


<h1>Proposal for a Capacity Market Rules Change</h1>		 <p>Making a positive difference for energy consumers</p> <p>Reference number (to be completed by Ofgem): CP261</p>
Name of Organisation(s) / individual(s): E.ON		Date Submitted: 16th November 2017
Type of Change: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Amendment</li> <li><input checked="" type="checkbox"/> Addition</li> <li><input type="checkbox"/> Revoke</li> <li><input type="checkbox"/> Substitution</li> </ul>		If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:  <a href="#">Click here to enter text.</a>
<p><b>Proposal summary</b> (short summary, suitable for published description on our website)</p> <p>Propose to amend the requirements for generating units exporting electricity to an on-site consumer, that while they must be connected to a Distribution Network, they do not need to export onto the Distribution Network. This is to address situations where generating units exporting to on-site consumers have connection agreements without permitted export.</p>		
<p>What the proposal relates to and if applicable, what current provision of Rules the proposal relates to (please state provision number):</p> <p><b>Definition of 'Non-CMRS Distribution CMU'</b></p>		
<p>Description of the issue that the change proposal seeks to address:</p> <p>The Capacity Market Rules allow the participation of generating units which export to on-site consumers. In situations where the generating unit has been sized to meet the demand of the on-site consumer, this can result in a generating unit connected to the Distribution Network but not exporting power to it and consequently it may hold a connection agreement with zero permitted export. Currently the Definition of 'Non-CMRS Distribution CMU' includes a term requiring that the generating unit 'Exports electricity to a Distribution Network' and to meet this requires a connection agreement with a non-zero amount of permitted export. This prevents these generating units from participating unless they can modify their connection agreements to include some nominal amount of permitted export to meet this condition. This amendment would address this point making it clear that the generating unit must export to the Distribution Network or on-site consumer but must be connected to the Distribution Network.</p>		
<p>If applicable, please state the proposed revised drafting (please highlight the change):</p> <p><b>Non-CMRS Distribution CMU:</b> means a Generating CMU, each Generating Unit of which, Exports electricity <b>to a Distribution Network or on-site consumer and is connected</b> to a Distribution Network that is not a CMRS Distribution CMU</p>		
<p>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:</p>		

Sites which have on-site generation sized to be consumed entirely by on-site demand are precluded from participating in the CM if their Distribution Connection Agreement shows zero amount of permitted export. This acts as a disincentive to match generation to on-site demand and means there is a smaller number of units which can prequalify, reducing the diversity of the generation types meeting capacity requirements.

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

**Andrew Jones, Technical Operations Manager, E.ON. Tel: 07921943381**  
**Email: Andrew.D.Jones@eon-uk.com**