

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be
completed by Ofgem):
CP158

Name of Organisation(s) / individual(s):
ScottishPower

Date Submitted:
15th 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:

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

For the 2015 T-4 Auction the 'tier 1 appeals' process was extensively used as a prequalification 'verification process'. We believe that prequalification can be adapted such that a 'verification process' is built-in and thereby offer a route to resolve minor prequalification issues without the need of a formal appeal.

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

For the 2015 T-4 Auction the 'tier 1 appeals' process was extensively used as, in effect, a pre-qualification 'technical verification process'. We consider that pre-qualification can be adapted and improved by providing for an explicit 'technical verification process'. This would offer a route to resolve minor pre-qualification issues without the need for engaging the formal appeals process.

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

Rule 2.2.2 currently details the timing of prequalification with the window opening at T – 22 weeks and closing at T – 16 weeks with results published at T – 10 weeks.

Within this time frame a formal 'verification process' could be added such that prequalification submissions are reviewed by the Delivery Body and applicants are advised of the status of their application.

That is, applicants make their initial prequalification submissions which are reviewed by the Delivery Body and an interim decision issued. Following this, applicants would then be allowed to resubmit or amend their applications accordingly to correct for any issues identified.

This second submission window would remain the formal closure of prequalification with the formal prequalification decision and subsequent appeal processes remaining unchanged.

In addition, Rule 4.2.2 would need to be removed or amended to stipulate that the Delivery Body would review applications prior to the end of the prequalification window.

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:

This proposal would enable minor pre-qualification issues to be resolved more effectively with less resource and time being used. Moreover, it avoids unnecessary concerns being created amongst investors given that consideration of such minor and technical issues will generally be unlikely to lead to a failure to pre-qualify.

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

Richard Hyde, +44 141 614 2963, Richard.Hyde@scottishpower.com, ScottishPower