

Capacity Market Design: Expert Group

Tuesday 9 July, 14.00 – 16.00, 501, 3 Whitehall Place

AGENDA

1. Governance 14.00 - 14.05 (5 min)
 - *Sign off of minutes from previous meeting and action log (**CMEG24.03** and **overleaf**)*
2. Update on collaborative design process 14.05 – 14.25 (20 min)
 - **Oral update**
3. Capacity Market hedging market 14.25 – 14.55 (30 min)
 - **CMEG27.01**
4. Dispute resolution procedure 14.55 -15.25 (30 min)
 - **CMEG27.02**
5. DSR – transitional arrangements and in the Capacity Market 15.25 -15.55 (30 min)
 - **CMEG27.03**
6. Date and agenda of next meeting 15.55 – 16.00 (5 min)
 - *TBC*
7. AOB

CMEG27.00

#	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.

CMEG27.00

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.