

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP183

Name of Organisation(s) / individual(s):
E.ON

Date Submitted:
11/11/16

Type of Change:

- Amendment
- Addition
- Revoke
- Substitution

If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:

[Click here to enter text.](#)

Proposal summary (short summary, suitable for published description on our website)

Require the delivery body to notify secondary trading entrants of the prequalification decision within a shorter timescale

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

Rule 4.9.1 requires the Delivery Body to notify secondary trading entrants of the prequalification decision within 3 months

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

Given that prequalification windows for the first two T-4 auctions for all capacity have been shortened considerably, we do not believe 3 months is an appropriate time for Secondary trading Entrants to wait for a prequalification decision. The longer the time to wait, the less liquid the secondary market will be

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

Rule 4.9.1 – replace “three months” with a more appropriate timescale (we suggest two weeks)

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:

Shortening this window will make it easier for secondary trading entrants to enter and respond to demand for secondary capacity. This will increase liquidity and therefore reduce the price of capacity on the secondary market which in turn will reduce the price in the primary capacity market.

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

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