

Capacity Market Operating Model

















Annex A – Process Maps Version 1.0

Document Control

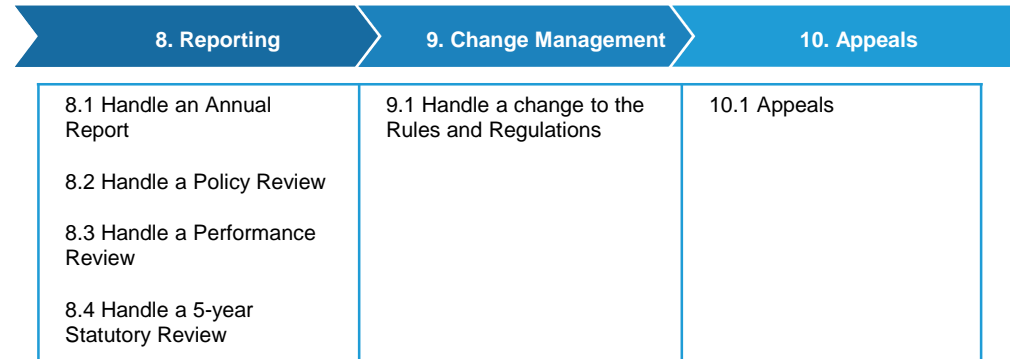
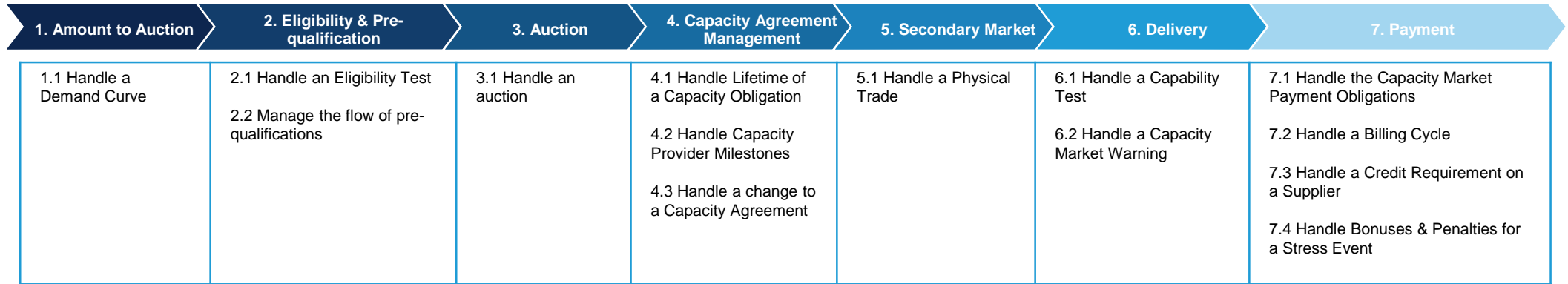
Change Control

Version Number	Author	Date modified	Record of change
1.0	DECC	17/12/2013	Published Version

Key

	Start Process		Start message
	Intermediary process to be completed before moving on		Intermediary message
	End Process		End message
	Task to be actioned		Data object
	Task with sub processes beneath		Time delay
	Reoccurring task		Flow
	Decision Point		Message flow
	Register		Conditional flow

Capacity Market Process Architecture



Process Map Cross Referencing

		Cross reference			
		Process	Rules	Regulations	Payment Regulations
1. Amount to auction	1.1 Handle a Demand Curve	1.1.1 Gather Data		6	
		1.1.2 Publish Initial Demand Curve		7-9, 10-12 24-26	
		1.1.3 Publish Final Demand Curve		10, 14, 18, 20, 26	
2. Eligibility & Prequalification	2.1 Handle Eligibility	2.1 Handle eligibility		15, 16, 19, 32	
	2.2 Manage the flow of prequalification	2.2.1 Submit Applications	2.1-2.3, 3.1-3.5, 3.10, 3.11, 4.7	17-19, 32	
		2.2.2 Assessing Applications	3.1-3.11, 4.1-4.4, 7.2-7.8	19, 32	
		2.2.3 Prequalification results	4.5-4.9	20	
		2.2.4 Handle credit support	4.6.		46, 47
3. Auction	3.1 Handle an Auction	3.1.1 Set Auction Framework	5.2, 5.3	14, 18	
		3.1.2 Set Price Maker/Taker status	4.5, 4.7, 7.2-7.8		
		3.1.3 Hold Auction	5.1-5.8, 7.2-7.8	21, 22	
		3.1.4 Notify Auction Outcome	5.9-5.12	23-25	

Process Map Cross Referencing

		Cross reference			
		Process	Rules	Regulations	Payment Regulations
4. Capacity Agreement Management	4.1 Handle lifetime of a capacity obligation	4.1.1 Register Capacity Obligation	6.1-6.3 Schedule 1	28, 29	
		4.1.1.4 Return Credit Support	Schedule 2, 13.2		50
		4.1.2 Monitor milestones	11.1-11.5		
	4.2 Handle capacity provider milestones	4.2.1 Handle capacity provider financial milestone	6.6		
		4.2.2 Handle capacity provider completion milestone (New)	6.7, 7.2-7.8		
		4.2.3 Handle capacity provider completion milestone (Refurbishing)	6.7, 7.2-7.8		
		4.2.4 Handle a Termination	6.10, 7.2-7.8	30, 33	
		4.2.5 Sanctions (refurbishing)	6.8, 7.2-7.8		
	4.3 Handle a change to a capacity agreement	4.3.1 Handle an internal change to a Capacity Agreement	3.5.1, 7.2-7.8		
		4.3.2 Handle an External Change to a capacity agreement	7.2-7.8		
5. Secondary Market	5.1 Handle a Physical Trade	5.1.1 Trade notification	9.1, 9.2		
		5.1.2 Trade occurs	9.2, 9.3		
		5.1.3 Successful trade information update	6.3, 7.2-7.9, 9.4		

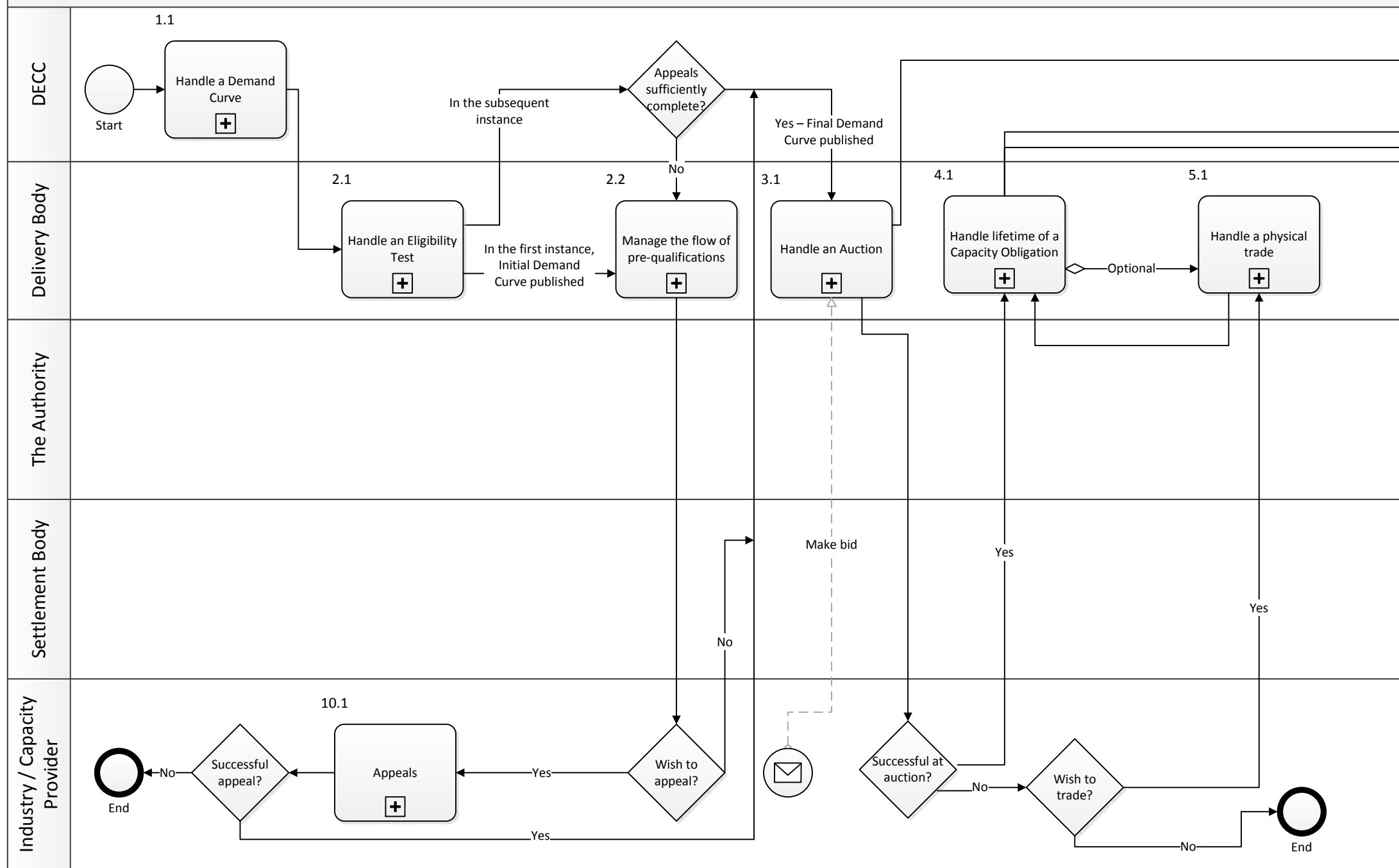
Process Map Cross Referencing

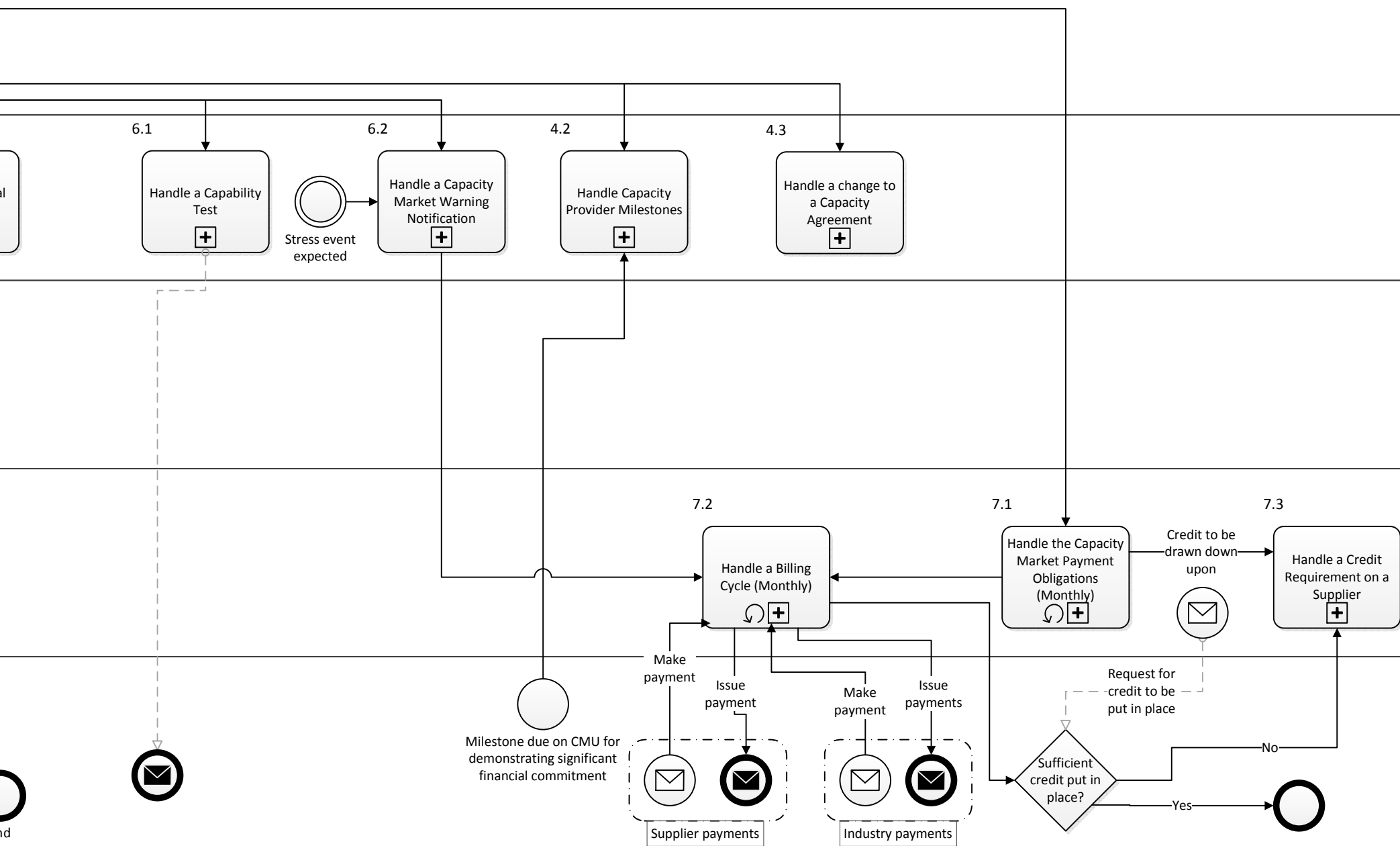
			Cross reference		
		Process	Rules	Regulations	Payment Regulations
6. Delivery	6.1 Handle a capacity test	6.1.1 Schedule test	13.3.1-13.3.6, 13.3.16		
		6.1.2 Run test	13.3.8-13.3.10		
		6.1.3 Notify of Spot Test outcome	7.2-7.8, 13.3.11-13.3.12		13.6-7, 39
	6.2 Handle a CM Warning Notification	6.2.1 Issue Capacity Market warning	8.4.7		
		6.2.2 Collect Capacity Market warning data	8.4.5		
		6.2.3 Handle a stress event	8.4.6		12
		6.2.4 Respond to Capacity Market Warning	8.5		
		6.2.5 Close Capacity Market Warning	8.4.7e		
7. Payment	7.1 Handle Capacity Market Payment Obligations	7.1.1 Publish capacity cost for Delivery Year			15, 19
	7.2 Handle a Billing Cycle	7.2.1 Supplier charges			22, 25, 27, 31- 34, 60-68
		7.2.2 Calculate Capacity Provider payments	14.2	13	23, 36, 60-68
		7.2.3 Handle all bonuses and penalties for a stress event	14.4		28,
		7.2.3.4 Handle CMU Charges	14.3		28
		7.2.3.5 Calculate CMU over delivery charges	14.3		36
	7.3 Handle a credit requirement on a supplier	7.3.1 Request Credit			45
		7.3.2 Supplier stage 1 credit default			46
		7.3.3 Supplier stage 2 credit default			47

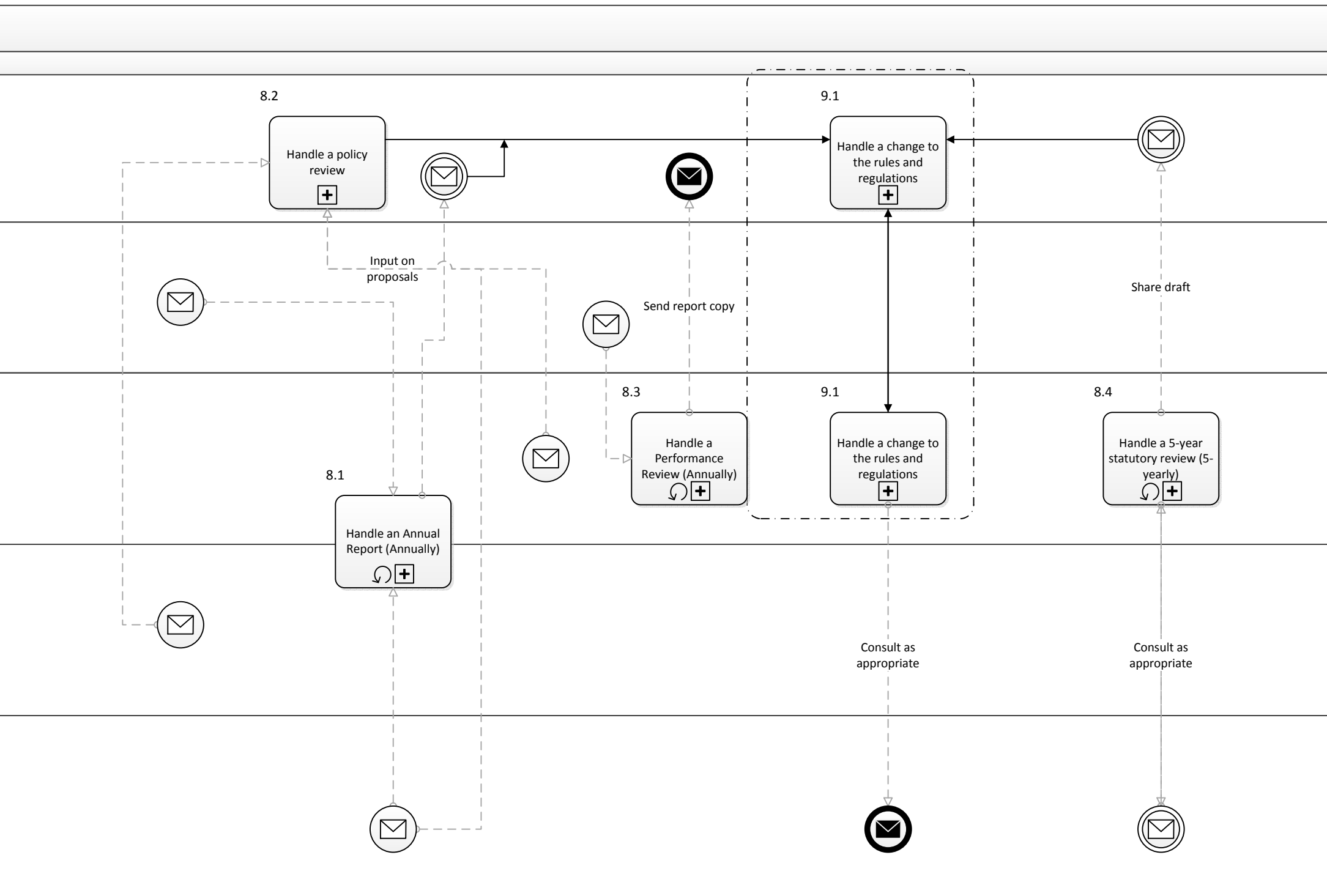
Process Map Cross Referencing

		Cross reference			
		Process	Rules	Regulations	Payment Regulations
8. Reporting	8.1 Handle an annual report	8.1.1 Handle the Authority annual report		36, 49	
	8.2 Handle a policy review	8.2 Handle a policy review	-	36	-
	8.3 Handle a performance review	8.3 Handle a performance review	-	49	-
	8.4 Handle a 5-year Statutory Review	8.4.1 Handle a rules report		36, 48	
		8.4.2 Handle a statutory report		36. 47	
9. Change Management	9.1 Handle a change to the rules and regulations	9.1.1 Handle a change to the rules		44	
		9.1.2 Initiate rule change		45	
		9.1.3 Handle a change to the regulations		47	
10. Appeals	10.1 Appeals	10.1.1 Appeals to the Delivery Body	7.2-7.8, 12.2-12.3		
		10.1.2 Appeals to the Settlement Body			52-58
		10.1.3 Appeals to Independent Body	7.2-7.8	40-41, 43	
		10.1.4 Appeals to the courts	7.2-7.8	42-43	

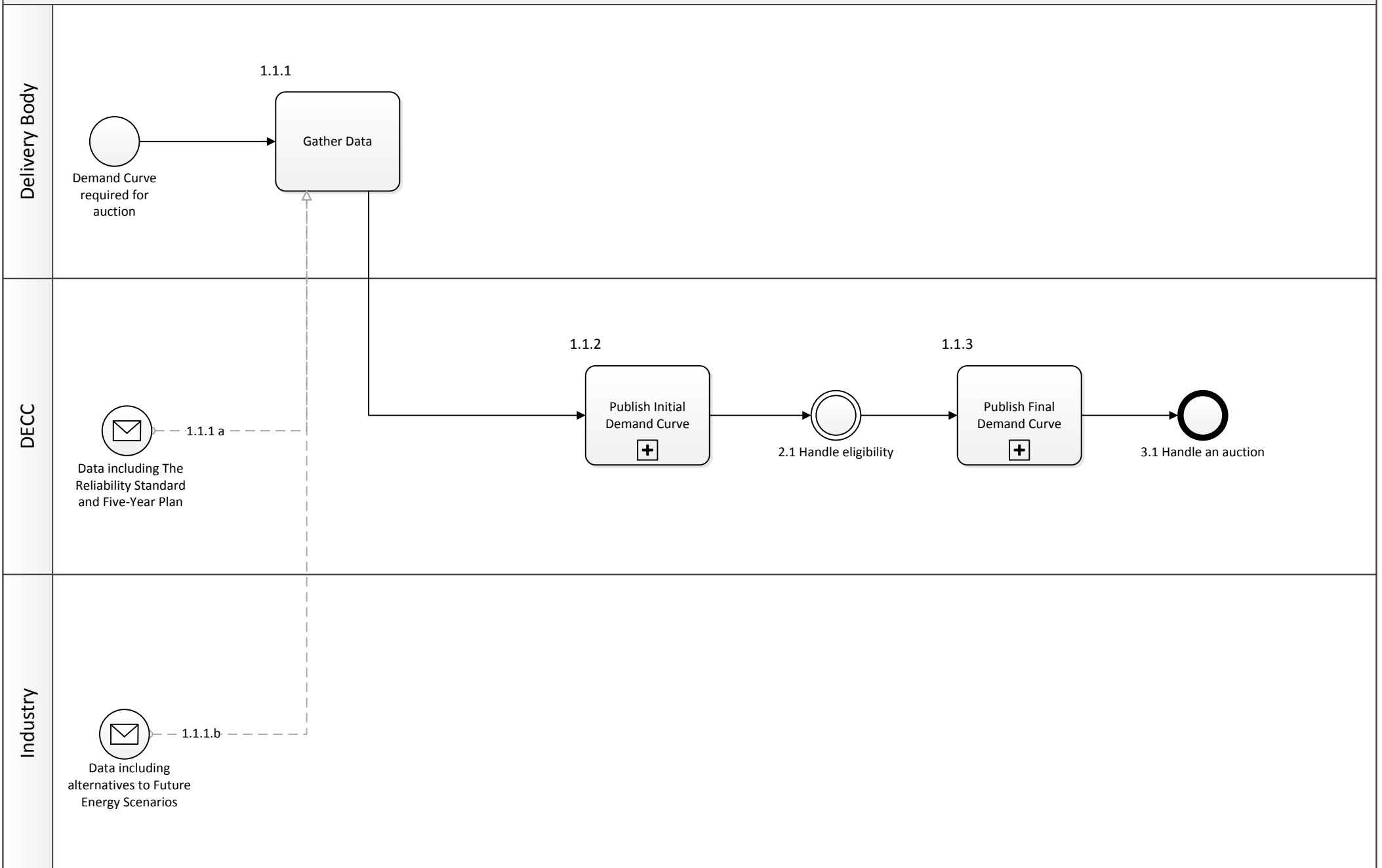
Capacity Market Process Architecture



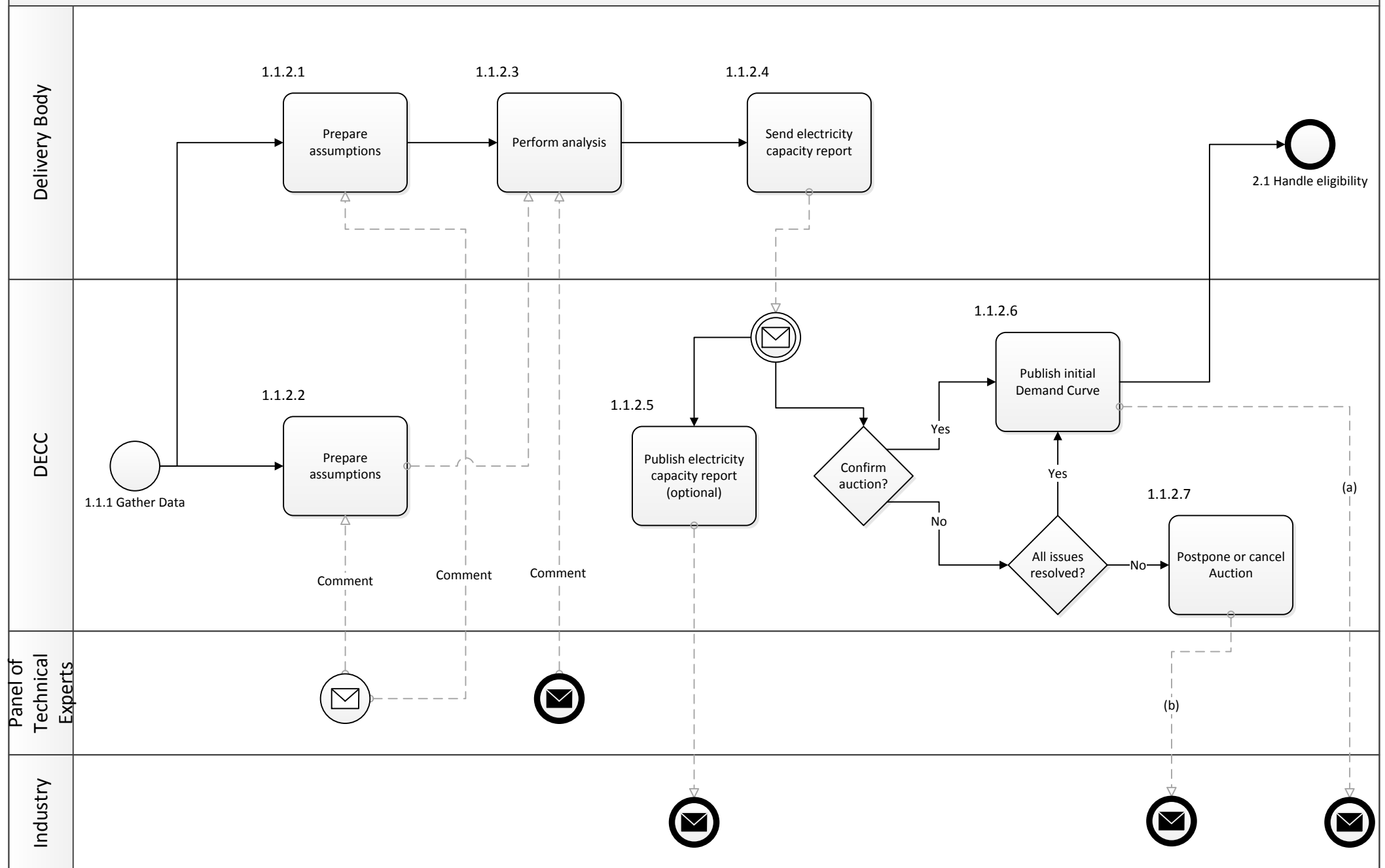




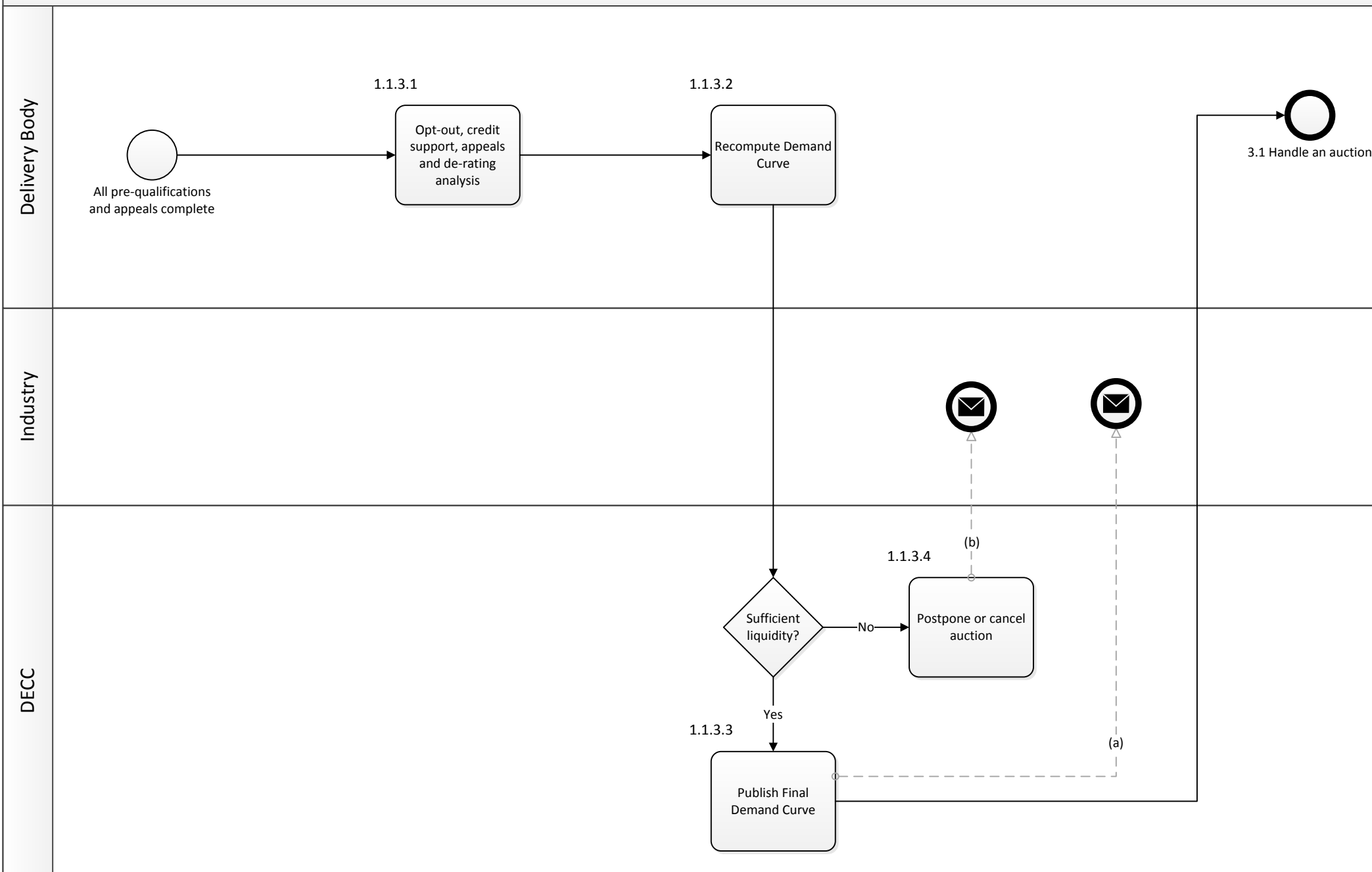
1.1 Handle a Demand Curve



1.1.2 Publish Initial Demand Curve

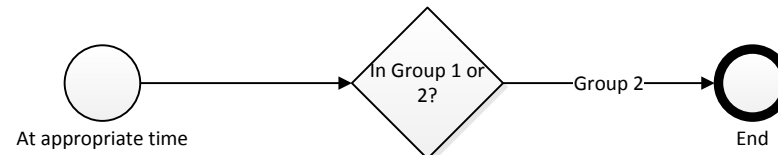
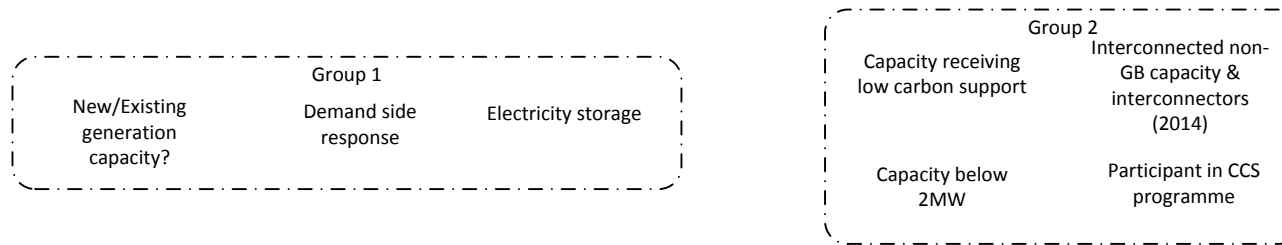


