

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP182

Name of Organisation(s) / individual(s):
E.ON

Date Submitted:
11/11/16

Type of Change:

- Amendment
- Addition
- Revoke
- Substitution

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

[Click here to enter text.](#)

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

Allow transfers of Capacity Agreements to be effected on the CM Register after the T-4 auction has taken place

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

Rule 9.2.5(a) states that transfers can only be effected on the CM Register after the T-1 auction has taken place

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

A Transfer of a CM Agreement is the only way a site can avoid the full obligations and termination penalties in a CM Agreement. Currently, should a site wish to close and transfer an agreement secured in a T-4 auction, it has to wait until the T-1 auction before making this transfer. For example, a closing site would have to maintain its grid connection until T-1 to avoid incurring a termination event. Transfers should be able to be effected straight after the T-4 auction, the current Rules are an unnecessary restriction and reduce liquidity

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

9.2.5 (a) replace references to T-1 with T-4

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:

Transfers should be able to be effected straight after the T-4 auction; the current Rules are an unnecessary restriction and reduce liquidity in the secondary market. This is particularly important for smaller generators and DSR who may now rely more heavily on secondary markets for assets which cannot commit 4 years ahead of delivery given the decision by BEIS to limit the capacity reserved for T-1 auctions.

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

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