

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP283

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

Date Submitted:
17/10/2017

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)

Remove the requirement to name a holding company

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

3.4.1 (ca) where the Applicant is a member of a Group, the name of the direct Holding Company for the Applicant, 7.4.1 (a)(ib) the Holding Company on the CM register and 7.5.1 (w)(ii) and(iii) dealing with changes to the CM Register.

Also delete the relevant definitions.

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

Delete these rules. This seems to serve no useful purpose and it creates a hurdle to the sale of a company during pre-qualification.

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

Delete 3.4.1(ca), 7.4.1(a)(ib), 7.5.1 (w)(ii) and (iii), and definition of Holding Company

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:

Companies should have the ability to sell companies to the benefit of their shareholders/owners. This requirement makes a CMU sale risky around the pre-qualification period. NG could give clear guidance on the way that they check CMU after prequalification, but the way that Companies House web-site updates creates a risk for a party changing details over the pre-qualification period.

Knowing the holding company seems to serve no useful purpose as if you were worried about CMU ownership you would need parties to instead put "ultimate controller", the term used in energy licences where knowledge of the company control is relevant.

Deleting this requirement would give companies one less issue to worry about.

WWA would note that if there was a concern that one holding company was in charge of multiple CMUs the market and the regulator would be well aware of that and dealing with competition issues is best done using competition law not CM Rules. It is also a lot easier to check company relationships on Companies House web-site than the CM Register.

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

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