1.1.3 Publish Final Demand Curve

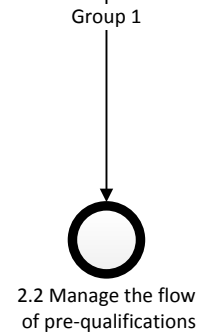


2.1 Handle eligibility

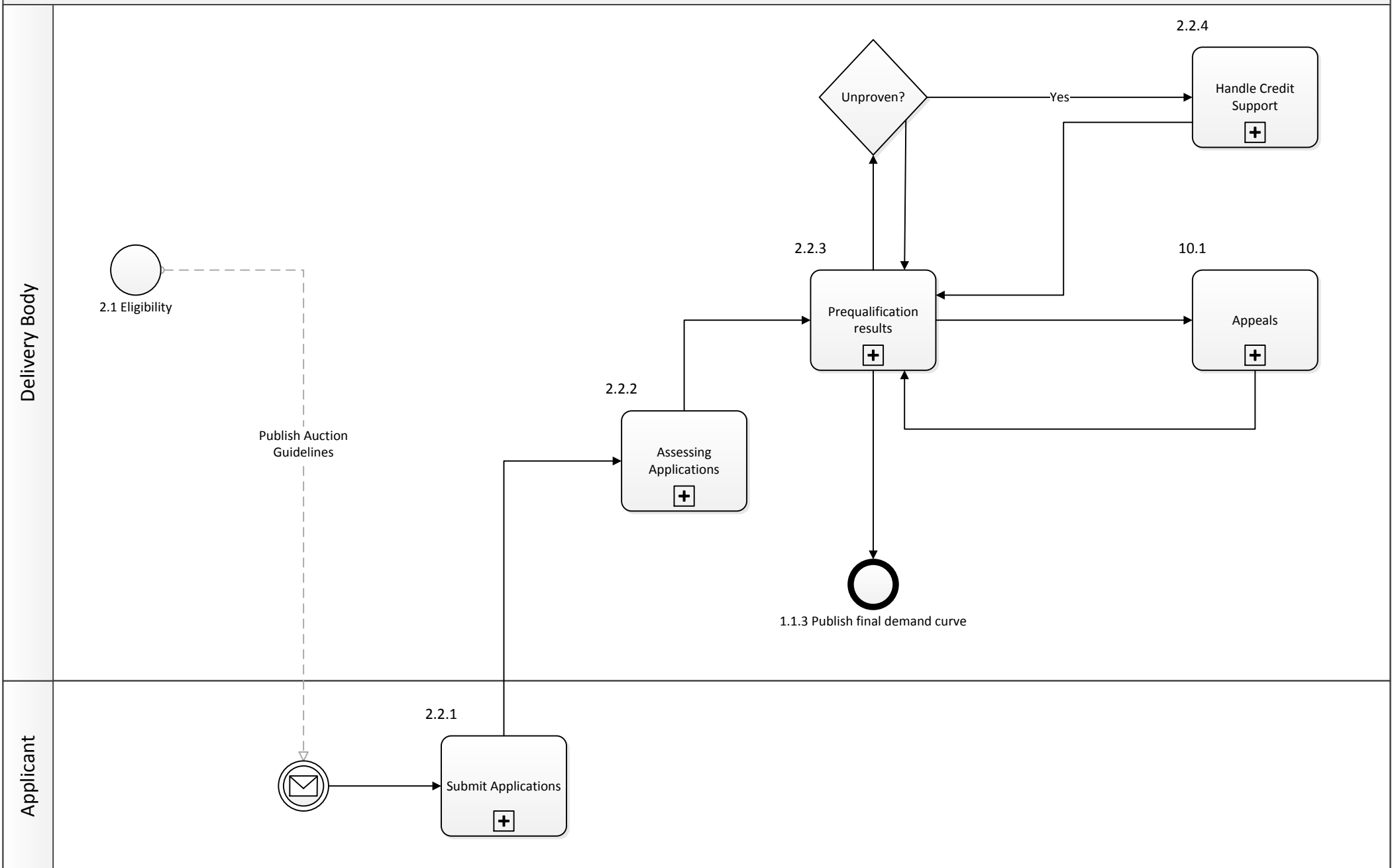
Applicant



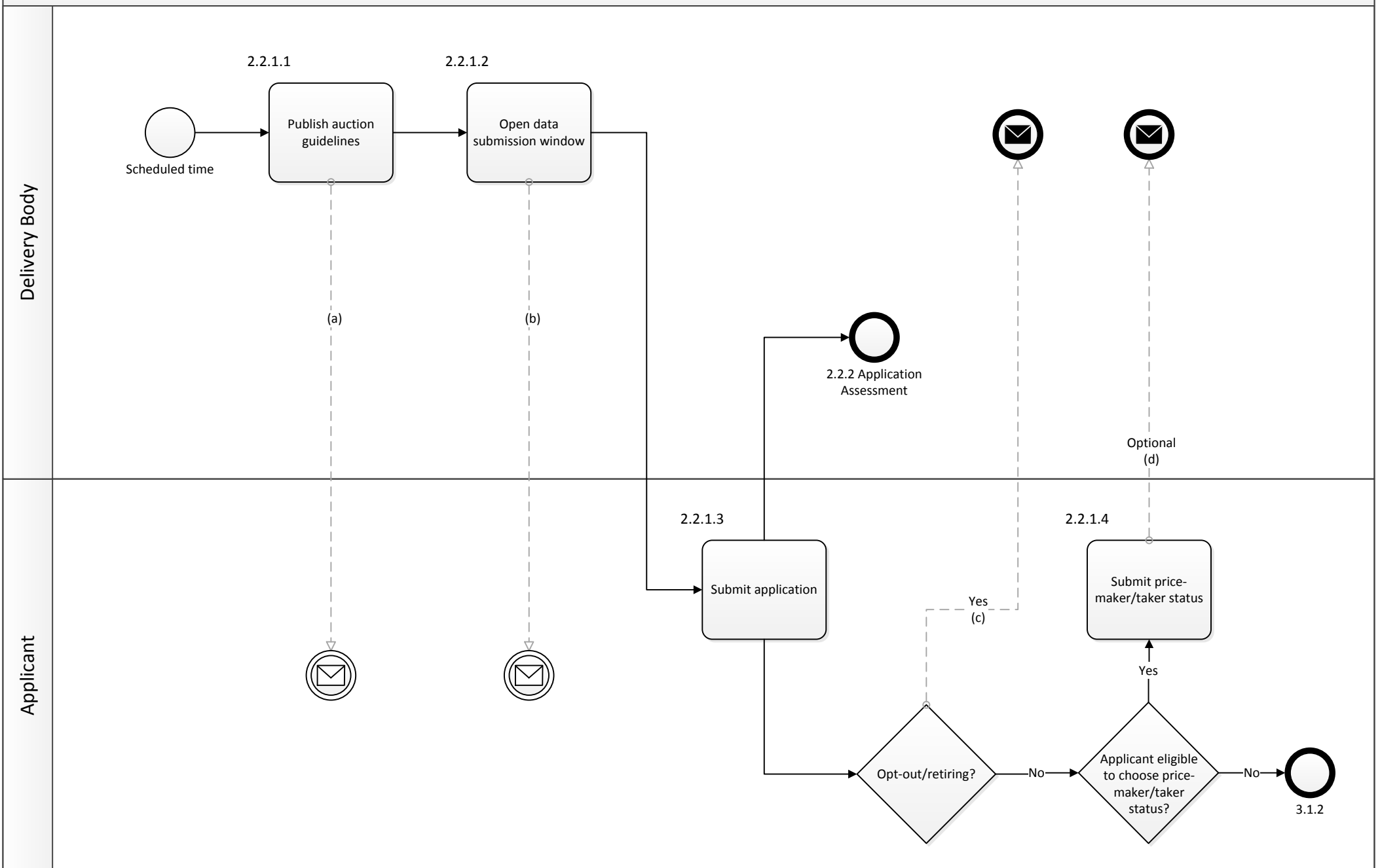
Delivery Body



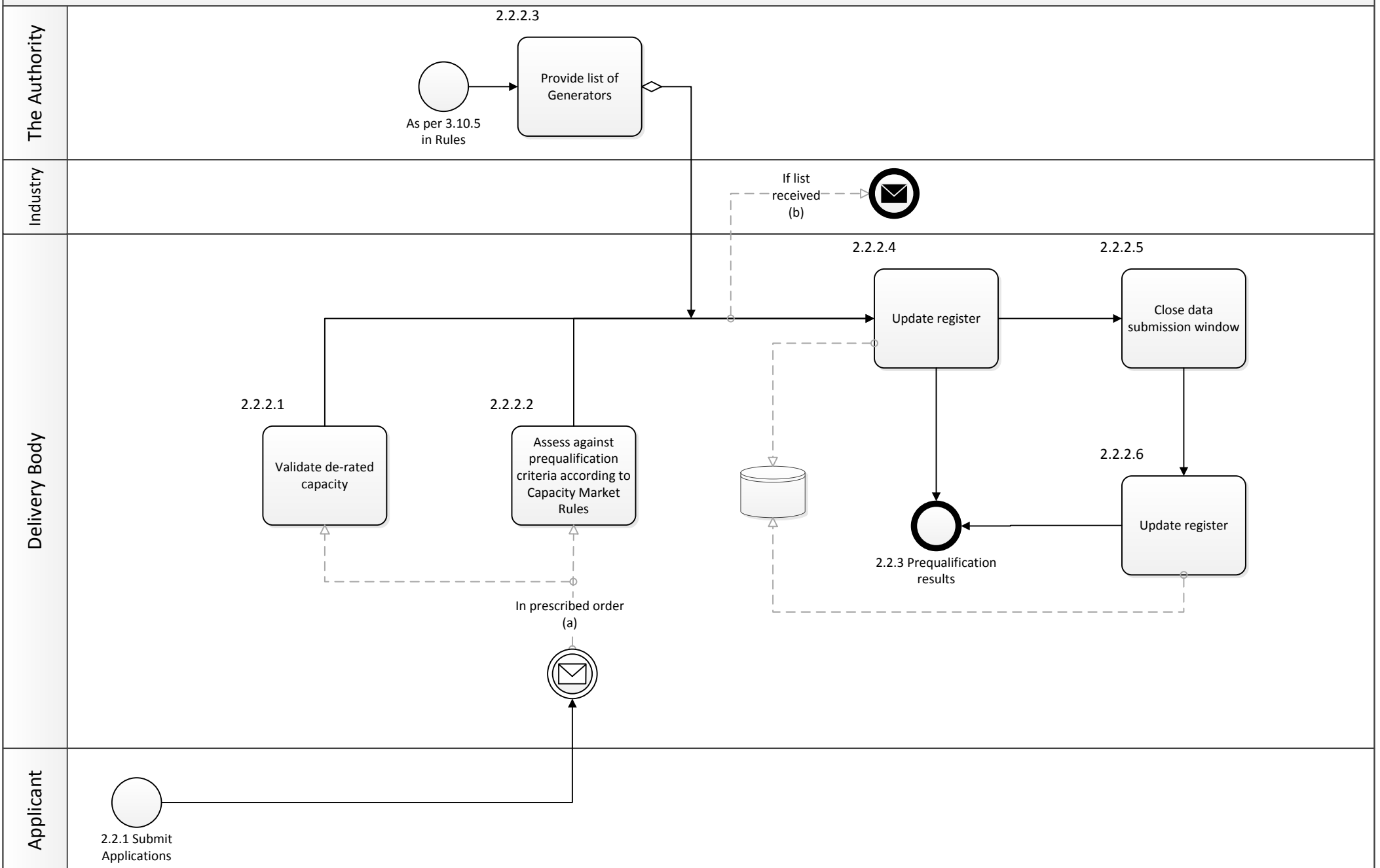
2.2 Manage the flow of prequalification



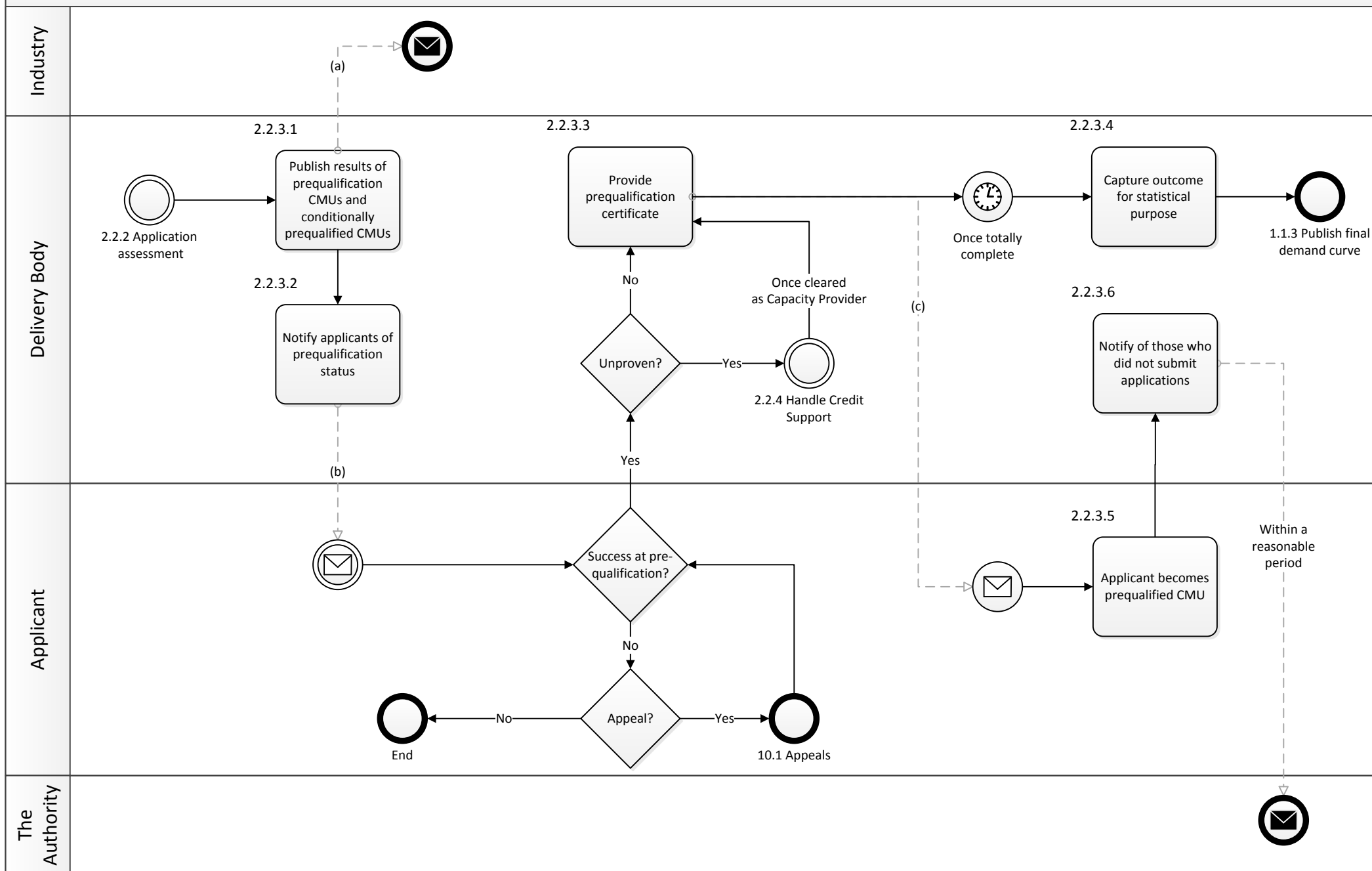
2.2.1 Submit Applications



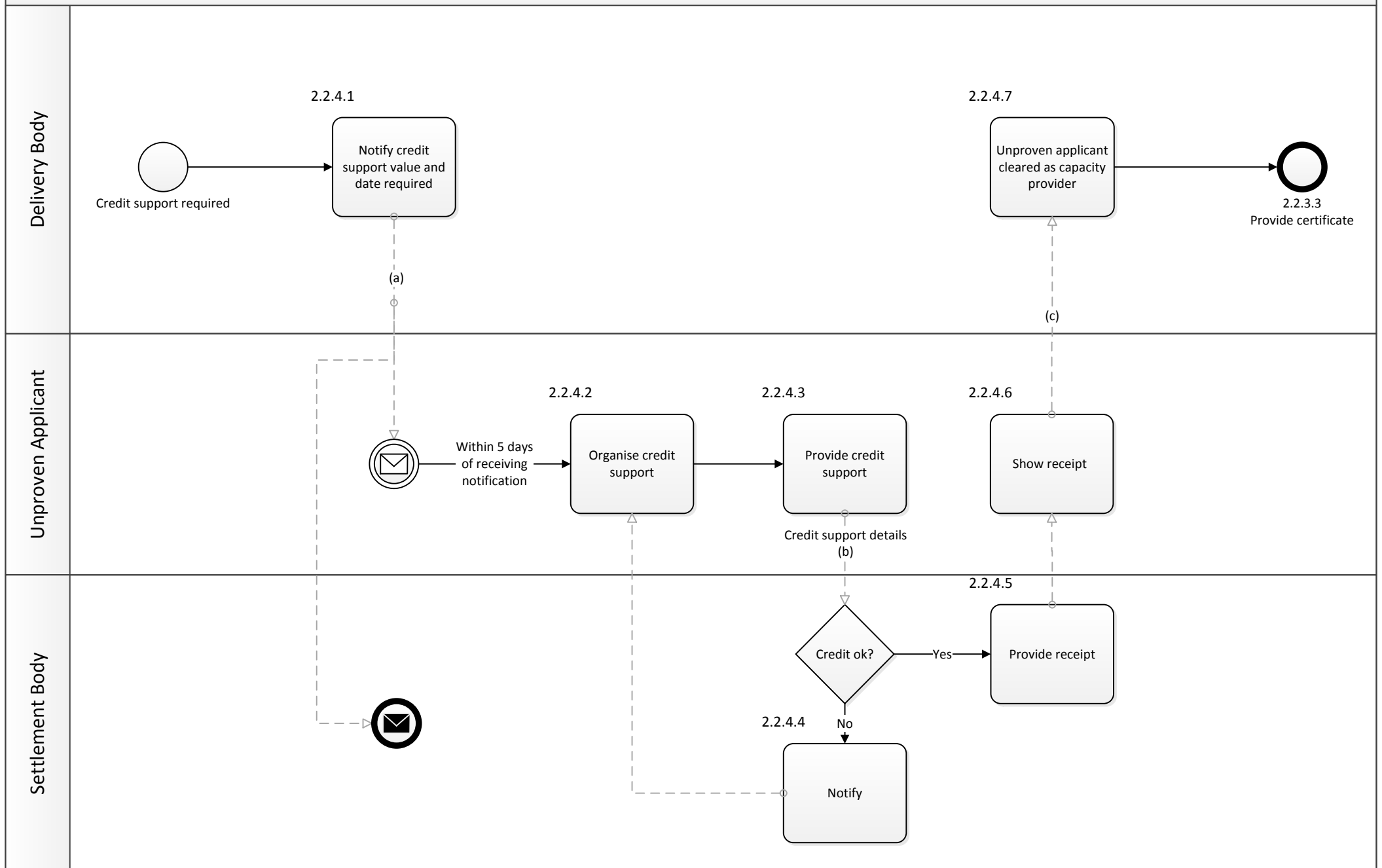
2.2.2 Assessing Applications



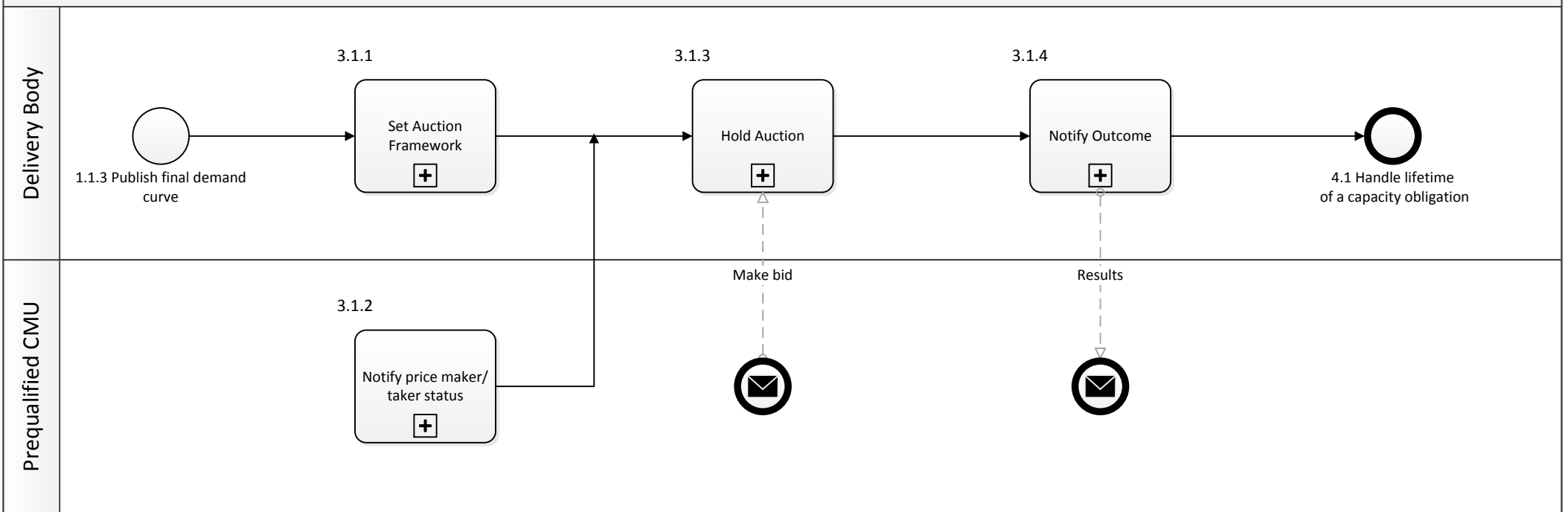
2.2.3 Prequalification results



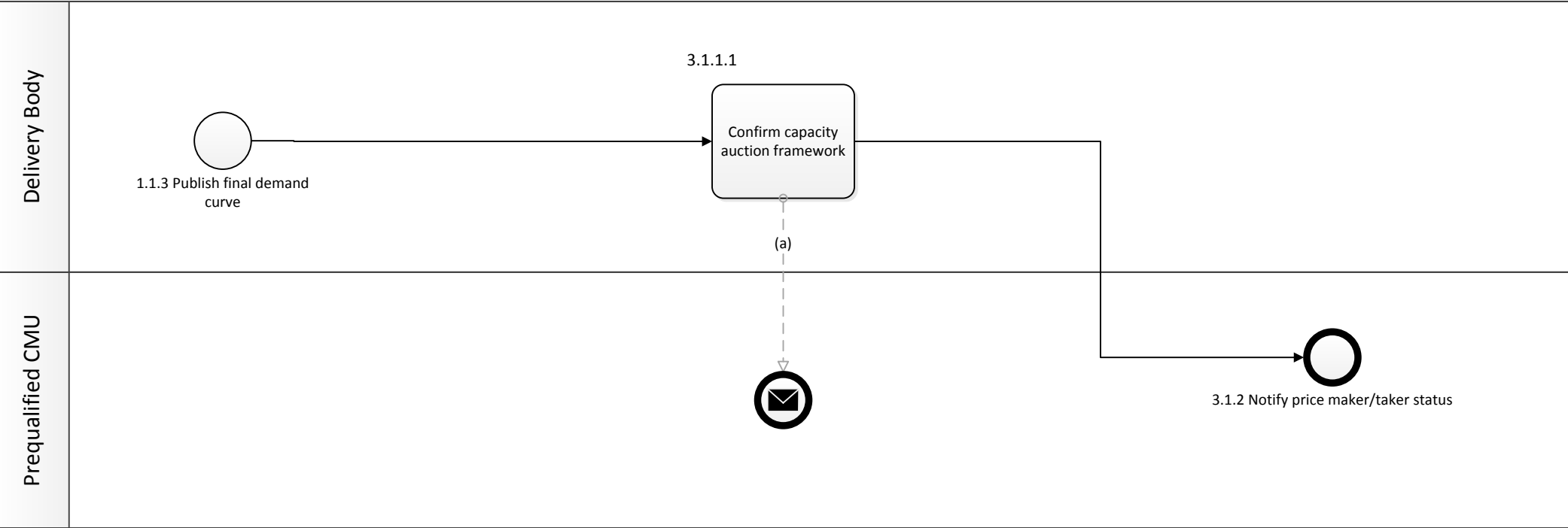
2.2.4 Handle credit support



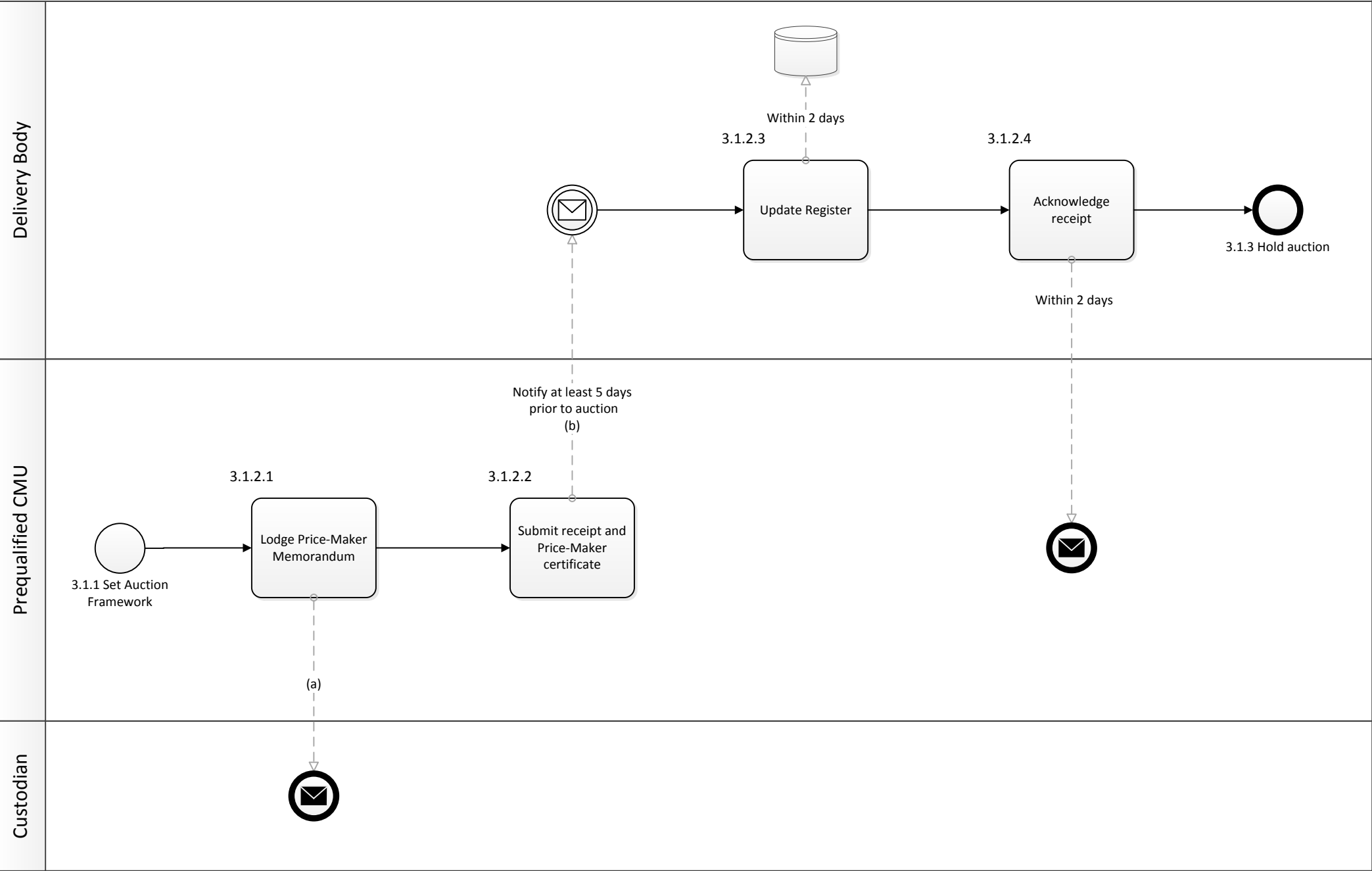
3.1 Handle an Auction



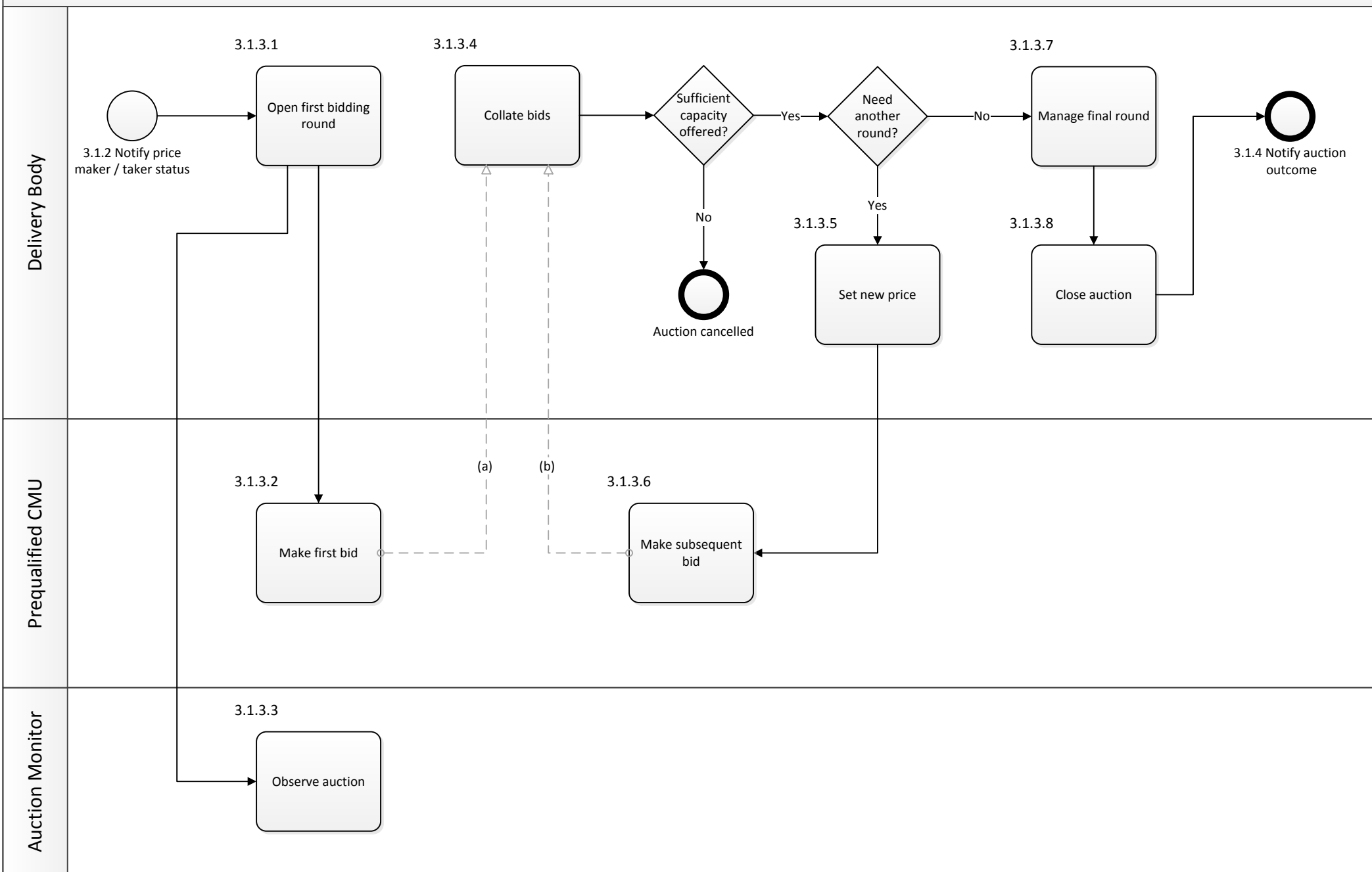
3.1.1 Set Auction Framework



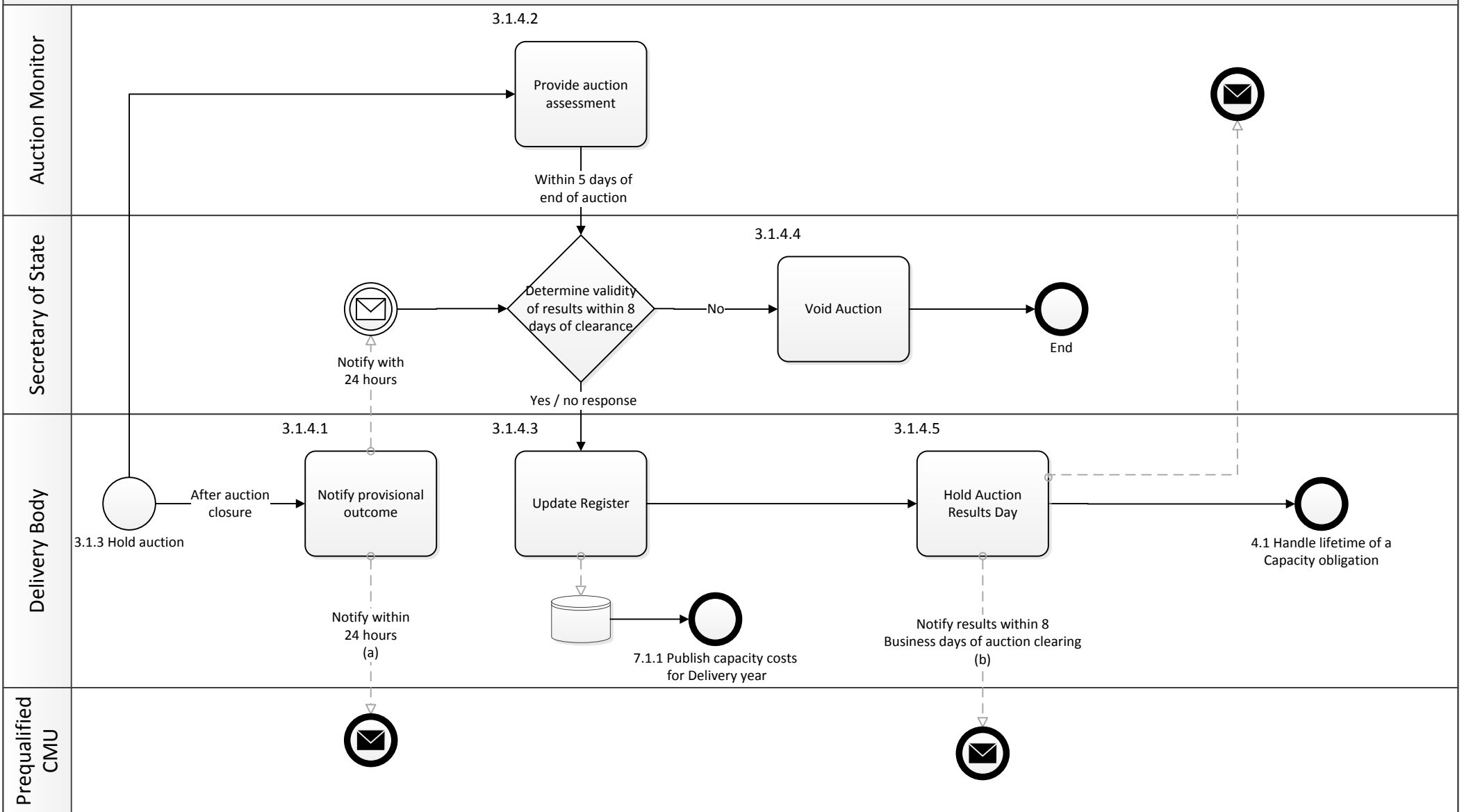
