

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem):

Name of Organisation(s) / individual(s):
National Grid

Date Submitted:
11 November 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:

[Click here to enter text.](#)

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

This proposal seeks to incorporate Distribution Connected station data for the calculation of de-rating factors.

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

Calculation of de-rating factors is specified in Rule 2.3.5 and relates to using MELs (Maximum Export Limits) for Transmission connected station availabilities. This proposal seeks to incorporate Distribution connected station data, where appropriate, to improve demand projections and de-rating factors for small scale generation.

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

The calculation of de-rating factors relates specifically to Transmission Connected plant and associated Maximum Export Limits. This proposal seeks to incorporate Distribution Connected station data for the calculation of de-rating factors also.

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

Additional text incorporated into Rule 2.3.5. Where this Rule references "BM Unit" add "/CMU". Where this Rule references "directly connected to the Transmission Network" add "/Distribution Network". Where this Rule references "Maximum Export Limits" add "/distribution connected MW output".

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 data for Distribution Connection plant is actual output not MELs (as no such term exists for Distribution level plant) therefore it is necessary to re-draft the Rules to accommodate the use of 'appropriate MW output'. Currently de-rating factors for Distribution Connected plant are based on coal and OCGT Transmission level factors or in the case of CHP/Autogen a figure supplied by BEIS. It is envisaged that using Distribution Connected MW output could reduce the current de-rating factors for Distribution level plant (i.e. actual output being lower than plant

availability) resulting in more nameplate capacity being secured to deliver the same de-rated capacity. Note the change will have no material impact on National Grid's recommendation on capacity to secure in the T-1 and T-4 auctions.

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

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