

## **Ofgem Statutory Consultation on Capacity Market rule change proposals CP368, CP369 and CP373**

Energy UK response

**Friday 5 January 2024**

### **About Energy UK**

Energy UK is the trade association for the energy industry with over 100 members – from established FTSE 100 companies right through to new, growing suppliers, generators and service providers across energy, transport, heat and technology. Our members deliver nearly 80% of the UK's power generation and over 95% of the energy supply for 28 million UK homes as well as businesses.

The sector invests £13bn annually and delivers nearly £30bn in gross value - on top of the nearly £100bn in economic activity through its supply chain and interaction with other sectors. The energy industry is key to delivering growth and plans to invest £100bn over the course of this decade in new energy sources.

The energy sector supports 700,000 jobs in every corner of the country. Energy UK plays a key role in ensuring we attract and retain a diverse workforce. In addition to our Young Energy Professionals Forum, we are a founding member of TIDE, an industry-wide taskforce to tackle Inclusion and Diversity across energy.

### **Energy UK response**

Energy UK welcomes this consultation on rules change proposals CP368, CP369 and CP373 and thanks Ofgem for the opportunity to respond. Energy UK agrees with the CMAG and Ofgem that these rule change proposals should be approved and implemented. If these taken forward by Ofgem following this consultation, Energy UK stresses that they should be implemented as quickly as possible by the Delivery Body.

Energy UK welcomes the work done by the CMAG since it was set up and the involvement of Capacity Market (CM) delivery partners in the CMAG. Strong industry involvement in the development of rules change proposals is essential to ensure that these are fit for purpose, and that the CM can deliver security of supply in a cost-effective manner. Whilst it has been a positive change for industry to be more involved in the rules change process, Energy UK has significant concerns that the creation of the CMAG has not also led to a quicker implementation process.

In particular, Energy UK is disappointed that further progress has not been made to advance solutions to substantial issues with secondary trading. We note that although CP362 has been reviewed and recommended by CMAG, it was not included in this consultation. The pace for progressing rules change proposals relating to secondary trading rules must accelerate. More broadly we share concerns with other CMAG members about the overall pace of change, especially the barrier to progress caused by the Delivery Body's implementation delays.

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