

**CAP CONSULTATION PROFORMA**

Trading Parties ("Parties") are invited to respond to this consultation, expressing their views or providing any further evidence on any of the matters contained within the consultation document. In particular, views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Please send your responses by **12 noon on Monday 12 August 2013** to [CreditCommittee@elexon.co.uk](mailto:CreditCommittee@elexon.co.uk) and please title your email '**CAP Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Credit Committee.

Any queries on the content of the consultation pro-forma should be addressed to Beth Connew on 020 7380 4189, email address [CreditCommittee@elexon.co.uk](mailto:CreditCommittee@elexon.co.uk).

<b>Respondent:</b>	Walter Hood
<b>Company Name:</b>	IBM UK Ltd for and on behalf of the ScottishPower Group
<b>No. of BSC Parties Represented</b>	7
<b>Parties Represented</b>	ScottishPower Energy Management Ltd, ScottishPower Generation Ltd, ScottishPower Energy Retail Ltd, SP Transmission Ltd, SP Manweb plc., SP Distribution Ltd, SP Renewables (UK) Ltd
<b>No. of Non BSC Parties Represented</b>	0
<b>Non Parties represented</b>	N/A
<b>Role of Respondent</b>	Supplier/Generator/Trader/Consolidator/Exemptable Generator/distributor
<b>We intend to publish the consultation responses on the ELEXON website. Do you agree to this response being published on the ELEXON website? [Y/N]</b>	yes

Q	Question	Response <sup>1</sup>	Rationale
1.	Do you support the proposal that the value of the Credit Assessment Price (CAP) should be increased to £58/MWh?	Yes	ScottishPower agreed that in view of the current market condition and uncertainty in the near future concerning fuel and power prices, the CAP should be increased. While £58/MWh is a relatively large increase, the Committee should continue to take into account the latest information in trends (in both the forward market and the moving average SBP) before finalising the CAP price.
2.	If your answer to Question 1 is "Yes", please give your rationale.  If your answer to Question 1 is "No", please give the value of CAP that you consider to be more appropriate and your rationale for that value.		See 1 above.
3.	What do you expect the trend in System Buy Price (SBP) to be over the next 2 months (or more) and relate this to your preferred value of CAP?		ScottishPower expects SBP to be volatile and could be influenced by the short-term market price, plant availabilities and weather conditions.
4.	Do you have any further comments relating to the appropriate value of CAP or the other points made in the consultation document?		In view of the higher CAP price, the Committee should also consider if a larger trigger level is more appropriate.