

## Capacity Market Advisory Group (CMAG) Operating Procedure

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### 1. About this document

- 1.1 This document is the CMAG Operating Procedure. It details the processes that the CMAG must follow in fulfilling its duties as the CMAG in line with Ofgem's "The Change Process for the Capacity Market Rules – Guidance".
- 1.2 This document works alongside the CMAG Terms of Reference and should be complementary in the processes and ways of working that they outline.
- 1.3 If there is a conflict between this CMAG Operating Procedure and the CMAG Terms of Reference, the provisions of this CMAG Operating Procedure shall prevail.
- 1.4 If there is a conflict between this CMAG Operating Procedure and the Capacity Market (CM) Rules, or The Electricity Capacity Regulations 2014, as amended (the "Regulations"), the provisions of the CM Rules or Regulations shall prevail.

### 2. Objectives of the CMAG

- 2.1 Throughout its operation, the CMAG should conduct its business in a manner that supports the CMAG Objectives and provides effective added value to the CM Rules change process.
- 2.2 The CMAG Objectives should be considered when developing and prioritising CM Rules Change Proposals, as well as submitting CMAG recommendations to Ofgem.
- 2.3 The CMAG Objectives are outlined in the table below (and outlined in Ofgem's "The Change Process for the Capacity Market Rules – Guidance"):

Objective	Details
1. Ensure CM Rule changes submitted to Ofgem via CMAG further Ofgem's principal objective and the CMAG Rules Change objective.	<ul style="list-style-type: none"> <li>• Demonstrate due regard and consideration of the CM Rules Change objectives when assessing and prioritising proposals and ensuring that recommendations to Ofgem further Ofgem's principal objective and the CM Rules Change objectives.</li> </ul>
2. Present recommendations in a clear, robust and well-evidenced manner.	<ul style="list-style-type: none"> <li>• Utilise industry and stakeholder-led discussion to assist in the development, scrutiny, and scoping of Change Proposals before they are submitted to Ofgem. These discussions should consider the complexity, efficacy and urgency of the proposals, by, for example, effectively incorporating an initial impact assessment and advice provided by relevant Delivery Partners.</li> <li>• Consider developments within the wider industry codes governance framework.</li> </ul>

	Identify and recommend relevant changes to the CM Rules to promote regulatory alignment.
3. CMAG operates and is administered in an efficient, impartial, and transparent manner.	<ul style="list-style-type: none"> <li>• Develop a CMAG Change Proposal process that is accessible and understood by industry and interested parties. Consideration should be given to promoting consistency with the template used to submit CM Rules Change Proposals directly to Ofgem.</li> <li>• Develop a framework for assessing and prioritising Change Proposals, based on a fair assessment of the impact as evaluated against the CM Objectives, while incorporating the views of all Members and the benefits to consumers.</li> <li>• Maintain a forward programme of Change Proposals, with input from stakeholders, including Ofgem.</li> <li>• Ensure decisions and recommendations consider and balance a wide range of relevant stakeholder views.</li> </ul>

2.4 Ofgem's principle objective is outlined on its [website](#)<sup>1</sup>.

2.5 The CM Rules Change Objectives are outlined in the [Regulations](#)<sup>2</sup>.

### 3. Appointment of CMAG Members

3.1 The composition of the CMAG, and the expectation on its Members and Representatives is outlined in the CMAG Terms of Reference.

3.2 CMAG Members shall commence their duties on 1 October on an annual basis (except for the first CMAG group which shall be in post for a period of 24 months from 1 October 2022).

3.3 Where there is mutual interest in extending a CMAG Member's appointment, such membership may be extended subject to Ofgem ratification. There is no maximum term of appointment for a CMAG Member.

3.4 For the avoidance of doubt, Representatives shall not be subject to the annual appointment process and thus appropriate Representatives may attend on a meeting-by meeting basis from the CM Delivery Partners.

#### 3.5 Annual CMAG Member appointment process

3.5.1 The CMAG Secretariat shall operate an annual CMAG Member selection process, that shall commence around no later than 1 August/July.

