



Energy for  
generations

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Dear sir/madam,

ESB welcome the opportunity to respond to Ofgem's consultation on proposed changes to the Capacity Market Rules.

In relation to proposals CP06, CP25, CP34, CP41 and CP50 regarding the changes to the period of Qualifying Capital Expenditure we believe that amending the period to 77 months is appropriate as it allows projects with long development lead times to include development costs incurred in the early stages of development whilst preventing them from spreading expenditure over an ever increasing time period. ESB have no strong opinions on implementation date but agree that there should be a backstop of 2017 to prevent any unintended consequences arising from the continuation of the fixed start date.

The other rule changes proposed in the consultation document appear to meet Ofgem's objectives and we can see no unintended consequences resulting from their introduction. However, as the Capacity Market develops both new rules and some of those rejected through this process may justify inclusion in future rule changes. We therefore urge Ofgem to keep the rule change process under continued review through close contact with industry.

Regards,

Will Chilvers,

Regulatory Analyst

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