

Capacity Market participants,
prospective participants and
other interested parties

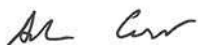
Email: EMR_CMRules@ofgem.gov.uk
Date: 23 July 2015

Dear colleague,

Electricity Market Reform (EMR): Clarification of our decision regarding Opt-out Notifications under the Capacity Market Rules

1. Following publication of our Decision on the Statutory consultation on amendments to the Capacity Market Rules¹, we have received queries from several stakeholders on our decision regarding change proposal, CP73, which enabled opt-out notifications to be rescinded during the prequalification window. It also clarified that in the case of receiving both an opt-out notification and a prequalification application, the Delivery Body should use the latest to be submitted. We also prevented opt-out notifications from being rescinded after the prequalification window.
2. It has come to our attention that our revised drafting of Rule 3.3.3 also excludes parties who voluntarily opted out of the T-4 auction but who intend to remain operational in the Delivery Year from participating in the corresponding T-1 auction. This was not our intention and we plan to make a change to the Rules before the first T-1 prequalification round in 2017. We will consider further the policy implications of participants who wish to opt out of the T-4 auction from 2016 and beyond but participate in the corresponding T-1 auctions.

Yours faithfully



Adam Cooper
Associate Partner, Wholesale Markets
For and behalf of the Gas and Electricity Markets Authority

¹ <https://www.ofgem.gov.uk/publications-and-updates/decision-statutory-consultation-amendments-capacity-market-rules>