



TRITON POWER

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Mark Copley
Wholesale Markets
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3 May 2018

Dear Mr Copley

Statutory consultation on changes to the Capacity Market Rules 2014 (the “Rules”) pursuant to Regulation 79 of the Capacity Market Regulations 2014 (the “Regulations”)

Triton Power welcomes the opportunity to respond to the consultation on changes to the Capacity Market Rules and present opinion on the minded-to positions you have outlined in your letter. In addition to the specific proposals in the consultation, Triton Power would like to highlight the poor performance of the Delivery Body, demonstrated through poor performance in its IT systems, general lack of responsiveness to queries raised, incomplete responses, and not updating the registers in a timely way. Having had 4 years to get this right we suggest you ask BEIS to consider alternative organisations to run the Capacity Market. As things stand we are sure that the poor performance is impacting the costs of all parties, including Ofgem’s.

Urgent Change

We would urge Ofgem to take forward changes to facilitate effective competition and remedy areas of the rules which create undue discrimination. If Ofgem were only to take forward one area of change we believe it should rectify the problems around private networks which are TO connected. Both CP350 and CP345 are both seeking to address this issue. In the case of Triton, as Ofgem is aware, our inability to pre-qualify effectively puts us in breach of our licence. While Ofgem has expressed the view to us that this was not a significant breach, but we take compliance with our licence extremely serious and believe that the regulator should help us to comply with it. The issue of TO connected private wires also raises significant issues about undue discrimination and again the regulator’s duties to protect the interests of customers wherever possible by facilitating competition suggests that they should make these changes, or some with similar impacts to fulfil their duties.

General Provisions

CP247 (Alkane), and CP343 (Welsh Power) – We support the position as all parties should have the ability to actually trade obligations under the rules. In our opinion, the whole provision on transfers and trades should be reviewed to make sure they give parties flexibility on how they meet their obligations. We suggest this should be covered in the upcoming 5 year review.



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CP257 (Client Earth) – We agree this proposal should be rejected due to the regulations issues.

CP286 (Energy UK) – We agree this proposal should be rejected as it could distort the market and undermine investment decisions. Triton Power believes rule change proposals should be facilitated but during a set timescale prior to prequal – this should receive further consideration in the 5 year review.

Prequalification Information

The following change proposals are all associated with the rules around prequalification. In addition to our positions detailed below, Triton Power recommends a more stringent prequalification process requiring all CMUs bidding for firm capacity contracts to demonstrate their ability to deliver during a longer period of 4 hours to ensure sufficient support is given during stress events. While we are not proposing parties prove fuel stocks, or anything similar, we do believe that the CM rules should only allow participation where a party can reliably deliver for over 4 hours. We would propose one of the three SPDs one should not be one settlement period, but 8 consecutive settlement periods. This would also level the playing field for storage as all plant would have to prove as they do that we can deliver in a stress event.

CP293 (EP UK Investments) -We support the acceptance of this change proposal.

CP334 (RWE) – We support the acceptance of this proposal as it is levelling the playing field, but should also be extended to address the TO private wires that are covered in other mods (CP345 and CP350) or Ofgem risks undue discrimination entering the rules.

CP242 (ADE), CP243 (ADE) and CP261 (E.ON) – We agree with the position to reject.

CP254 (Centrica), CP341 (Uniper) and CP342 (Uniper) – We agree that these proposals should be rejected as project plans should be adjusted to reflect the current rules.

CP255 (Client Earth) – Triton Power believes the CM rules should be complimentary to existing standards for generating plant in the UK and participants in the CM should be held to UK standards.

CP269 (WWA) and CP283 (EnergyUK) – We disagree with Ofgem’s position on these proposals. The UK landscape for generating plant ownership is continually changing and this should not be constrained due to administrative burdens imposed by a delivery body which is under performing. The rules should be targeted at making the process as simple and facilitating as possible for the participants and the Delivery Body should be charged with making changes to its own systems and processes to support this objective. We note that Ofgem says that the DB uses this data, but DB have told us they do not, so we see no purpose in providing it.

CP258 (Drax) and CP315 (InterGen) – we agree with Ofgem’s position. Market participants should respect the planning application rules and these rule changes could lead to an increase in speculative planning applications.

CP296 (ESC) - we agree this should be rejected as it increases complexity.



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CP297 (ESC) – we disagree with Ofgem’s position on this and believe it is worthy of further consideration.

