

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by Ofgem):
CP341

Name of Organisation(s) / individual(s):
Uniper UK Limited

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: **No**

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

**Allowing a CMU with an Agreement acquired in a T-4 auction which then increases its Connection Capacity to bid in the additional capacity in the T-1 auction.
Rules 3.3.3, 3.5.1 and 3.6.1**

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

At present, a Capacity Provider with a CMU which has a Capacity Obligation for a particular Delivery Year, and which subsequently upgrades the capacity of the CMU prior to the corresponding T-1 auction is unable to offer this additional capacity in the T-1 auction.

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

Additions in green, deletions in red strikethrough

1 Changes to Rule 3.3.3

3.3.3 An Application may not be made for a CMU for a Capacity Auction if:

- (a) that CMU, or any Generating Unit or DSR CMU Component comprised in that CMU, currently has a Capacity Agreement, or is part of a CMU which currently has a Capacity Agreement for the Delivery Year for which the Capacity Auction is to be held, *unless:*
 - (i) the Capacity Obligation for any Agreement already held in respect of the Delivery Year for that CMU, or for any Generating Unit or DSR CMU Component comprised in that CMU, is less than the Derated Connection Capacity for that CMU for the current Auction; and
 - (ii) this difference is at least 20 MW.

2 Changes to Rule 3.5.1:

3.5 Determining the Connection Capacity of a Generating CMU

3.5.1 The Connection Capacity of a Generating CMU is the *difference of:*

- (i) the aggregate of the Connection Capacity of each Generating Unit comprised in that Generating CMU as determined pursuant to Rule 3.5.2; and

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- (ii) *the aggregate amount of any Capacity Obligation in any Agreement already held by that CMU, or of any Generating Unit comprised in that CMU, for the Delivery Year to which the Auction relates, in each case divided by the Derating Factor applicable to that Generating Unit and to the Auction at which the Agreement was awarded.*

3 Changes to Rule 3.6.1:

3.6.1 Previous Settlement Period performance

- (a) *Each Applicant for an Existing Generating CMU must identify in the Application the three Settlement Periods on separate days in:*
- (i) *the 24 months prior to the date one month the start of the Prequalification Window; or*
- (ii) *if the CMU has not been operational in the 24 months prior to the date one month before the start of the Prequalification Window:*
- (aa) *the most recent 24 months of operation; or*
- (bb) *if the CMU has previously been operational for less than 24 months, the most recent period of operation; or,*
- (iii) *if the CMU has been subject to a continuous Transmission Restriction for the whole of the 24 months prior to the date one month before the start of the Prequalification Window, the most recent 24 months in which the CMU was not subject to a Transmission Restriction, in which such Existing Generating CMU delivered its highest physically generated net outputs, or Metered Volume where applicable.*
- (aaa) *Each Applicant for an Existing Generating CMU must also identify in the Application ~~and specify~~ such physically generated net outputs or Metered Volume in MW to three decimal places, unless the Existing Generating CMU, or any Generating Unit comprised in that CMU already holds a Capacity Agreement, in which case the Applicant must subtract from such physically generated net outputs or Metered Volumes the amount of the Capacity Agreement already held and specify the resulting in amounts to three decimal places.*
- (aa) *Each Applicant for an Existing Generating CMU must also identify in the Application the 24 month period which contains the three Settlement Periods referred to in Rule 3.6.1(a).*

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 will incentivise increases in the capacity of existing plant, offering a lower cost route for the consumer to guarantee supply security

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

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