

ADDENDUM TO RULE CHANGE NOTICE FOR RC_2008_28 ELIGIBLE SERVICES FOR SUPPLEMENTARY RESERVE CAPACITY

At the 5th meeting of the Supplementary Reserve Capacity (SRC) Working Group it was noted that amendments needed to be made to the published rule change proposal entitled 'Eligible Services for SRC' during the preparation of the relevant draft report to include physical equipment installed specifically to provide additional capacity for the purpose of SRC.

It was agreed that the amending rules needed to be changed to allow market participants committing to install equipment to provide additional capacity at Registered Facilities to participate in a Supplementary Capacity Contract.

At the final meeting of the Supplementary Reserve Capacity Working Group, changes to the amending rules were proposed which are highlighted in yellow below.

4. PROPOSED AMENDING RULES

The IMO proposes the following amendments to the Market Rules (~~deleted words~~, added words):

- 4.24.3. The only eligible sources of supplementary capacity are the following services ("**Eligible Services**"):
- (a) load reduction, that is measures to reduce a consumer's consumption of electricity supplied through the SWIS, but excluding reductions associated with the operation of Registered Facilities (including registered Loads) or reductions provided by a Market Customer with a Demand Side Programme that does not satisfy its Reserve Capacity Obligations for the current Reserve capacity Cycle in accordance with clause 4.8.3(d) at the time the IMO seeks to acquire supplementary capacity; and
 - (b) the generation of electricity by generation systems that are not Registered Facilities;
 - (c) the generation of electricity by generation systems, or load reductions provided by loads, that are Registered Facilities but only to extent that the electricity is generated, or the load reduction is provided, by capacity for which the relevant Market Participant:
 - (i) does not hold Capacity Credits in the current Reserve Capacity Cycle; and
 - (ii) has not held Capacity Credits in the current Reserve Capacity Cycle or a previous Reserve Capacity Cycle; and
 - (iii) holds Capacity Credits in a subsequent Reserve Capacity Cycle; or

(iv) will provide evidence to the IMO prior to a Supplementary Capacity Contract taking effect that:

1. costs have been incurred to enable the provision of the capacity through the installation of physical equipment; and
2. the capacity is in addition to the sent out capacity of the generation system, or the maximum amount of load that can be curtailed, that existed prior to the installation of the physical equipment.