

# Proposal for a Capacity Market Rule Change

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Reference number: CP393

**Title:** Full Review of Capacity Market Exhibits

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**Proposal abstract** (*a short summary, suitable for published description on our website*)

The Exhibit Review aims to enhance the clarity, consistency, and usability of Capacity Market (CM) Exhibits submitted to the Delivery Body (DB) at prequalification. The current layout and language of CM Exhibits have led to frequent errors, misinterpretations, and administrative burdens due to unclear guidance and inconsistent terminology. Through stakeholder feedback and discussions across seven CMAG meetings, the review identified the need for a comprehensive update. The revised Exhibits eliminate confusing template elements, streamline user input, and align with current CM Rules and operational practices, ultimately supporting a more efficient and reliable application process.

**Description of the issue that the change proposal seeks to address:**

The current suite of Capacity Market Exhibits is outdated, inconsistent, and often unclear, leading to frequent submission errors, delays, and increased manual effort. Confusing formatting, vague language, and redundant or unused templates have made the process burdensome for both Capacity Providers and the Delivery Body. These issues, identified through stakeholder feedback and CMAG discussions, highlight the need for a comprehensive review and revision to improve clarity, usability, and alignment with operational practices.

**Proposed solution to the issue:**

The intention of the solution is to deliver a comprehensive update to all Capacity Market (CM) Exhibits to improve clarity, consistency, and usability, while ensuring alignment with the CM Rules and operational processes. The revised Exhibits aim to reduce administrative burden, minimise the risk of errors or rejections, and support a more efficient and transparent application process for Capacity Market participants.

The Proposer's solution involved a full review and redrafting of all CM Exhibits (A–J, DA–DC, ZA–ZD, AA–AB).

The review focused on:

- Standardising terminology
- Clarifying declarations
- Removing redundant or unused Exhibits
- Improving usability
- Providing clearer guidance

The Proposer's legal text sought to deliver the intention of the solution by amending the CM Rules to incorporate revised versions of all Exhibits, including updated declarations, field definitions, and supporting guidance.

**List of alternative proposals already submitted which this proposal relates to (if any):**

N/A

**If you know the specific change to the Capacity Market (CM) Rules you wish to make, please select the type of change below and propose specific revised text, indicating the provision number from the CM Rules and highlighting the change (if left blank, the Capacity Market Advisory Group (CMAG)/Ofgem may suggest revised text to achieve the proposed solution above):**

Amendment                       Addition                       Revocation                       Substitution

The intention is to require completion of an Exhibit ‘as-is’ without any amendment to the template text. This will allow the DB to more readily assess the appropriate completion of the Exhibit and approve or reject it as appropriate.

It is proposed to insert the new Rule as 1.6.1(c):

1.6.1 All notices, submissions and other communications by, or to, the Delivery Body pursuant to the Regulations or the Rules must be in writing and:

- (a) where pursuant to Rule 5.6 or Rule 5.10, submitted via the IT Auction System; ~~and~~
- (b) for all other purposes, submitted via the EMR Delivery Body Portal.; ~~and~~
- (c) any exhibit submitted to the EMR Delivery Body based on the requirements set out in Exhibits ZA to J must not contain any amendment to the form set out in those Exhibits (with any such amendments resulting in rejection of the exhibit by the EMR Delivery Body), but only have added to the form the appropriate answers, data and signed declarations, which are all mandatory unless otherwise specified within the exhibit.

For Rule 3.12.1, the word “complete” be included, to prevent error by omission and ensure that any copy documents remain valid:

3.12.1 A person submitting an Application or an Opt-out Notification must ensure and confirm in the Application or the Opt-out Notification that:

- (a) in all material respects, the Application or Opt-out Notification and, in the case of an Application, all Additional Information submitted by the Applicant; and
- (b) in all respects, each of the specific declarations referred to in Rules 3.4 to 3.11 (where relevant),

is true, ~~and~~ correct ~~and~~ complete (or, to the extent that the Additional Information is a copy document, that it is a true, ~~and~~ correct ~~and~~ complete copy that remains valid) and that the Application and Additional Information has been authorised by the board of directors of the Applicant or the person submitting the Opt-out Notification (as applicable).

