

Capacity Market Design: Expert Group

Wednesday 11 September, 14.30 – 16.05, LG03, 3 Whitehall Place

AGENDA

1. Forward look 14.30 - 14.40 (10 min)
2. Penalties and pre - qualification 14.40 – 15.30 (50 min)
 - **CMEG29.01**
3. Mitigating gaming 15.30 – 16.00 (30 min)
 - **CMEG29.02**
3. Date and agenda of next meeting 16.00 – 16.05 (5 min)
 - *TBC*
4. AOB

CMEG29.00

| # | Action | Date raised | Where raised | Owner | Status update | Comments |
|------------|---|-------------|--------------|-------------------|---------------|---|
| CMEG 24:01 | DECC to discuss 7.5% return on capital with investment companies (auction parameters) | 29/05/13 | CMEG24 | Simon Francis | Open | |
| CMEG 24:02 | DECC to circulate calculation of VOLL (auction parameters) | 29/05/13 | CMEG24 | Simon Francis | Open | |
| CMEG 24:03 | DECC to circulate estimates of costs and benefits (auction parameters) | 29/05/13 | CMEG24 | Simon Francis | Open | |
| CMEG 24:04 | DECC to do additional work focussing on contribution of small participants that are not part of the Capacity Market | 29/05/13 | CMEG24 | Mark Duffield | Open | |
| CMEG 23:01 | DECC to produce and present a forward programme for the EG topics at the next Expert Group meeting | 17/04/13 | CMEG23 | Jane Ellaway | Closed | Circulated on 21/06/13. |
| CMEG 21:01 | DECC to undertake a mapping exercise to see what difficulties would be presented by embedded generation and DSR to scheme penalties. | 05/03/13 | CMEG21 | Simon Francis | Closed | Not required, given the intention to ensure the same level of obligation and enforcement on all capacity providers, irrespective of their licence status. |
| CMEG 21:02 | DECC to discuss with colleagues in Ofgem, to ensure an approach on scheme penalties that is consistent with the wider direction of travel. | 05/03/13 | CMEG21 | Simon Francis | Closed | Covered in paper on scheme penalties circulated on 02/07/13. |
| CMEG 21:03 | Maureen to provide examples of contract clauses that refer to an arbitrator or expert. | 05/03/13 | CMEG21 | Maureen McCaffrey | Open | |
| CMEG 19.01 | DECC agreed to develop with the System Operator proposals on all of areas of pre-qualification and participation, for inclusion in the Capacity Market blueprint which would be | 05/02/12 | CMEG19 | Simon Francis | Closed | Covered in paper CMEG25.C, circulated for comment by correspondence on 01/07/13. |

CMEG29.00

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| discussed with the expert group in March | | | | | | |
| CMEG 19.02 | DECC agreed to develop a payment flows timetable, including consideration of how vertically integrated businesses, or payments to suppliers for embedded generation, would be dealt with (any netting of payment flows) and how and when any penalty capping will be investigated and applied. | 5/12/13 | CMEG19 | Mark Duffield | Closed | Covered in paper CMEG25.A, circulated for correspondence. |
| CMEG 16:02 | DECC to consider the business case for the pilot, and propose a method of evaluation. | 11/11/12 | CMEG16 | Jane Ellaway | Closed | Covered in final policy proposals. |
| CMEG 13:01 | DECC to seek views from small suppliers on the price smoothing mechanism. | 02/10/12 | CMEG13 | Anthony Tricot | Closed | A price smoothing mechanism is not needed. |