  
completed by Ofgem):  
**P018**

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

**Date Submitted:**  
23 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:**

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

Amend Rule 5.6.7 by replacing the words “is lower than the highest price specified in the Duration Bid Amendment” with “is lower than or equal to the highest price specified in the Duration Bid Assessment”.

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

At the moment a unit which converts from being a post-refurbishment CMU to a pre-refurbishment CMU for a 1 year agreement is required to enter an exit bid for a 1 year refurbishing agreement with a minimum price band of a penny. See page 36 of the “User Guide for the Electronic Auction System for the Capacity Market Auction December 2014” published by National Grid 6th November 2014. The problem is that this unit could be the clearing unit; therefore the participant may secure an agreement of 1 year in length but for a post-refurbishment (i.e. increased) de-rated connection capacity (which would require investment to achieve). This exposes companies to a significant commercial risk.

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

Amend Rule 5.6.7 by replacing the words “is lower than the highest price specified in the Duration Bid Amendment” with “is lower than or equal to the highest price specified in the Duration Bid Assessment”.

**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:**

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

**Pavel Miller, Energy UK, pavel.miller@energy-uk.org.uk, 0207 747 1833**