



Making a positive difference
for energy consumers

Capacity Market Rules Change

Reference number (to be
completed by Ofgem):
P031

Name of Organisation(s) / individual(s):
Green Frog Power

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 3.3.7 so that the delivery Body is given leeway to use judgement in determining whether a CMU should prequalify. In particular, we think that the Delivery Body should have permission to take into account clear and/or obvious errors that could have a significant impact on the auction outcome or an applicant.

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

The restrictions on the Delivery Body's ability to exercise discretion during prequalification are overly constraining and have potential efficiency consequences (due to occasionally unnecessary and resource intensive dispute processes) and/or potential economic consequences for capacity market participants (if they are disqualified when an oversight or shortcoming could be easily solved if the Rules permitted flexibility and judgement).

We believe that the Delivery body can easily be given the ability to use judgement by changing just one word in Rule 3.3.7, allowing them the discretion necessary to effectively discharge their duties as required under Section 46 of Chapter 3 of Part 2 of the Energy Act 2013.

We believe that our proposed amendment will enable the Delivery Body to more effectively discharge its duties, in keeping with the requirements of the Energy Act. Any risk that this could be abused is offset by the dispute process and by the oversight of the Delivery body by the Secretary of State under the same clause of the Energy Act.

We believe that this change will increase the fairness and efficiency of the Capacity Market. This could in turn have a positive impact on competitiveness of the auction, to the potential benefit of the consumer.

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

3.3.7

“An Application WILL not be considered” should be changed to “An Application MAY not be considered”

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:

N/A

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

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