

Proposal for a Capacity Market Rules Change



Making a positive difference
for energy consumers

Reference number (to be completed by
Ofgem): CP180

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)

If a CMU which consists of a number of components or generating units suffers a termination event on a single one of those components or generating units, termination should only apply to the affected component or unit.

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

Rule 6.10.1 applies Termination Events to Capacity Agreements in their entirety

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

If a 50MW CMU which comprises 50 separate 1MW generating units suffers a termination event on 1 of those units, the entire 50MW CMU is terminated despite still being able to meet 98% of the original agreement. The Termination Event rules (6.10.1) should allow for partial termination of a CMU.

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

This change may be best implemented by applying Termination events to generating units and DSR Components rather than Capacity Agreements

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:

This would allow more flexibility and reduce risk for aggregators of smaller generating units or DSR components, this would likely result in more capacity entering the auction. Unintended consequences need to be thought through noting that larger generating units can already do this in practise (by prequalifying each generating unit as a separate CMU). This is not practical for smaller generating units (and not possible if they are below the minimum capacity threshold set out in the Regulations).

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

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