3.1.2 Notify Price Maker/ Taker status



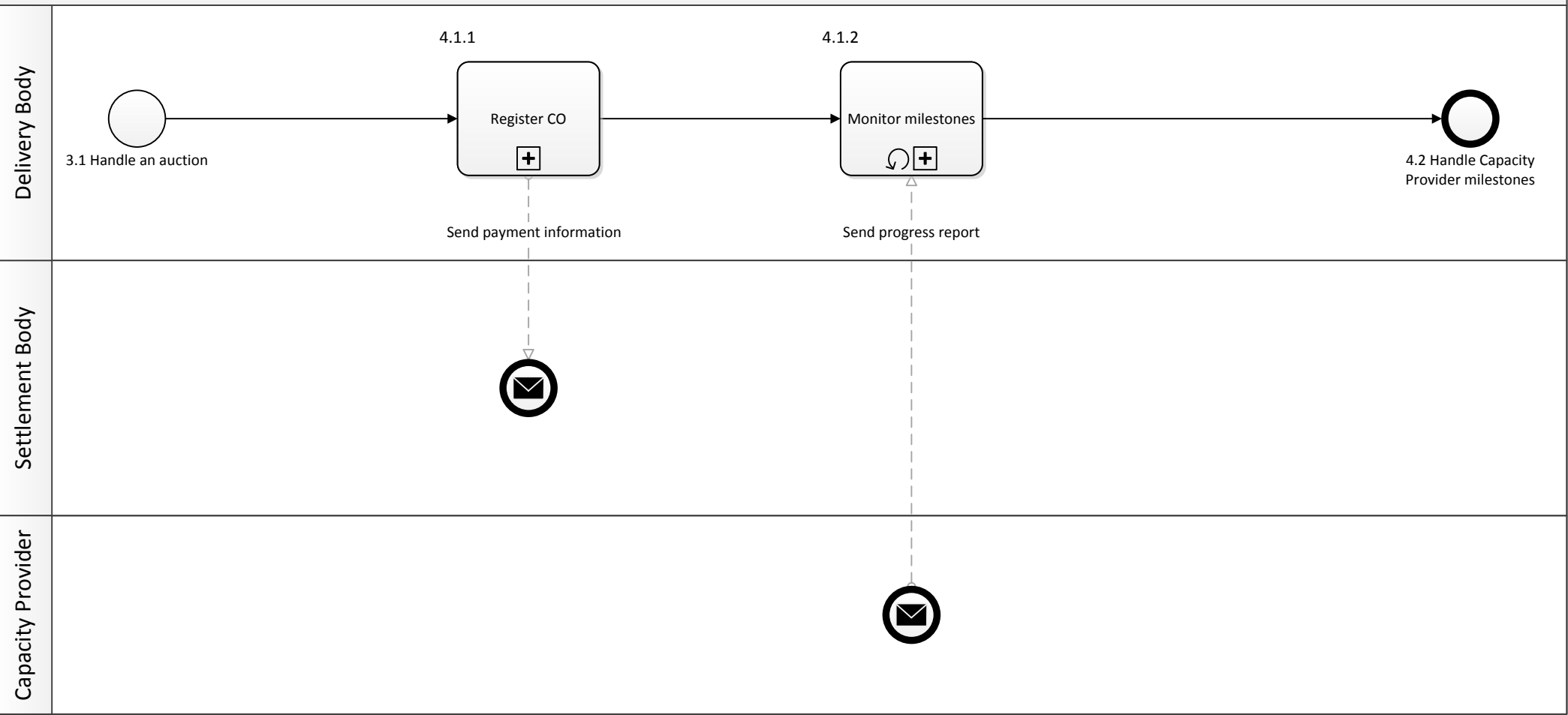
3.1.3 Hold Auction



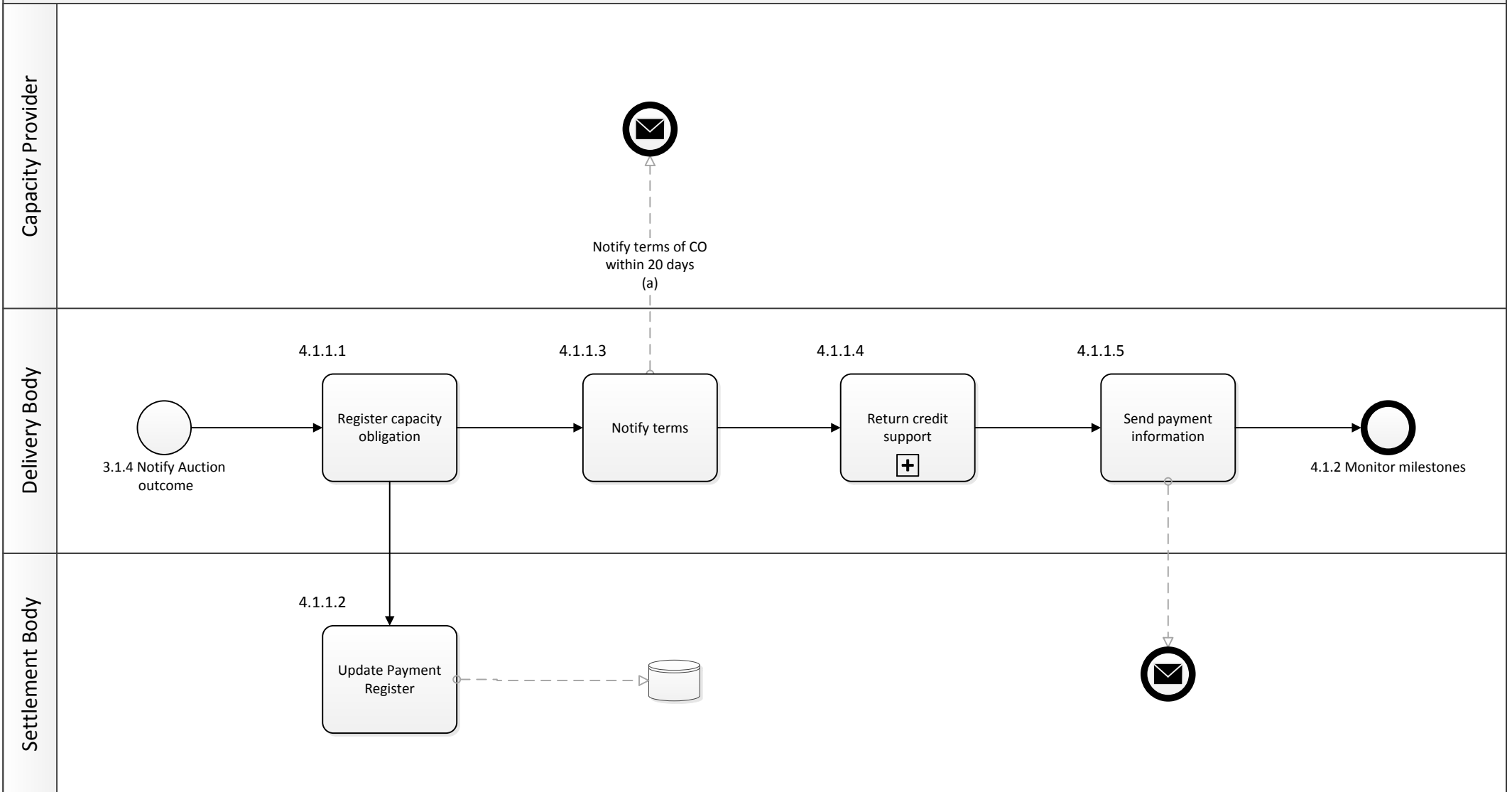
3.1.4 Notify Auction outcome



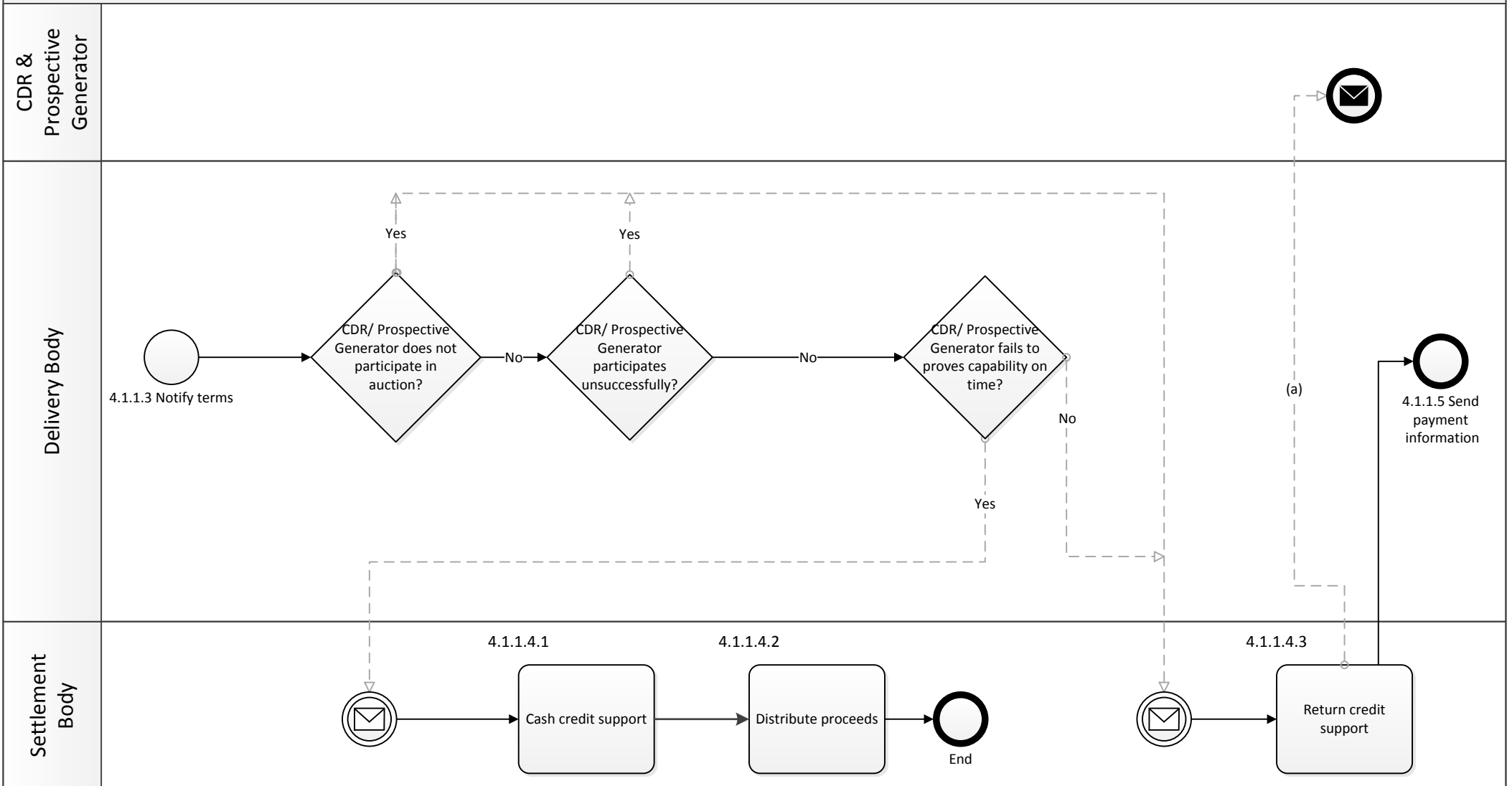
4.1 Handle lifetime of a capacity obligation



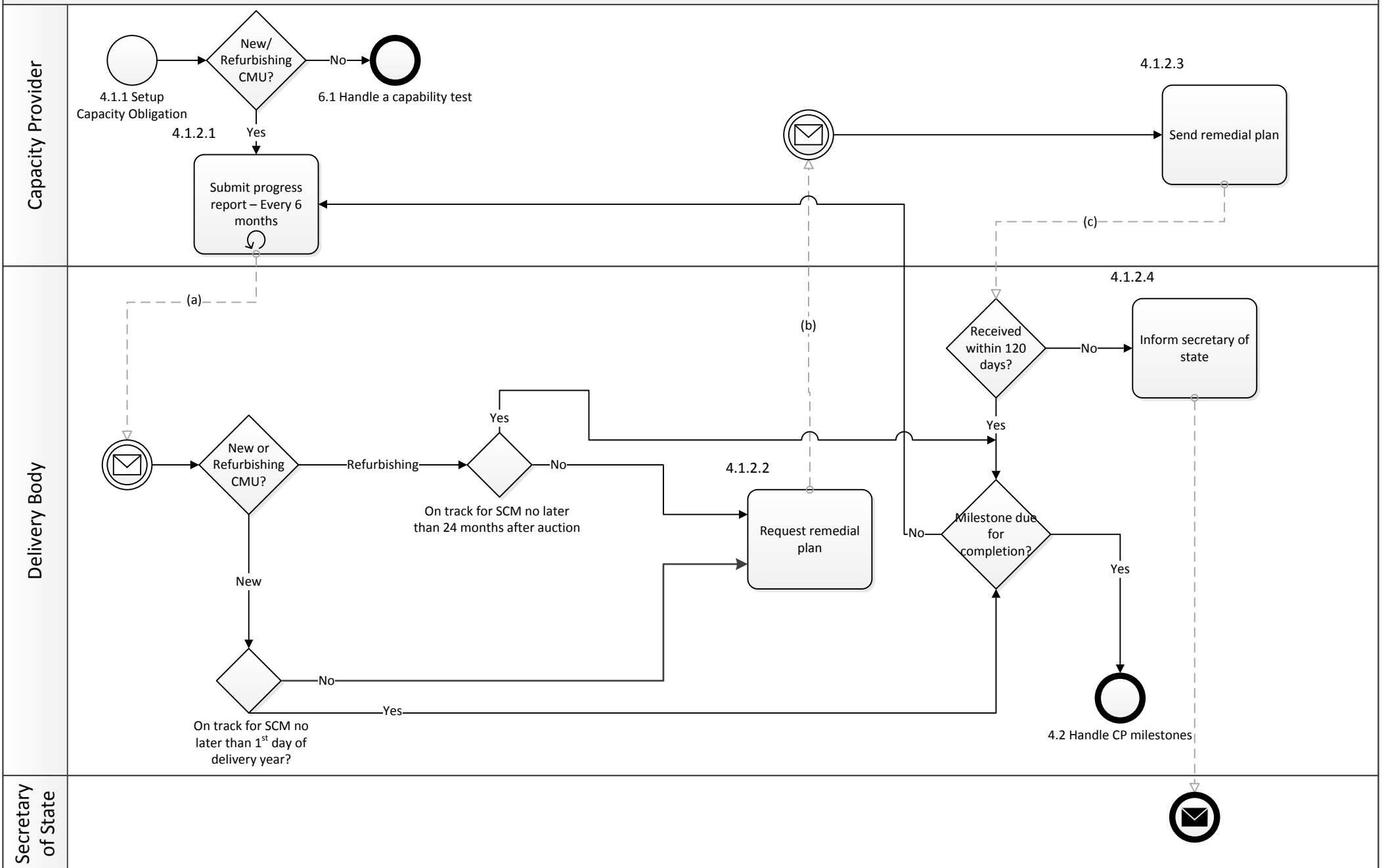
4.1.1 Register Capacity Obligation



4.1.1.4 Return credit support



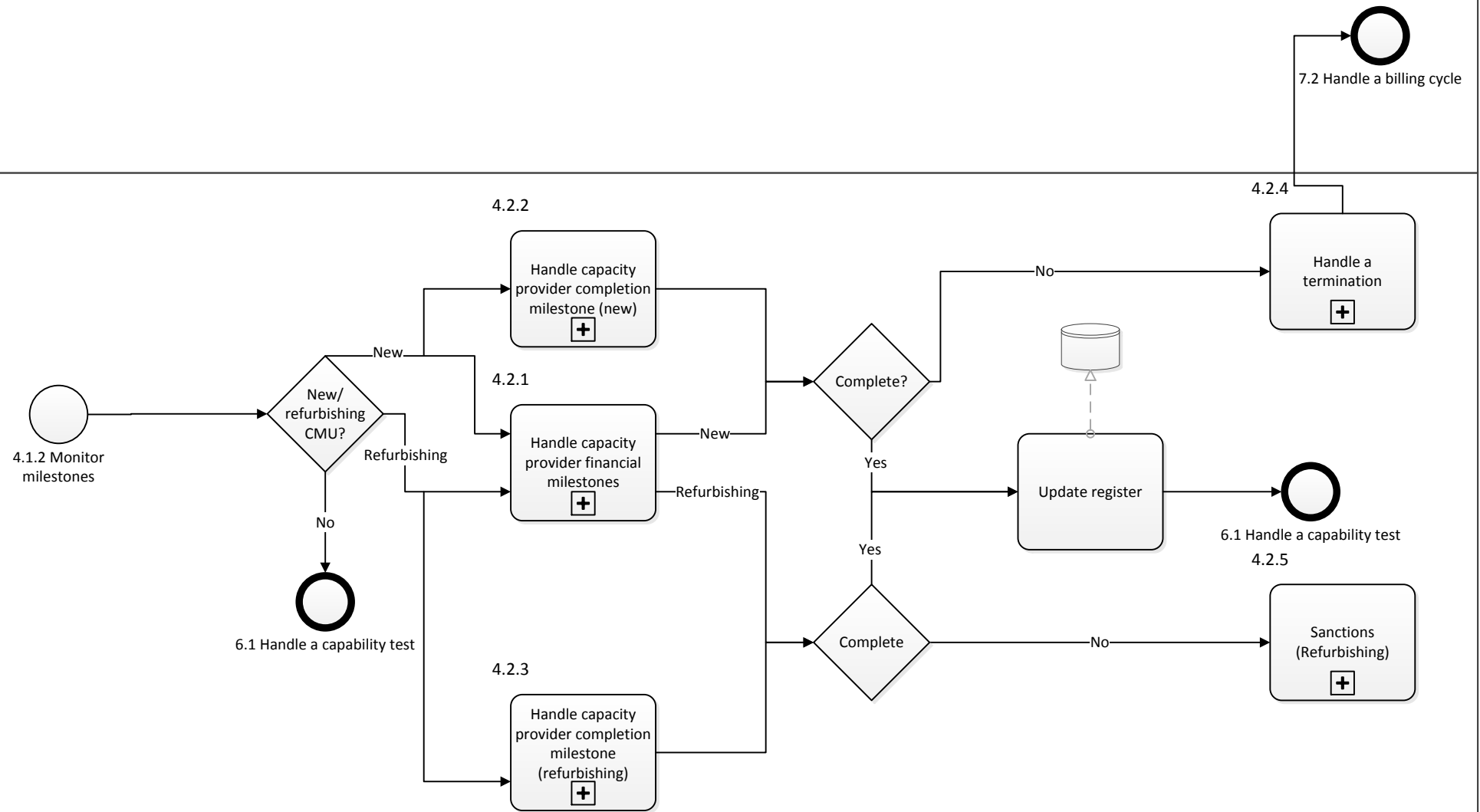
4.1.2 Monitor milestones



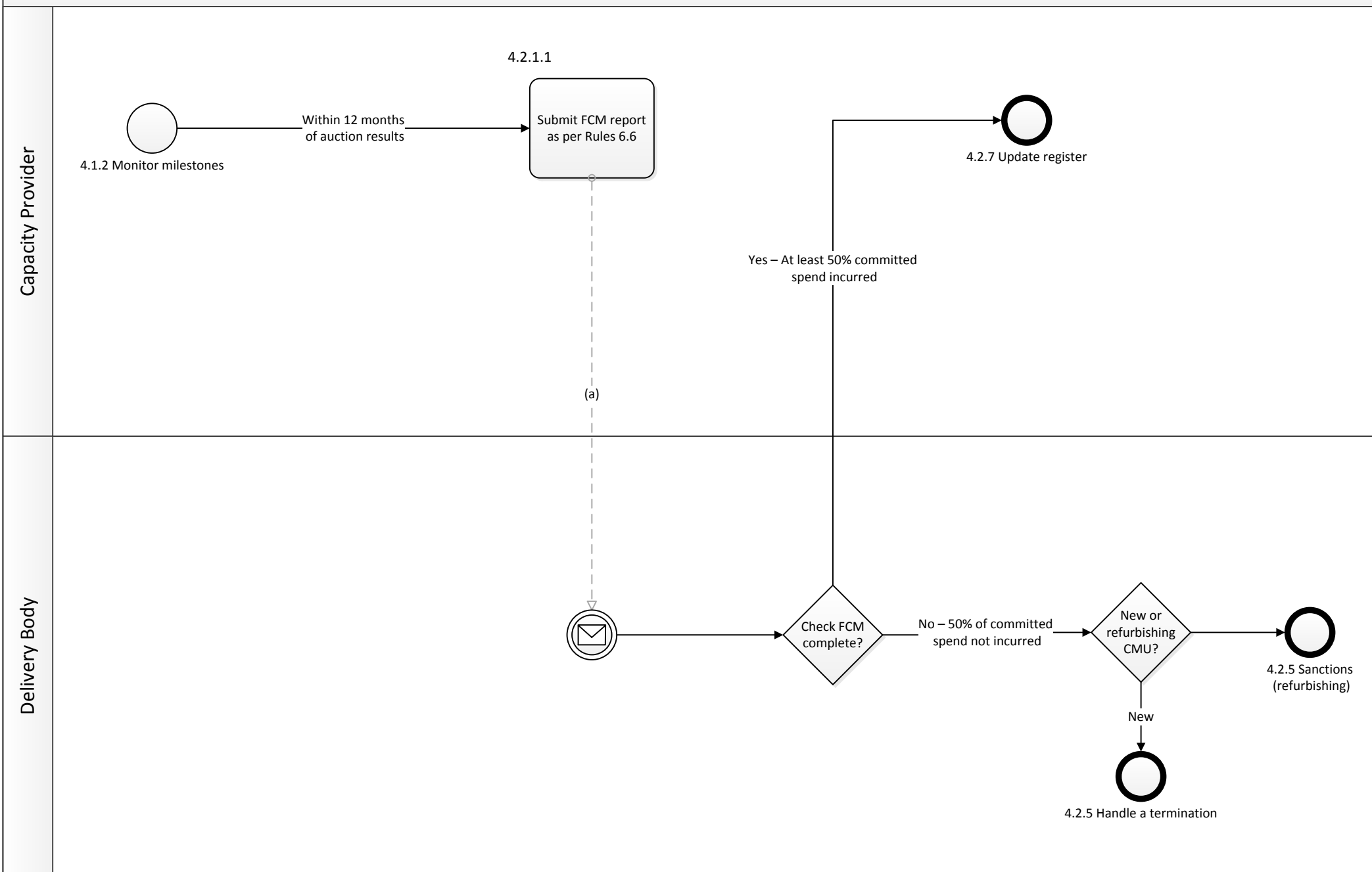
4.2 Handle Capacity Provider milestones

Settlement Body

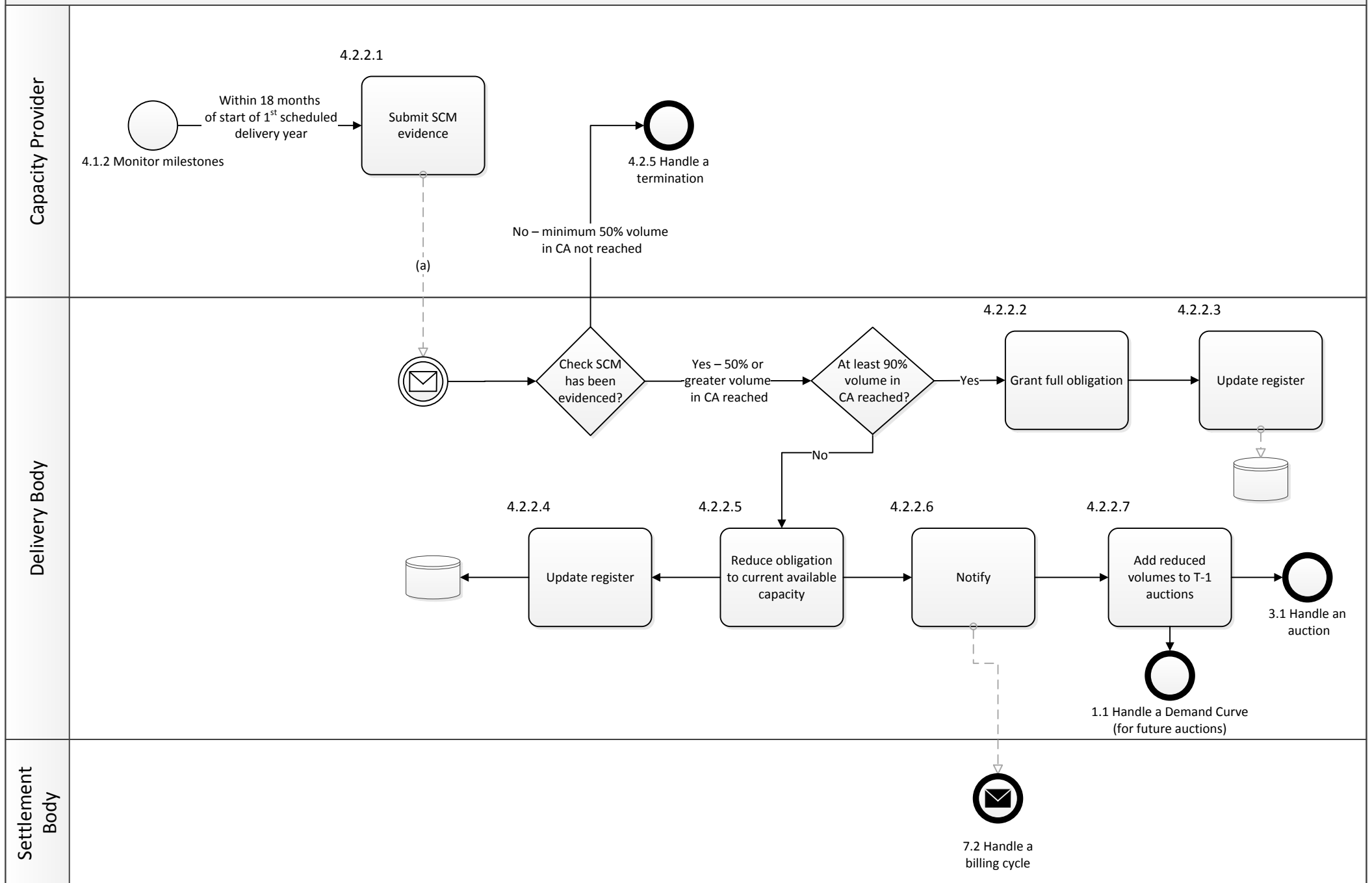
Delivery Body



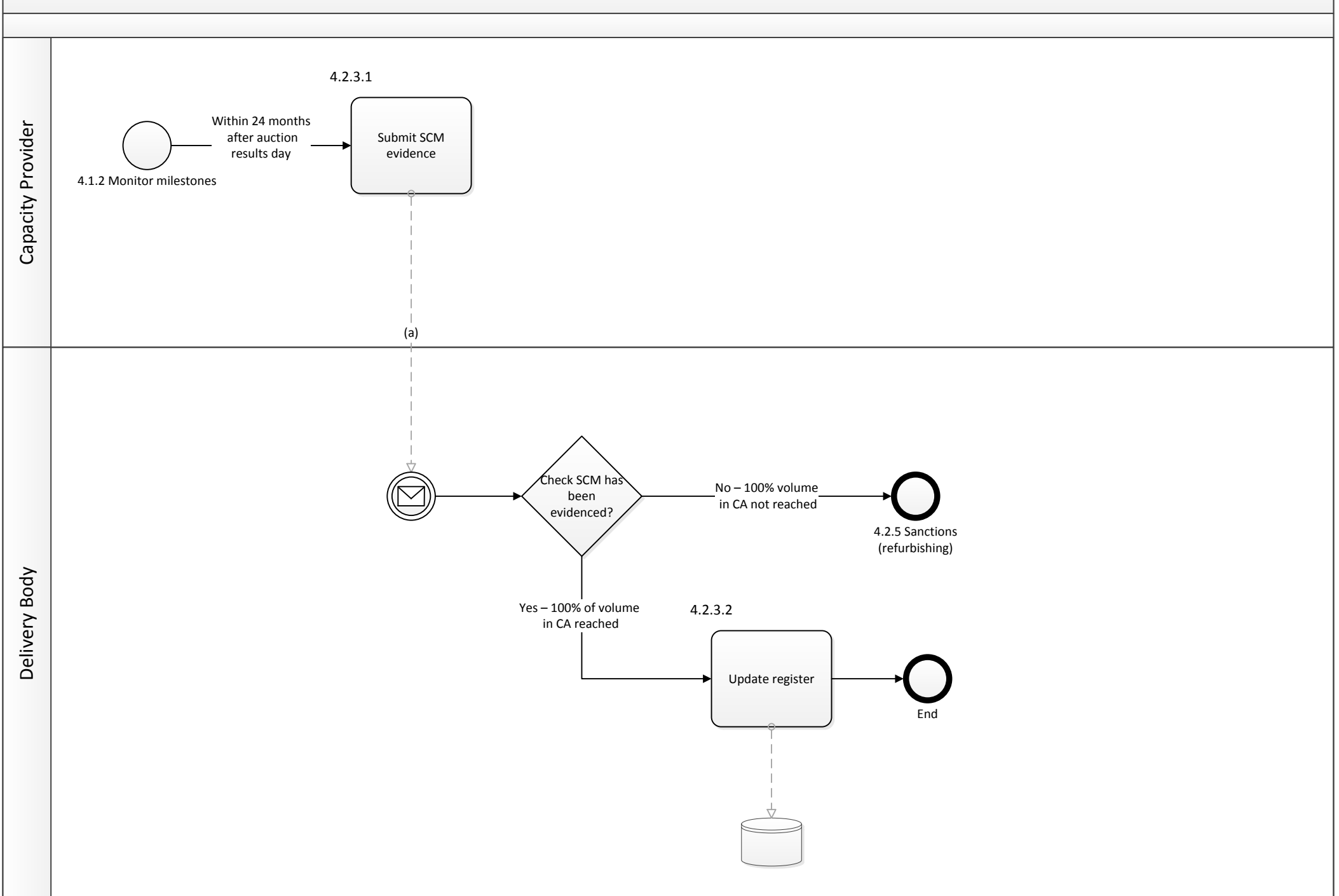
4.2.1 Handle a Capacity Provider financial milestone



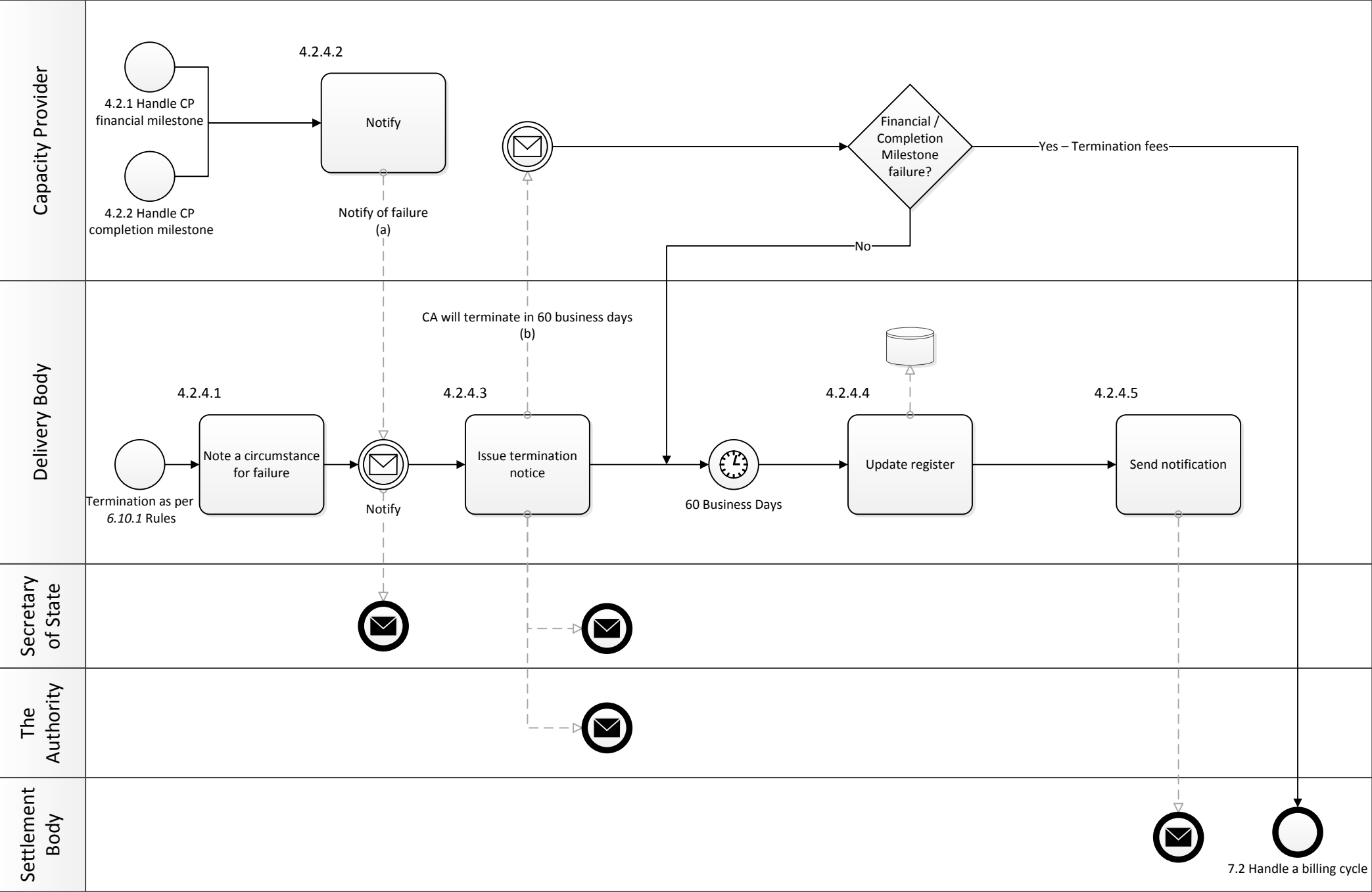
4.2.2 Handle Capacity Provider completion milestone (new)



