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By email only

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Shell Energy Europe response to “Statutory consultation on changes to the Capacity Market Rules 2014”

Dear Sir/Madam

Shell welcomes the opportunity to respond to Ofgem’s consultation on the proposed changes to the Capacity Market Rules (CM Rules).

Ofgem’s approach to managing the process of CM Rule amendment has been very good. The opportunity to engage with Ofgem and wider industry through stakeholder workshops, and the clear reasoning provided by Ofgem in reaching its decisions, has been particularly helpful. We hope that Ofgem will continue to adopt a similarly user-friendly approach to CM Rule amendment.

We do not have specific comments on the proposed changes themselves. However, we welcome the general approach that Ofgem has taken to:

- seek to provide a level playing field by addressing undue barriers for participation of specific technology types (such as demand side response and electricity storage);
- simplify administrative arrangements for pre-qualification and other operational aspects of the CM Rules;
- continue to address the challenge of creating a viable approach to secondary trading of capacity obligations.

We are disappointed that it was not possible to take forward all amendments because of systems issues, and note that addressing these challenges will be an ongoing process. We look forward to continuing to engage with Ofgem on the detailed design and operation of the Capacity Market and the CM Rules.

Yours sincerely

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