3.5.2 The CMAG Membership appointment process will consider 50% of the total Membership each year. This is to ensure consistency of work and development of CM Rules Change Proposals within CMAG as replacing the entire Membership could disrupt CMAG significantly.

3.5.3 For membership appointments covering 1 October 2024 – 30 September 2026, CMAG Members will be appointed on either a 1-year or 2-year basis, with:

a) 50% of total Members appointed will be in place for one year (expiring 30 September 2025); and

b) the remaining 50% of Members will be appointed for 2-years (expiring 30 September 2026).

3.5.4 Following this initial round, all CMAG Members will be appointed on a 2-year basis.

3.5.1—

<sup>1</sup> <https://www.ofgem.gov.uk/publications/our-powers-and-duties>

<sup>2</sup> <https://www.legislation.gov.uk/uksi/2014/2043/contents>

~~3.5.23.5.5~~ The CMAG Secretariat shall publicly seek expressions of interest over a period of ~~four~~three weeks from any persons interested in becoming a CMAG Member.

~~3.5.33.5.6~~ Interested persons should submit their application to the CMAG Secretariat by the means outlined by the CMAG Secretariat in its call for expressions of interest.

~~3.5.43.5.7~~ Interested persons should submit a suitability statement of no more than 500 words, covering at least the following areas:

- a) Their experience, expertise and knowledge of the GB energy sector;
- b) Their experience, expertise and knowledge of the CM and/or a track record in protecting the interests of consumers or security of supply;
- c) Their key skills and competencies that they believe would make them an effective CMAG Member; and
- d) Confirmation that they reasonably expect to have sufficient capacity to fulfil the role for the forthcoming 12 month period.

~~3.5.53.5.8~~ Once the CMAG Secretariat has received expressions of interest, it shall select Members (in line with the requirements of the Terms of Reference), who in its view will ensure an effective and efficient CMAG membership. ~~The CMAG Secretariat shall select a minimum of six Members and maximum of 15, and The CMAG Secretariat shall complete this activity and~~ submit its recommendation to Ofgem within two weeks of the closure of inviting interested persons to submit a suitability statement. The CMAG Secretariat may wish to provide justification for its decision to Ofgem.

~~3.5.63.5.9~~ The final CMAG membership shall be subject to:

- a) Ofgem's decision on which interested persons to appoint. Ofgem shall endeavour to notify the CMAG Secretariat of its final membership decision within two weeks of receiving the recommendation from the CMAG Secretariat; and
- b) The satisfactory completion of all documentation required by the CMAG Terms of Reference.

~~3.5.73.5.10~~ All interested persons that submitted an expression of interest to join the CMAG shall be notified of the outcome of their expression of interest before the final CMAG membership is made public.

~~3.5.83.5.11~~ The final CMAG membership shall be communicated through reasonable channels, and published on the CMAG Website by 30 September.

### 3.6 Replacement of CMAG Members mid-term (~~six months or more before next appointment begins~~)

3.6.1 If a CMAG Member steps down or is unable to complete their duties (in line with the Terms of Reference), ~~where there is six months or more remaining~~ before the next annual CMAG Member Appointment Process, the CMAG Secretariat shall seek to replace the CMAG Member ~~if there are less than six Members remaining~~.

3.6.2 The CMAG Secretariat may use one of, or a combination of the following at its own discretion and in the best interests of the CMAG, to replace a CMAG Member mid-term ~~where there is six months or more of the term remaining~~:

- a) Invite new expressions of interest from interested persons;
- b) Invite a person who previously expressed interest in joining the CMAG for the current CMAG Member term the opportunity to become a Member for the remaining time in the term;
- ~~c) Offer the Members' place on the CMAG to another suitable candidate within the same organisation/group;~~
- ~~d) Offer the Members' place on the CMAG to their appointed Alternate, where the Alternate is not an existing CMAG Member.~~

3.6.3 For the avoidance of doubt, any new appointment to the CMAG membership as a Member shall be subject to Ofgem approval.

