

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP298

Name of Organisation(s) / individual(s):  
Electricity Settlements Company (ESC)

Date Submitted:  
17.10.17

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)

To allow the sharing of Capacity Market (CM) application data between ESC and National Grid (NG) for the purposes of preventing & detecting fraud.

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

Sharing/exchange of information

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

ESC has a responsibility to ensure CM payments are made correctly. This involves carrying out validation of the information provided by the generator (or their agent) at both the application stage and during the lifetime of the agreement. In order for ESC to effectively complete this function it requires access to the information supplied during the process. The current Regulations and Rules are not explicit that National Grid may share information it collects in its role as Delivery Body. This proposal seeks to address this in two ways: by ensuring that CM applicants consent to information-sharing and by giving ESC an explicit CM role of fraud detection and prevention, thereby allowing informationsharing under the existing provisions in the Electricity Capacity Regulations 2014 at Regulation 65 (1)(a)(ii) and 65 (2)(a) respectively. See the section below for further information on the related rules and the proposed changes to them.

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

Additional paragraph to be added in section 3.12:  
3.12.7 By submitting the Application or Opt-out Notification, the person submitting that Application or Opt-out Notification consents to Administrative Parties sharing the information contained in that Application or Opt-out Notification with other Administrative Parties or other bodies responsible for auditing or administering public

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funds for the purpose of the prevention and detection of fraud.

Additional monitoring paragraph to be added in section 3.4:

3.4.10 The Delivery Body must, on request from the CM Settlement body, share any information contained in the Application with the CM Settlement Body for the purpose of facilitating the prevention and detection of fraud.

**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:**

Data from CM applicants will be shared across relevant ESC departments for the purposes of fraud prevention & detection. The data will be shared with the applicants' knowledge/permission.

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

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