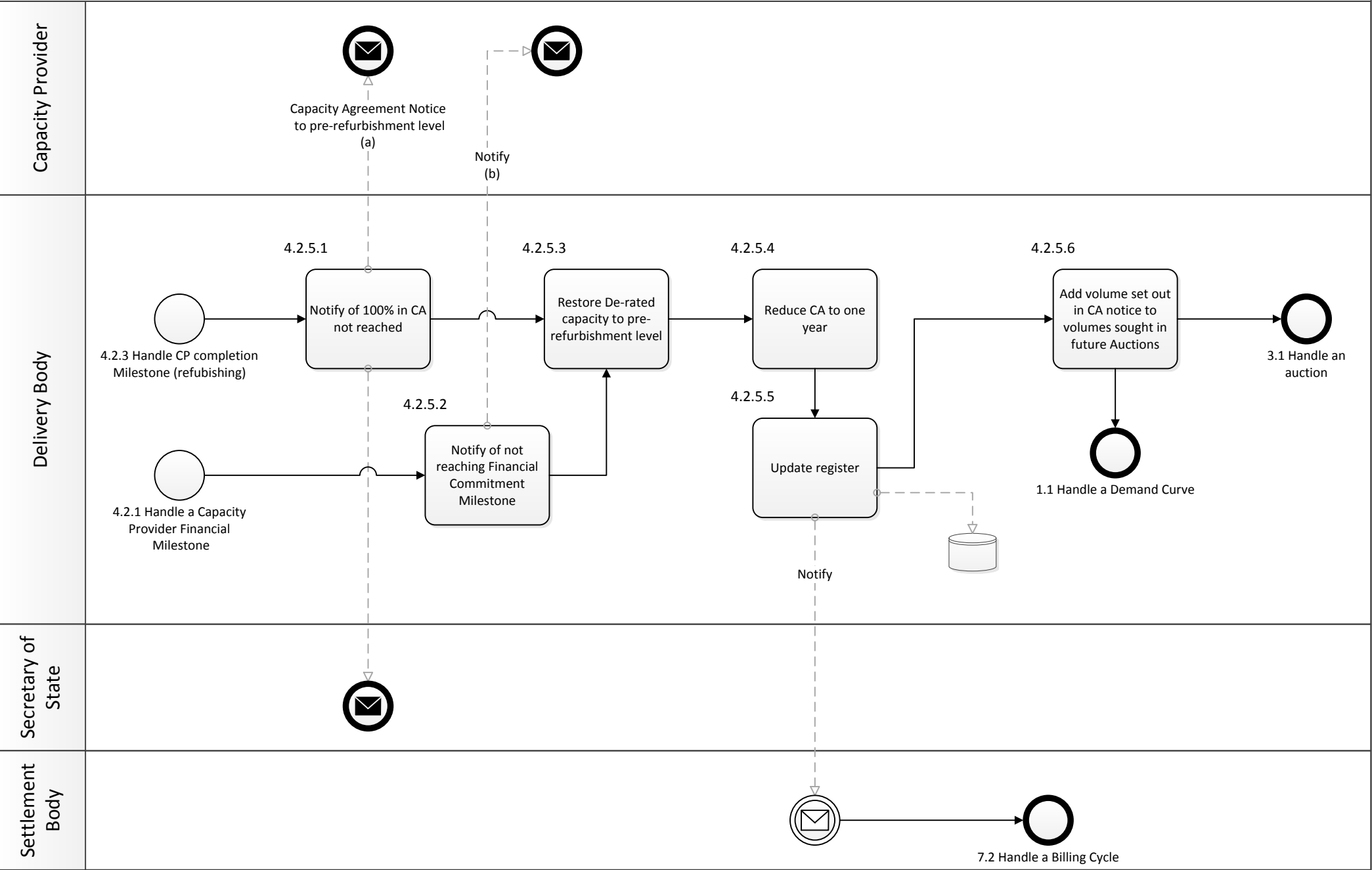
4.2.3 Handle Capacity Provider completion milestone (refurbishing)



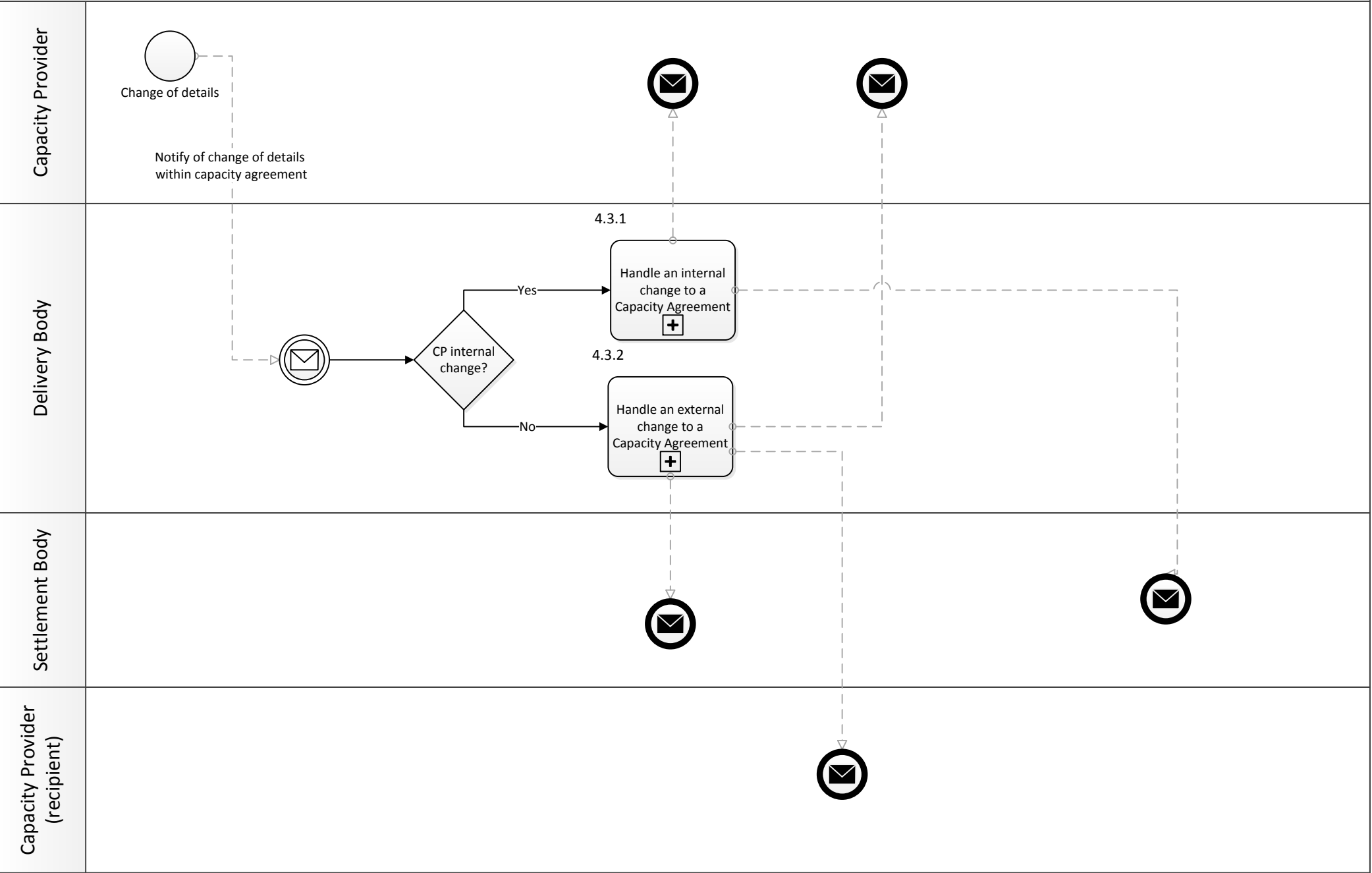
4.2.4 Handle a termination



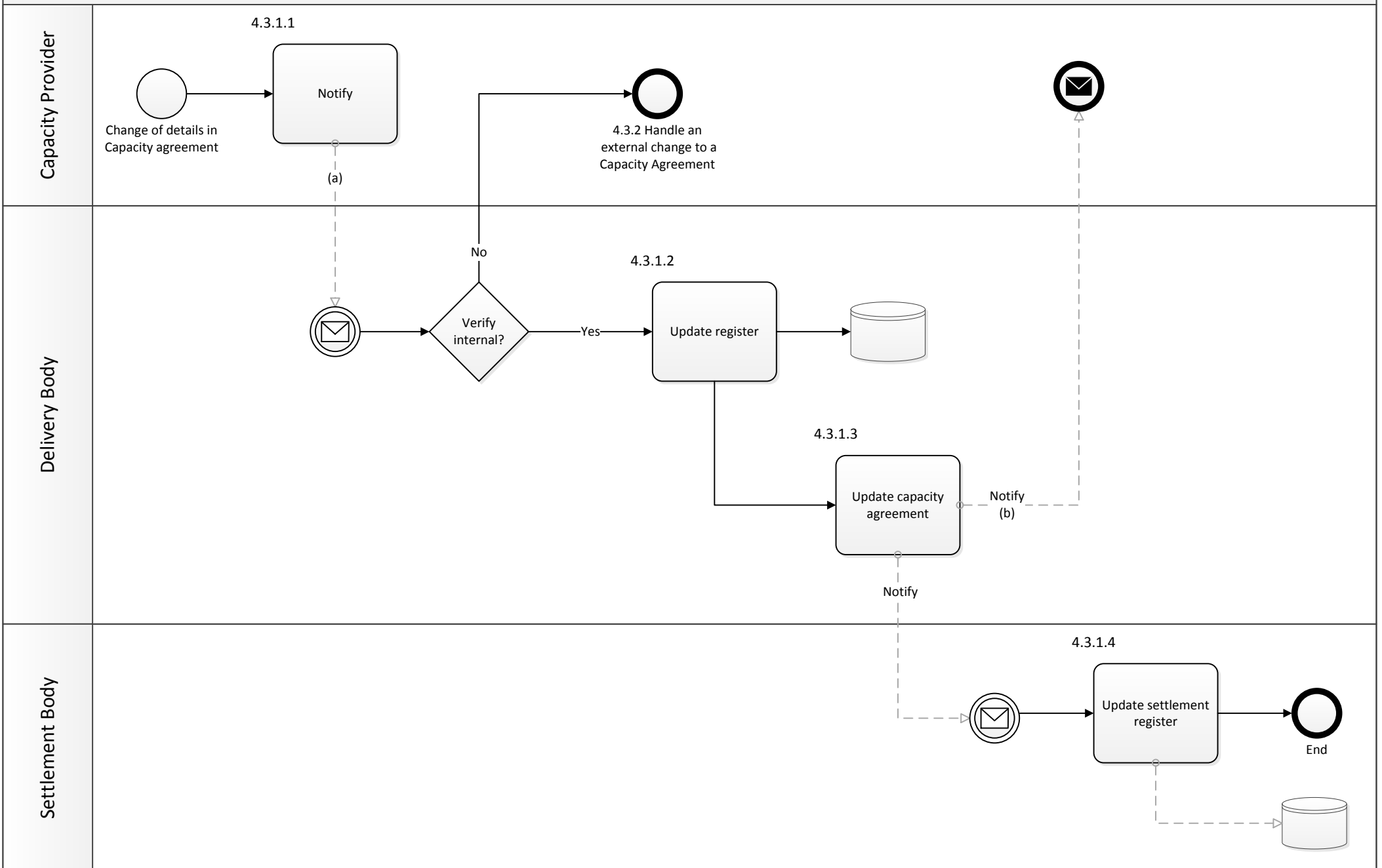
4.2.5 Sanctions (refurbishing)



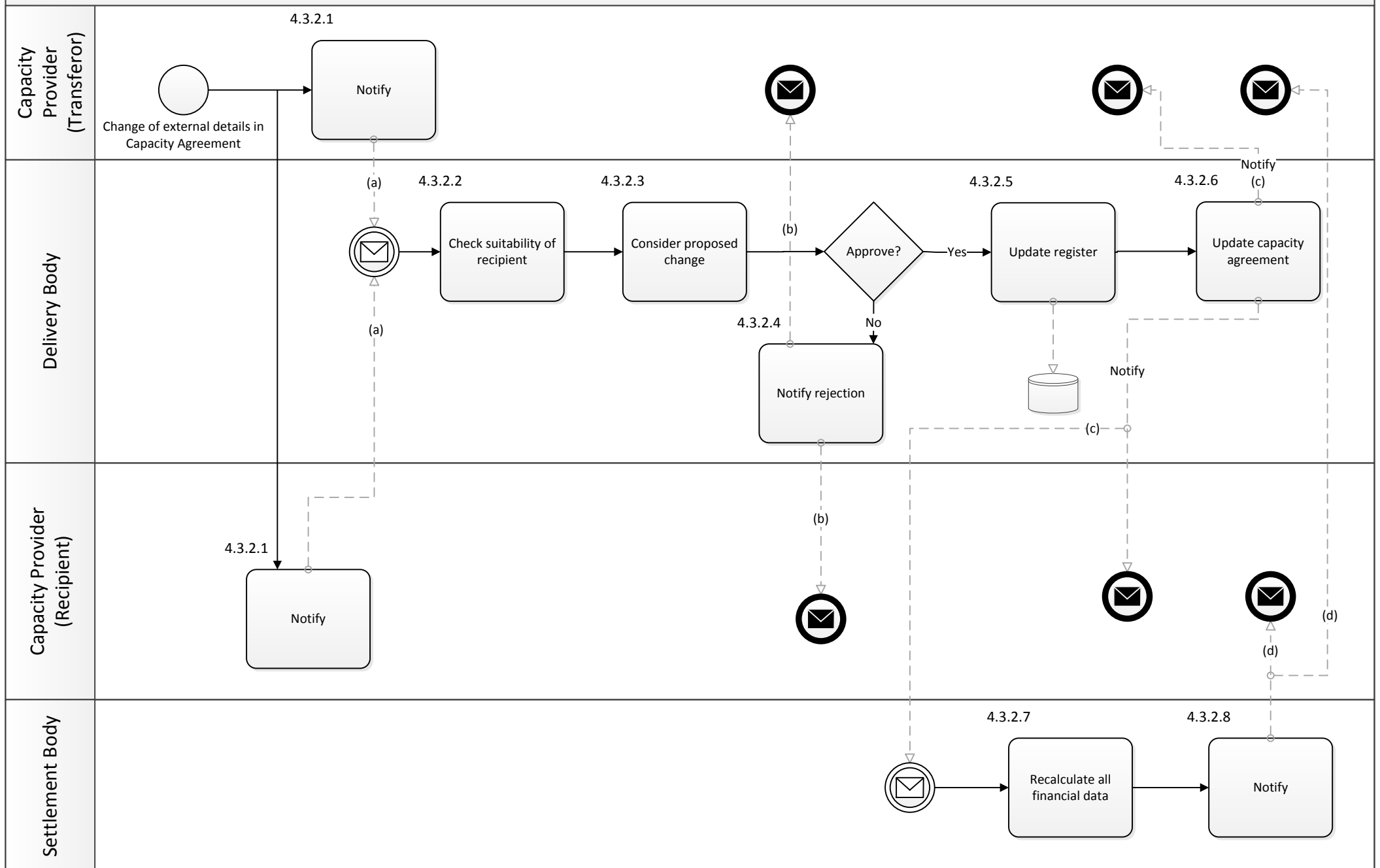
4.3 Handle a change to a capacity agreement



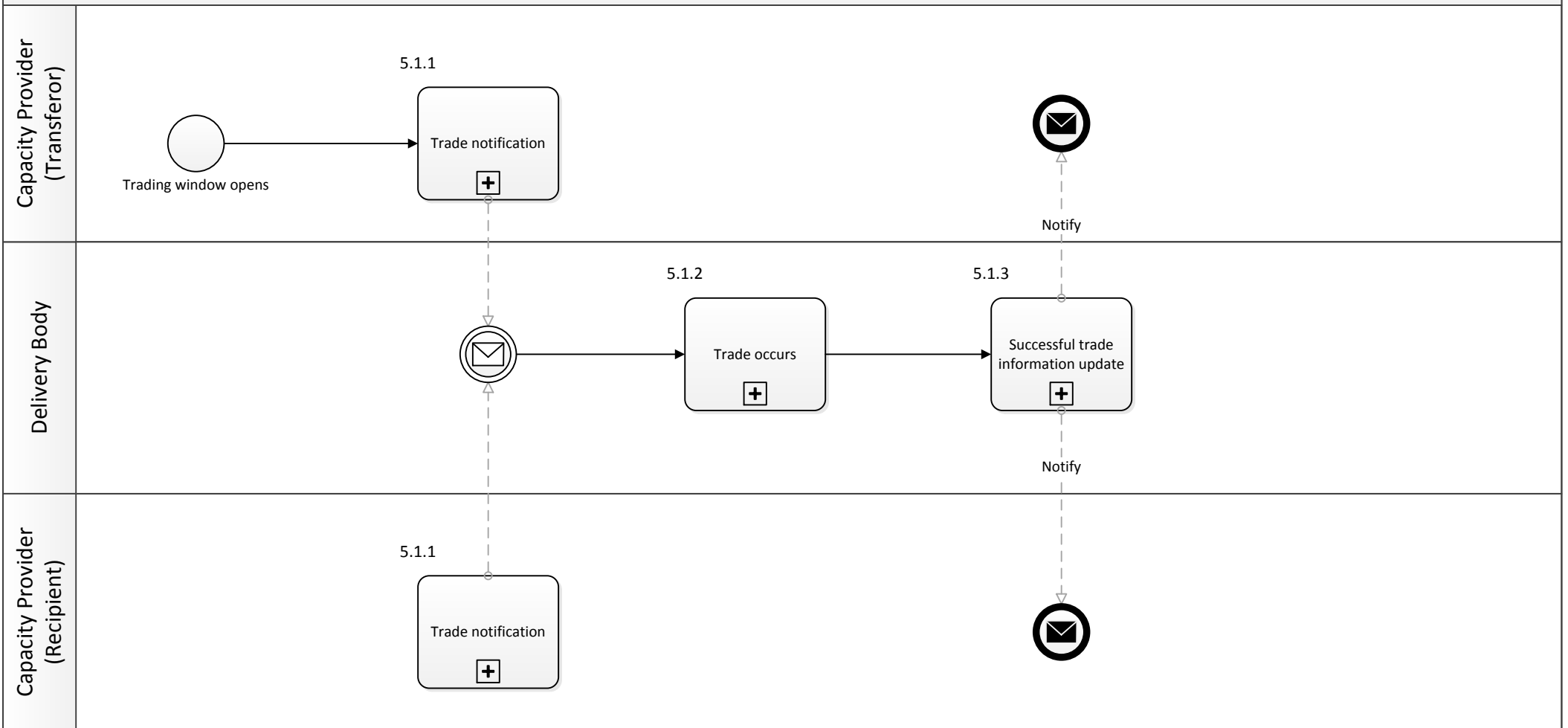
4.3.1 Handle an internal change to a Capacity Agreement



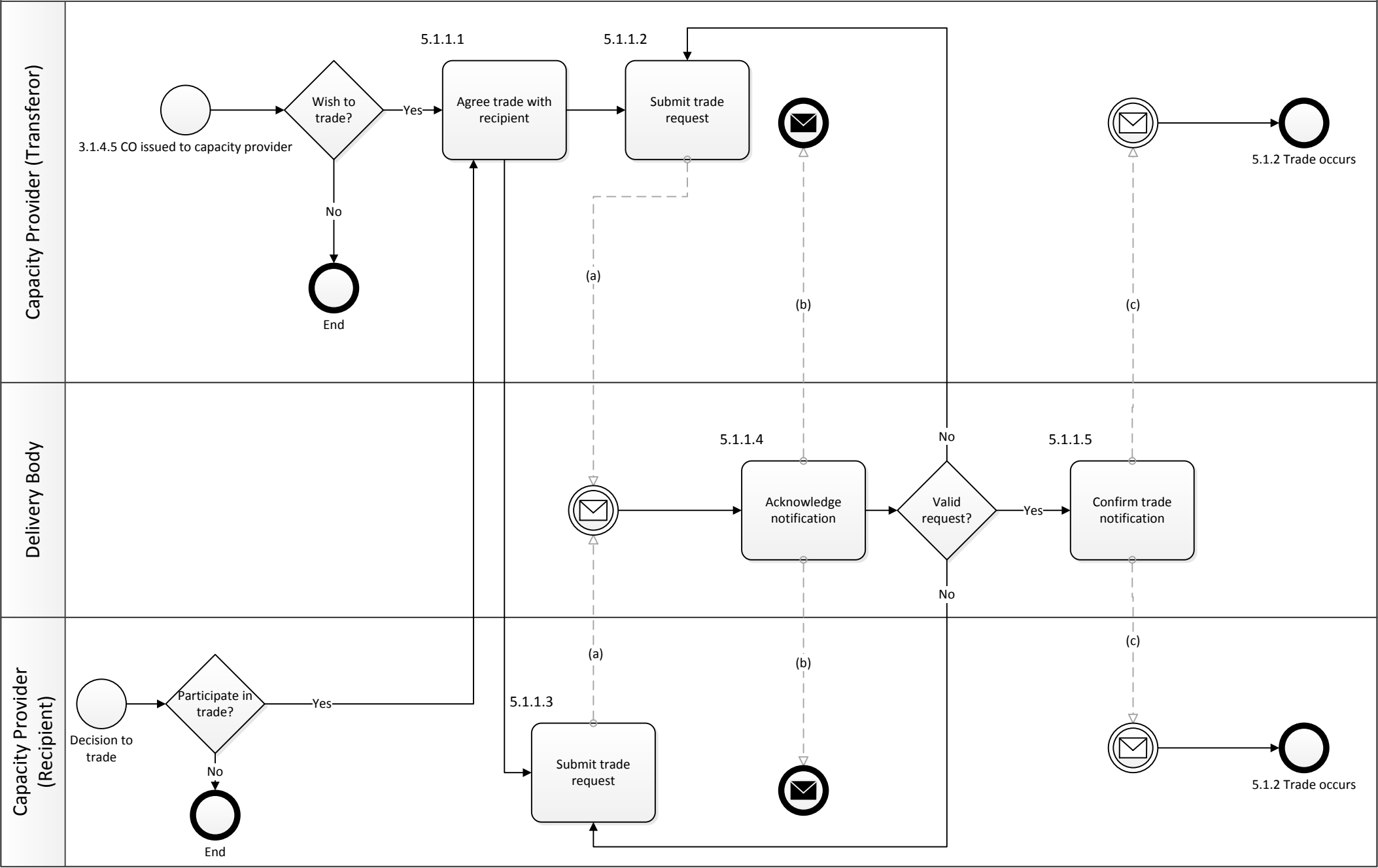
4.3.2 Handle an external change to a Capacity Agreement



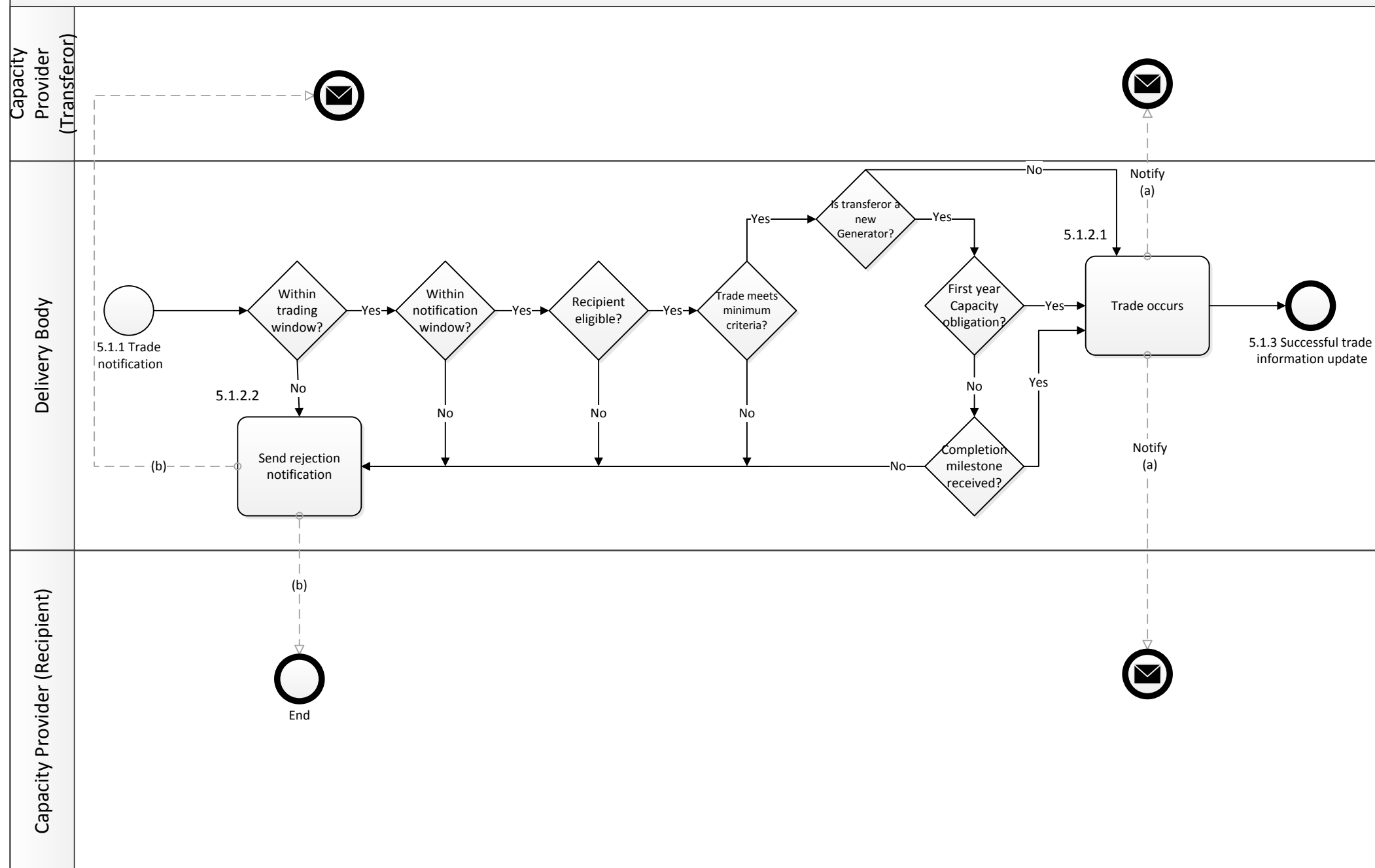
5.1 Handle a physical trade



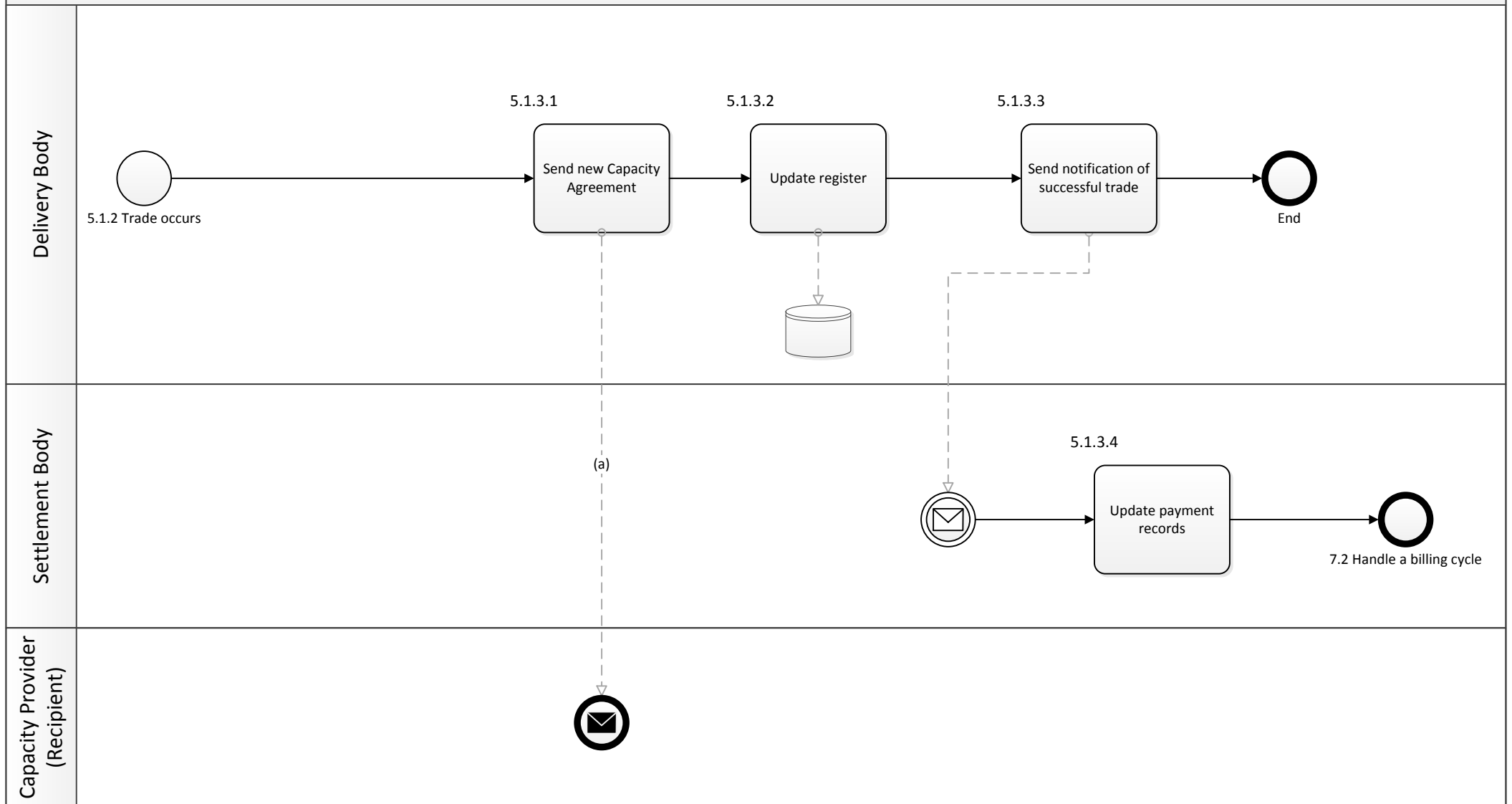
5.1.1 Trade notification



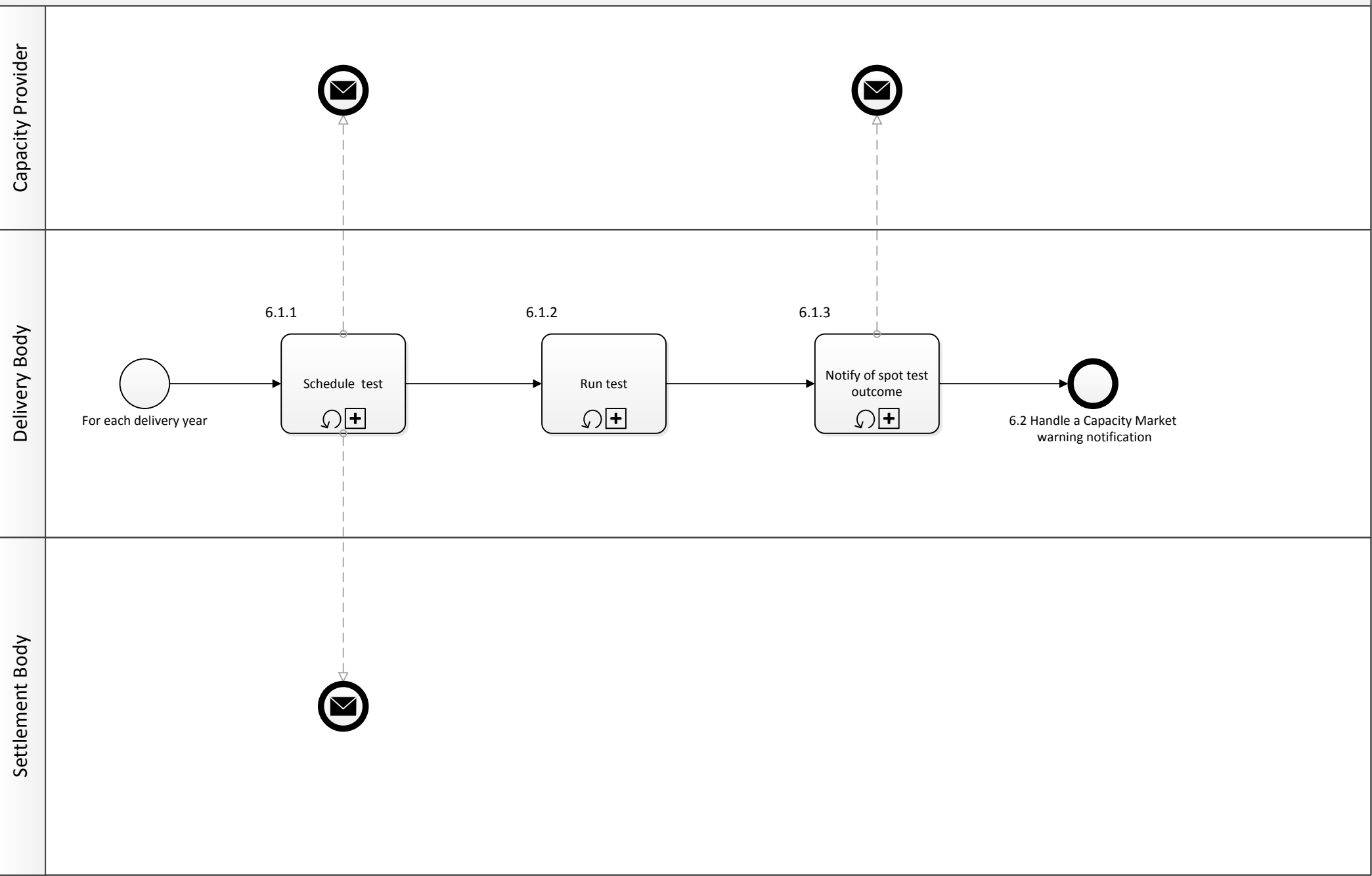
5.1.2 Trade occurs



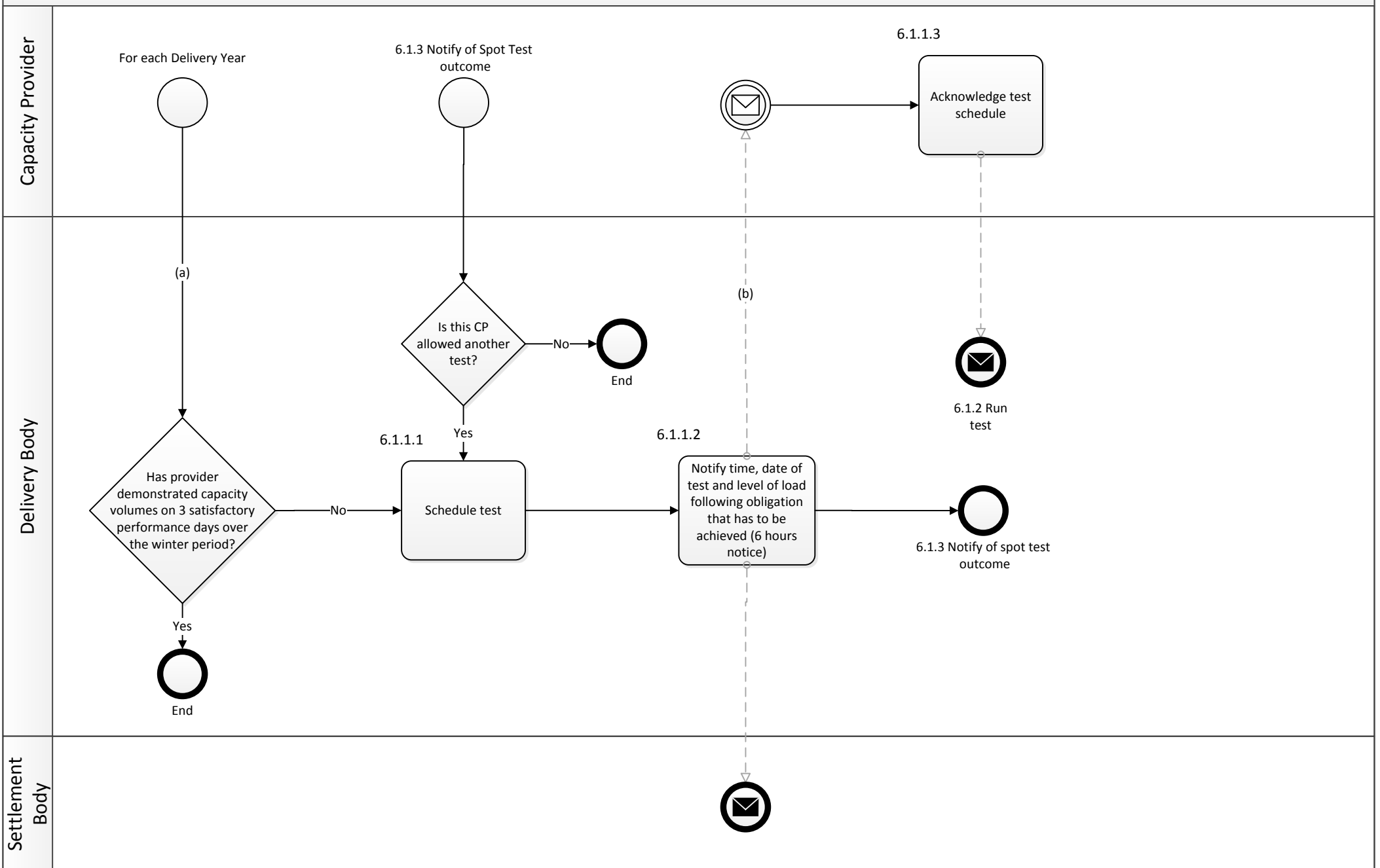
5.1.3 Successful trade information update