### ~~4.0 Replacement of CMAG Members mid-term (less than six months before next appointment begins)~~

~~5.0.0 If a CMAG Member steps down or is unable to complete their duties (in line with the Terms of Reference), where there is less than six months remaining before the next annual CMAG Member Appointment Process, the CMAG Secretariat may at its discretion:~~

**Commented [AS1]:** Mid-term replacement will only need to occur where there are less than six Members remaining (CMAG Membership should therefore always have at least six Members)

**Commented [AS2]:** Removed as Members act independently of their organisation

**Commented [AS3]:** Removed to have one standard process for replacing Members mid-term

- ~~)- Offer the Members' place on the CMAG to their appointed Alternate, where the Alternate is not an existing CMAG Member; or~~
- ~~)- Offer the Members' place on the CMAG to another suitable candidate within the same organisation or group; or~~
- ~~)- Invite a person who previously expressed interest in joining the CMAG for the current CMAG Member term the opportunity to become a Member for the remaining time in the term.~~

~~9.0.0 The CMAG Secretariat shall not seek new public expressions of interest from interested persons, except:~~

- ~~)- Where the CMAG Secretariat considers there were specific experiences lost by the departure of the Member not covered elsewhere in the membership; or~~
- ~~)- Where there may be a risk of meetings not meeting quorum as defined in the Terms of Reference.~~

~~12.0.0 For the avoidance of doubt, any new appointment to the CMAG membership as a Member shall be subject to Ofgem approval.~~

#### **13.4. General CM Rules Change Provisions**

**13.4.1** The CMAG Secretariat shall host a copy of the CM Rules Change Proposal form on its website, and shall provide instruction on how persons applicable to raise CM Rules Changes can submit their Change Proposals to the CMAG Secretariat.

**13.4.2** The CMAG Secretariat shall provide all reasonable support required to persons interested in submitting a CM Rules Change Proposal, including technical guidance on the topic of the Rules Change Proposal.

**13.4.3** The CMAG Secretariat may be passed CM Rules Change Proposals from Ofgem, where Proposers submitted their Change Proposals directly to Ofgem, but where such Change Proposals are not considered 'confidential'. Note that Ofgem encourages Proposers to submit their Change Proposals directly to the CMAG.

#### **13.4.4 Urgent Proposals**

**13.4.4.1** Proposers are entitled to request that their CM Rules Change Proposal be treated as Urgent at any time, and must provide suitable justification (quantified where possible), including against Ofgem's criteria for urgency.

**13.4.4.2** Where a proposer requests Urgent status for their Change Proposal, the CMAG will consider whether to recommend to Ofgem that such Proposal be treated as Urgent, along with the proposed changes to the standard process in considering a Proposal Urgent. Note that the CMAG shall usually consider whether to recommend a proposal as Urgent at its next scheduled meeting. However, if the CMAG Facilitator believes the Proposal requires a quicker recommendation, an urgent (ad-hoc) meeting may be called, or a recommendation in writing ex-committee.

**13.4.4.3** Ofgem shall confirm its view in writing to the CMAG Secretariat on whether the Change Proposal should be treated as Urgent.

**13.4.4.4** Upon receipt of an Ofgem decision on Urgent status, the CMAG Secretariat shall notify the CMAG and Proposer, and shall communicate Ofgem's decision on the CMAG Website.

**13.4.4.5** Where a Change Proposal is granted Urgent status:

- a) If the Change Proposal is of significant urgency, Ofgem may decide to progress the Change Proposal directly through statutory consultation without further CMAG engagement. Note that this is only expected in exceptional circumstances where the Change Proposal is either self-evident or significantly time critical; or
- b) The CMAG shall convene at its next scheduled meeting(s), or at an urgent (ad-hoc) meeting(s) on the decision of the CMAG Facilitator; and
- c) The CMAG shall develop the Change Proposal and make a recommendation to Ofgem as soon as practicable.

#### **13.5. Confidential Proposals**

**13.5.1** A Proposer may request that any part of their Proposal be treated as confidential, subject to suitable justification as agreed with the CMAG Secretariat. For example, this may be where supporting data/analysis is commercially sensitive.

[13.5.24.5.2](#) The Proposer shall agree with the CMAG Secretariat which persons the confidential information may be shared with (CMAG, Delivery Partners and/or DESNZ). Note that all confidential information will be shared with Ofgem.

