

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be
completed by Ofgem):
CP100

Name of Organisation(s) / individual(s):
Association for Decentralised Energy

Date Submitted:
15/01/2016

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):

Rule 9.2.4 paragraph (a)(iii) – unclear wording which may limit the ability of CMUs to transfer obligations

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

A possible interpretation of the current drafting is that when a capacity obligation is transferred from CMU A to CMU B, at least 2MW of obligation must remain in CMU A (unless the transfer is under paragraphs (b), (c) or (d) which do not apply to all CMUs). There is no reason why CMU A should not transfer all of its obligation to CMU B if all other terms are complied with. We propose clarifying the wording to ensure that this is permitted.

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

Revise Rule 9.2.4 paragraph (a)(iii) to read:

“following the transfer, the Capacity Obligation of the CMU Transferor is either zero or at least equal to the Minimum Capacity Threshold and the Capacity Obligation of the CMU Transferee is at least equal to the Minimum Capacity Threshold; or”

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:

All other forms of obligation transfer permit transfer of the full obligation; this amendment simply ensures that DSR and embedded generation have access to the same rights. There are no implications for industry codes.

Levelling the playing field for forms of embedded generation and DSR will improve participation of these technologies, increasing the competitiveness and value for money for existing and future consumers.

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

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