

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP271

Name of Organisation(s) / individual(s):
EDF Energy

Date Submitted:
17 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:

EDF Energy has submitted another separate proposal that also recommends changes to Rule 7.4.1 (a) (ii)

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

We propose that, in the future, the Capacity Market Register should publish information on the nature of the DSR provided, especially making a distinction between DSR capacity units that are and that are not supported by an on-site generating unit. We propose that the information is reported separately as “DSR – Turn down” and “DSR – Generating” in capacity market registers.

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 information published by the Delivery Body in the Capacity Market Register. It would amend Rule 7.4.1 (a) (ii).

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

The System Operator requires applicants to provide details of all permitted on-site generating units for proven DSR, and for unproven DSR once they qualify through a DSR test. However, this information is not shared back with the rest of the market. There is a lack of transparency on the nature of provided, only aggregated DSR figures by CMU are provided, regardless of the nature of the DSR.

We believe that the separate identification of the capacity provided by “turn down” DSR from the capacity provided by DSR from back-up generation would improve market transparency and would assist future market development. This distinction was recognised by Government in the design of a Transitional Arrangements auction for “turn down” DSR only for 2017/18. In particular, there are greater challenges in developing “turn down” DSR.

However, this proposal does not advocate any specific distinction in treatment between the different forms of DSR; it only seeks to provide information on the contributions to capacity from “turn down” and generation DSR.

As per paragraph 3.9 of the capacity market rules. Any proven DSR applicant must already provide information to the Delivery Body on the type of installation providing DSR as each site that composes the CMU. This information is already gathered by the Delivery body but not shared back with the market.

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

Revise Rule 7.4.1 (a) (ii)

“a description of the CMU including (where applicable) each Generating Unit or DSR CMU Component comprising such CMU *and in case of a proven DSR CMU, whether the component includes an onsite generating unit and if so its generating capacity*; and in the case of a Generating CMU *or a proven DSR CMU supported by an onsite generating unit*, the Primary Fuel Type and Generating Technology Class for the CMU;

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:

Impact on Participants

None. Capacity Market participants already provide these data to the Delivery Body for proven DSR as part of the prequalification process and for unproven DSR when submitting information for the DSR/joint DSR tests.

Impact on the Delivery Body

Negligible: all the data affected by the proposal are already required to be submitted as part of the prequalification process and DSR tests. It would now require to be reported in the database used by the Delivery Body to log and monitor CMU status.

Impact on other parties

Market transparency would be improved, with better understanding of actual capacity in place to turn demand down and reliance on small on site generating units.

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

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