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for energy consumers

Capacity Market Rules Change

Reference number (to be
completed by Ofgem):
P026

Name of Organisation(s) / individual(s):
E.ON

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:

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

This proposal relates to rule 4.4.2(f) which states the Delivery Body must not prequalify an Existing CMU whose physically generated net outputs nominated under Rule 3.6.1 do not exceed its Anticipated De-rated Capacity.

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

Rule 4.4.2(f) requires the Delivery Body to check an Existing CMU's physically generated net output nominated pursuant to Rule 3.6.1 exceeds its Anticipated De-rated Capacity. Under the Rules as it stands a CMU could nominate a Connection Capacity higher than it is capable of generating (e.g. using Connection Entry Capacity under Rule 3.5.2(a) which is often higher than a unit can physically generate).

As set out in policy positions and the overall CM design, de-rating in the CM should apply to Connection Capacities that plant can actually meet. The Regulations also require a plant to be capable of generating at its Connection Capacity in order to be commissioned (see definition of commissioned in Regulations). This rule (4.4.2(f)) should therefore ensure an Existing CMU's physically generated net output exceeds its Connection Capacity.

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

4.4.2 (f) the physically generated net outputs of an Existing Generating CMU in the Settlement Periods nominated by the Applicant pursuant to Rule 3.6.1 are not each equal to or greater than the Connection Capacity specified by the Applicant under Rule 3.4.5(a).

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:

This change will ensure the de-rating applied by the Delivery Body is based on a CMU's physical maximum output. Without this change CMUs could nominate Connection Capacity higher than they can physically deliver and the Delivery Body will therefore be contracting security of supply to a lower standard than it expects.

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

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