[13.5.34.5.3](#) If a Proposer wishes to submit confidential information directly to Ofgem, it may do so. However, Ofgem may, at its discretion, share information shared directly with it to the CMAG Secretariat and CMAG, if appropriate. The processes for this sit outside this CMAG Operating Procedure.

[13.5.44.5.4](#) Proposers should be as transparent as possible with the CMAG, and if there is a means that would enable greater information to be shared with the CMAG, then these options should be explored in the first instance.

#### **[14.5.](#) CMAG Surgery**

[14.15.1](#) The CMAG Surgery is a section on the CMAG Meeting agenda, intended for Proposers that are considering raising a CM Rules change, but would like to discuss their idea with other CM experts before formally raising it.

[14.25.2](#) Any interested stakeholder may raise an item to be discussed during a CMAG Surgery session with the CMAG Secretariat, and work with the CMAG Secretariat to develop relevant content in advance of CMAG paper distribution deadline.

[14.35.3](#) The CMAG can provide proposers with different perspectives, alternative options, and technical guidance on any areas of the CM that it has experience in. Further, the CMAG Surgery can be used as a 'sounding board' by Proposers on whether their idea has merit and thus should be taken forward as a formal Rules Change Proposal.

#### **[15.6.](#) Submission of CM Rules Change Proposal**

[15.16.1](#) On formal receipt of a new CM Rules Change Proposal, the CMAG Secretariat shall provide 'critical friend' support to the proposer (if not already provided through the CMAG Surgery), to ensure there is appropriate level of detail in the Change Proposal to ensure productive CMAG prioritisation and development.

[15.26.2](#) Alongside the CMAG Secretariat's 'critical friend' work, it shall forward a copy of the Change Proposal to the CM Delivery Partners, Ofgem and DESNZ.

[15.36.3](#) Upon receipt of the Change Proposal, CM Delivery Partners, Ofgem and DESNZ shall complete their own 'critical friend' assessment of the Change Proposal within five Working Days, providing feedback to the CMAG Secretariat. The CMAG Secretariat shall use this feedback to provide guidance to the Proposer, and create content for the CMAG Meeting.

[15.46.4](#) The CMAG Secretariat shall:

- a) Assign a sequential reference to the CM Rules Change Proposal, to be found on the CMAG Change Log;
- b) Forward a copy of the Change Proposal to the CMAG;
- c) Publish the CM Rules Change Proposal on the CMAG Website; and
- d) Add the Change Proposal to the agenda for the next scheduled CMAG Meeting, for initial consideration, prioritisation and possibly development (time permitting).

#### **[16.7.](#) Initial Assessment of CM Rules Change Proposals by the CMAG Secretariat**

[16.17.1](#) Once a Change Proposal has been finalised, the CMAG Secretariat shall consider what the topic areas/key questions should be considered by the CMAG (and the Proposer) during the development of the Change Proposal.

[16.27.2](#) The CMAG Secretariat shall present the generic and specific areas for consideration for each new CM Rules Change Proposal at the first scheduled CMAG Meeting following the final submission of a CM Rules Change Proposal.

#### **[17.8.](#) Ofgem Assessment**

##### **[17.18.1](#) The right to reject**

[17.1.18.1.1](#) Ofgem has the right under the Regulations to reject a Change Proposal without consultation (statutory consultation), which it may do at its sole discretion at any time and for any reason.

17.1.28.1.2 Where Ofgem deems that a CM Rules Change Proposal should be rejected with no further CMAG work, it shall endeavour to engage with the CMAG to gather views in advance of making its final decision.

17.1.38.1.3 Where Ofgem decides a Change Proposal should be rejected with no further CMAG work, it shall advise the CMAG of its decision and the rationale for such decision, which may be at a scheduled meeting or via correspondence through the CMAG Secretariat.

#### **17.2.28.2 Government Policy, subsidy control and other**

17.2.48.2.1 Once a Proposer's CM Rules Change Proposal is finalised, the CMAG and Ofgem shall assess:

- a) the Proposal to determine if it whether it is aligned to Government policy and thus can be progressed through the CMAG process; and
- b) whether the Proposal impacts on the government's subsidy control framework.