**Analysis and evidence for the impact of the proposed change on industry and/or consumers, highlighting how the proposal meets the Ofgem/Capacity Market objectives set out in Regulation 78 of The Electricity Capacity Regulations 2014, any risks to consider and any implications for industry codes:**

Impact on Industry

For Capacity Market participants, the revised Exhibits reduce the risk of submission errors and rejections

by removing ambiguous language, standardising terminology, and simplifying layout. The removal of square brackets and footnotes, and the conversion of these into clear guidance, directly addresses feedback from the Delivery Body and applicants regarding usability. These changes will reduce the time and effort required to complete and validate submissions, particularly during prequalification and agreement management stages.

The clarification of signature requirements and the removal of vague references to “descriptions” ensures that forms are completed accurately and consistently. This supports better compliance with CM Rules and reduces the need for manual intervention by the Delivery Body.

#### Impact on Delivery Partners

Delivery Partners, including the EMR Delivery Body and Independent Emissions Verifiers, will benefit from more consistent and complete submissions. This will improve the efficiency of validation processes and reduce administrative overhead. For Independent Emissions Verifiers, the proposed scoping review of Exhibit ZA will help ensure that assurance expectations are clearly defined and consistently applied.

#### Impact on Consumers

By improving the quality and reliability of CM documentation, the changes support the efficient operation of the Capacity Market. This contributes to the secure delivery of electricity capacity at the lowest cost to consumers, aligning with Ofgem’s Principal Objective and the objectives set out in Regulation 78 of The Electricity Capacity Regulations 2014. These include:

- Facilitating efficient operation and administration of the Capacity Market
- Ensuring compatibility with other legislation under Part 2 of the Energy Act 2013

#### Risks and Considerations

The primary risk associated with the change is the one-time administrative burden placed on Capacity Providers due to the invalidation of previously Evergreen Exhibits. However, this is mitigated by the improved usability of the new templates and the availability of submission tools such as the EMR DB Exhibit Generator.

There are no direct implications for industry codes, as the changes are confined to the CM Exhibits and do not alter the underlying CM Rules or associated code frameworks.

### Urgency

Select this box if you would like this proposal to be treated as “urgent” (see 1.14 of “The Change Process for the Capacity Market Rules – Guidance” (2022) for details on the requirements of an urgent proposal)?

If selected, please include a justification, including any dates by which the CM Rule Change needs to be made and the consequences of not acting in time (*Note that urgent proposals may be deprioritised or rejected if the Rule Change suggested cannot be implemented before the date(/s) set out in this section*)

### Confidentiality

We want to promote transparency in the Capacity Market Rule Change process. Submitting proposals directly to the Capacity Market Advisory Group (CMAG) supports transparency whilst ensuring that proposals benefit from the input of a panel of impartial capacity market experts whose role it is to support the development, scrutiny, and prioritisation of proposals to improve CM Rules.

Proposals submitted directly to Ofgem may be shared with CMAG or published on our website as part of a public consultation before any rule change is enacted, provided the information shared has not been marked as confidential.

To submit your proposal directly to CMAG, e-mail this document to [cmag@elexon.co.uk](mailto:cmag@elexon.co.uk)

If you wish to submit confidential information to Ofgem as part of your proposal, there are two routes to do this:

1. Submit this document directly to CMAG ([cmag@elexon.co.uk](mailto:cmag@elexon.co.uk)) excluding the confidential information, then submit a copy of this document plus an additional file containing the confidential information (marked as confidential) to [emr\\_cmrules@ofgem.gov.uk](mailto:emr_cmrules@ofgem.gov.uk)
2. Submit this document plus an additional separate file containing the confidential information (marked as confidential) directly to Ofgem at [emr\\_cmrules@ofgem.gov.uk](mailto:emr_cmrules@ofgem.gov.uk)

Nothing marked confidential will be shared outside of Ofgem without the express permission of the proposer.