

Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

By email to: EMR_CMRules@ofgem.gov.uk

27 April 2018

Re: Statutory consultation on changes to the Capacity Market Rules 2014 (the "Rules") pursuant to Regulation 79 of the Capacity Market Regulations 2014 (the "Regulations")

Thank you for the opportunity to respond to your consultation. This is a non-confidential response on behalf of Manx Utilities Authority.

Our substantive comments on your proposed Capacity Market (CM) rule changes relate solely to CP317, Qualification of Distribution Interconnectors as Interconnector CMUs. We believe that our initial drafting proposal was insufficiently clear as to the purpose and scope of the changes that we are seeking to make. It was not our intention to enable Distribution Interconnectors to prequalify as Balancing Mechanism Units, as opposed to Interconnector CMUs. For the avoidance of doubt, we believe that Distribution Interconnectors should indeed be eligible to qualify as Interconnector CMUs and that the Rules can and should be amended to as soon as is practicable to facilitate this objective.

Following extremely helpful and instructive ongoing discussions with yourselves, and further detailed consideration of the issues, we have been able to substantially revise and simplify our initial drafting proposals to limit changes to those matters that currently act as absolute barriers to the qualification of Distribution Interconnectors as Interconnector CMUs. These are, we believe, principally limited to the way that Distribution Interconnectors are licensed, metered, and accede to the CUSC.

Our revised drafting addresses and satisfies, we believe, those outstanding issues and complications that merited further consideration at the time of your initial appraisal of our proposal. We are now proposing relatively minor amendments to Rules 1.2, 3.4, 3.5A, 3.6A, 4.4, 6.1, 6.10, 8.3, 8.6, 13.4 and 14.4.

We would therefore recommend that CP317, in its revised form (subject to any other minor amendments, corrections or clarifications), should now be progressed in this year's round of rule changes.

Our simplified amended drafting proposals are included in the enclosed attachment.

Paul Barnett

Energy Trading and Optimisation Manager
Manx Utilities

Attachment

CP317 Amended Proposal

Consolidated list of suggested changes:

1. In Rule 1.2, a definition of "Distribution Interconnector" needs inserting, suggested as follows —

Distribution Interconnector	has the meaning given to that term in the Balancing and Settlement Code
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2. In Rule 1.2 in the definition of "Meter Point" after "(a) for an Interconnector CMU" insert "(that is not a Distribution Interconnector)", AND after "(b) for a Distribution CMU" insert "or an Interconnector CMU that is a Distribution Interconnector"
3. In Rule 1.2 in the definition of "Operational" after "(aa) for an Interconnector CMU, the issuance of an ION" insert "(substituting FON for ION where applicable)".
4. In Rule 3.4.1(ea) after "Interconnection Licence" insert "or exemption".
5. In Rule 3.4.3(a)(iv) after "Central Data Collection Agent (CDCA)" insert ", or in the case of a Distribution Interconnector the BM Unit Identifiers as defined in the BSC."
6. In Rule 3.5A.1 after "Grid Connection Agreement" insert ", or in the case of a Distribution Interconnector the Bilateral Embedded Generation Agreement".
7. In Rule 3.6A.1 after "file CDCA-I041" insert ", or for a Distribution Interconnector by file CDCA-I042,".
8. In Rule 3.6.A2(a) after "more Grid Connection Agreements" insert ", or Bilateral Embedded Generator Agreements for a Distribution Interconnector" AND after "such Grid Connection Agreement" insert "or Bilateral Embedded Generator Agreement".
9. In Rule 3.6.A2(b) after "Grid Connection Agreement" insert "or Bilateral Embedded Generator Agreement".
10. In Rule 4.4.2(h) after "file CDCA-I041" insert ", or for a Distribution Interconnector by file CDCA-I042,".
11. In Rule 6.1.10(g) after "ceases to have a Grid Connection Agreement" insert "(or in the case of a Distribution Interconnector a Bilateral Embedded Generation Agreement)" AND after "to which the Grid Connection Agreement" insert "or Bilateral Embedded Generation Agreement".
12. In Rule 6.1.10(ga) after "secured by its Grid Connection Agreement" insert "or Bilateral Embedded Generation Agreement".

13. In Rule 6.10.1A(b) after "does not have a Grid Connection Agreement" insert "(or in the case of a Distribution Interconnector a Bilateral Embedded Generation Agreement)".
14. In Rule 8.3.1(d)(i) after "Grid Connection Agreement" insert "(or in the case of a Distribution Interconnector a Bilateral Embedded Generation Agreement)".
15. In Rule 8.6.2A after "Interconnector Scheduled Transfer" insert "or in the case of a Distribution Interconnector the aggregate metered volume in MWh to three decimal places for that Distribution Interconnector".
16. In Rule 13.4.1A after "Interconnector CMU" insert "(other than a Distribution Interconnector)".
17. In Rule 14.4.2B after "Interconnector CMU" insert "(other than a Distribution Interconnector)".