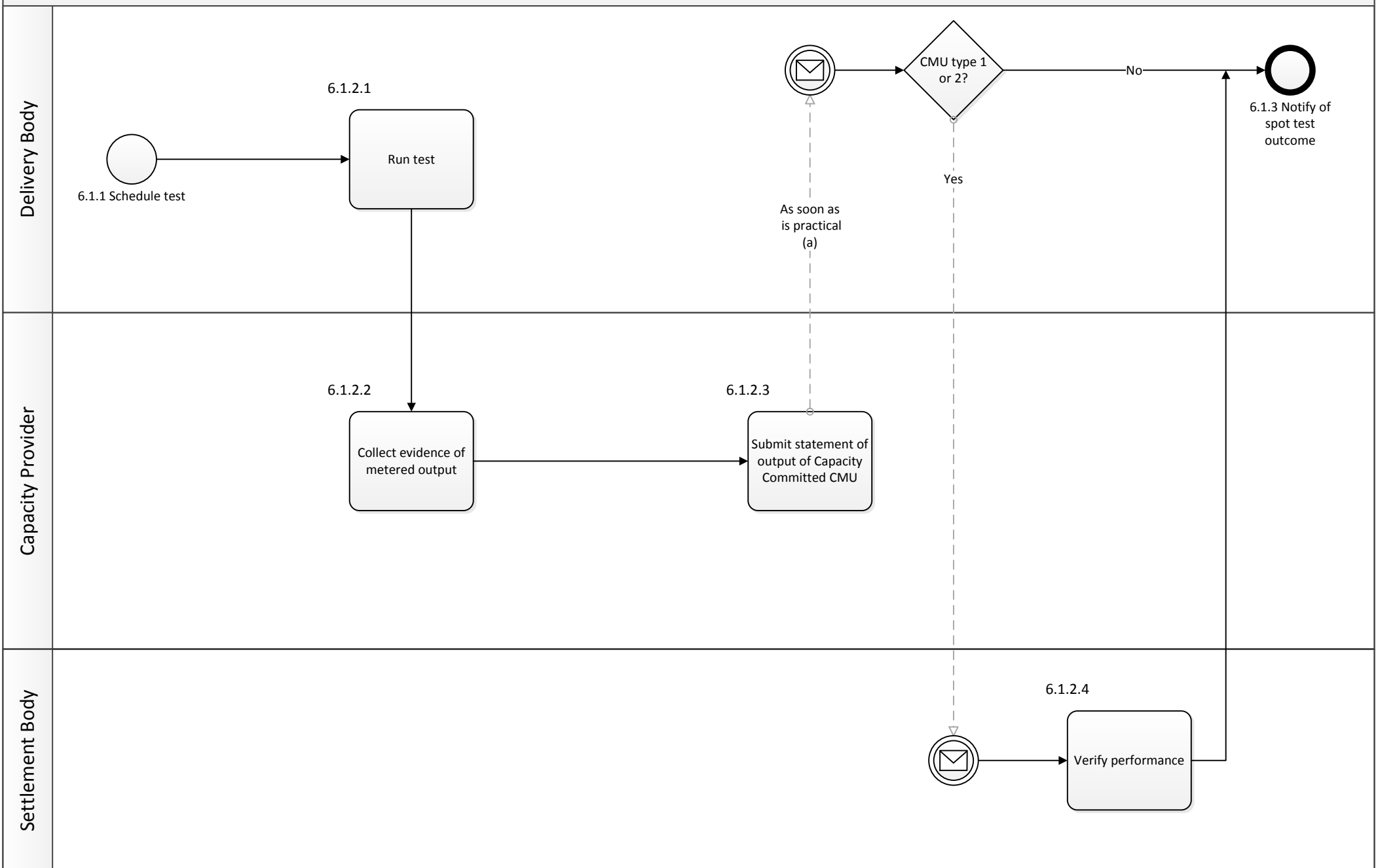
6.1 Handle a capability test



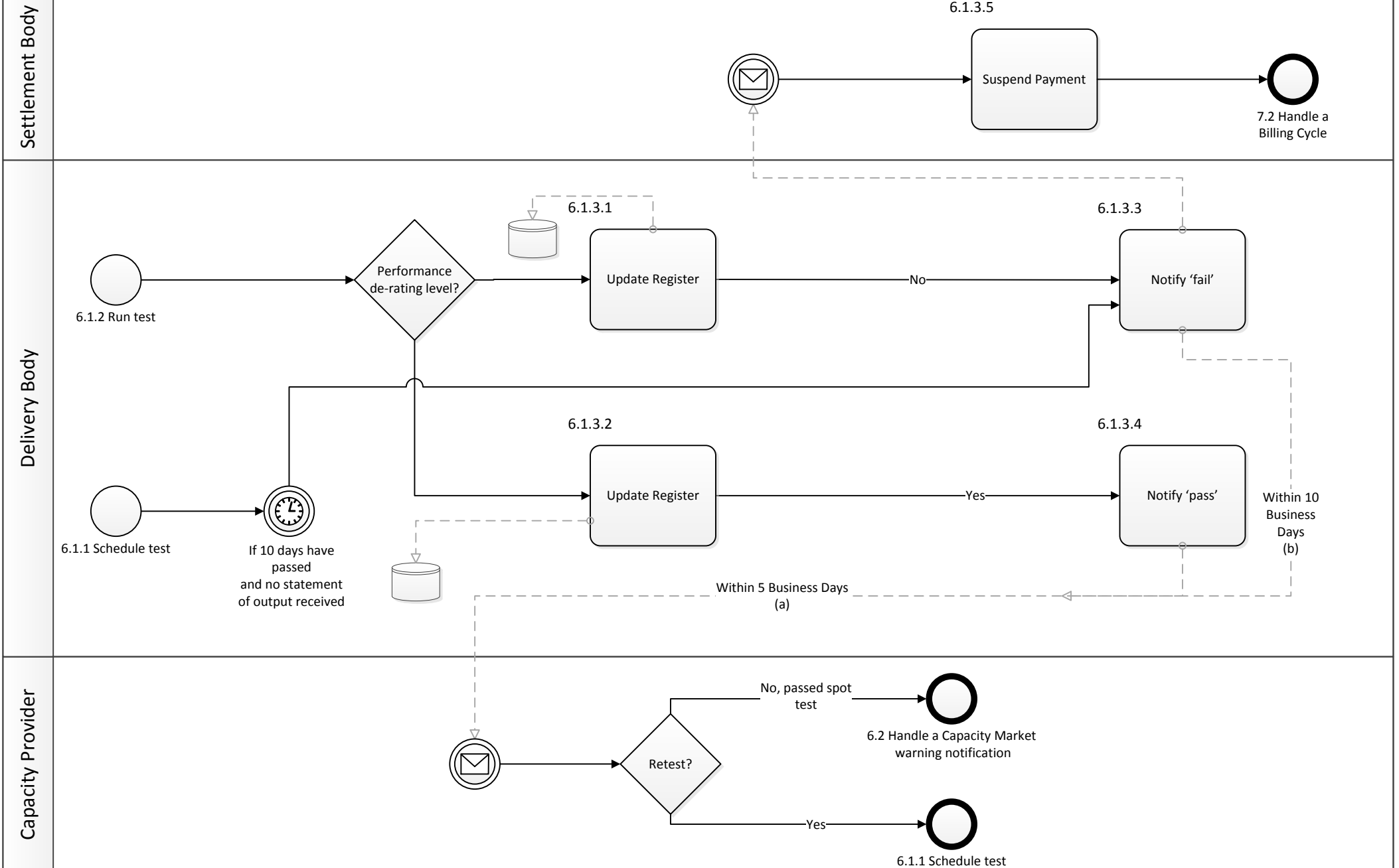
6.1.1 Schedule test



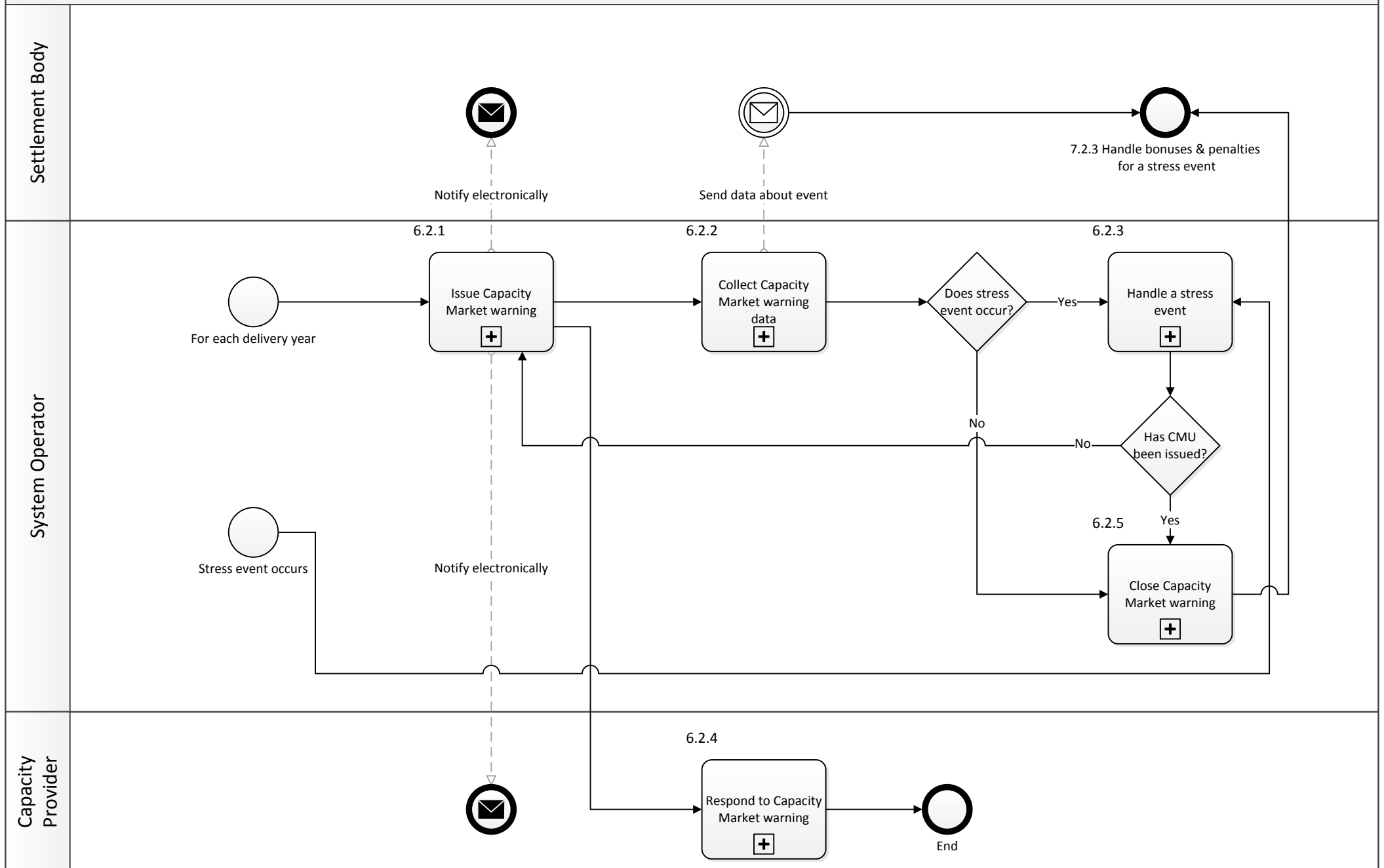
6.1.2 Run test



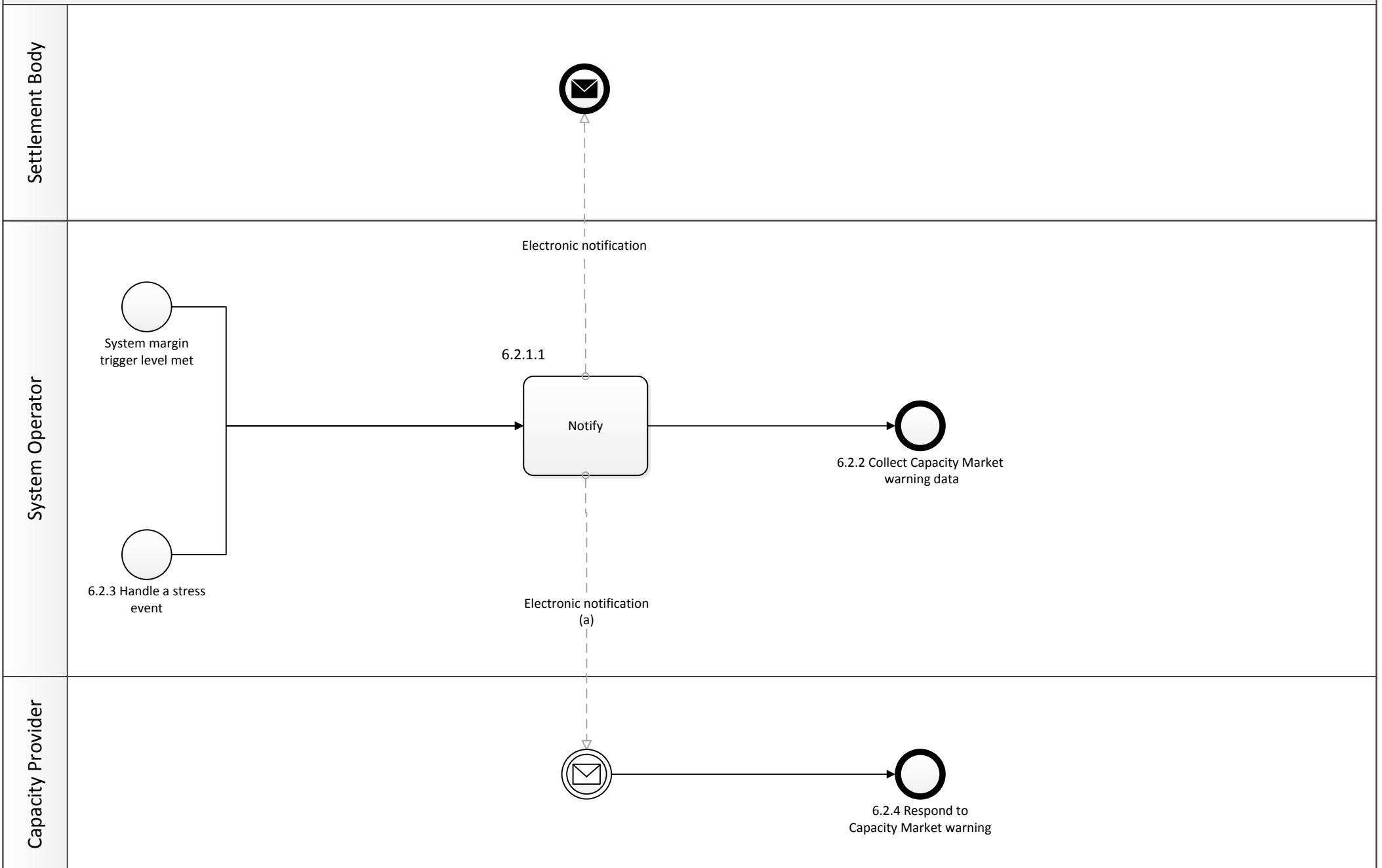
6.1.3 Notify of Spot Test outcome



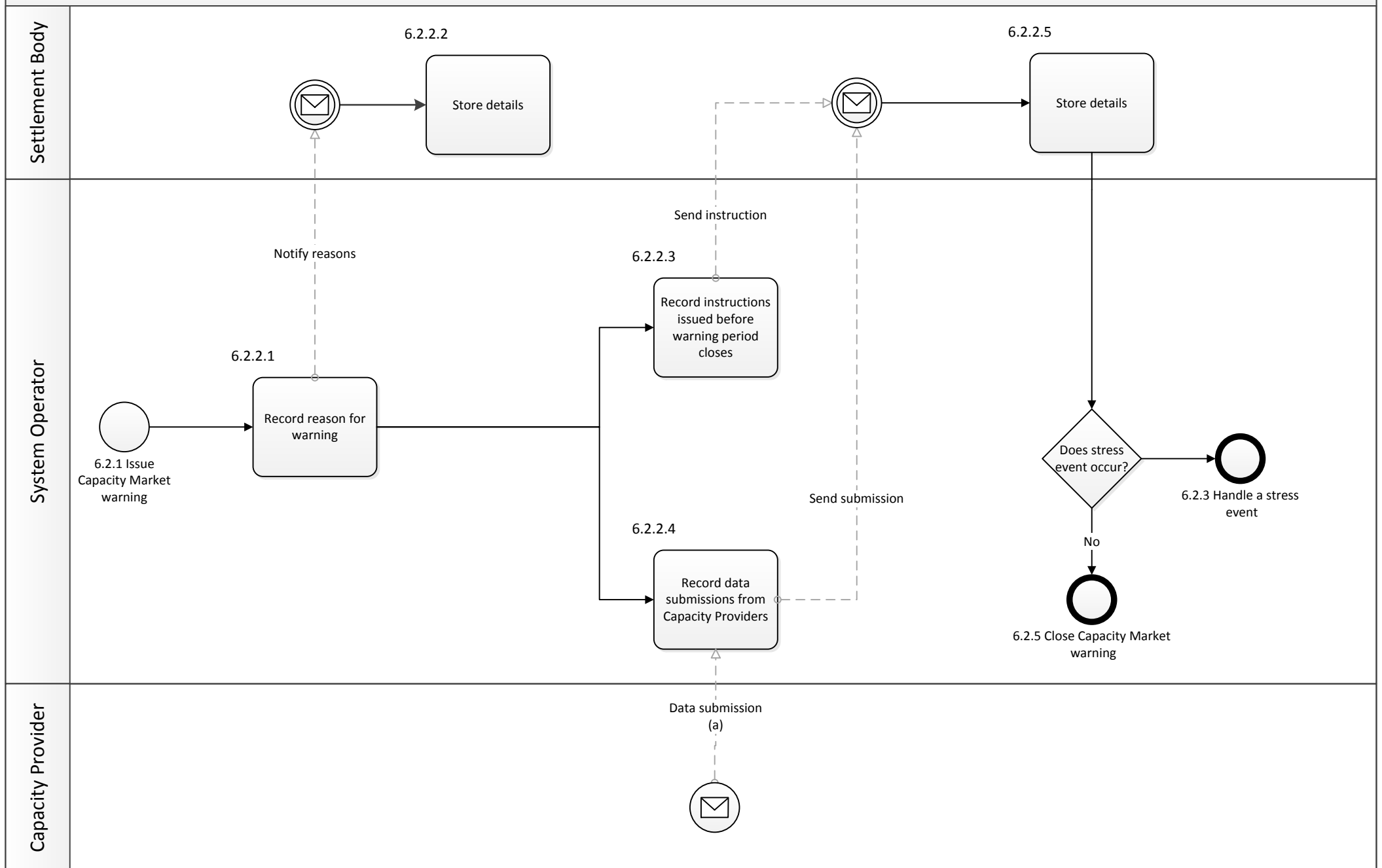
6.2 Handle a Capacity Market warning notification



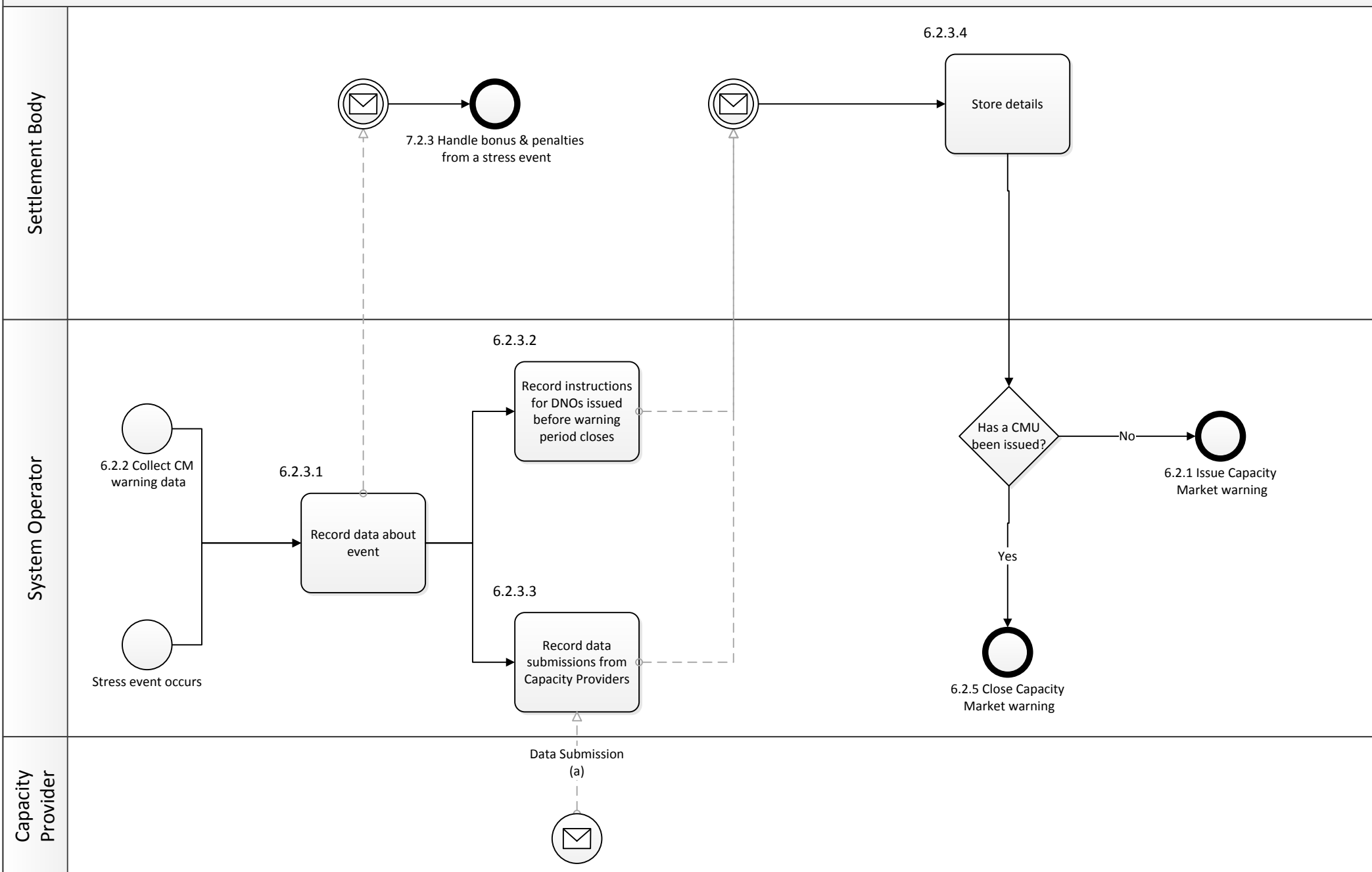
6.2.1 Issue Capacity Market warning



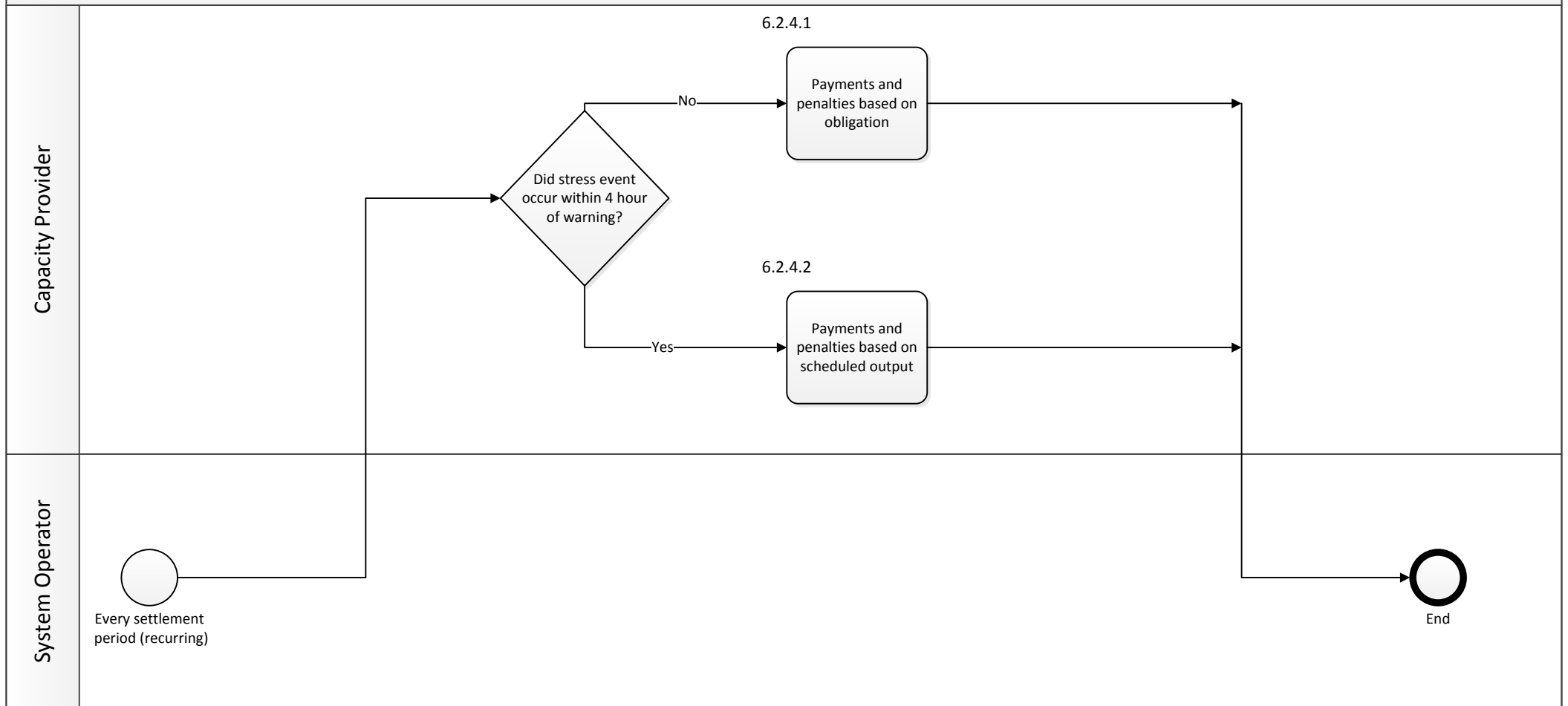
6.2.2 Collect Capacity Market warning data



