

Kuongana Advisory Limited
22 Woodberry Close, Chiddingfold
Godalming, Surrey, GU8 4SF
United Kingdom
+44 (0) 7766 075885
stephen.nash@kuongana-advisory.com
Company Reg. no: 9872349



5th May 2017

Dear Sir or Madam:

This is a response from Kuongana Advisory Limited to the statutory consultation on changes to the Capacity Market Rules 2014 (the "Rules") pursuant to Regulation 79 of the Capacity Market Regulations 2014 (the "Regulations"), in particular the proposed change CP190 which seeks to amend Rule 3.7.1 to remove the option for Applicants to defer provision of Relevant Planning Consents until after Prequalification.

Based on our experience advising on projects likely to be eligible to participate in the Capacity Market, we strongly recommend postponing the implementation of this rule change.

Shortening the time available to complete the planning application and legal rights process by approximately 4 months' is a very fundamental change and it is surprising that this is being introduced so late in the day. This notice period does not allow for the time required to prepare and process many planning applications, and so will reduce participation in the 2017 Capacity Market auction. If the rule change was proposed 6 months ago, or for the 2018 auction there would likely be sufficient time to overcome this barrier to participation.

Further, because proceeding with this change ahead of the 2017 auction would immediately eliminate many projects from the process, such a change is likely to (a) undermine investor confidence in the Capacity Market, and (b) lead to the auction not realising best value for consumers.

We therefore suggest that implementation of the proposed rule change CP190 is postponed by a year, and not implemented ahead of the 2017 Capacity Market auction.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "S. Nash".

Stephen Nash
Director, Kuongana Advisory