17.2.28.2.2 In the situation where Ofgem deems that a CM Rules Change Proposal is not in line with government policy, it shall advise the CMAG Secretariat accordingly and the Proposal shall not continue to progress through the CMAG processes. The proposal may be put 'on hold' or 'rejected' without further work.

17.2.38.2.3 For the avoidance of doubt, where a Proposal is not in line with government policy in its submitted state, the CMAG may find an alternative solution that can be progressed that is in line with government policy, that either wholly or partly addresses the original defect identified.

17.2.48.2.4 Where Ofgem (which may be advised by the CMAG) deems that there is an impact on the government's subsidy control framework, it shall advise the appropriate steps, for example, whether or not the Proposal shall continue through CMAG development, and if so, what extra steps may need to be taken. For the avoidance of doubt, Ofgem may deem that no further work should be conducted.

17.2.58.2.5 Ofgem's assessment may include a view of whether any consequential changes to the Regulations would be required/likely as a result of a Rules Change Proposal. Where Ofgem identifies any consequential changes that may be required as a result of a CM Rules Change Proposal that is in line with government policy, it shall inform the CMAG Secretariat.

17.2.68.2.6 Ofgem may highlight any other items as it deems fit as part of its Assessment.

#### **18.9. Government Policy Impacts**

18.49.1 Where a CM Rules Change Proposal does not continue through the standard process as it is not aligned to government policy and is either 'on hold' or 'rejected', it may be discussed in a separate section of the CMAG agenda.

18.29.2 The CMAG Secretariat will endeavour to ascertain whether DESNZ would like any feedback, and if so what form the feedback should take, on a Proposal that is not aligned to government policy.

18.39.3 For the avoidance of doubt, DESNZ is under no obligation to take action from any materials or feedback it receives from the CMAG.

#### **19.10. Prioritisation of CM Rules Change Proposals**

##### **19.1.10.1 General**

19.1.1.10.1.1 The CMAG shall develop and agree (from time to time) a Prioritisation Criteria that it shall use in support of the prioritisation of CM Rules Change Proposals.

19.1.2.10.1.2 The Prioritisation Criteria shall consider at least:

- a) The CM Rules Change Objectives;
- b) The CMAG Objectives; and
- c) Any other items as specified by Ofgem in "The Change Process for the Capacity Market Rules – Guidance".

19.1.3.10.1.3 At each of its scheduled meetings, the CMAG shall consider the prioritisation of all new CM Rules Change Proposals, and reaffirm its position on the pipeline of CM Rules Change Proposals.

19.1.4.10.1.4 For transparency, the CMAG Secretariat shall publish on the CMAG Website:

- a) The Prioritisation Criteria; and

b) The current (monthly) prioritised list of CM Rules Change Proposals, which may be in the form of a 'Forward Work Plan' or similar type document.

#### **19.2.10.2 Process**

**19.2.410.2.1** At the first CMAG meeting following the final submission of a CM Rules Change Proposal (subject to paper timescales outlined in the Terms of Reference), the CMAG shall:

- a) Prioritise each new Change Proposal in line with the agreed Prioritisation Criteria; and
- b) Agree a list of specific questions for each Change Proposal that should be discussed and fully considered during the Development stage of each Change Proposal.

**19.2.210.2.2** High priority CM Rules Change Proposals shall be included on the agenda at earlier CMAG Meetings for Development.

**19.2.310.2.3** The scheduling of CM Rules Change Proposals on the agenda shall be at the discretion of the CMAG Facilitator, in consideration of the prioritised list of CM Rules Change Proposals.

**19.2.410.2.4** Note that where there is time available in the agenda to discuss a lower priority, 'more simple' or 'quick win' type CM Rules Change Proposal, where the discussions are likely to be able to conclude in shorter timings, the CMAG Secretariat shall endeavour to include such items on the agenda in order to make full and productive use of time at CMAG Meetings.

**19.2.510.2.5** The CMAG Secretariat shall share at each scheduled meeting the CMAG Forward Work Plan, which shall outline the timescales for discussion of each CM Rules Change Proposal in the pipeline.