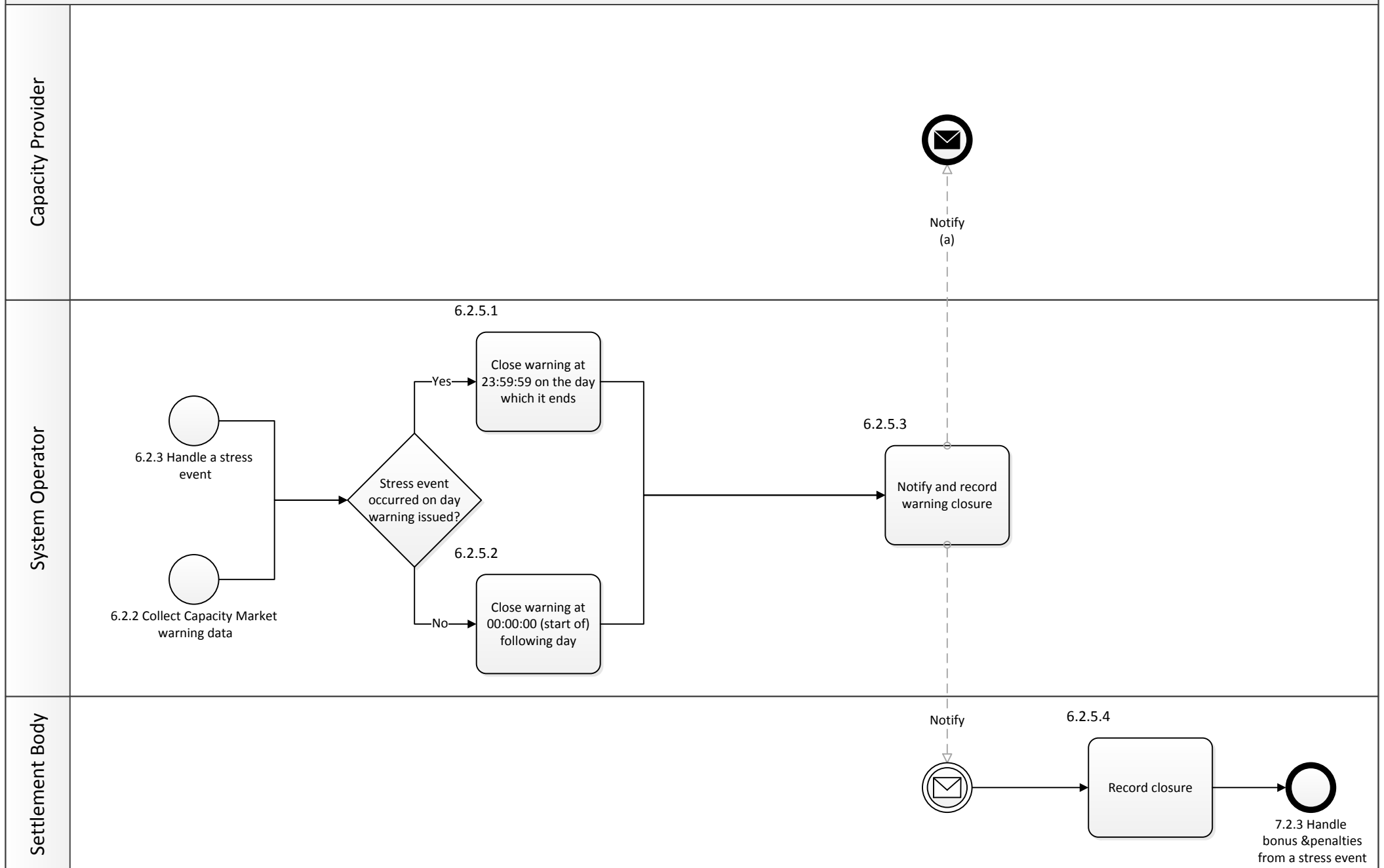
6.2.3 Handle a stress event



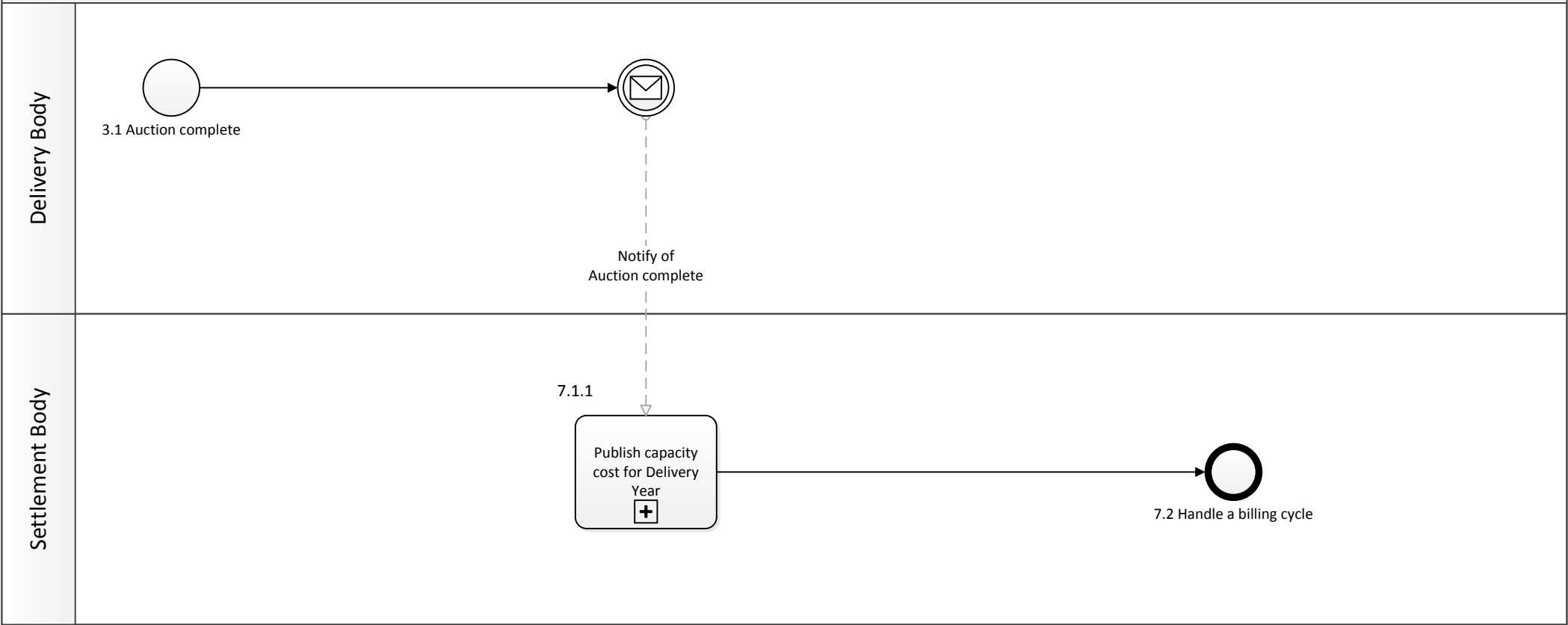
6.2.4 Respond to Capacity Market warning



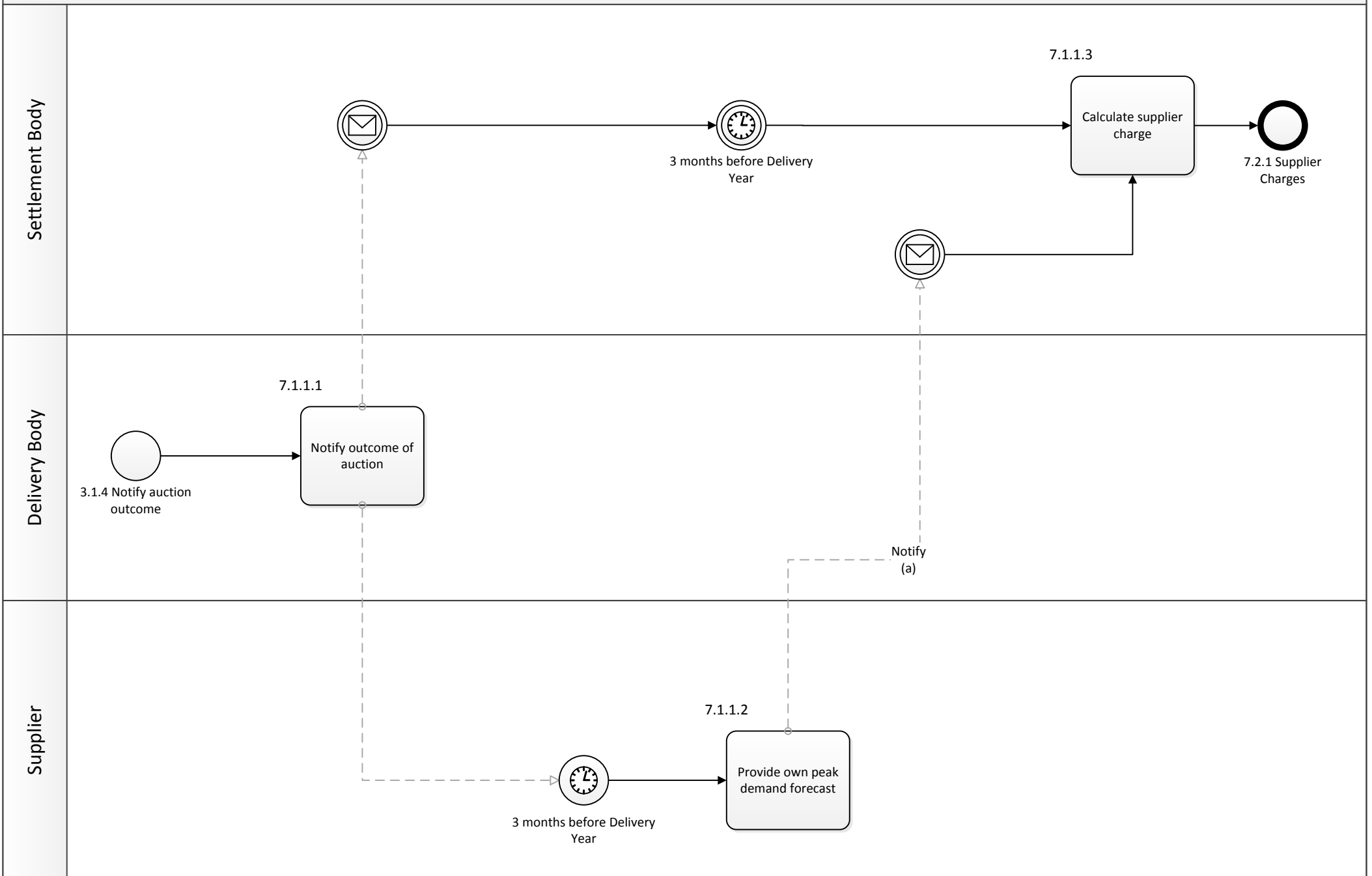
6.2.5 Close Capacity Market warning



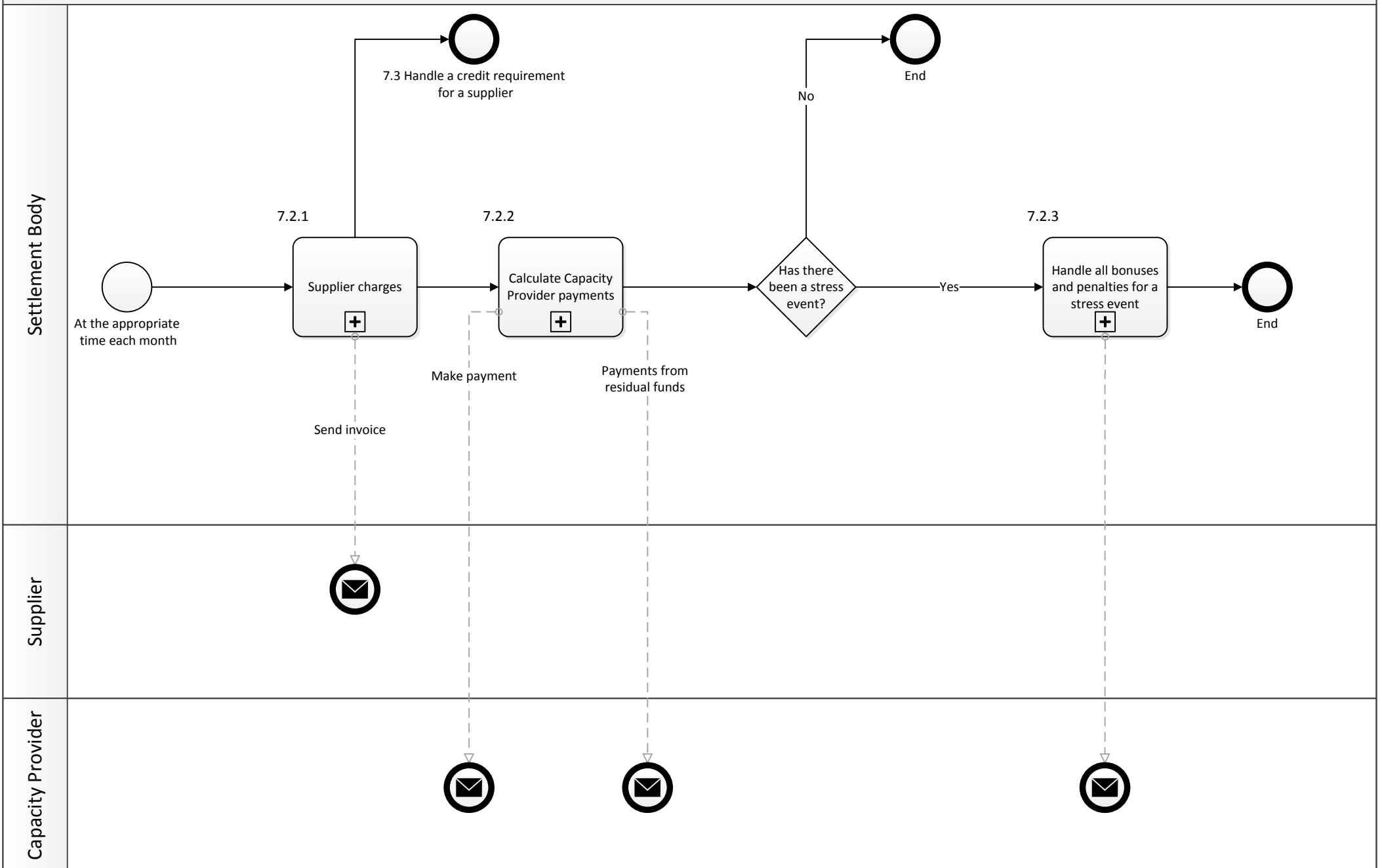
7.1 Handle the Capacity Market payment obligations
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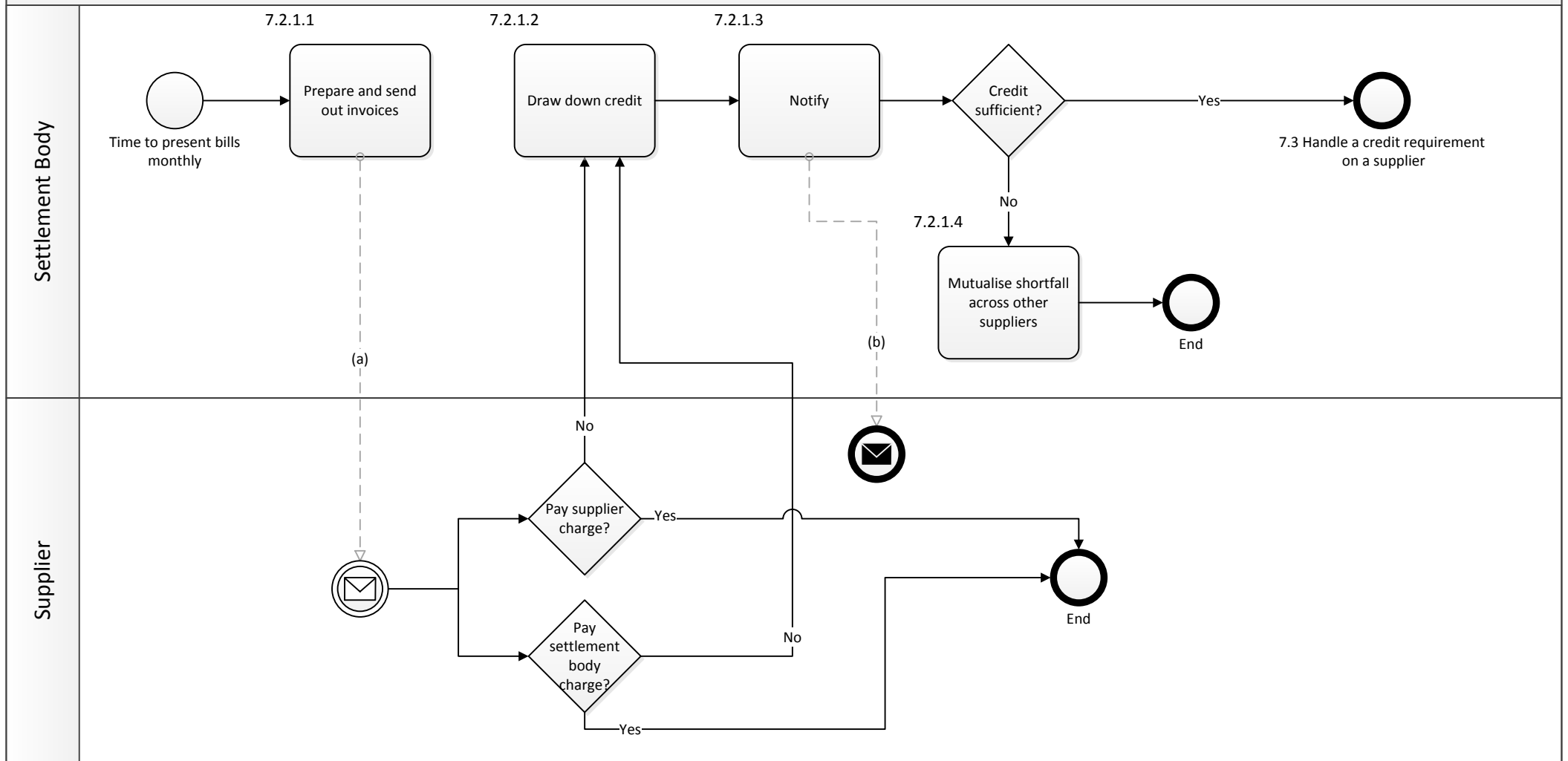
7.1.1 Publish capacity cost for Delivery Year



