

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be
completed by Ofgem):

P091

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

Date Submitted:
12/02/15

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):

Demonstrating connection capacity for distribution-connected CMUs, (Rule 3.5) and associated requirements related to Connection Arrangements (Rule 3.6.3 and Rule 3.7.3)

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

Rule 3.5 sets out how a Generating CMU should demonstrate its connection capacity, and in particular Rule 3.5.2 (c) (iii) sets out that where an applicant of a Generating Unit does not have a Distribution Connection Agreement (“DCA”) or a connection offer or has a DCA or a connection offer but it does not state its registered capacity or inverter rating, then it may estimate this.

Rule 3.6.3 (c) (i) and (ii) then sets out the requirements regarding connection arrangements and requires applicants for Existing Generating CMUs that are Distribution CMUs to confirm that they have a DCA for the CMU and provide a copy of this, or a letter from the Distribution Network Operator (“DNO”) confirming that a DCA is in effect and confirm the registered capacity of that Generating Unit and the capacity that such Generating Unit is permitted to export to the Distribution Network. This requirement is not necessarily possible for plant on private wires - which conflicts with the policy intent of allowing such plant to participate, as implied by rule 3.5 which allows a plant to estimate its connection capacity if it does not have a DCA.

It is therefore proposed that Rule 3.6 should be amended for CMUs on a private network so that in place of providing a copy of the DCA an alternative could be provided. It is proposed that a CMU on a private network (that is not *directly* connected to a distribution network and so will not be able to obtain a DCA, but can *indirectly* export to a distribution network) should be able to provide a letter from the owner of the private wire to which the CMU is connected, confirming the full amount it is able to export onto the private wire. The letter should also confirm that the owner of the private network has a DCA with the DNO. In addition, Rule 3.7 should be amended so that New Build CMUs that will not be directly connected to a distribution network should provide a letter from the owner of the private wire to which the CMU is connected 18 months prior to the delivery year.

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

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 will have a beneficial impact as it will remove any unintentional barriers which could prohibit generators that are unable to obtain a DCA from participating in a capacity auction.

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

Thomas Slater, DECC