

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP206

**Name of Organisation(s) / individual(s):**

Ecotricity Group Ltd

**Date Submitted:**

11/11/2016

**Type of Change:**

- Amendment
- Addition
- Revoke
- Substitution

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

RWE CP 155 last year, attempted to deal with the same problem.

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

Proposed amendment to the definition of a Distribution Connection is to clarify that, in the event of a shared grid connection, a party that is not named on the agreement, but has the right to use that grid connection would not be deemed ineligible due to their name not being on the grid connection.

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

Chapter 1 – General Provisions - Definition of Distribution Connection Agreement.

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

Currently, the definition of a grid connection states that it must include the person responsible for the CMU. This implies that in a situation of a shared connection, where the grid connection agreement is with a party other than that responsible for the proposed CMU, a grid connection agreement would not be acceptable evidence.

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

Distribution Connection Agreement “means for a Distribution CMU, an agreement entered into between a DNO and the person responsible for that CMU for the connection of that CMU to, and use of, a Distribution Network; or an agreement entered into between a DNO and a third party, and evidence confirming 1) the relationship between the third party and the person responsible for the CMU and 2) that the CMU has the ability to export up to the De-rating Capacity.

**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:**

The change is necessary to align drafting with the reality. The current drafting implies that in a situation of a shared distribution connection where the party named on the distribution connection agreement is not the

same as the person responsible for the proposed CMU, the proposed CMU would not be eligible. Communications with the EMR Delivery Body have confirmed that, they would in practice accept a distribution connection agreement between the DNO and the named party along with evidence of the relationship between the named party and the person responsible for the CMU.

Ensuring that it is clear that potential CMUs with shared distribution connections would be eligible is that would encourage more of such potential CMUs to enter the Capacity Market. This has three advantages: firstly it will increase the overall number of participants, therefore increasing competition; secondly, it would increase the number of shared grid connections, which would reduce the amount of unused grid connection capacity and increase the efficiency of the networks; and thirdly, because shared grid connections are particularly attractive to storage providers: a technology that has been under represented in the capacity market.

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

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