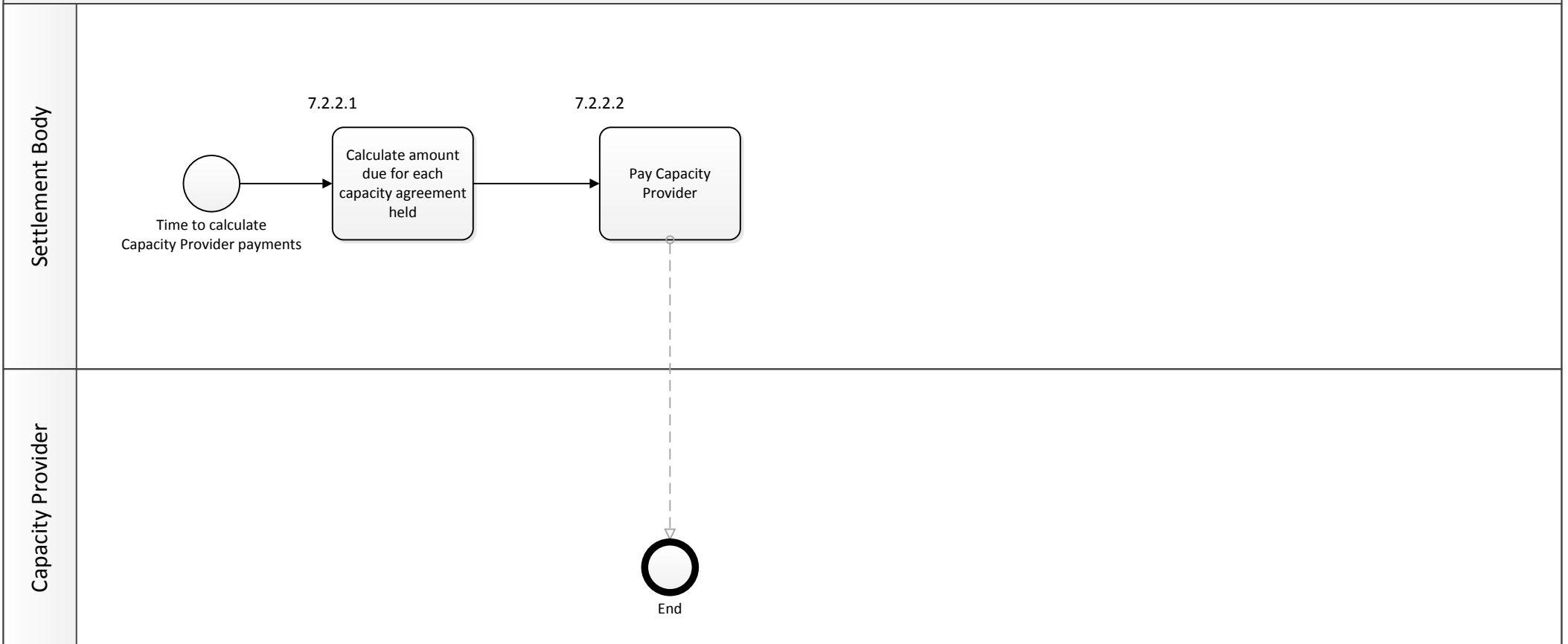
7.2 Handle a billing cycle



7.2.1 Supplier Charges

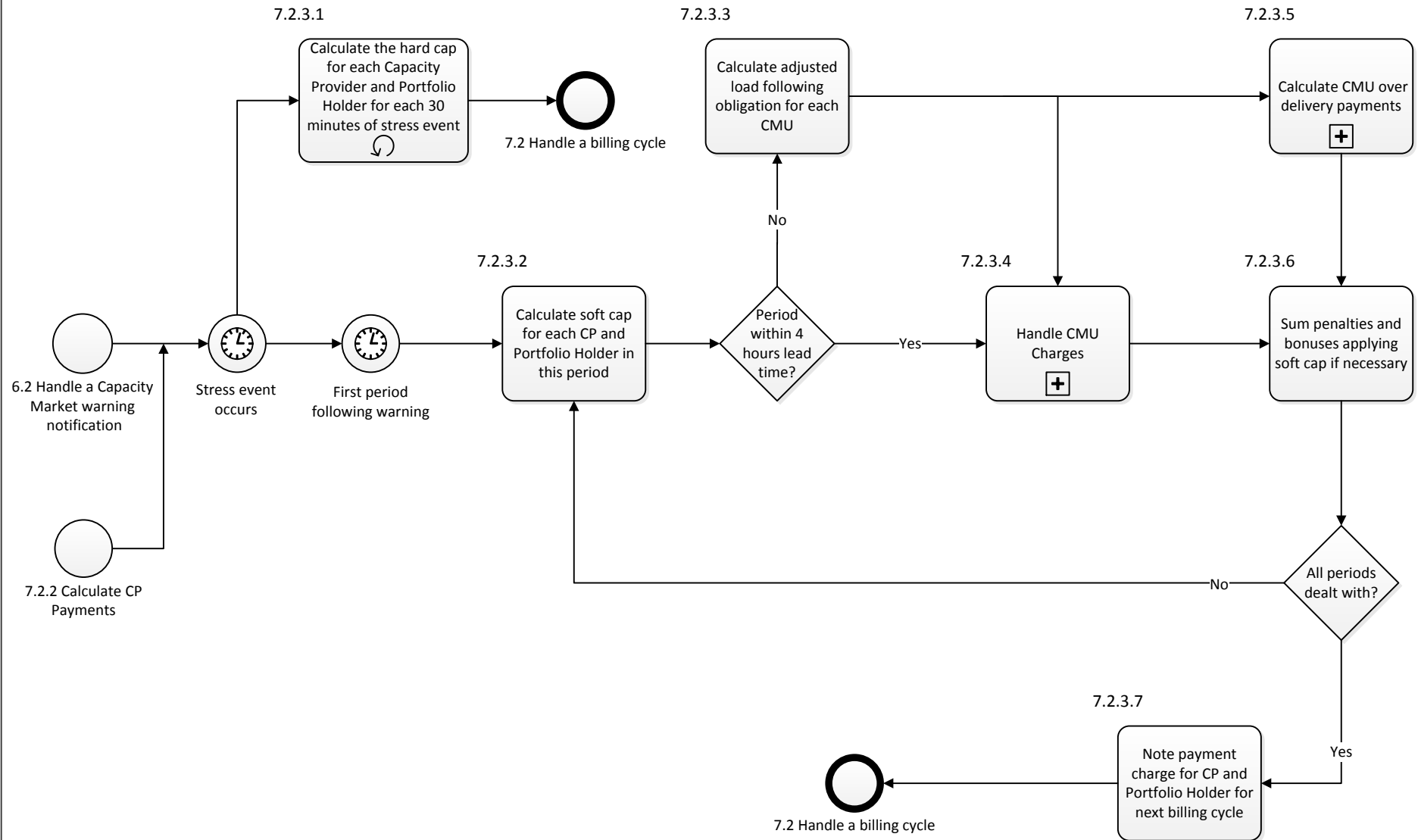


7.2.2 Calculate Capacity Provider payments

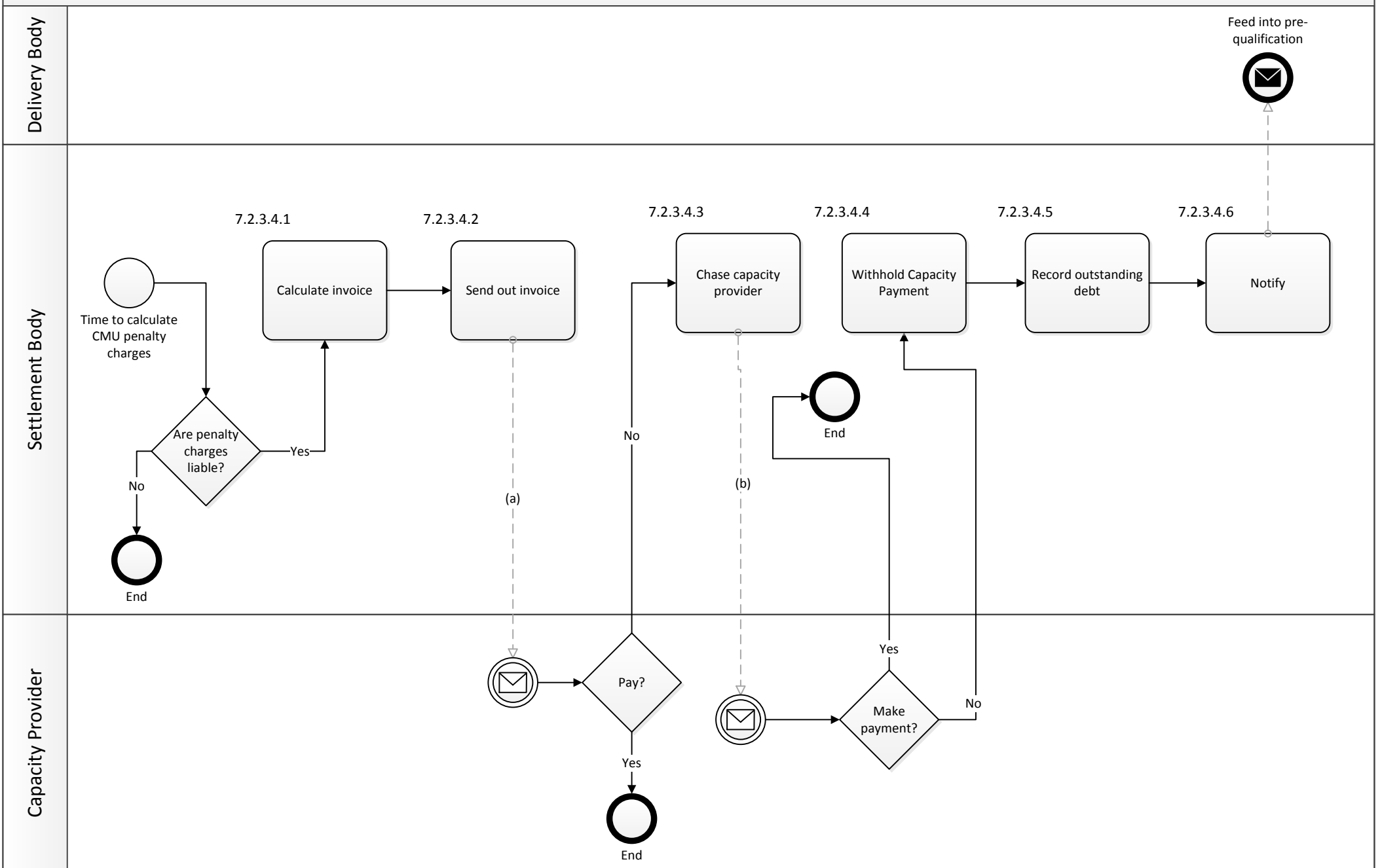


7.2.3 Handle all bonuses and penalties for a stress event

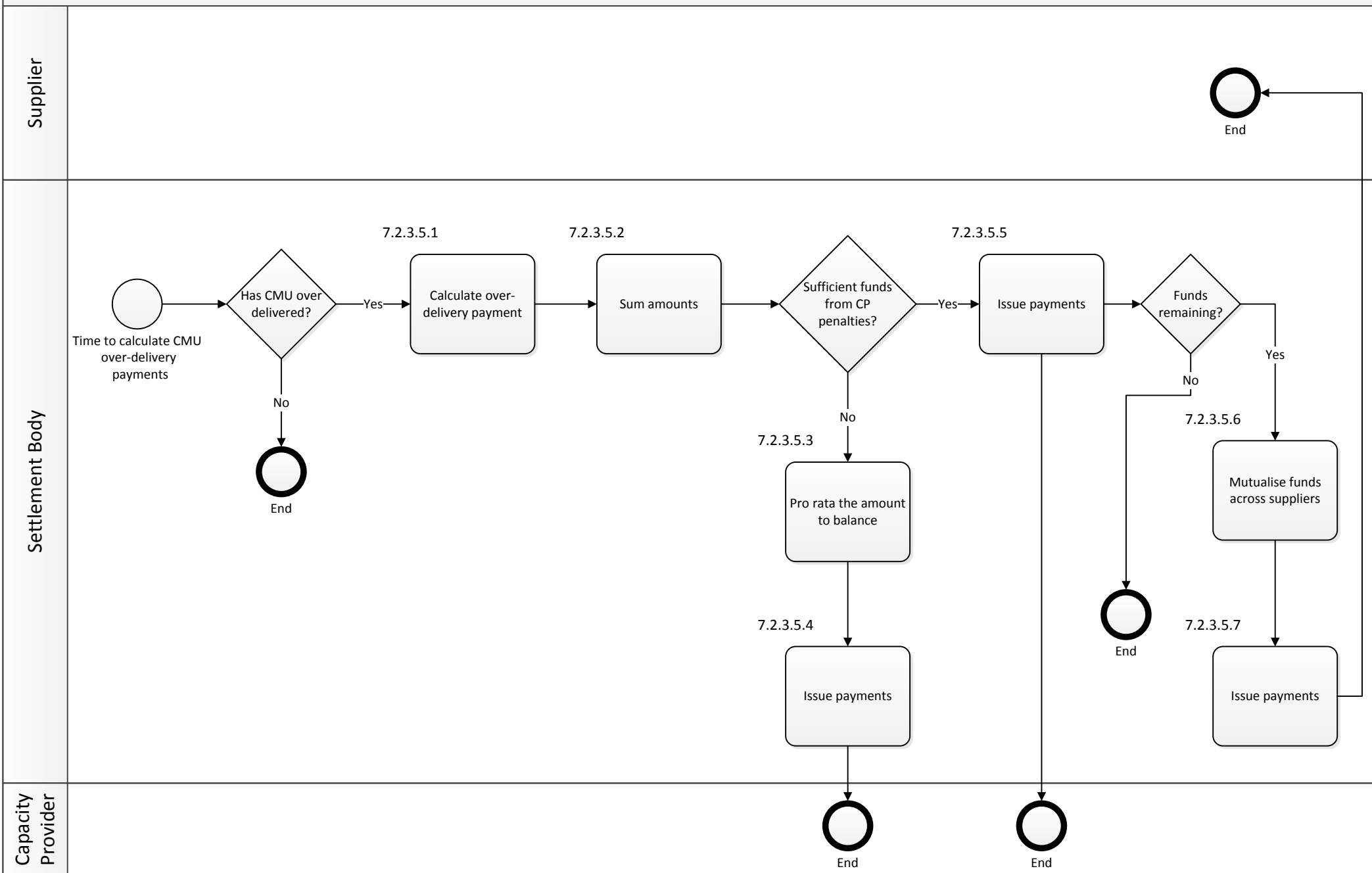
Settlement Body



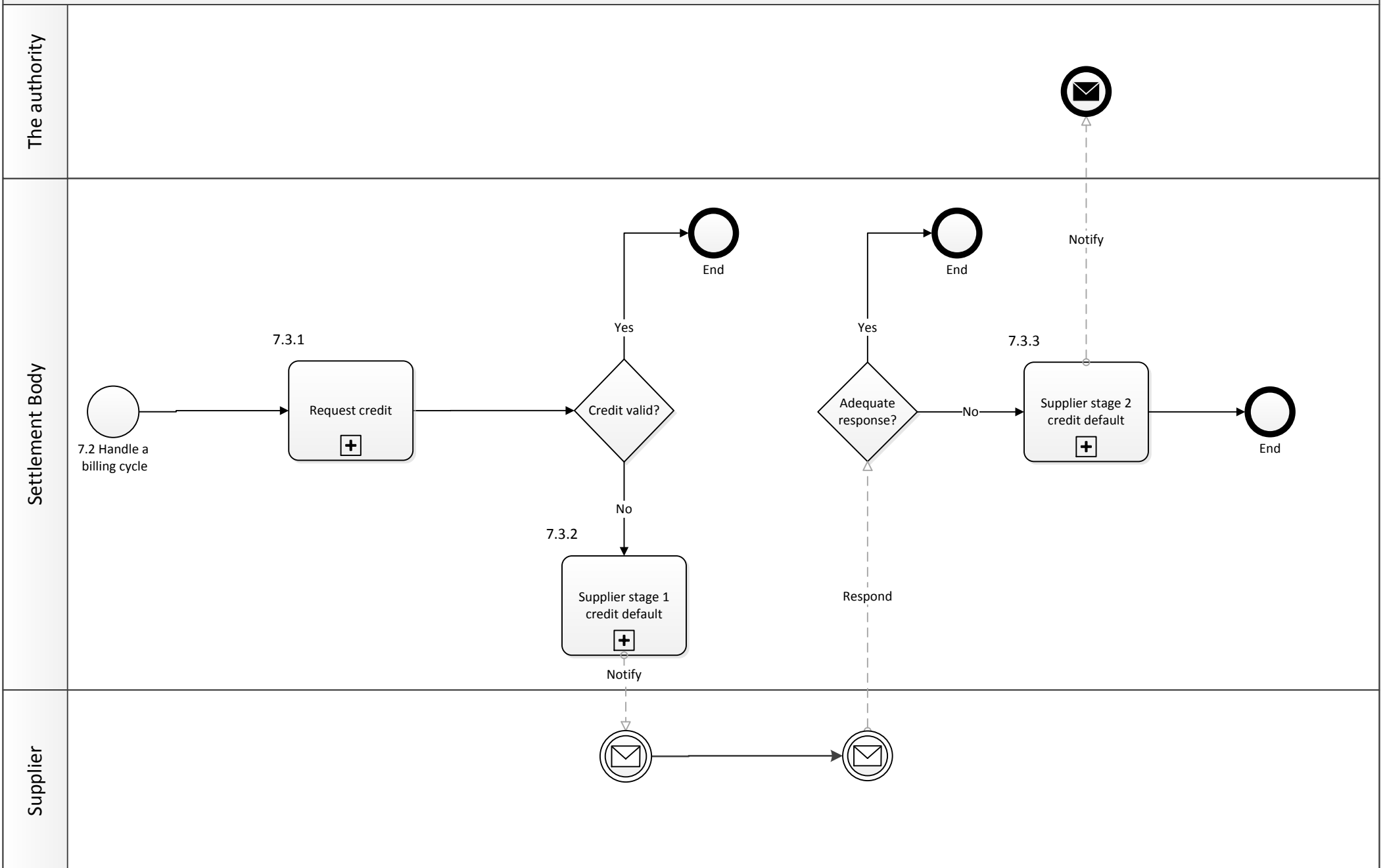
7.2.3.4 Handle CMU Charges



7.2.3.5 Handle CMU over delivery payments

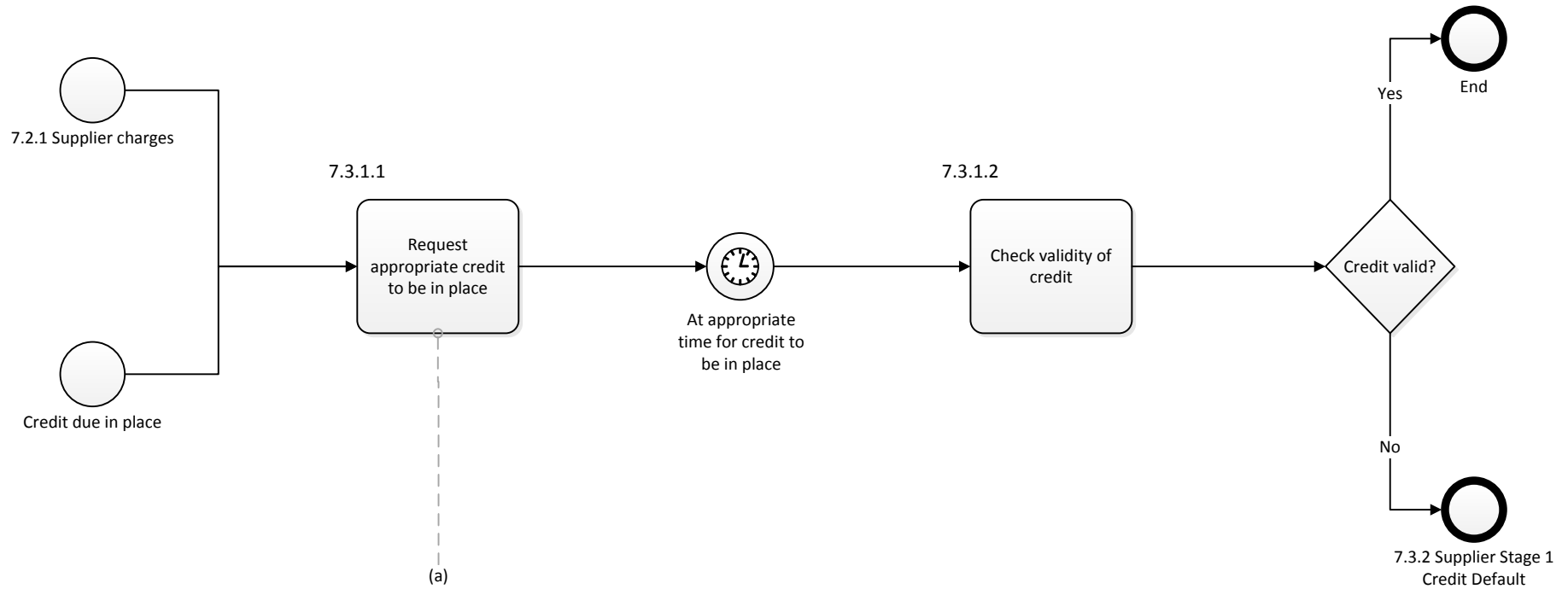


7.3 Handle a credit requirement on a supplier



7.3.1 Request Credit

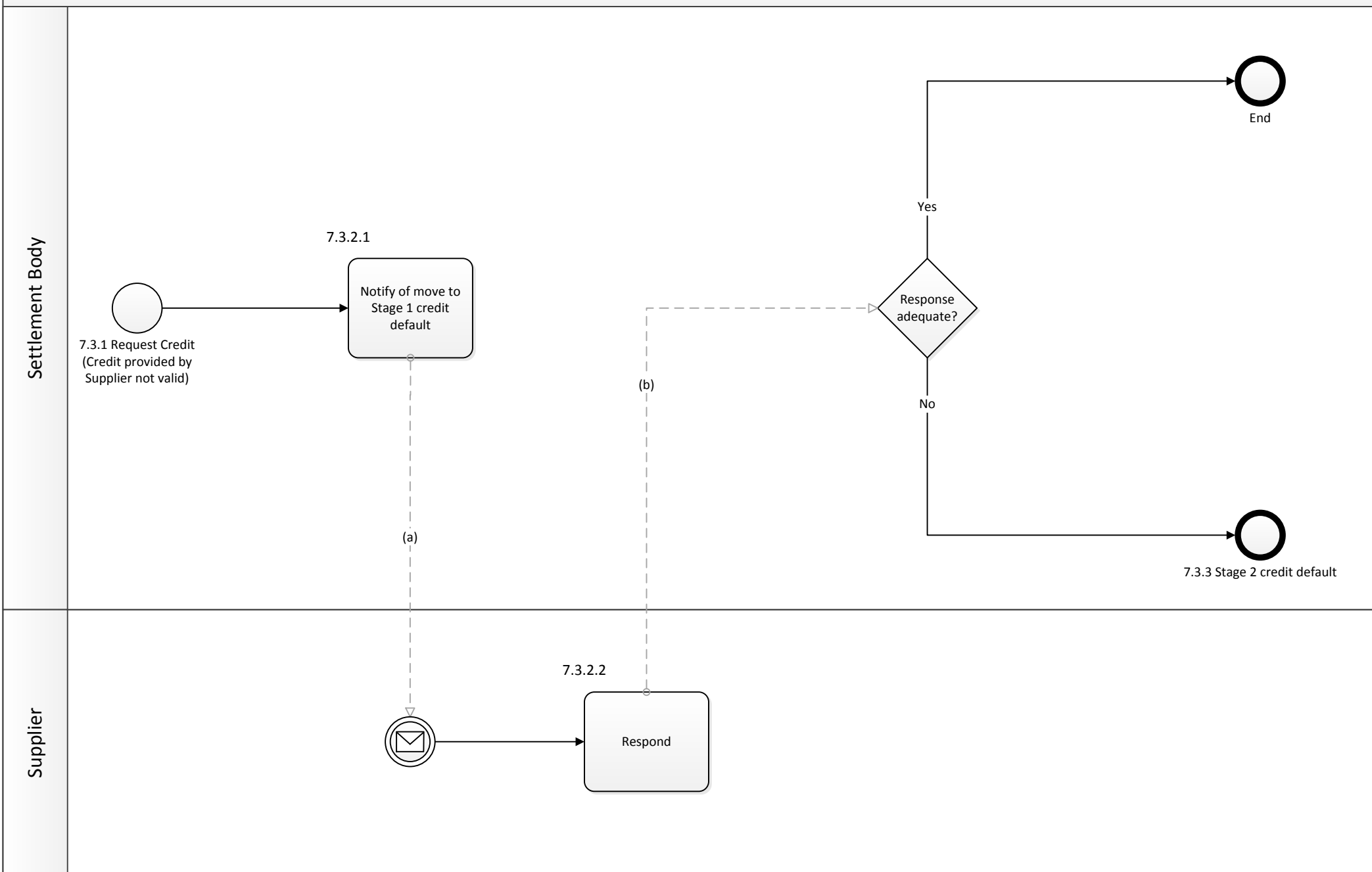
Settlement Body



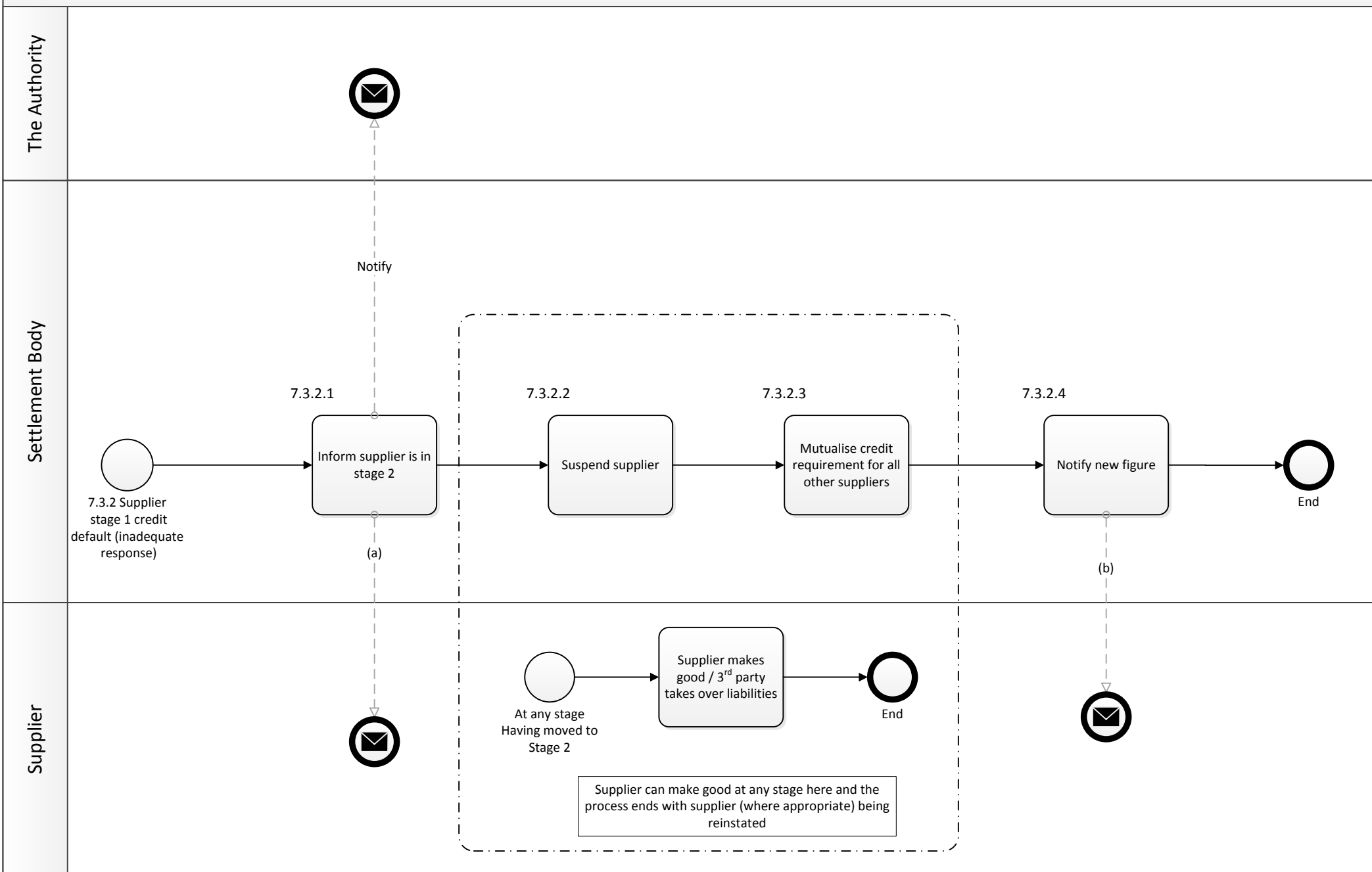
Supplier



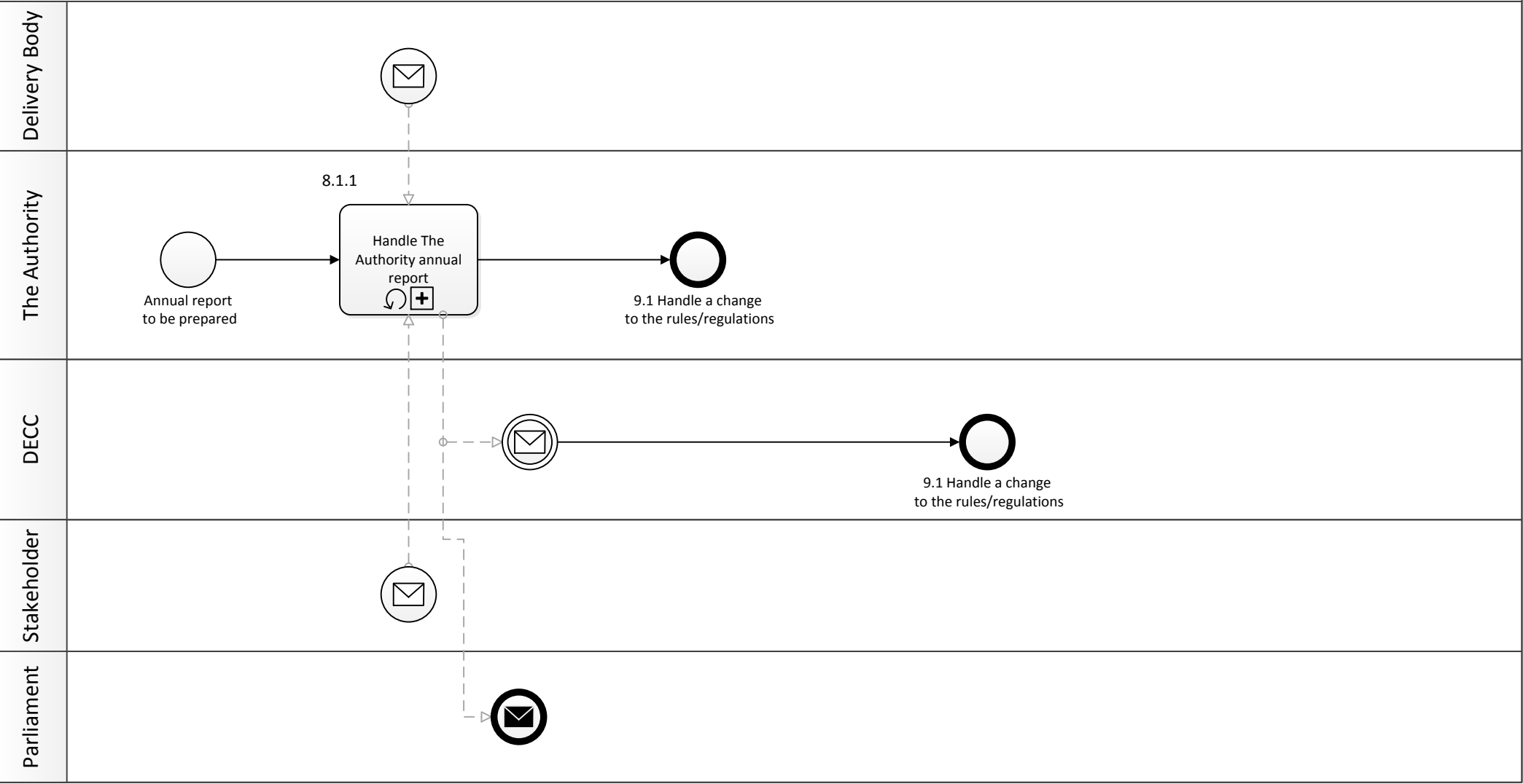
7.3.2 Supplier stage 1 credit default



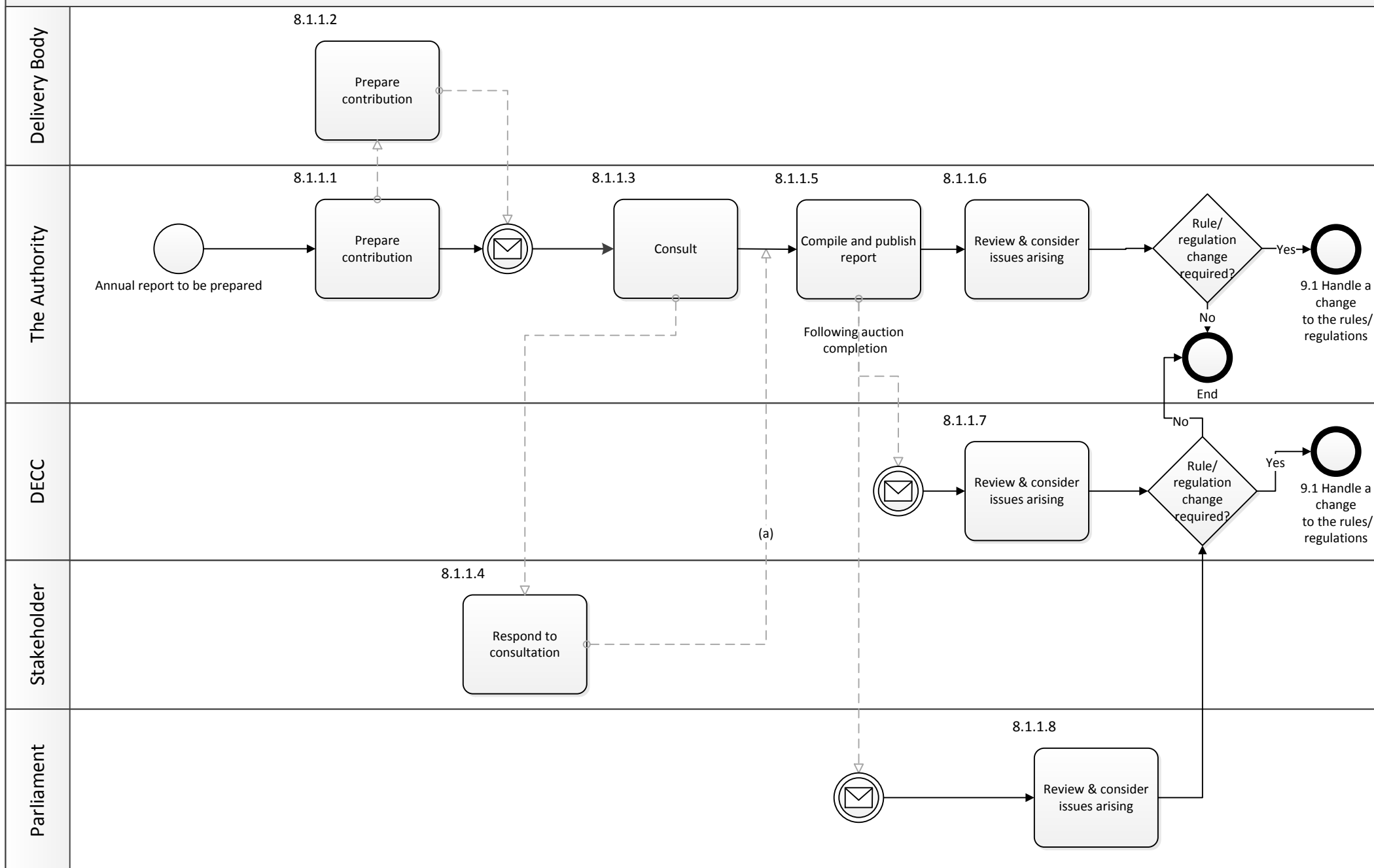
7.3.3 Supplier stage 2 credit default



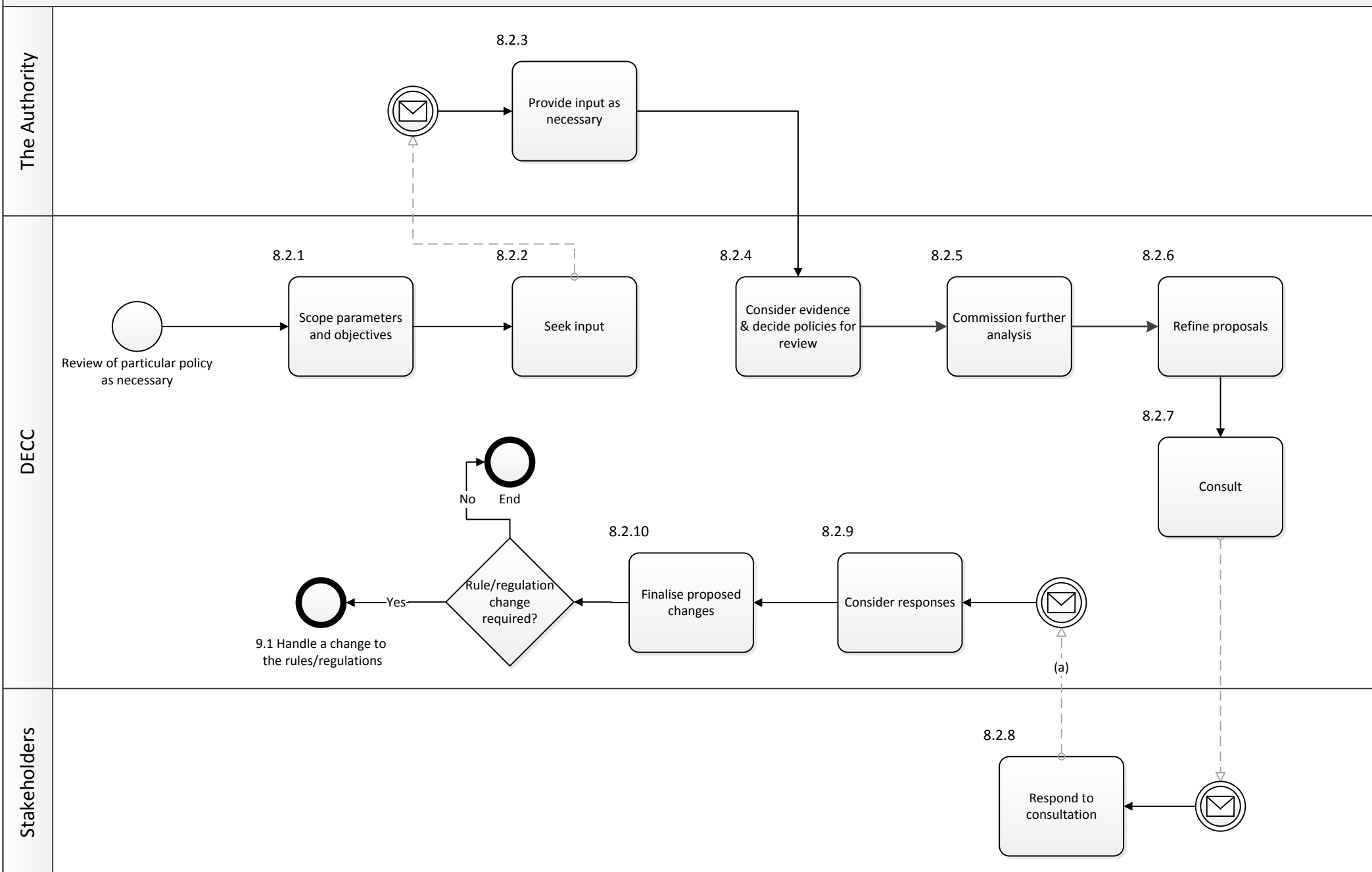
8.1 Handle an annual report



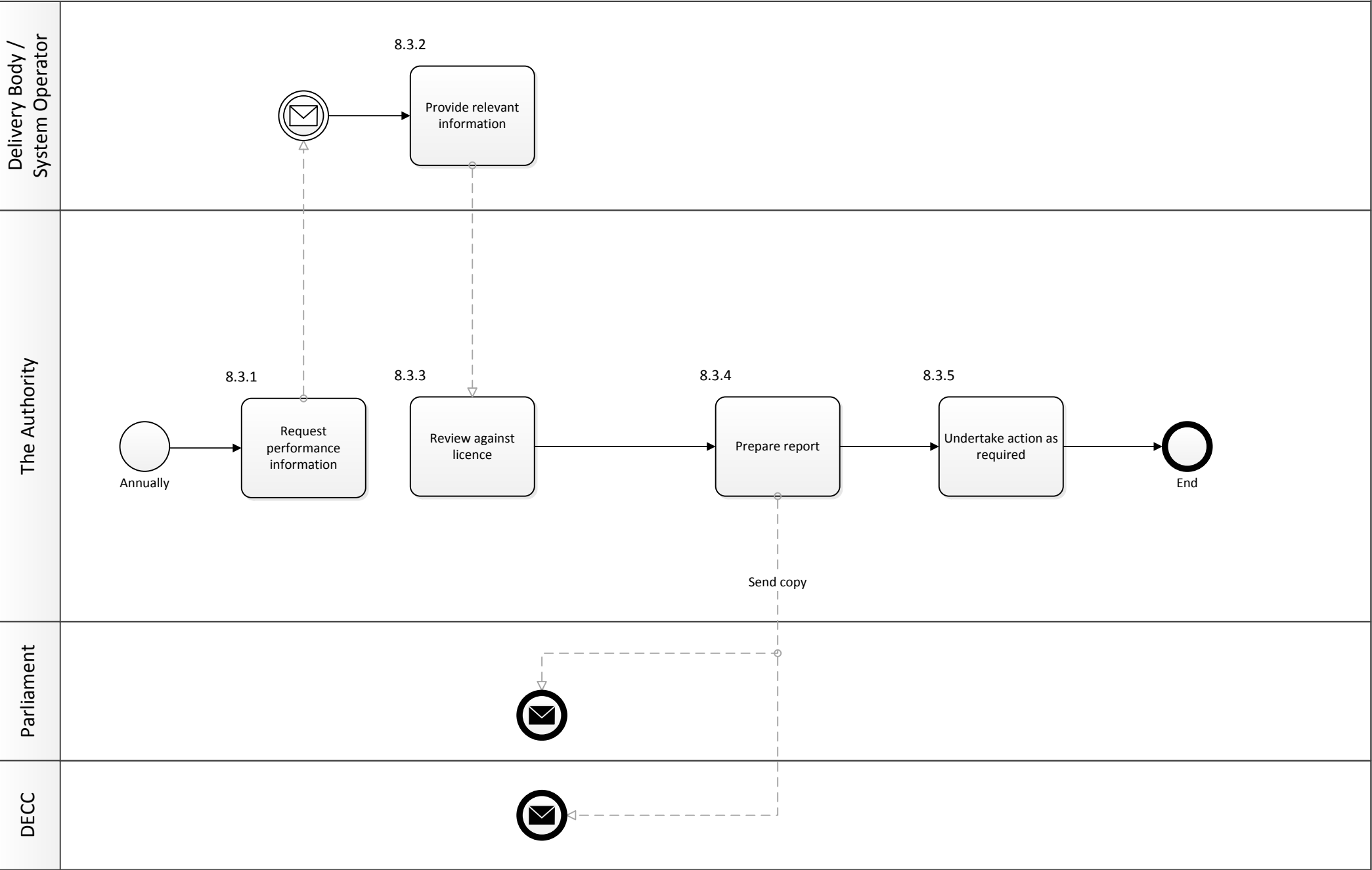
8.1.1 Handle The Authority annual report



