

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP275

Name of Organisation(s) / individual(s):  
Endeco Technologies Limited

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)

This proposal seeks to amend the punctuation of Rule 3.3.3(a) in order to clarify its meaning and its applicability.

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

This proposal relates to the construction of Rule 3.3.3(a), and seeks to make a simple modification to it so that the intention behind the rule is clear.

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

In its current form, Rule 3.3.3(a) can be interpreted as excluding a CMU from an auction if it holds a Capacity Agreement for any other auction, rather than just in the case where it holds an agreement for the specific Delivery Year of the auction.

The absence of a comma after "...or is part of a CMU which has a Capacity Agreement..." means that Rule 3.3.3(a) can be interpreted as not permitting a CMU which holds, for example, a T-4 Capacity Agreement for delivery in four years' time from participating in a T-1 auction for delivery this year, for which the CMU holds no agreement.

The current Rule construction implies that CMUs made up of Generating or DSR components which hold agreements for the Delivery Year relating to the auction being applied for are excluded, whilst other CMUs are excluded entirely by virtue of holding any other Capacity Agreement for any other Delivery year.

Adding a comma after "...or is part of a CMU which has a Capacity Agreement..." would more clearly imply that both CMUs and Generating Units and DSR CMU Components would be captured by Rule 3.3.3(a) if they had a Capacity Agreement "for the Delivery Year for which the Capacity Auction is to be held."

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

*RULE 3.3.3(a)*

*An Application may not be made for a CMU for a Capacity Auction if:  
a) that CMU, or any Generating Unit or DSR CMU Component comprised in that CMU, currently has a Capacity Agreement, or is part of a CMU which has a Capacity Agreement, for the Delivery Year for which the Capacity Auction is to be held;*

**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 risks of making this change are negligible. The result will be a clearer Rule, which is not as open to interpretation. The intention of Rule 3.3.3(a) is clear, which is that no CMU can apply for an auction for which it already holds a Capacity Agreement, and no Generating or DSR Components can 'double dip' into more than one CMU for a given delivery year. This change should make the intent of the Rule clearer.

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

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