



Making a positive difference
for energy consumers

Capacity Market Rules Change

Reference number (to be
completed by Ofgem):
P050

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

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):

Amendment to the applicable date from which Capital Expenditure can be incurred in relation to quantifying the Total Project Spend.

Rule 3.7.2(c) should be amended so that the applicable date should be the date of prequalification for the relevant T-4 Auction.

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

The hard coded date of the 1 May 2012 for accounting for capital expenditure was appropriate for the first auction round, However, where projects that benefitted from this transitional measure did not secure contracts in the first auction, it is not appropriate to continue to regard them as new projects indefinitely. In the long run, for the purpose of justifying New Builds and the refurbishment of units, only capital expenditure incurred between T-4 prequalification and the delivery year should be considered.

It will clearly be necessary to move to this new rule at some point. We think that it would be appropriate to do so at this stage, ahead of the second auction.

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

Rule 3.7 Additional Information for a New Build CMU

Rule 3.7.2(c) should be amended as follows:

Delete "between 1 May 2012" and replace with "between the pre-qualification date of the T-4 Auction"

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):*

Richard Hyde, 0141 614 2963, Richard.Hyde@ScottishPower.com, ScottishPower