


Proposal for a Capacity Market Rules Change		 Making a positive difference for energy consumers
		Reference number (to be completed by Ofgem): CP139
Name of Organisation(s) / individual(s): National Grid Electricity Transmission Ltd	Date Submitted: 15/01/16	
Type of Change: <input checked="" type="checkbox"/> Amendment <input type="checkbox"/> Addition <input type="checkbox"/> Revoke <input type="checkbox"/> 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): This proposal relates to Rule 7.5.1 (r) – the process by which New Build CMUs or DSR CMUs notify the Delivery Body that a Generating Unit or DSR component is or will be in a different location from the location described in the application.		
Description of the issue that the change proposal seeks to address: The current rule allows applicants to change the location of certain units following prequalification however there are no supporting rules. New Build Generating CMUs and New Build Interconnector CMUs are allowed to change location at any time, it is our interpretation that, should the applicant have provided any or all of the following; <ul style="list-style-type: none"> • Relevant Planning consents, • a Connection Agreement, and/or • a report confirming they have met their Financial Commitment Milestone • Metering Information The document should be provided for the new location before any address change can be progressed. Additionally the following declarations, made at the point of Prequalification, should be reconfirmed with respect to the new location; <ul style="list-style-type: none"> • Relevant STOR Contract Status (3.4.8) • Low Carbon Exclusion and Low Carbon Grant Status (3.4.7) • MPAN declaration, specifically whether the MPAN appears in any other CMU and a declaration explaining who the two CMUs relate and how metering will separately identify the output of each of them. Unproven DSR CMUs may have completed a metering assessment and/or passed a metering test and be in receipt of a metering test certificate, and they are still permitted to change location, in such circumstance we believe that the applicant should have to re-do or confirm that the details remain the same. Rule 8.3.3 requires confirmation from the Settlement body prior to any proposed changes to the metering configuration. This confirmation should be provided to the		

Delivery Body.

Furthermore the change of location provision in Rule 7.5.1(r) does not take account of the need to provide a new OS Grid Reference.

Finally, on receiving a change of location request, the Delivery Body is required to check all of the items listed above, potentially reassess certain documents and cross check the new location against any existing/excluded CMUs. Currently the Rules allow 5 days to do the checks and update the register, in order to do thorough assessment we believe this should be extended to 10 working days.

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

7.5. The Delivery Body must update the Capacity Market Register:

(r) in respect of a New Build CMU or a DSR CMU, where a Capacity Provider notifies the Delivery Body that the location of a Generating Unit(s) and/or DSR CMU Component(s), or of an Interconnector CMU, is or will be different from the location described in the Application, within **5 10 Working Days** of receiving such notification **and any information required by Rule 8.3.7.**

Rule 8.3.7 Notifying change of address.

A New Build CMU or DSR CMU wishing to notify that the location of a Generating Unit(s) and/or DSR CMU Component(s) is or will be different from the location described in the Application must provide the following as applicable.

- a) Relevant Planning Consents as required by Rule 3.7.1
- b) Connection Arrangements as required by Rule 3.7.3
- c) A report confirming they have met the Financial Commitment Milestone
- d) An updated Metering Assessment, details of the Metering Configuration Solution and/or new Metering Test Certificate and any Detailed Line Diagrams
- e) Confirmation from the Settlement Body confirming the change to the Metering Configuration, as set out in Rule 8.3.3 (f) (iii)
- f) Confirmation of the new location and new OS Grid Reference
- g) STOR Status as set out in Rule 3.4.8
- h) Low Carbon Exclusion and Low Carbon Grant Status as set out in Rule 3.4.7
- i) MPAN of the new Location and, where applicable, a declaration is the MPAN has been specified in any other CMU, as set out in Rule 3.4.3 (v).

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:

At Prequalification applicants are required to provide information relating to the CMU to enable the Delivery Body to determine whether a unit should prequalify or not. Prequalification is designed to ensure that the plant moving into the auction and ultimately receiving a Capacity Agreement are genuine capacity and will be able to deliver their obligation. This process ensures consumer money is being spent on legitimate resources.

The impact on the industry will mean slightly more administrative task (almost a "mini-Prequalification") but it is necessary administration when changing the key information entries association with a CMU.

Justification against the Objectives

- promoting investment in capacity to ensure security of electricity supply - *Helps ensure security of supply by verifying the validity of the new site, maintains flexibility for new resources to move location if required.*
- facilitating the efficient operation and administration of the Capacity Market - *Ensures clarity of the process for all parties, removes the potential ambiguity in interpretation of the current rule.*

- ensuring the compatibility of the Capacity Market Rules with other subordinate legislation under Part 2 of the Energy Act 2013 - *Neutral*.

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

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