



Making a positive difference
for energy consumers

Gwneud gwahaniaeth gwirioneddol
i ddefnyddwyr ynni

Capacity Market participants,
prospective participants and
other interested parties

Email: EMR_CMRules@ofgem.gov.uk
Date: 5 September 2017

Dear Colleague,

Electricity Market Reform: Open letter on changes to the Capacity Market Rules

- This letter invites you to send us proposals for changes to the Capacity Market (CM) Rules by **5pm on 17 October 2017**.
- The form for proposals can be found on our [website](#).¹
- Please send completed forms to EMR_CMRules@ofgem.gov.uk.
- We will hold a stakeholder workshop relating to the CM Rules on 6 November 2017. Please register via our [EventBrite page](#) by 30 October.

Submitting CM rule change proposals

The Capacity Market is governed by the Electricity Capacity Regulations and the Capacity Market Rules. The Regulations permit us to amend, add to, revoke or substitute (change) any provision of the Rules. When changing the Rules, we must have regard to our principal objective and general duties,² and the specific objectives set out in the Regulations.³ The procedure for changing the Rules is set out in our Change Process for the Capacity Market Rules guidance.⁴

We welcome proposals for changes to the Rules submitted in accordance with our Guidance as published on our website. Proposals may be submitted at any time throughout the year, however, to be considered as part of our 2018 consultation round, proposals must be submitted by **5pm, 17 October 2017**. As stated in our guidance, proposals received after this deadline may not be considered until the subsequent consultation round, unless the proposed changes are of significant importance and urgency as to be considered outside of the established procedure.

To propose a specific rule change, send the form available on our [website](#) to EMR_CMRules@ofgem.gov.uk. Please support the proposal with arguments and evidence as fully as possible – including detailed drafting of the changes to the Rules to implement your proposal, and any resultant changes elsewhere in the Rules. We will be unable to

¹https://www.ofgem.gov.uk/system/files/docs/2016/11/proposal_for_a_capacity_market_rules_change_edit_enabled_0_0_0.docx

² Ofgem's principal objective and general duties can be found at <https://www.ofgem.gov.uk/publications-and-updates/powers-and-duties-gema>

³ Regulation 78 sets out these objectives. Regulation 77(3)(a) states that the Authority must not make any provision in Capacity Market Rules which is inconsistent with the Regulations.

⁴ <https://www.ofgem.gov.uk/publications-and-updates/final-guidance-capacity-market-cm-rules>

take forward proposals that are not sufficiently supported by evidence or where the proposed change was not adequately specified.

We will publish all proposals we receive on our website. Please indicate clearly if you wish any information within your proposal to remain confidential.

Next steps

We aim to publish the amended Rules in the summer of 2018, before the next prequalification round opens. We will work with the EMR Delivery Body and the Settlement Body to ensure any impacts to their systems are considered thoroughly. Implementation schedules are already constrained due to changes introduced in previous rounds and, as a result, it may not be possible to implement high impact changes next year.

We are holding a stakeholder workshop on the afternoon of 6 November 2017. We have decided to hold the workshop shortly after the submission deadline to give stakeholders the opportunity to engage with other proposals and have a forum to present their views prior to our consultation. This is in response to previous feedback on our stakeholder workshops and consultation process. Please register on our [EventBrite page](#) by 30 October.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Mark Copley', written in a cursive style.

Mark Copley
Associate Partner, Wholesale Markets

5 September 2017