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| <h2 style="text-align: center;">Proposal for a Capacity Market Rules Change</h2> | |  <p>Making a positive difference for energy consumers</p> |
| | | <p>Reference number(to be completed by Ofgem): CP115</p> |
| <p>Name of Organisation(s) / individual(s): E.ON / Steve Davies</p> | <p>Date Submitted: 15th January 2016</p> | |
| <p>Type of Change:</p> <p><input checked="" type="checkbox"/> Amendment</p> <p><input type="checkbox"/> Addition</p> <p><input type="checkbox"/> Revoke</p> <p><input type="checkbox"/> Substitution</p> | <p>If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to: No</p> | |
| <p>What the proposal relates to and if applicable, what current provision of Rules the proposal relates to (please state provision number):</p> <p>Volume Reallocation Rule 10.4.1</p> | | |
| <p>Description of the issue that the change proposal seeks to address:</p> <p>We believe that as it stands 10.4.1 is unclear and its drafting does not reflect the intent. We assume that the intent is to say that for any CMU, the nett effect of any volume reallocation it takes part in must be such that:</p> <ul style="list-style-type: none"> • If it had an Initial Under-Delivery Volume, the nett effect is to reduce the size of the Under-Delivery Volume (but not so that the CMU is left with as Remaining Over Delivery Volume) • If it had an Initial Over-Delivery Volume, the nett effect is to reduce the size of the Over-Delivery Volume (but not so that the CMU is left with as Remaining Under Delivery Volume) <p>We believe that:</p> <ol style="list-style-type: none"> 1. The Rules do not make it clear if this applies to each volume reallocation separately or to the nett aggregate (ie, if a CMU has an Initial Under Delivery Volume of 10 MWh, is it allowed to buy 8 MWh and then sell 3MWh, leaving it with a Remaining Under Delivery Volume of 5 MWh) 2. As written, the Rules put restrictions on selling volume but none on buying volume: are similar restrictions needed for transferees? | | |
| <p>If applicable, please state the proposed revised drafting (please highlight the change):</p> <p>Amend if necessary to make clearer and ensure drafting reflects policy intent</p> | | |
| <p>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:</p> <p>No negative impact. This amendment will make the rules clearer and avoid unnecessary work on the part of Obligation Holders and the Settlement Body.</p> | | |

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

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