


<h1>Proposal for a Capacity Market Rules Change</h1>		 <p>Making a positive difference for energy consumers</p> <p><b>Reference number</b> (to be completed by Ofgem): CP282</p>
<b>Name of Organisation(s) / individual(s):</b> Energy UK	<b>Date Submitted:</b> 17/10/2017	
<b>Type of Change:</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Amendment</li> <li><input type="checkbox"/> Addition</li> <li><input type="checkbox"/> Revoke</li> <li><input type="checkbox"/> Substitution</li> </ul>	<b>If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:</b> <p>We are unaware of any related alternatives.</p>	
<b>Proposal summary</b> (short summary, suitable for published description on our website)		
<p>Ensuring that Distribution connected generators as the same protection as transmitted connected generators from network outages and constraints.</p>		
<b>What the proposal relates to and if applicable, what current provision of Rules the proposal relates to</b> (please state provision number):		
<p>Network Outages:          If one is transmission connected, one is absolved from meeting their CM obligation in a system stress event due to transmission system outages through "Relevant Interruptions" as per Section 5.10 of the CUSC (Rule 8.5.1(c)).</p> <p>CUSC definitions: "Allowed Interruption" shall mean an Interruption as a result of any of the following: a) an Event other than an Event on the National Electricity Transmission System; (i.e., Distribution network events are an Allowed Interruption)</p> <p>"Relevant Interruption" an Interruption other than an Allowed Interruption; (i.e., Distribution CMUs are not protected as DN events are Allowed Interruptions)</p> <p>Constraints:          A Relevant Balancing Service in the CM Rules covers agreements with National Grid to provide Constraint Management Services (among other things). Distribution connected CMUs are not protected if a DNO constrains them off. A Distribution Connected CMU will therefore be liable for under-delivery in a stress event if they are constrained off, where a transmission CMU would not be.</p>		
<b>Description of the issue that the change proposal seeks to address:</b>		
<p>Network outages:          If one is transmission connected, one is absolved from meeting their CM obligation in a system stress event due to transmission system outages through "Relevant Interruptions" as per Section 5.10 of the CUSC (Rule 8.5.1(c)).</p>		

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Constraints:

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

Network Outages:

All that is necessary is to clarify in the Rules that a relevant interruption includes distribution connected generators. For example:

Rule 8.5.1(c)

in any settlement period during which the Capacity Committed CMU is affected by a "relevant interruption" pursuant to section 5.10 of the CUSC (but for the purpose of this Rule 8.5.1 (c) only, also including distribution connected generators)...

Constraints:

Schedule 4 – Relevant Balancing Services

Part 1 Relevant Balancing Services

- (i) A balancing service entered into by National Grid pursuant to the licence condition C16 of its transmission licence **or the equivalent service provided for a Distribution Network Operator...**

**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:**

This change will level the playing field between transmitted and distributed generation by ensuring that all parties have the same exposure to CM penalties. We believe that it was always the intention to ensure that generators would be protected from action taken by network operators. The intention was to ensure that generators did not face an incentive to operate in contravention of network requirements.

The proposal is not in conflict with The Electricity Capacity Regulations.

With the proposed change to the CM Rules, we foresee no wider impact on other industry Codes.

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

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