

# Proposal for a Capacity Market Rules Change



Making a positive difference  
for energy consumers

Reference number (to be completed by  
Ofgem): CP169

Name of Organisation(s) / individual(s):  
RWEGeneration (UK)

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:

[Click here to enter text.](#)

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

Clarification of requirement for Satisfactory Performance Days

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

Rule 13.4.4 changes the requirement of Satisfactory Performance days from 3 to 6 in the event that there is a failure to deliver any energy during System Stress Events in two months in a Delivery Year. As written, if the Stress Events fall after the Winter months, the requirement to have delivered Satisfactory Delivery Days would result in a retrospective obligation to have delivered on six occasions during the Winter months.

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

The requirement to demonstrate six instead of three Satisfactory Performance Days in the event of failing to deliver energy during two System Stress Events in two months should be confined to the period when a CMU can still respond to deliver the required Satisfactory Delivery Days during the Winter months. Otherwise, following the Winter, the provisions do not work and there would be a requirement for risk reducing runs during the winter to account for the possibility of System Stress Events occurring during summer outages resulting in increased obligations and/or interruptions to payments.

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

In 13.4.4: If in two or more months in which System Stress Events occur during Winter in a Delivery Year...

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 current Rules would incentivise participants to deliver six Satisfactory Delivery Days during

winter in order to protect themselves from the possibility of having the obligation doubled from three to six in the event that there were two System Stress Events while (for example) they were on summer outage. This would have an impact on consumer costs as these runs would need to be taken into account in the auctions and would increase emissions from marginal units unnecessarily.

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

**Raoul Thulin, RWE Supply & Trading, 01793 892634, raoul.thulin@rwe.com**