

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be
completed by Ofgem):
CP93

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:
n/a

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

Demonstrating satisfactory performance – Rule 13.4

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

Rule 13.4 sets out the requirements for demonstrating satisfactory performance: the Capacity Provider of a DSR CMU must notify the Delivery Body of at least three and no more than six separate days within the relevant period which it expects to be Satisfactory Performance Days.

While meeting the Satisfactory Performance of a DSR CMU is not in itself the difficulty, the ability to demonstrate Satisfactory Performance causes potentially wasteful dispatches, which is not the policy intent.

In order to reduce the likelihood of too many wasteful dispatches of DSR, a successful dispatch in reaction to a Capacity Market warning should be allowed to be counted as a satisfactory performance day; at present notification timing requirements prevent this.

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

We propose Rule 13.4 is amended and we would welcome further discussion with Ofgem regarding the specific amendment.

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:

The expectation to deliver Satisfactory Performance Days increases costs for DSR CMUs and raises the cost of their participation in the Capacity Market auction, and therefore costs to consumers, without increasing system reliability.

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

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