

RWE

CMP413: WACM 2: Points for Discussion

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Points for discussion

- Other forms of generation make regular investments – it might therefore be more cost efficient to offer a fix to all generation, rather than only newbuild.
- Fixes should/could also be for a shorter length, below the proposed 15 years.
- Alternative to a FID trigger (possible to game?) - New developers can take the option to fix against the latest forecast, and then “join the curve” when they connect.
- Role of inflation – should the fix adjust for inflation?
- Should generators with a fix continue to face these charges irrespective of if the station closes?
- Rather than placing the maximum length of the fix on the face of the WACM, should it be tied to the maximum that ESO can deliver (with a 15 year+ aspiration)?

Sketch diagram of possible approach

