

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP326

Name of Organisation(s) / individual(s):  
EMR Delivery Body

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:

n/a

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

Currently when a New Build CMU has not been finalised by the start of the Delivery Year they still receive payments. If that CMU does not finish the project after a year then the payments are recouped via lack of Satisfactory Performance Days (SPDs). If for example, the CMU is built 3 months into the Delivery Year they could continue to get payments throughout the whole year (if they fulfil their SPDs) despite not being there for the entire period. The Delivery Body therefore recommends that the Auction Acquired Capacity Obligation (AACO), defined in Rule 8.5.3, is set to zero pending Substantial Completion or Minimum Completion by the start of the Delivery Year.

Related to this change, we consider it appropriate to allow the Delivery Body to change the AACO of New Build CMUs who meet Minimum Completion but not the Substantial Completion Milestone. Rule 6.7.1 should be amended to include Minimum Completion ie "A Capacity Provider is not liable for, or entitled to, any payments in respect of a particular CMU if the relevant System Stress Event precedes the date on which the Substantial Completion Milestone, or failing that Minimum Completion Milestone, for such CMU is reached".

In addition the Delivery Body believes that there should be more formal reporting for Minimum Completion. With Substantial Completion Milestones, an ITE signs off reports, we believe that we should align this process with Minimum Completion for assurance purposes.

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

Rule 6 & 8

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

Amendment to ensure New Build applicants are receiving appropriate payments for the time they have been available.

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

## 6.7 Achieving the Substantial Completion Milestone

6.7.1 A Capacity Provider is not liable for, or entitled to, any payments in respect of a particular CMU if the relevant System Stress Event precedes the date on which the

Substantial Completion Milestone, or failing that, the Minimum Completion requirement for such CMU is reached.

6.8.6 Where a New Build CMU has met neither its Substantial Completion Milestone or Minimum Completion Requirement by the start of the Delivery Year the AACO for the that CMU will be set to zero until either the SCM or MCR have been met.

7.5.1 (x) to record any changes to AACO for New builds in accordance with 6.8.6

**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:**

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

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