

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP312

Name of Organisation(s) / individual(s):  
Green Frog Power

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:

We are unaware of any related alternatives.

**Proposal summary** (short summary, suitable for published description on our website)

To normalise the schedule for construction reports.

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

Construction reports are required every 3 months for the first year after winning a CM obligation and every 6 months thereafter until the Substantial Completion Milestone is achieved. The intention is to ensure that there are regular updates of the progress of the CMU construction and that BEIS are made aware at an early stage if there are any issues with on-time delivery of CMUs.

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

As the years roll on and with slightly different timing of auctions, it is becoming quite a task to complete construction reports to different deadlines multiple times per year for different CMUs. As there is a significant amount of administrative work involved in these reports and the obtaining of the various directors' and ITE signatures, and then on the Delivery Body to keep track of which construction reports are due when, and then for BEIS to assess the results of these reports, we propose to simplify the process.

We propose that Construction reports be submitted in mid March, mid June, mid September and mid December (or similar), regardless of when the auction was for the various CMUs.

In the case of where a construction report is due less than 3 months after an auction, we propose that it waits to the next tranche if the period between the auction results and construction report is less than 8 weeks and otherwise submits the first report a few weeks early. We do not believe this will have any significant impact on the ability for BEIS to determine at an early stage if a project is at risk. We think that this approach will be much easier for capacity providers and the delivery body and will enable both to handle significant volumes of data at specific times rather than spread out constantly throughout the year.

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

12.2.1 The Capacity Provider of any Prospective CMU must submit **every June 15<sup>th</sup> and December 15<sup>th</sup>**, ~~no less frequently than every six months from the date of the Capacity Auction~~ until such time as the Substantial Completion Milestone is achieved, deliver to the Delivery Body a progress report...

12.2.1B A report under Rule 12.2.1 must also be submitted **every March 15<sup>th</sup> and September 15<sup>th</sup> for the first year after winning an agreement. The first report in such case should be no earlier than eight weeks after winning the Capacity Agreement and the schedule reverts to that under 12.2.1 for the 5<sup>th</sup> construction report for the relevant CMU**; but in relation to these additional reports...

**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 rule change will significantly simplify and ease the administrative burden for the Delivery Body and capacity providers and should also make it easier for BEIS to assess the overall progress of CMUs as they move through the pipeline.

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

We foresee no wider impact on other industry Codes.

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

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