**19.2.610.2.6** Where an interested stakeholder does not agree with the prioritisation of CM Rules Change Proposals, they may make a representation to the CMAG Secretariat outlining their rationale, which the CMAG Secretariat will bring for discussion at the meeting of the CMAG.

### **20.11. Development of CM Rules Change Proposals**

**20.411.1** The proposer of a CM Rules Change Proposal shall be offered the opportunity to attend any CMAG Meeting where their proposal is being considered. Note that the prioritisation of Change Proposals is ongoing and it is therefore not definite that once a Change Proposal has begun development, that it shall be considered at each scheduled meeting until such Development is completed. However, the CMAG and the CMAG Secretariat should endeavour to ensure that Change Proposals are developed in an efficient manner.

**20.211.2** The CMAG shall work with the Proposer to develop the CM Rules Change Proposal, and shall provide its guidance and expertise on the CM arrangements as it sees fit.

**20.311.3** The Proposer shall at all times retain ownership of the Proposal to be submitted to Ofgem for consideration, however any suggested amendments by the CMAG (if not included by the Proposer) will be detailed in the CM Rules Change Proposal Final Report that the CMAG submits to Ofgem for consideration.

**20.411.4** Note that Ofgem may at its sole discretion amend any part of the solution prior to the statutory consultation, which may reflect the views of either the Proposer or the CMAG if these differ.

**20.511.5** The CMAG shall, along with any 'Specific Questions' pertinent to each individual Change Proposal, discuss and consider at least the following 'Standard Questions':

- a) Whether the Change Proposal better facilitates the CM Rules Change Objectives;
- b) Any impacts on the Regulations;
- c) Any impacts on other central industry frameworks or obligations impacted directly or indirectly;
- d) Any impact on consumers;
- e) Any other related changes to the CM in the pipeline;
- f) The scale of impacts and costs on CM participants;
- g) The impacts on the CM Delivery Partners, which shall include:
  - i The impacts on systems and processes;
  - ii Indicative costs to make the proposed changes; and
  - iii Indicative lead times to deliver the proposed changes;

- h) The draft legal text; and
- i) Whether the CMAG recommends to Ofgem that the change be made.

[20.6.11.6](#) The CMAG may, at its discretion, form further sub-groups, or engage interested stakeholders in a manner it sees fit (which may include CMAG Members/Representatives, and other interested stakeholders from across industry) in order to assist in the Development of CM Rules Change Proposals.

## **21.12. Delivery Partner Impact Assessment of CM Rules Change Proposals**

[21.4.12.1](#) The CMAG shall duly consider the impact of each CM Rules Change Proposal on the CM Delivery Partners by requesting an Impact Assessment for each CM Rules Change Proposal it develops.

[21.2.12.2](#) It shall be the responsibility of the Delivery Partners to confirm within its Impact Assessment whether or not there is an impact, or possible impact from each particular Change Proposal on request from the CMAG.

[21.3.12.3](#) Delivery Partners should provide at least the following information as part of an Impact Assessment:

- a) An opinion on the technical feasibility of the solution, and any constraints/alternative options that might need to be considered to mitigate risk or excessive cost;
- b) An indicative, high-level assessment of implementation timescales (where possible) and any associated dependencies or foreseeable challenges;
- c) An indicative assessment of implementation and enduring scale of the changes (this can be expressed in financial terms, relative size to delivery pipeline, or any other means that is deemed appropriate by the Delivery Partner in order to facilitate the discussions relating to prioritisation). Information provided shall be at the discretion of Delivery Partners. However, Delivery Partners shall make reasonable endeavours to provide the most useful and relevant information as part of the Impact Assessments to enable prioritisation and informed decisions to be made.

[21.4.12.4](#) The CMAG may request up to four Impact Assessments from each of the delivery Partners per month, and the response should be provided no later than two CMAG meetings after the meeting at which the Impact Assessment was requested. This includes the Delivery Partner presenting their findings at the CMAG Meeting.

[21.5.12.5](#) The CMAG Secretariat shall formally request Impact Assessments from the Delivery Partners, and shall endeavour to do so within three Working Days of a CMAG meeting.

[21.6.12.6](#) Where multiple Impact Assessments are requested, the CMAG should make clear its priority list of Impact Assessments and the requested response date as part of each request to the Delivery Partners.

