

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP265

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

Date Submitted:
17th October 2017

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)

Revoke decision to amend Schedule 3 (Generating Technology Classes) to break down the storage technology class into multiple categories

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

The proposal relates to the aim stated in the BEIS's consultation "Improving the Framework" to introduce banding for storage units under the Generating Technology Classes in Schedule 3 of the CM Rules with a view to changing the de-rating methodology for storage units that cannot discharge continuously for the probable duration of a System Stress Event.

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

We believe that the introduction of additional banding and associated change in de-rating applied to a single technology and attribute in isolation introduces a distortion to the supposed level playing field the Capacity Market offers.

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

Retaining Schedule 3 in its current form

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:

We do not believe that the approach of creating banding for storage and amending the de-rating factors to reflect duration without also considering other elements of "quality" of capacity that affect other types of technology (for example, a traditional generation plant's response time), is reasonable. It introduces discrimination and risks skewing the UK's capacity to long duration but often long response capacity. To ensure the CM remains a level playing field it either needs to rely on the penalty mechanism to ensure quality of capacity, or recognise every aspect of capacity quality (of

which there could be many).

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

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