

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP343

**Name of Organisation(s) / individual(s):**  
Welsh Power

**Date Submitted:**  
16/10/2017

**Type of Change:**

- Amendment
- Addition
- Revoke
- Substitution

**If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:**

N/A

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

This proposal seeks to allow recently commissioned, non-contracted, Existing CMUs to register for Secondary Trading once the plant has proven its ability to deliver capacity.

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

This proposal relates to amending the definition of a Secondary Trading Entrant to allow newly commissioned, un-contracted, Existing CMUs to register for Secondary Trading.

This amendment would apply to all delivery years from 01/10/2018.

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

The current definition for a Secondary Trading Entrant does not allow a newly built CMU that does not have a Capacity Agreement register for Secondary Trading unless the CMU had prequalified for the relevant delivery year and did not take a contract or the CMU had previously been awarded a Capacity Agreement and has since been exposed to a termination event as detailed in rule 3.3.3(f).

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

Within the Capacity Market rules, make an amendment to the definition for a Secondary Trading Entrant part (c) to allow all eligible non-contracted newly Existing CMUs to make an application for Secondary Trading.

**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:**

New un-contracted CMUs that become available during/before the start of a Delivery Year that were unable to apply for a Capacity Agreement, will be available to generate during times of system stress. Enabling all newly Existing CMUs to participate in Secondary Trading will allow for a more liquid Secondary Trading market and allow more CMUs with Capacity Agreements to cover their obligations during times of outages and maintenance. Allowing more capacity to participate in Secondary Trading strengthens the security of supply within the energy system and reduces the risks of under delivery from the Capacity Market as a whole. The proposal relates to newly commissioned CMUs that were unable to

participate in the Relevant delivery Years T-1 auction as an Existing CMU.

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

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