



Capacity Market Team

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Capacity Market Consumer-led flexibility

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About Uniper

Düsseldorf-based Uniper is a European energy company with global reach and activities in more than 40 countries. With approximately 7,400 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden and the Netherlands.

Uniper's operations encompass power generation in Europe, global energy trading, and a broad gas portfolio. Uniper procures gas—including liquefied natural gas (LNG)—and other energy sources on global markets. The company owns and operates gas storage facilities with a total capacity of more than 7 billion cubic meters.

Uniper intends to be completely carbon-neutral by 2040. Uniper aims for its installed power generating capacity to be more than 80% zero-carbon by the early 2030s. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generating units. Uniper is already one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. The company is progressively expanding its gas portfolio to include green gases like hydrogen and biomethane and aims to convert to these gases over the long term.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonization journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

In the UK, Uniper owns and operates a flexible generation portfolio of power stations and a fast-cycle gas storage facility.

Call for Evidence response

We have set out below our answers to the call for evidence questions. Our views in summary:

- We are not persuaded that introducing a number of new Generating Technology Classes (GTC) for Demand Side Response (DSR) is an efficient way to distinguish the performance range of DSR technologies.

- We believe that using the empirical evidence from the DSR test to calculate a bespoke de-rating factor is more effective.

Our views in full:

Question 1: Do you agree with our proposals to introduce new Demand Side Response Generating Technology Classes based on technology type?

No. In practice, a wide range of DSR technologies exist with very different characteristics, implying a high number of GTC to establish homogenous groups of DSR.

Question 2: Please provide the reasoning behind your response to question 1 and supporting evidence where appropriate. If you disagree, please provide suggestions and evidence for alternative methods that could be considered.

The administrative burden for the delivery body to maintain these classes could grow without solving the issue of multiple de-rating factors. Even with many GTC the de-rating factor may not be accurate for each GTC.

An alternative approach, which would be administratively simpler, would be for each DSR CMU to prove or adjust its de-rating factor following its DSR delivery test.

Question 3: Do you have any opinions on whether an additional Generating Technology Class is necessary for Electric Vehicles and Vehicle-to-Grid technologies, or can these be included in the proposed categories?

No.

Question 4: Can you foresee any unintended consequences that might arise from the introduction of separate Generating Technology Classes for Electric Vehicles and Vehicle-to-Grid?

No.

Question 5: What are your views on the utilisation of non-Balancing Mechanism Short-Term Operating Reserve in the current Demand Side Response de-rating methodology? Do you have any alternative suggestions? Please provide evidence to support your response.

We recognise the factors relating to de-rating methodology listed in the consultation. Rather than develop multiple methodologies for this GTC, the delivery body should use the empirical evidence produced during the DSR test to calculate a de-rating factor.

Question 6: Do you agree that Demand Side Response exhibits duration limits?

Yes.

Question 7: Do you agree with the proposals to adopt a duration limited methodology to de-rating Demand Side Response categories?

Yes.

Question 8: Do you have views on whether this approach should be applied across all proposed Demand Side Response categories?

No.

Question 9: Do you foresee any unintended consequences from adopting a duration limited methodology?

No.

Question 10: Do you agree with our proposed approach to component reallocation within Demand Side Response Generating Technology Classes?

Yes.

Question 11: Do you believe that additional supporting changes are necessary to accommodate the proposals outlined in question 10?

No Uniper response.

Question 12: If you believe additional supporting changes are necessary, what changes do you propose should be considered?

No Uniper response.

Question 13: Do you agree that information submitted with respect to aggregated Capacity Market Unit portfolios could be reduced without negatively impacting delivery assurance?

Yes.

Question 14: Please present views on how any alternative approaches could be addressed and implemented.

No Uniper response.

Question 15: Do you have views on changing baselining methodologies in the Capacity Market?

The baseline should be underpinned by a robust DSR test. There should be a surprise element to the timing of the test rather than allow the capacity provider to nominate the time of the test, as this would capture more typical operating conditions and prevent the capacity provider from creating more favourable outcomes.

Question 16: Do you have views on aligning baselining methodologies with other markets?

No Uniper response.

Question 17: Do you have views on how changes to the penalty regime could incentivise more accurate baselining in the Capacity Market?

No Uniper response.



Question 18: Do you agree with intentions to introduce a completion milestone ahead of the relevant Electricity Capacity Report?

Yes.

Question 19: Please explain the reasoning behind your response to question 18 and provide supporting evidence where appropriate. If you disagree, please provide suggestions and evidence for alternative methods that could be considered.

In the interest of market efficiency, it is important that the capacity target for procurement in the T-1 auction is set as accurately as possible. If a DSR CMU fails to meet a completion milestone it should be subject to a termination fee rather than loss of credit cover.

Question 20: Do you foresee any unintended consequences from earlier introduction of completion milestones?

No.

Uniper UK Limited