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Response to consultation: Capacity Market Proposed Easements in Response to COVID-19 Pandemic

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Uniper

Uniper is a leading international energy company with around 11,500 employees and activities in more than 40 countries. With about 34 GW of installed generation capacity, Uniper is among the largest global power generators. Its main activities include power generation in Europe and Russia as well as global energy trading, including a diversified gas portfolio that makes Uniper one of Europe's leading gas companies. The company is headquartered in Düsseldorf, being the third-largest listed German utility. Under its new strategy, Uniper aims to become climate neutral in its European power generation by 2035.

We welcome this consultation and our views are summarised below:

- The necessity, in these unprecedented circumstances, to introduce temporary flexibility where more time may be needed to meet Capacity Market (CM) obligations is recognised.
- Market participants should be treated consistently. Where obligations are deferred capacity providers should not be relieved of their obligations altogether and should ultimately continue to be exposed to the consequences of non-delivery.
- DSR capacity that has been secondary traded ahead of delivery should be excluded from the COVID-19 delay provisions on the grounds that it will have already benefitted from the trade.
- Flexibility should only be provided where obligations cannot be met as a consequence of the COVID-19 pandemic. ITE reporting must be robust to ensure grounds for delay to delivery of New Build, Refurbishing and Unproven DSR CMU's are genuinely due to COVID-19. An alternative approach to delay for Unproven DSR could be to return the proportion of Applicant credit cover for the volume of capacity not-available instead; so that contracted capacity deliverable for the 2020-21 Delivery Year is still available for that year.
- The Delivery Body must publish information on CMU's granted a delay to delivery to provide transparency to the market and allow market participants to assess the impact on the probability of a stress event occurring.

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