[21.7.12.7](#) Delivery Partners should advise the CMAG Secretariat in advance of the deadline if the priorities and expected timescales for completion of Impact Assessment are not reasonable and achievable. This could be for example, where an Impact Assessment is significantly complex and therefore it would not be reasonably possible to provide up to four Impact Assessments in the requested timescales.

[21.8.12.8](#) Where a Delivery Partner does not provide an Impact Assessment for any reason, at the latest two CMAG Meetings after it was requested by the CMAG, the CMAG will determine whether the CM Rules Change Proposal should continue to be progressed in absence of Impact Assessment response for Ofgem decision.

## **22.13. Industry Consultation of CM Rules Change Proposals**

[22.4.13.1](#) The CMAG process is intended to use an industry consultation only by exception. However, it may be pertinent to consult with other interested stakeholders in order to minimise the risk of material comments on the solution being returned to Ofgem as part of its statutory consultation. It is expected that the CMAG would also consider using its ability to create a sub-group as an alternative/complimentary option to industry consultation.

[22.2.13.2](#) Therefore, the CMAG shall consult with wider industry and interested third parties where:

- a) There are specific points, pertinent to the solution that require wider stakeholder engagement, which could be due to (but not limited to) the solution, or parts of the solution being considered contentious;
- b) The CMAG feels that there are perspectives, opinions, expertise or parts of the market that may not have been as thoroughly considered as required solely through CMAG discussions;
- c) On the request of Ofgem, or on the suggestion of the Delivery Partners;



d) Any other reason that the CMAG or the CMAG Secretariat reasonably believes would reduce the risk of material comments being received on the solution as part of Ofgem's statutory consultation.

[22-313.3](#) Where the CMAG believes there is merit in conducting an industry consultation, the CMAG Secretariat shall draft a consultation document, which the CMAG shall review and agree (which may be ex-committee).

[22-413.4](#) The CMAG shall consult for a period that it deems appropriate in consideration of the consultation topic, with such consultation period being for no less than 10 working days (except in Urgent circumstances).

[22-513.5](#) The CMAG Secretariat shall:

- a) Publish the CM Rules Change Proposal Consultation on the CMAG Website;
- b) Highlight the consultation to all interested stakeholders that it holds contact details for; and
- c) Highlight the consultation to Ofgem and the delivery Partners, which may include a request to highlight it to their respective interested stakeholders where contact details are held.

[22-613.6](#) Following the conclusion of the industry consultation, the CMAG Secretariat shall present the outcomes for consideration at the next scheduled CMAG Meeting.

#### **[23-14](#) CM Rules Change Proposals Recommendations to Ofgem**

[23-114.1](#) The CMAG Secretariat, on behalf of the CMAG, shall submit a Final CM Rules Change Proposal Report (the Report) to Ofgem following the conclusion of CMAG discussions on each CM Rules Change Proposal. The purpose of this report is to enable Ofgem to make a decision on whether to progress the Proposal through the statutory consultation process.

[23-214.2](#) The CMAG should make well-reasoned recommendations to Ofgem in line with the CMAG Objectives, this Operating Procedure and the Terms of Reference.

[23-314.3](#) The Report should consider and include at least the following:

- a) A copy of the Change Proposal form;
- b) An explanation of the:
  - i Issue;
  - ii Solution;
  - iii Background information;
  - iv Expected benefits; and
  - v Proposer's views;
- c) A summary of the discussions held at the CMAG regarding the Change Proposal;
- d) A summary of the prioritisation history and timeline of development of the Change Proposal;
- e) A summary of the outcomes in relation to the Standard and Specific Questions for each Change Proposal;
- f) Views from each of the Delivery Partners on each Change Proposal; and
- g) Any other items the CMAG believe should be considered by Ofgem in relation to the Change Proposal.

[23-414.4](#) The CMAG Secretariat shall draft the Final CM Rules Change Proposal Report on behalf of the CMAG, and shall endeavour to provide the CMAG at least 5WD to review the report before its finalised. For the avoidance of doubt, the Report may be finalised by the CMAG either ex-committee or at a scheduled meeting.

