



Making a positive difference
for energy consumers

Capacity Market Rules Change

Reference number (to be
completed by Ofgem):
P069

Name of Organisation(s) / individual(s):
National Grid Electricity Transmission Ltd

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:

No

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

Rule 3.5.2 (b)

This proposal relates to the connection capacity methods available to distribution CMUs. Rule 3.5.2 (b) and (c) indicates that for a Distribution connected Generating CMU the registered capacity or inverter rating stated in the Distribution Connection Agreement, Connection offer or DNO letter can be used to set the connection capacity.

Rule 3.5.5

This proposal relates to the connection capacity methods available for generating CMUs, specifically Rule 3.5.5 which allows generators to prorate their transmission or distribution entry capacities across their CMUs.

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

Rule 3.5.2 (b)

Very few connection agreements that the Delivery Body has seen appear to contain a registered capacity figure so we believe that an alternative may be necessary.

Rule 3.5.5

As multiple connection capacity calculations can be used within a single CMU (where they have multiple components) or multiple CMUs in a single connection agreement, it is possible to calculate a connection capacity above the entry capacity which, once de-rated is equal to or very close to a plants entry capacity. We do not believe this to be DECC's policy intent.

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

Rule 3.5.2 (b)

The revised drafting will need to be developed through consultation with the industry and the distribution network operators.

Rule 3.5.5

The revised drafting will need to be developed through consultation with the industry and DECC.

The Office of Gas and Electricity Markets

9 Millbank London SW1P 3GE Tel 020 7901 7000 Fax 020 7901 7066 www.ofgem.gov.uk

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:

Rule 3.5.2 (b)

It became clear through the 2014 prequalification process that few connection agreements, whether new or existing, actually contain a registered capacity or inverter rating. We believe that this option should be removed from the rules, however we recognise that another option may be required.

Rule 3.5.5

There is a risk of a gap between the “over delivery” against de-rated volume expected from plant whose de-rated capacity matches their TEC. This is a, currently unquantified, risk to system security. When there was a range around the de-rating factor available to industry they were comfortable with CEC or another fixed option being used to set the Connection Capacity.

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

James Greenhalgh,
Capacity Mechanism Manager,
National Grid Electricity Transmission,
james.greenhalgh@nationalgrid.com, 01926 656169