

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem):

Name of Organisation(s) / individual(s):
EMR Delivery Body, National Grid Electricity
Transmission plc

Date Submitted:
11 November 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:

[Click here to enter text.](#)

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

This proposal seeks to amend the Rules to clarify the requirements for acceptable prequalification submissions in relation to connection arrangements.

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

Applicants for Distribution connected New Build CMUs have the option to submit a copy of a connection offer in lieu of a Distribution Connection Agreement as evidence of connection arrangements. This proposal seeks to clarify the extent of the submission required to support such a connection offer. Rules 3.7.3(b) (i) & (ii), 8.3.1(a)(i), 6.10.1 (e) apply.

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

An Applicant for a New Build CMU that will be directly connected to a Distribution Network may include a copy of a connection offer in lieu of a Distribution Connection Agreement as part of the Application. However, the Delivery Body's legal advice is that a connection offer in itself is not sufficient evidence that a suitable connection arrangement has been entered into. The Delivery Body has applied this interpretation throughout its assessment of Applications received within the 2016 Prequalification Window. A significant number of New Build Applications included copies of connection offers but without evidence of the offer being accepted. The Applicants impacted were required to proceed through the Disputes process to submit the evidence that the connection offer had been accepted. In some cases this was the single reason for conditional prequalification of a CMU, with associated implications for provision of credit cover. This proposal seeks to clarify the Rules in this area to identify that where an Applicant is submitting a copy of a connection offer; it must also submit evidence of the offer being accepted for this to provide confirmation of a valid connection arrangement.

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

References to "connection offer" within the above provisions are amended to "connection offer and confirmed acceptance".

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:

A Rule clarification regarding connection offer submissions will confirm to Applicants in future Prequalification rounds the requirement to provide evidence of offer acceptance. This Rule change will result in a reduction in Tier 1 disputes, based on the EMR Delivery Body 2016 experience. The Prequalification experience will be improved for those Applicants that do not then need to raise a dispute for this issue. The EMR Delivery Body will be able to focus its resource during the disputes process towards those Applications that have more complex failure reasons. This change proposal looks to facilitate the efficient operation and administration of the Capacity Market.

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

**Matt Magill, EMR Capacity Market Manager, EMR Delivery Body, National Grid
matthew.magill@nationalgrid.com 01926 655877**