

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP286

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)

Provision of certainty of future Rule Change periods outside of prequalification.

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 requirement for Ofgem to provide industry with an appropriate amount of time to develop and submit their proposed changes to the Capacity Market Rules

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

The Capacity Market Rules do not provide certainty to industry as to the amount of time Capacity Market participants will have to develop and submit Rule Change proposals. Whilst Capacity Market participants theoretically have the entire year to develop their submissions, many issues which participants may want to rectify are only identified during the prequalification process. As such, participants have a restricted period in which to develop their submissions. Should the Rule Change process commence during prequalification then participants may not have identified issues which need rectifying nor would their staff be able to dedicate the required time to Rule Change development and submission.

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

The Open Letter on changes to the Capacity Market Rules will be issued on an annual basis and will provide Capacity Market Unit owners with a six week period following the end of prequalification to submit any Capacity Market Rule Change proposals.

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:

Consultation with Energy UK's membership has identified a number of Rule Changes which Capacity Market participants would have raised had there been time to do so. The 2017 Rule Change process theoretically provided industry with six weeks to develop and submit proposed changes. However, this period overlapped with the prequalification process which ended on the 29th

**September. The business criticality of prequalification to Capacity Market participants meant that the focus for all companies Energy UK has spoken with was on ensuring that CMUs were well prepared for the prequalification process. As a result, this left companies with twelve working days to develop and submit their proposals. It is in the interests of industry, government and most importantly the consumer for the Capacity Market to be governed by the most robust set of Rules possible. As such, Ofgem should ensure that the Rule Change process is conducted at a time when the expertise and experience of the industry can be best focussed on the Capacity Market Rules and learnings from prequalification can be fully capitalised upon.**

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

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