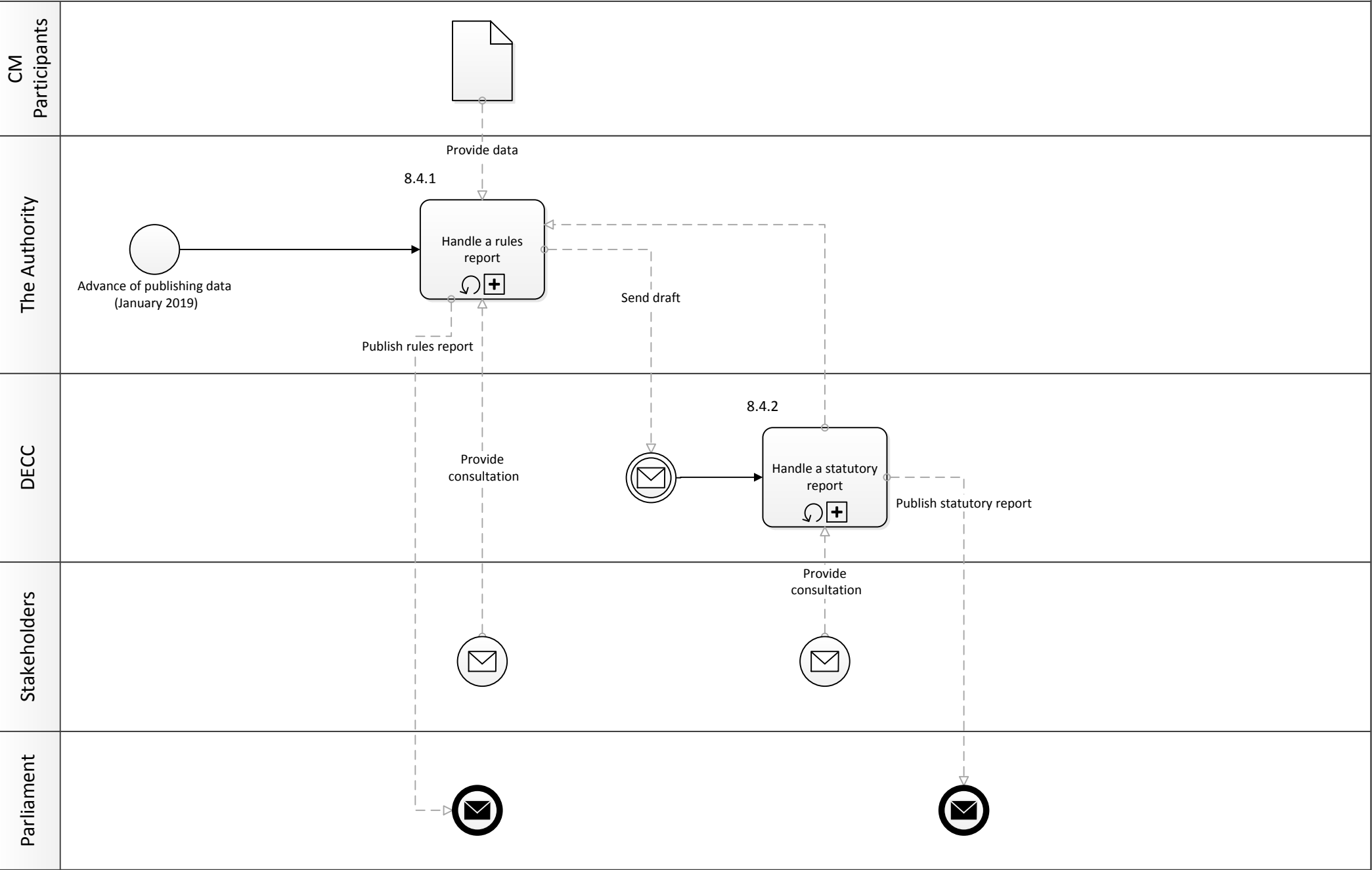
8.2 Handle a policy review



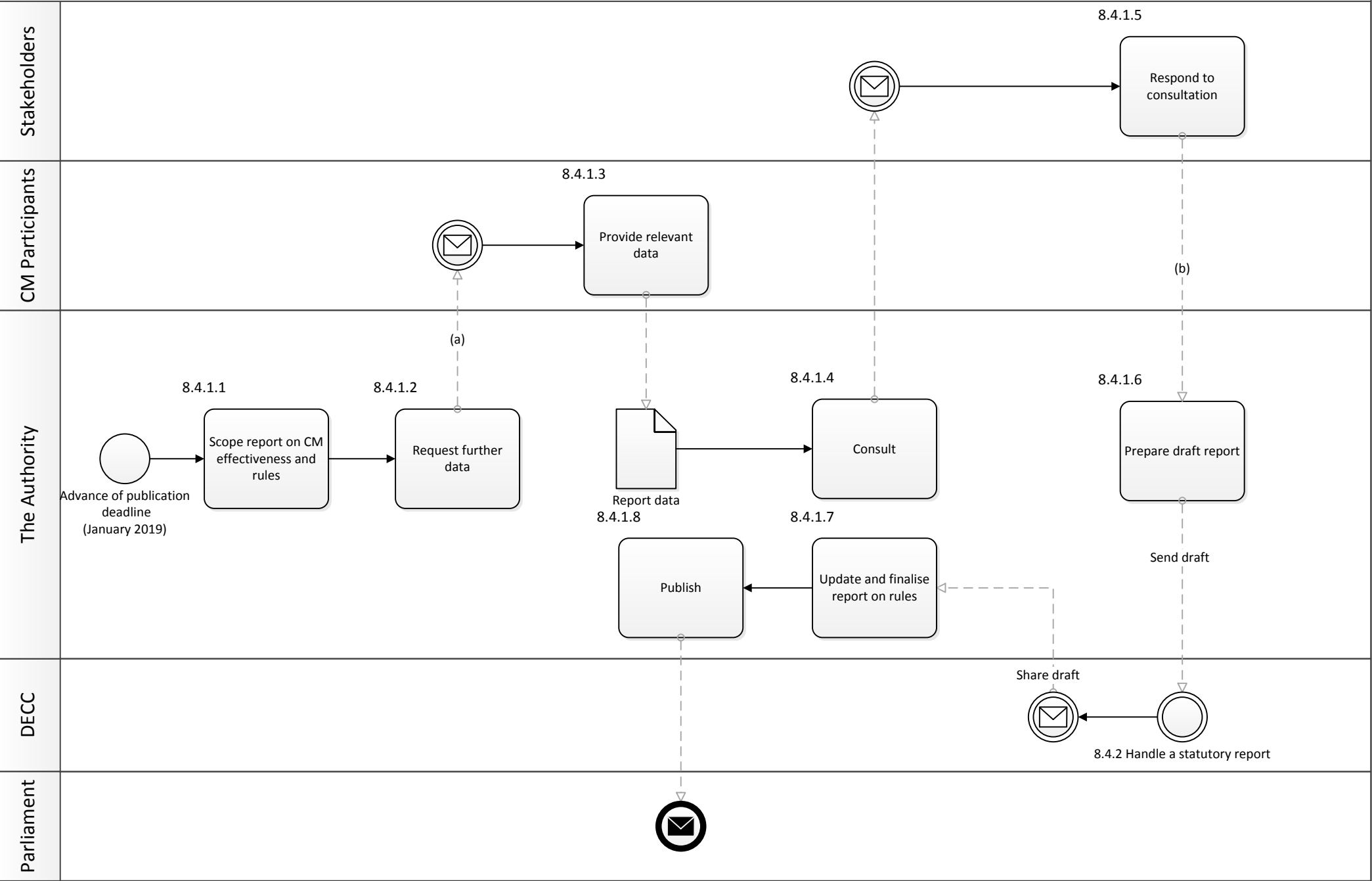
8.3 Handle a performance review



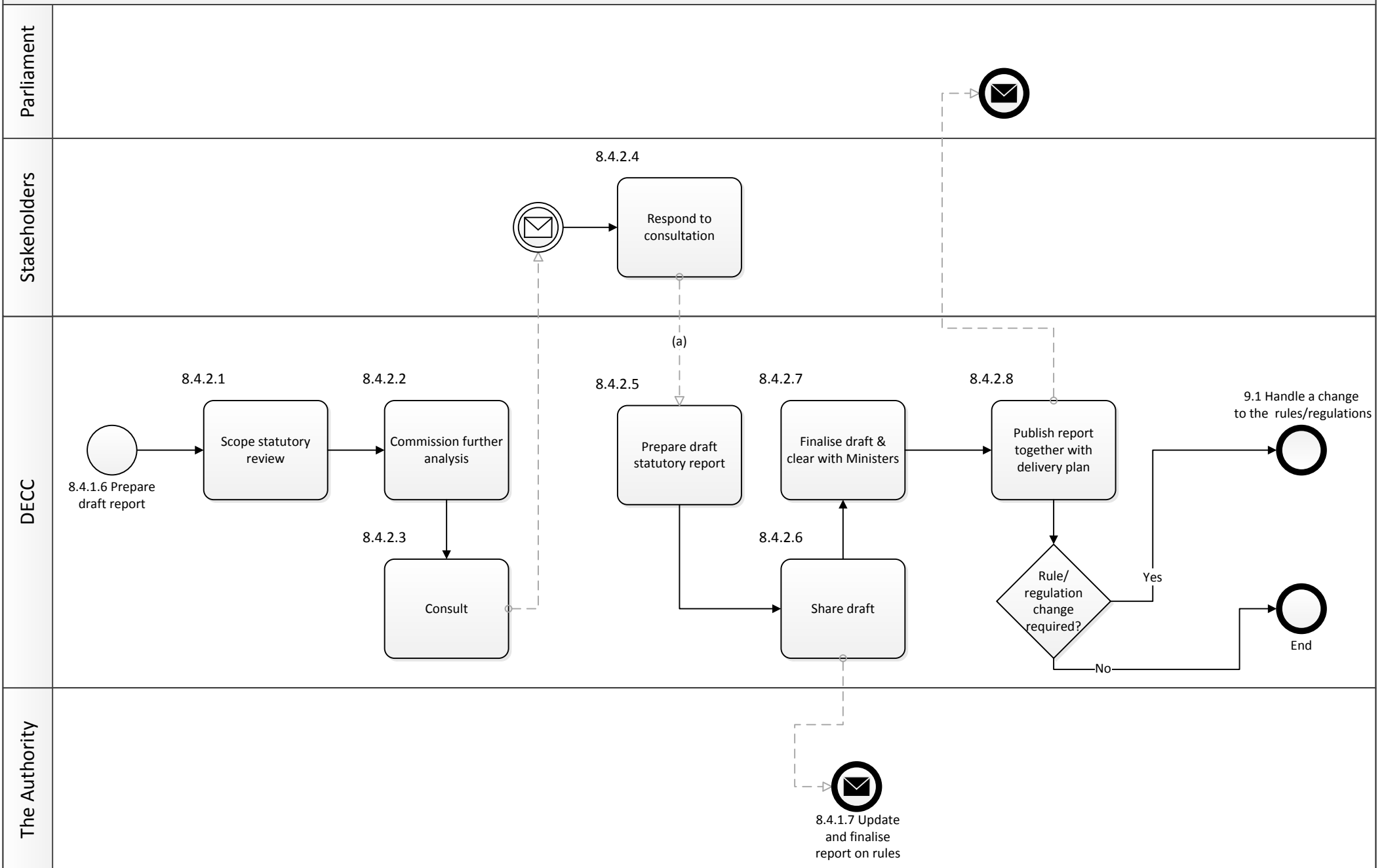
8.4 Handle a 5-year statutory review



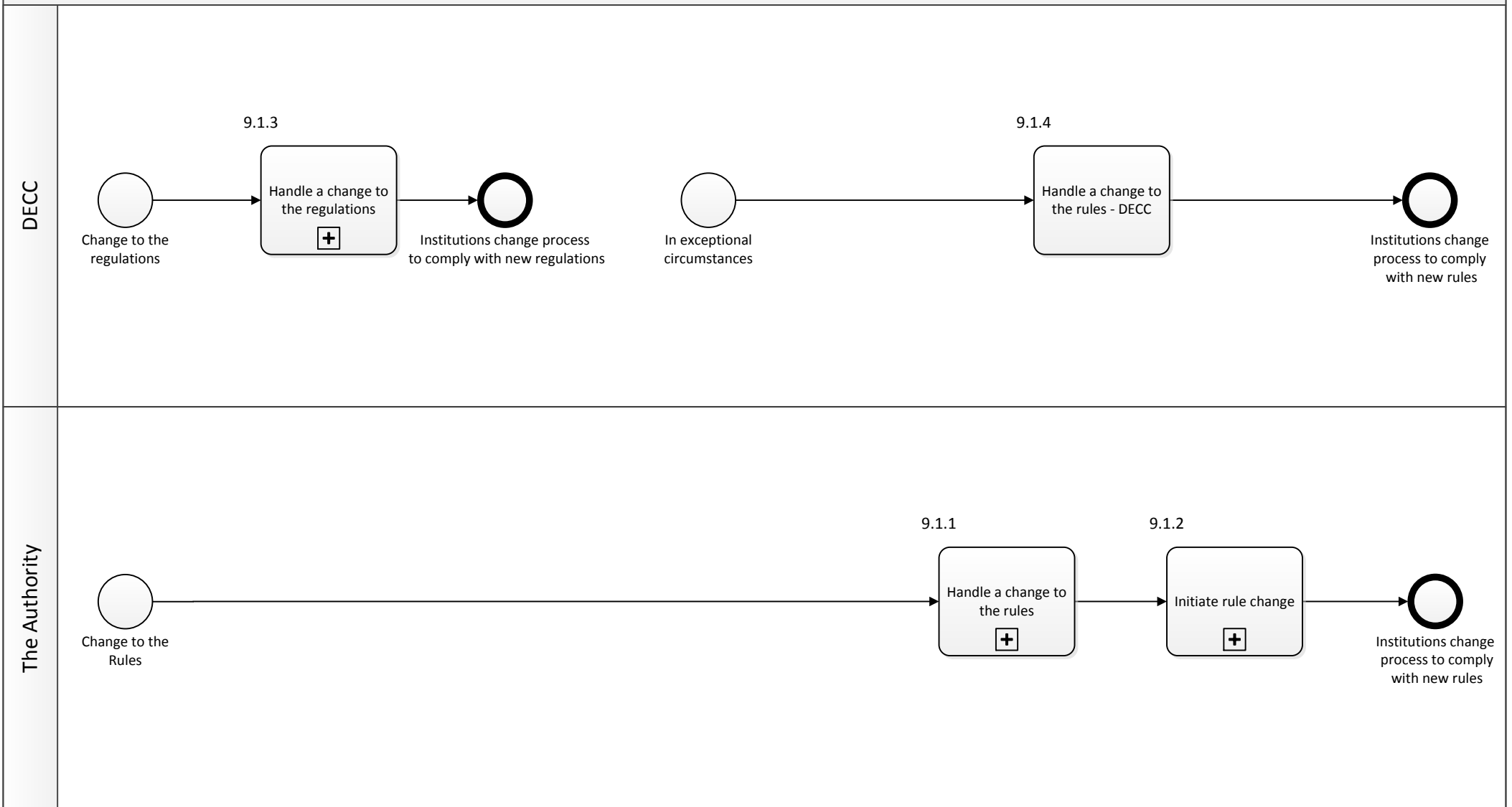
8.4.1 Handle a rules report



8.4.2 Handle a statutory report



9.1 Handle a change to the rules and regulations

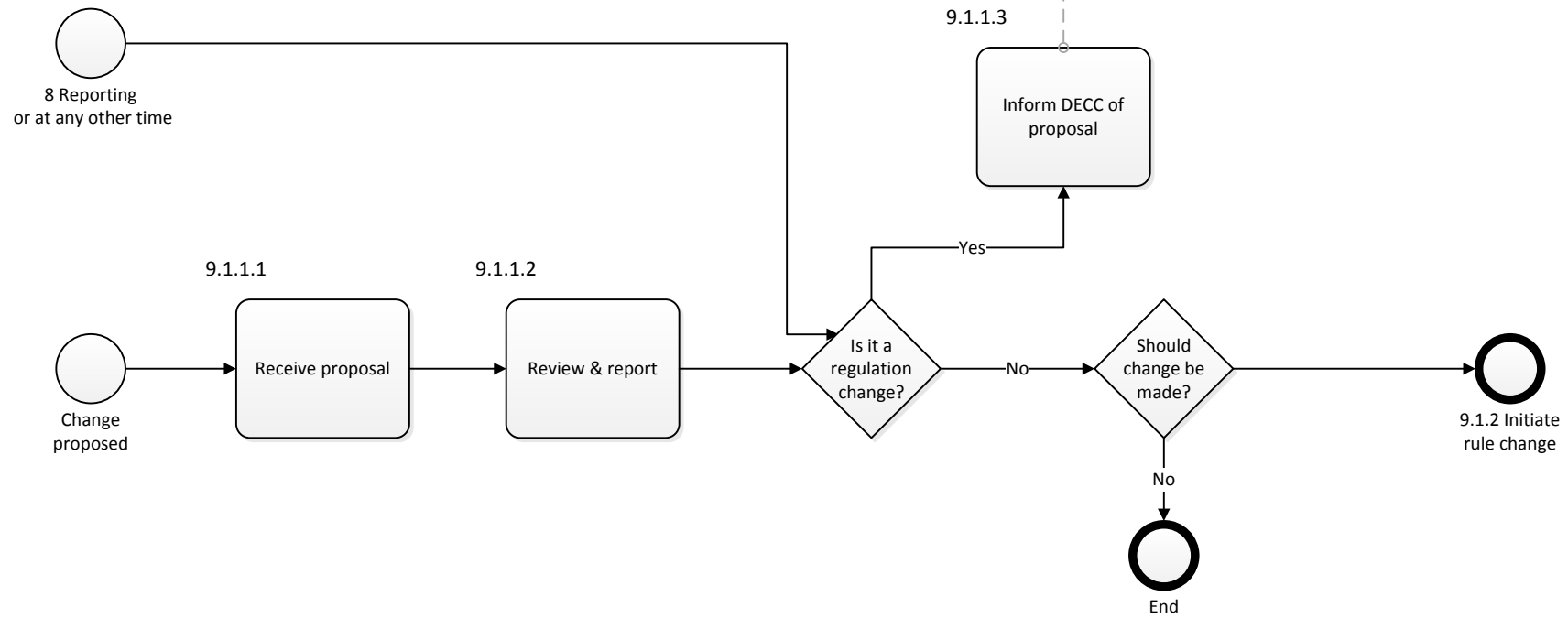


9.1.1 Handle a change to the rules

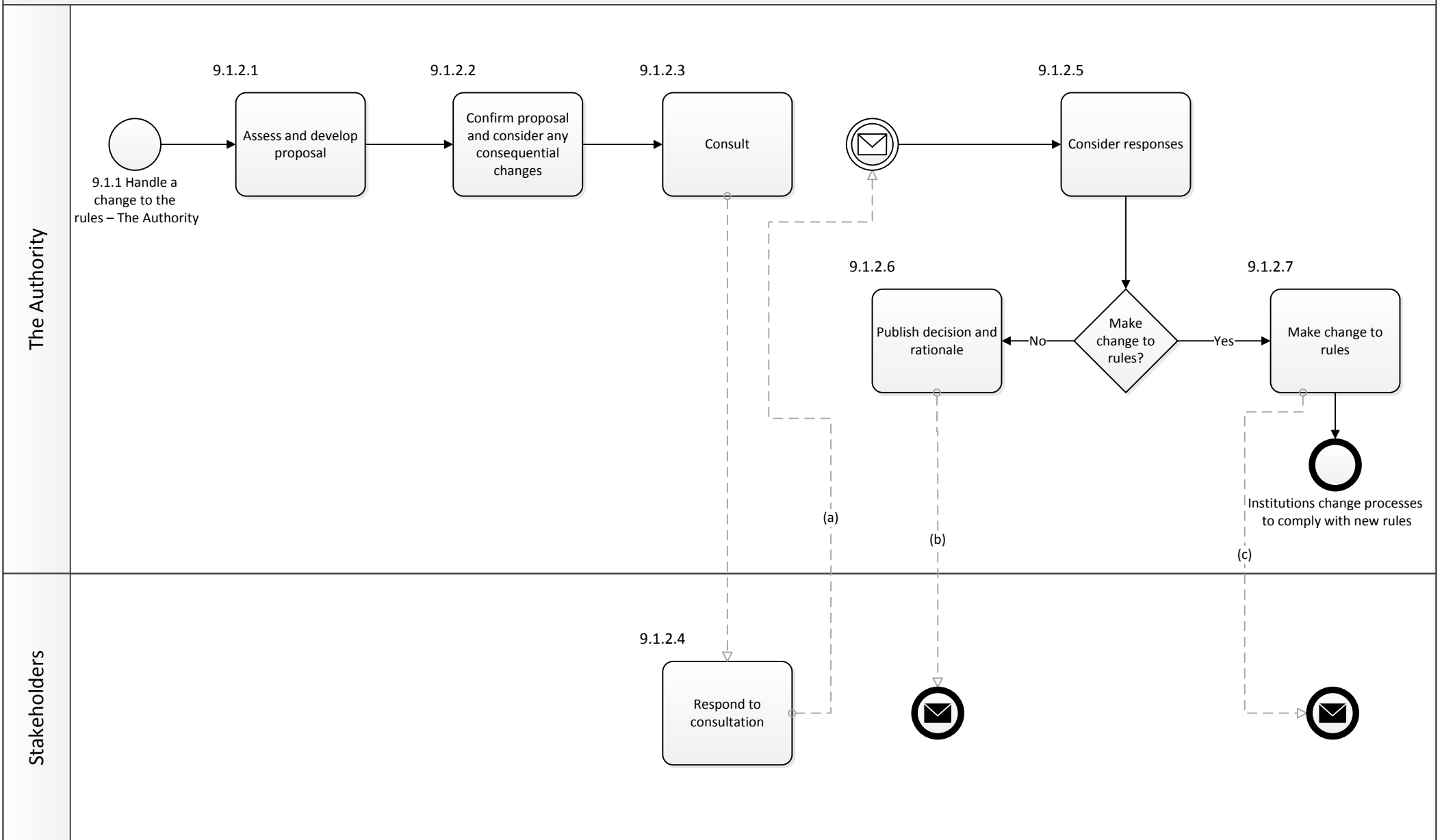
DECC

9.1.3 Handle a change to the regulations

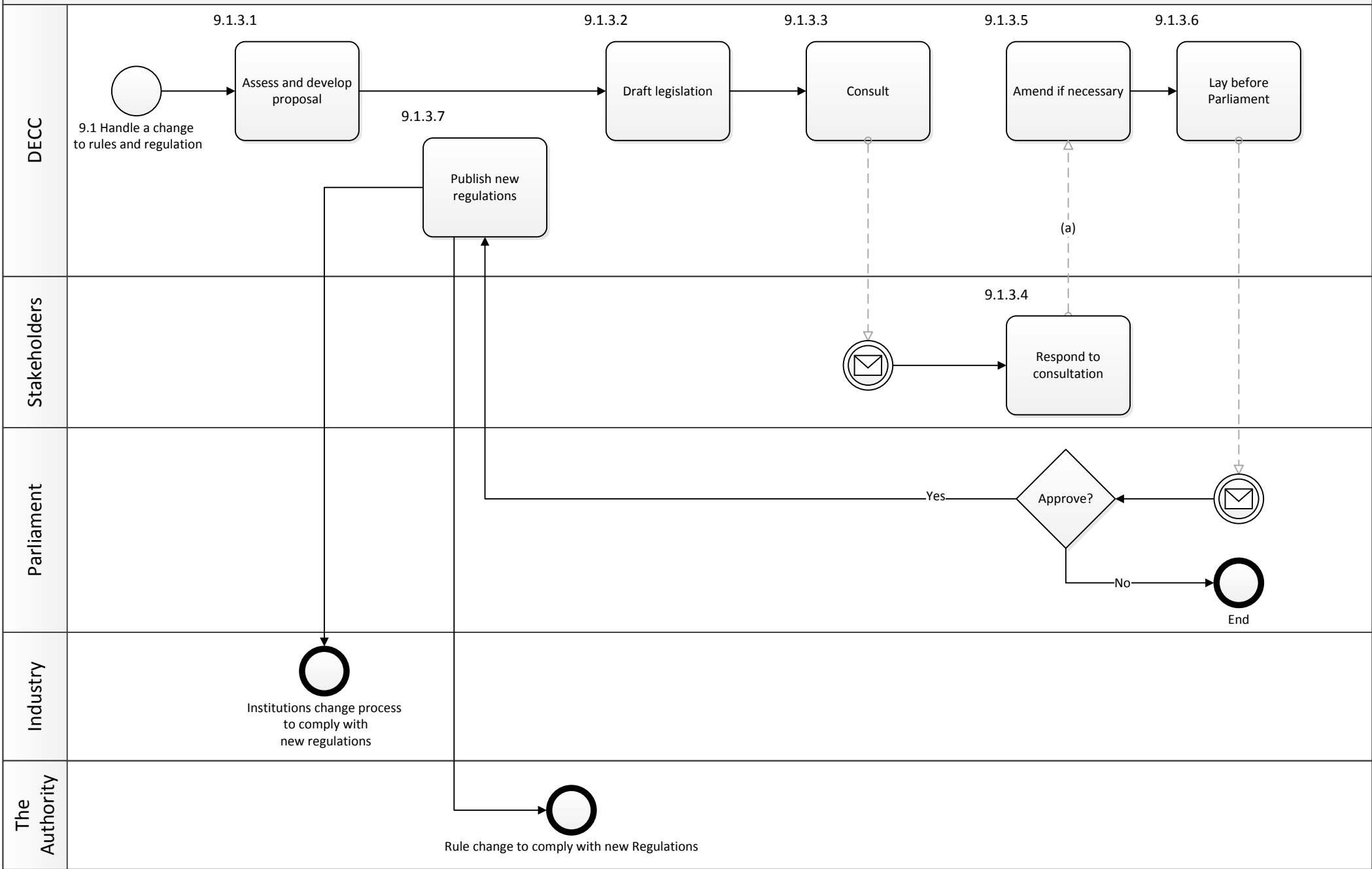
The Authority



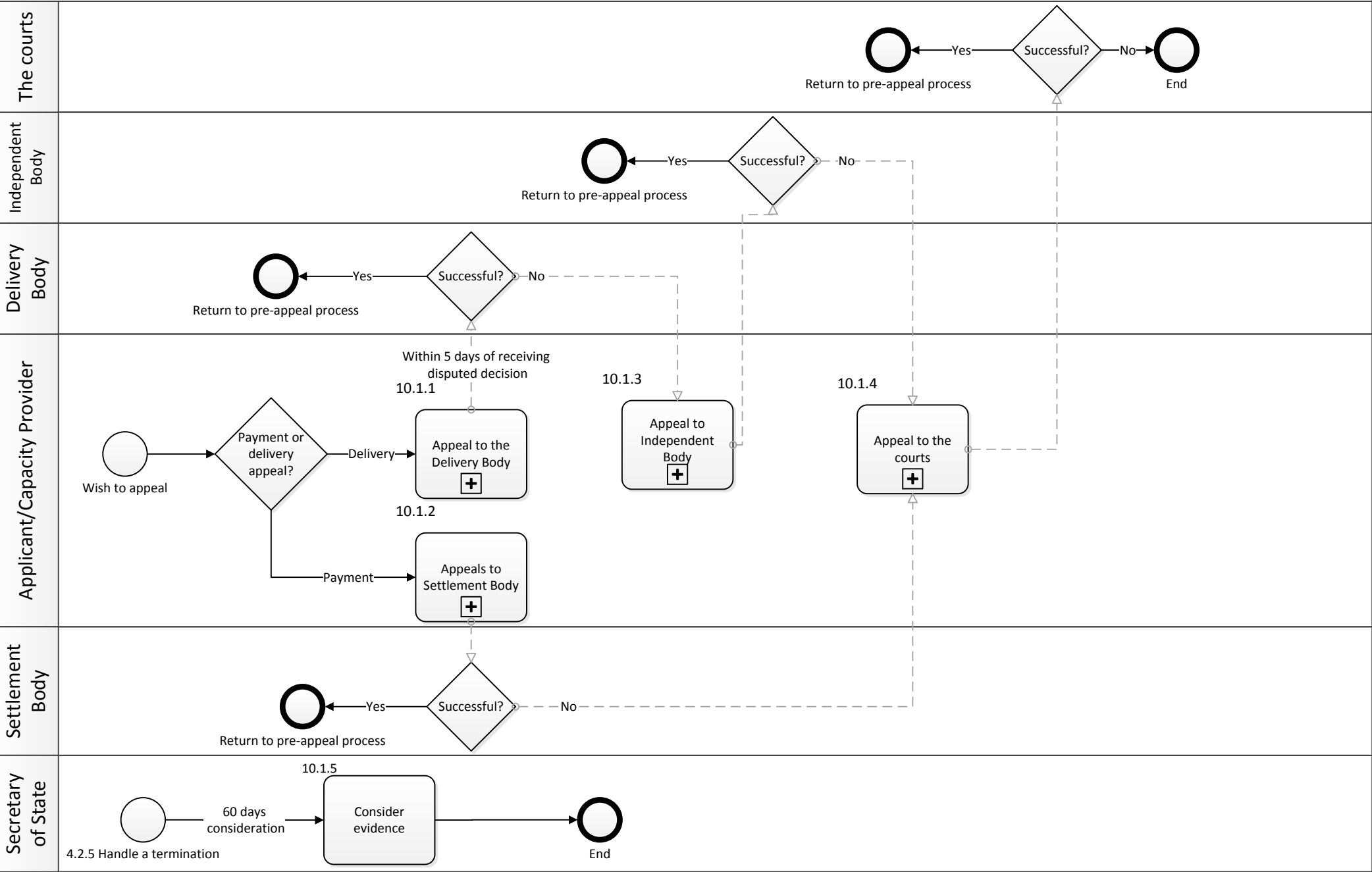
9.1.2 Initiate rule change



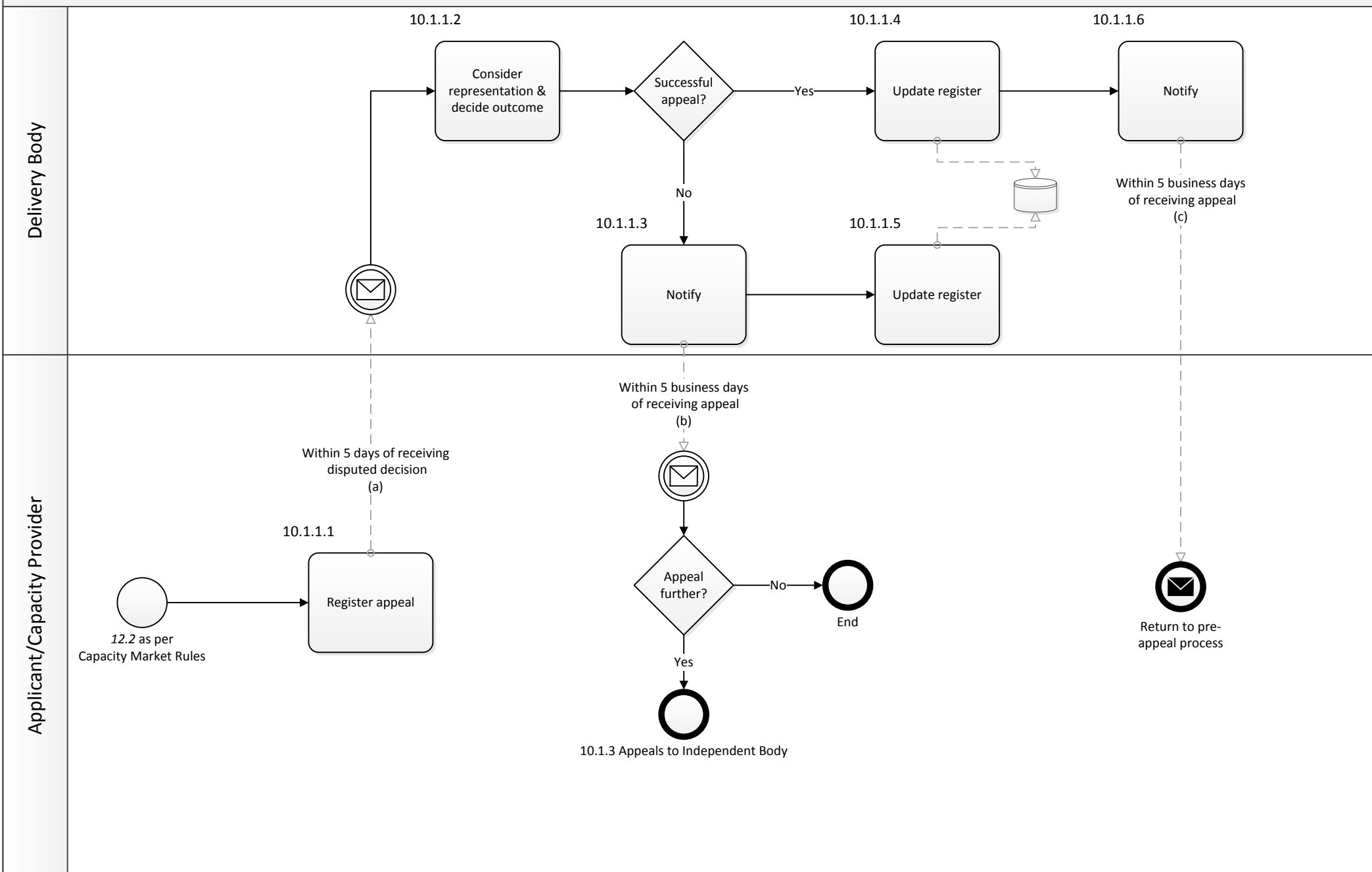
9.1.3 Handle a change to the regulations



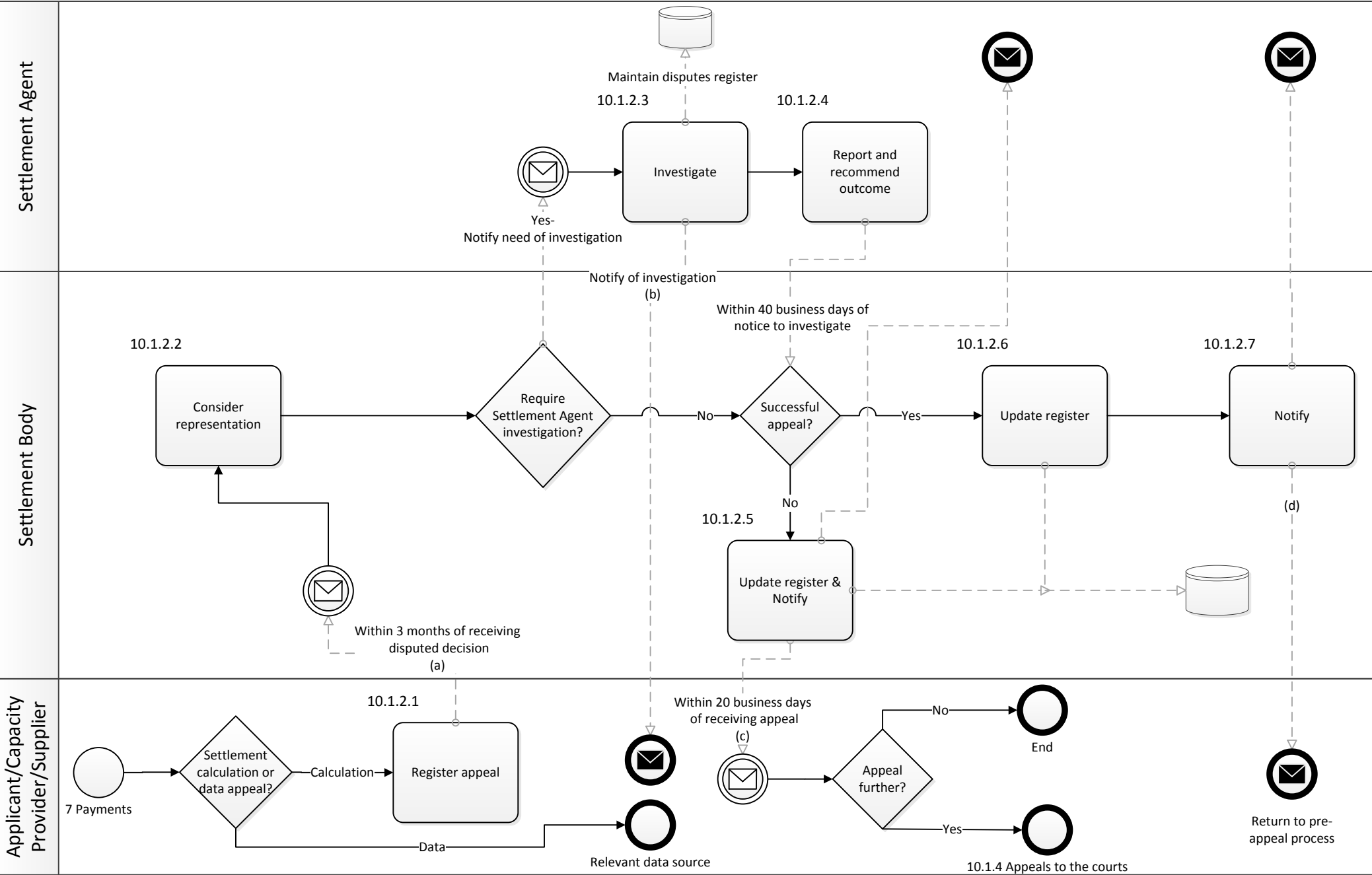
10.1 Appeals



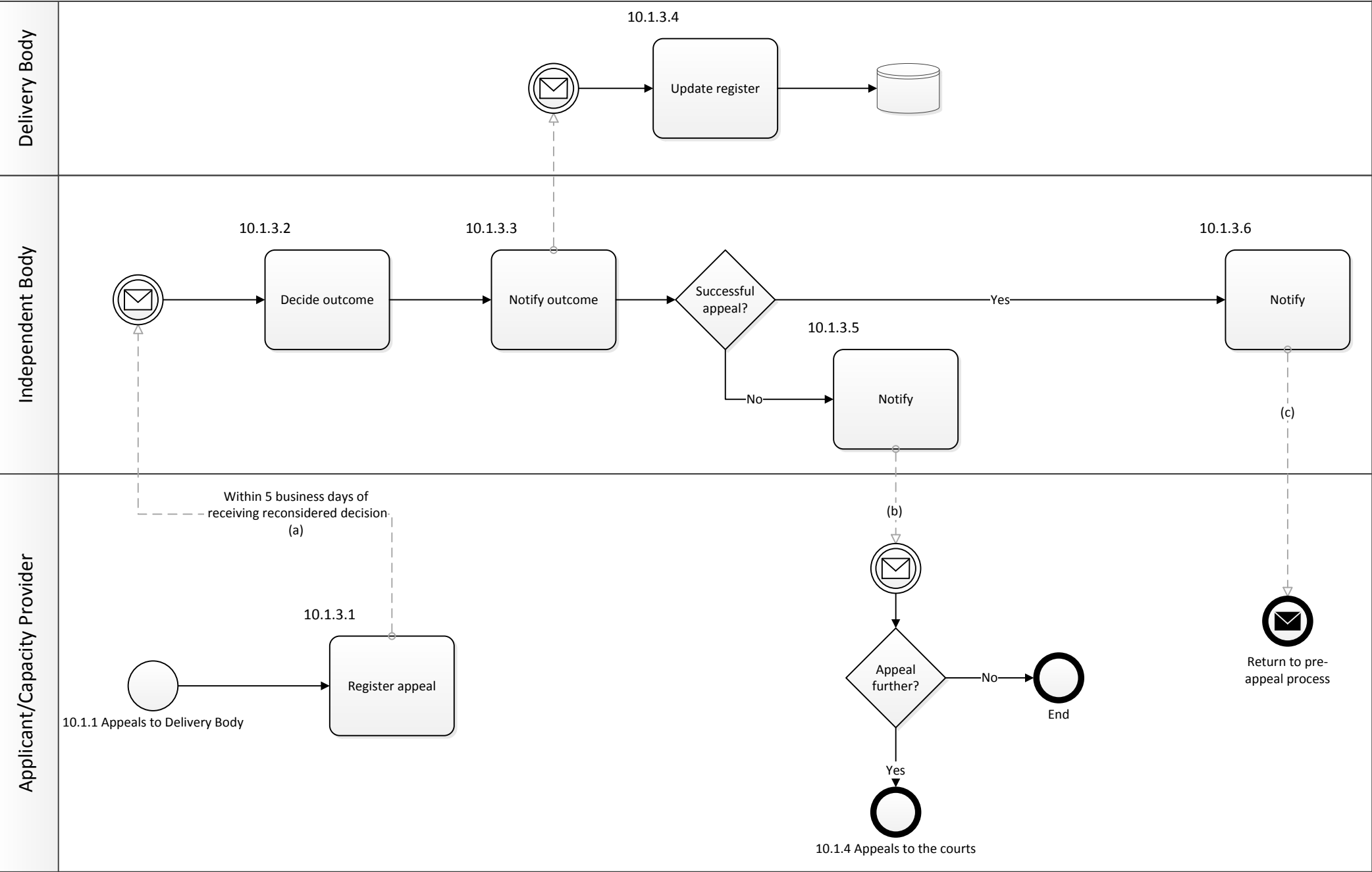
10.1.1 Appeals to the Delivery Body



10.1.2 Appeals to the Settlement Body



10.1.3 Appeals to Independent Body



10.1.4 Appeals to the courts

