

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by Ofgem):
CP120

Name of Organisation(s) / individual(s):
Energy UK

Date Submitted:
15 January 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:

We are not aware of any alternative proposal.

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

Simplification of the prequalification process for CMUs that opt-out over multiple consecutive years.

The proposal relates to rules 3.11 and 3.12.

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

Opting a CMU out of the auction each year is a time consuming process, particularly where the CMU is likely to be opted-out over multiple years (e.g. due to mothballing or ineligibility) or indefinitely (e.g. due to closure). The submission of the same data and declarations/certificates each year creates an unnecessary burden.

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

It is proposed that the opt-out process is simplified for CMUs that are opted-out over multiple years. There are two implementation options as follows:

- a) Allow a generator to submit an “evergreen” opt-out for a given CMU, which only expires upon opting-in for a subsequent auction; and/or
- b) Allow a generator that opted-out for the previous auction to submit a single declaration stating the data submitted for the previous prequalification round remains the same and, on that basis, the previous opt-out application shall be extended for the current prequalification round.

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 proposal simplifies prequalification arrangements, reducing the work required during future prequalification rounds by both the market participant and the EMR Delivery Body. On this basis, the proposal meets the following objective under the regulations:

(b) facilitating the efficient operation and administration of the capacity market.

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

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