CP298 (ESC) and CP351 (NGET/ESC) – we disagree with Ofgem’s position. Triton Power supports data sharing to prevent having to submit the same data to both organisations and act as a go between when data flows go wrong, but this needs to be limited to prevent power creep.

CP317 (Manx Utilities) – we agree with Ofgem’s position. Triton Power challenges the eligibility of all interconnectors for firm capacity contracts in the UK Capacity Market.

CP291 (Engie) – we support this proposal as it seeks to add clarity to the rules.

Of15 (Ofgem) – Triton Power supports Ofgem in this proposal.

Determination of Eligibility

CP272 (EDF), CP281 (Energy UK), CP306 (WWA) – we agree with Ofgem’s position on these proposals.

CP287 (Energy UK) – we disagree with Ofgem’s position on this proposal. Triton Power welcomes rule changes that enable flexibility and we believe Ofgem should invest the time and effort to accommodate this change.

CP322 (NGET) – We agree with Ofgem’s position on this proposal.

CP328 (NGIH) – we believe more work is required to find an appropriate solution to make prequal easier. Triton Power would be willing to participate in a workshop on this. A 2 phased approach may be better, one to allow submission which would be reviewed by the Delivery Body and then final submission on the basis that all documentation had been checked (similar to a passport checking service).

Capacity Auctions

CP273 (EDF) – we agree with Ofgem’s position. Triton Power believes consistency is required but limited discretion should be given to NG.

Of16 (Ofgem) – Triton Power disagrees with Ofgem on this proposal and would not support this change. There are more important changes for Ofgem to focus on.

CP249, CP250 and CP251 – we agree with Ofgem’s position on these proposals.

CP316 (InterGen) – we agree with Ofgem’s position on this. Triton Power believes there is no current requirement for new build power generation in the UK market.

Capacity Agreements

CP329 (NGIH) – we agree with Ofgem’s position on this proposal and recommend a full ‘walk-through’ of the rules to rectify inconsistencies as part of the 5 year review.



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CP326 (NGET) – we agree with Ofgem’s position on this proposal.

Obligations of Capacity Providers and System Stress Events

CP256 (Client Earth), CP346 (Anonymous), and CP352 (Anonymous) - The CM rules are encouraging embedded generation on limited life permits (less than 500 hours), giving them an unfair advantage over transmission connected Large Combustion Plant and every effort should be made to ensure there is a level playing field. We therefore believe that Ofgem and BEIS should ensure that DEFRA regulate emissions in such a way as to not distort the CM.

CP279 (Energy UK), CP289 (Engie), and CP290 (Engie) – we agree with Ofgem’s position and Triton Power is generally supportive of change proposals which add more clarity to the rules.

CP304 (ESC) - we agree with Ofgem’s position and Triton Power is generally supportive of change proposals which add more clarity to the rules.

CP305 (ESC) - we agree with Ofgem’s position on this proposal.

CP323 (NGET) - we agree with Ofgem’s position on this proposal.

Of13 (Ofgem) - we agree with Ofgem on this proposal however would recommend all bidders for firm capacity have an obligation to prove sustained delivery over a 4 hour period to cover larger stress events.

CP294 (ESC) - Triton Power challenges the eligibility of interconnectors for firm capacity contracts in the UK Capacity Market. This rule change seems like the minimum change that could be made to at least start to level the playing field between interconnectors and other generators.

CP327 (NGIH) – we disagree with Ofgem’s position on this proposal and believe the change should be accepted to introduce more transparency on the mechanism.

CP331 (RWE) - we disagree with Ofgem’s position on this proposal and believe the change should be accepted. Triton Power maintains the challenge on the eligibility of interconnectors for firm capacity contracts in the UK Capacity Market.

CP333 (RWE) - we disagree with Ofgem’s position on this proposal and believe the change should be accepted

Testing Regime

CP276 (Endeco) – we agree with Ofgem’s position on this proposal but maintain that all technologies should demonstrate their capability to deliver for a period of 4 hours in a stress event. We would propose one SPD must prove delivery of obligated capacity for 4 hours.

CP260 (E.ON) and CP332 (RWE) – we agree with Ofgem’s position on this proposal.



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Schedules & Exhibits

CP263 (E.ON), CP313 (Innogy), and CP314 (Innogy) – we agree with Ofgem’s position on this proposal.

Yours sincerely

***For and on behalf of
Saltend Cogeneration Company Ltd***

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Mick Farr

Chief Operating Officer and Station Manager