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Capacity Market Rules Change

Reference number (to be
completed by Ofgem):
P046

Name of Organisation(s) / individual(s):
UK Demand Response Association

Date Submitted:
23/01/2015

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):

Rules 8.3.3A and 8.3.4 – allocation of DSR CMU Components to DSR CMUs; revisions to allocations; removals and reinstatements.

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

Rules 8.3.3A and 8.3.4 contain very limited provisions for the allocation and removal of CMU Components from DSR CMUs (and may also fail to provide the Capacity Provider with a means to effect the very Component allocation which they permit). Equivalent rules in operation since 2009 in Short Term Operating Reserve (and more recently in Frequency Control by Demand Management) permit more flexible allocation and re-allocation and have proven to be highly effective in allowing aggregators to manage portfolios and maximise reliability. STOR and FCDM are Relevant Balancing Services and so the allocation rules should reflect these capabilities.

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

Replace Rule 8.3.4(b) with

“A Capacity Provider may notify the Delivery Body and the CM Settlement Body that it wishes, from a date specified in the notice and (at the Capacity Provider’s option) to a date specified in the notice:

- (i) to remove a DSR CMU Component from a DSR CMU that is a Capacity Committed CMU; or
- (ii) to allocate a DSR CMU Component to a DSR CMU that is a Capacity Committed CMU (provided that the Capacity Provider has satisfied the requirements of Rule 3.9 and Rule 13.2 in respect of the CMU Component and provided that the DSR CMU Component will not thereby be allocated to more than one CMU at any time);

and the removal or allocation of such DSR CMU Component to such DSR CMU will be deemed to have occurred on the date or dates specified in such notice.”

Remove Rule 8.3.4(d).

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:

Existing STOR and FCDM rules permit allocation and re-allocation of DSR CMU Components. There are no code changes apparent.

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

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