

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP315

Name of Organisation(s) / individual(s):  
InterGen

Date Submitted:  
17 October 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:

CP190

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

This proposal relates to rule 3.7 Additional Information for a New Build CMU. The rule change proposed will modify the obligation in relation to New Build CMUs from the Sixth Full Capacity Auction and all subsequent Full Capacity Auctions regarding the obligation to provide evidence of the Relevant Planning Consents. Where a New Build CMU have been granted planning consents and is intending to modify this prior to commencement of the Bidding Window, the New Build CMU must declare in its application that it is intending on varying its Planning Consent and will provide the modified Relevant Planning Consent no later than 22 Working Days prior to the commencement of the first Bidding Window.

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

3.7.1 Relevant Planning Consents

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

Maintain disincentive to submit speculative applications whilst providing viable projects with flexibility in planning and application.

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

Old text:

**3.7 Additional Information for a New Build CMU**

**3.7.1 Relevant Planning Consents**

(a) Each Applicant for a New Build CMU must declare in the Application:

- (i) that it will obtain all Relevant Planning Consents and will have the Legal Right to use the land on which the CMU is, or will be, located by no later than the date falling 22 Working Days prior to the commencement of the first Bidding Window in relation to such Capacity Auction; or
- (ii) otherwise that it has obtained all Relevant Planning Consents required for the construction and commissioning of the Prospective Generating Plant or Prospective Interconnector CMU (but excluding any ancillary infrastructure associated with, but not comprised in, the Prospective Generating Plant or Prospective Interconnector CMU) and has the Legal Right to use the land on which the CMU is, or will be, located. and in the case of 3.7.1 (a)(ii) must provide documentary evidence of Relevant Planning Consents

- (b) Each Applicant, in relation to Rule 3.7.1(a), for a New Build CMU, must provide in the Application:
- (i) In the Sixth Full Capacity Auction and all subsequent Full Capacity Auctions documentary evidence of the Relevant Planning Consents;
  - (ii) where the Relevant Planning Consent is time limited, documentary evidence showing that the end date of the Relevant Planning Consent is after the expiry date of the Capacity Agreement; and
  - (iii) where the Relevant Planning Consent states the capacity of the New Build CMU is smaller than the Connection Capacity, technical documentary evidence justifying the difference

Proposed text:

### **3.7 Additional Information for a New Build CMU**

#### **3.7.1 Relevant Planning Consents**

(a) Each Applicant for a New Build CMU must declare in the Application:

- (i) that it will obtain all Relevant Planning Consents and will have the Legal Right to use the land on which the CMU is, or will be, located by no later than the date falling 22 Working Days prior to the commencement of the first Bidding Window in relation to such Capacity Auction; or
- (ii) otherwise that it has obtained all Relevant Planning Consents required for the construction and commissioning of the Prospective Generating Plant or Prospective Interconnector CMU (but excluding any ancillary infrastructure associated with, but not comprised in, the Prospective Generating Plant or Prospective Interconnector CMU) and has the Legal Right to use the land on which the CMU is, or will be, located. and in the case of 3.7.1 (a)(ii) must provide documentary evidence of Relevant Planning Consents

(b) Each Applicant, in relation to Rule 3.7.1(a), for a New Build CMU, must provide in the Application:

- (i) In the Sixth Full Capacity Auction and all subsequent Full Capacity Auctions documentary evidence of the Relevant Planning Consents, **except where the terms of any such Relevant Planning Consent shall be varied, each Applicant must declare in the Application that it is intending to vary its Planning Consent and will obtain the Relevant Planning Consents no later than the date falling 22 Working Days prior to the commencement of the first Bidding Window in relation to such Sixth Full Capacity Auction and all subsequent Full Capacity Auctions;**
- (ii) where the Relevant Planning Consent is time limited, documentary evidence showing that the end date of the Relevant Planning Consent is after the expiry date of the Capacity Agreement; and
- (iii) where the Relevant Planning Consent states the capacity of the New Build CMU is smaller than the Connection Capacity, technical documentary evidence justifying the difference

#### **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 proposal looks to amend the rules to allow New Build CMUs to defer the Provision of Planning Consents where an existing planning consent is amended. Even small changes to a planned project will require modifications to the planning consent and allowing the deferral of the provision of the Relevant Planning Consent will provide viable projects flexibility in the process. Meanwhile, purely speculative applications will still be discouraged as only projects with previous planning consents will be allowed to defer the provision of the Relevant Planning Consents.

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

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