[23-514.5](#) The CMAG Secretariat, on behalf of the CMAG, shall submit the Report to Ofgem, and copy CMAG Members and Representatives for visibility.

#### **[24-15](#) Send-back of CM Rules Change Proposals**

[24-115.1](#) Ofgem may determine at any time following the receipt of a Report that it needs further work, support or analysis from the CMAG. For the avoidance of doubt, this could be either before or after the statutory consultation.

[24-215.2](#) To send-back a report for further work, Ofgem should inform the CMAG Secretariat, who in turn shall inform the CMAG Members and Representatives.

[24.315.3](#) Ofgem shall endeavour to make clear to the CMAG what work it expects to be completed as part of its decision to send-back a report for further work.

[24.415.4](#) The CMAG Facilitator shall determine whether the work requested by Ofgem would require the CMAG to convene at an Urgent meeting, or whether the items can be discussed at the next scheduled CMAG Meeting.

[24.515.5](#) Once the CMAG has further discussed and completed the further work required, the CMAG Secretariat will submit an updated Report to Ofgem for consideration.

#### **[25.16. CMAG Reporting to Ofgem](#)**

[25.416.1](#) The CMAG Secretariat should prepare a report for Ofgem at six month intervals (April (covering October – March) and October (covering April – September) yearly), including (but not exclusive to):

- a) Attendance levels by CMAG Members, Representatives and their Alternates (where applicable);
- b) The number of Change Proposals considered, and the number of Reports sent to Ofgem;
- c) The decisions that Ofgem makes in line with (or otherwise) CMAG recommendations;
- d) A summary of key items discussed by the CMAG outside of Change Proposals; and
- e) Any verbatim comments on the operation of the CMAG, which may be from, or a combination of, the CMAG Secretariat, Members or Representatives.

[25.216.2](#) The CMAG Secretariat should seek agreement on the report from the CMAG before it is provided to Ofgem.

#### **[26.17. Operating Procedure & Terms of Reference Amendment Procedure](#)**

[26.417.1](#) The CMAG Operating Procedure and Terms of Reference shall both be subject to this amendment procedure.

[26.217.2](#) An amendment to the CMAG Operating Procedure or Terms of Reference may be proposed by:

- a) CMAG Members;
- b) CMAG Representatives;
- c) The CMAG Secretariat;
- d) The Department for Energy Security and Net Zero on the discretion of the CMAG Facilitator; or
- e) Any other interested person who has a legitimate interest in the CMAG, on the discretion of the CMAG Facilitator.

[26.317.3](#) Where an amendment to the CMAG Operating Procedure or Terms of Reference is suggested, the proposer of the amendment shall work with the CMAG Secretariat to suggest alternative wording.

[26.417.4](#) The CMAG Secretariat shall seek the views of the CMAG at its next scheduled meeting on whether changes should be made to the Operating Procedure or Terms of Reference, unless such items are of a level of importance that the CMAG Facilitator deems should be resolved via correspondence or an Urgent Meeting.

[26.517.5](#) On the recommendation of the CMAG, the CMAG Secretariat shall request Ofgem approves the updated Operating Procedure or Terms of Reference.

[26.617.6](#) Ofgem shall confirm its decision on whether to approve proposed amendments in writing to the CMAG Secretariat.

[26.717.7](#) Subject to Ofgem's decision to approve an amendment, such amendment shall be effective from the date and time that the CMAG Secretariat publishes the updated CMAG Operating Procedure or Terms of Reference on the CMAG Website, and shall communicate such publication to the CMAG.

#### **[26.817.8 Housekeeping Changes](#)**

[26.8.117.8.1](#) Housekeeping Changes to the CMAG Operating Procedure and Terms of Reference can be made at any time on the discretion of the CMAG Secretariat and shall take effect once published on the CMAG Website.

[26.8.217.8.2](#) Where the CMAG Secretariat makes a Housekeeping Change, it shall communicate such change with the CMAG at the next scheduled meeting. If the Members are of the view (in line with the 'Terms of Reference

voting arrangements) that the amendments are not of a Housekeeping nature, then the standard amendment process shall apply.