

Collaborative Development Workshops Detailed Notes Log

Programme / Project Name	DECC EMR Workshops	Version 2.1
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Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a Demand Curve	1	A demand curve is required for an auction. The Reliability Standard, analytical methodology and Five-Year Plan are available to this process		The methodology for setting a demand curve will be set out in advance. A demand curve is produced for every auction. The Reliability Standard and the Five-Year Plan underpin this transaction.
Handle a Demand Curve	2	Gather data	To help form the inputs and assumptions which underpin the analysis	DECC and National Grid carry this out, with involvement from Industry. The trigger is the auction cycle. It is likely to adopt a similar process to the current <i>Ofgem capacity assessment, but not yet finalised.</i>
Handle a Demand Curve	3	Pass over	To provide National Grid and DECC with the information collected by the data gatherer	This is as per the agreed format, which needs to still be specified. DECC and National Grid are provided information by the <i>Data Gatherer.</i>
Handle a Demand Curve	4	Prepare Assumptions	To go into National Grid analysis which will inform construction of the demand curve (step 10)	National Grid carry this out, with involvement from the Panel of Technical Experts. Informal data will be provided between National Grid, DECC and Panel of Technical Experts
Handle a Demand Curve	5	Prepare Assumptions	To go into DECC analysis	DECC and the Panel of Technical Experts carry this out. Assumptions are prepared once data is provided by Data Gatherer. Informal data will be provided between NG, DECC and Panel of Technical Experts
Handle a Demand Curve	6	Do the analysis using the agreed assumptions, the methodology and the reliability standard	Run the numbers, produce a central number for the most likely figures and a range around this central number	National Grid carries this out, alongside having informal discussions with industry participants. The analysis starts once the assumption preparation is complete. National Grid forms a view on de-rating on a technical basis. The Reliability Standard and agreed methodology underpins this. The calculation takes account of: demand over four years, interconnector capacity, and capacity from non-CM plant
Handle a Demand Curve	7	Comment	Panel of Technical Experts can comment on National Grid analysis and first results	Carried out by Panel of Technical Experts, and triggered by completion of National Grid interface with Panel of Technical Experts in a formal manner once first draft of demand curve is complete. In the format of a consultation
Handle a Demand Curve	8	Request approval	NG does not develop a draft demand curve; NG carries out analysis (as commissioned by DECC) which can inform the demand curve set out by DECC. Also, NG will not 'request approval' of analysis but will work with DECC to answer any questions	Carried out by National Grid. DECC are also involved. National Grid provides advice to DECC, and once all information is attained, analysis is provided to DECC (more work to be done on process.)
Handle a Demand Curve	9	Resolve any consequent issues	Resolving questions on NG analysis rather than demand curve	DECC carry this out, and Ministers give their approval. The trigger for this is NG submitting analysis to DECC rather than requesting approval of the Demand Curve. There is a pre-agreed resolution process. The Demand Curve is approved or sent back for further rework if necessary. There may be further questions or items of interest rather than 'approval'; NG do not prepare the demand curve
Handle a Demand Curve	10	Publish the demand curve	Sets out what DECC want to buy based on what they think they need. Curve to be used in the auction to set a price cap and will set out variation along the central expected number. It is based on assumptions on what will be needed in 4 years.	DECC carry this out, and it is of interest to industry participants. National Grid submitting analysis to DECC is the trigger, and once DECC have been granted ministerial approval. DECC will publish the actual demand curve and actual figures. <i>This is expected to happen in July.</i>
Handle a Demand Curve	11	All pre-qualifications for the auction and any associated appeals are sufficiently complete (detected in Handle an Auction)	Sufficient completion of the pre-qualification process is notified to DECC by National Grid	DECC carry this out, with involvement from National Grid. The trigger is National Grid notifying DECC based on the definition of sufficiently complete pre-qualifications.
Handle a Demand Curve	12	Notify	The pre-qualification process is now complete	National Grid notify DECC based on the definition of sufficiently complete pre-qualifications.
Handle a Demand Curve	13	Analyse opt-out plant and de-rate	To account for plant that has opted-out	Carried out by National Grid with information being provided by industry via the pre-qualification process. National Grid will undertake analysis following industry participant actions and intentions regarding opt-out and recalculates de-rating.
Handle a Demand Curve	14	Check	Confirm with Panel of Technical Experts updated information	The Panel of Technical Experts report directly to DECC rather than work with NG
Handle a Demand Curve	15	Recompute demand curve	Update the numbers, produce a central number for their most likely figures and the range around this central number	National Grid are responsible for this. The trigger is the agreement with the Panel of Technical Experts on updated data following opt-out of plant and de-rating.
Handle a Demand Curve	16	Pass over	National Grid develops scenarios to feed analysis to DECC based on their obligations under European Union planning code and other legislation. DECC publishes the demand curve	Carried out by means of a report which includes the demand curve.

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Handle a Demand Curve	17	Publish amended demand curve	Publication of demand curve to allow industry participants to view the final demand curve determined by DECC	Carried out by DECC following the pass over from National Grid. This will presumably be done in the form of a report, to be agreed with National Grid. This is expected to happen in September.
The flow of pre-qualifications	1	Scheduled Time		
The flow of pre-qualifications	2	Publish auction guidelines	National Grid required to publish auction guidelines	National Grid will publish this in July when the demand curve is published.
The flow of pre-qualifications	3	Registration window opens	Open online system ready for applicant registration	National Grid own the system, and it will be opened following National Grid publication of auction guidelines.
The flow of pre-qualifications	4	Register CMU	Requirement for applicants to register on online system to get unique log-in details	Registration window opens upon publication of auction guidelines. Current thinking: the obligation would sit with the part of the organisation which owns the assets. Note - retired plant which subsequently runs. runs the risk of being investigated
The flow of pre-qualifications	5	E-notification of "soft" closure of registration window	Reminder of registration window closing online to go out market-wide – acts as a prompt. Everyone needs an ID and password by the end of this stage	National Grid remind the applicants via an e-notification.
The flow of pre-qualifications	6	Data submission window opens	Window of time enabling submission of applicants with CMUs	National Grid notifies the market that the submission window has opened. Applicant submits their data when the submission window opens (following closure of registration window). This is likely to choose the applications view of de-rating within a predetermined range. This is a 6 week long window and the auction guideline document will outline when this window opens.
The flow of pre-qualifications	5	Submit completed applications for CMU	Submit to National Grid the completed application forms with all relevant forms	Applicant submit their data, triggered by the registration process timeline. Submissions to be made online, probably, over a six-week period. Information is likely to include * company registration * bank account details * agent detail (where one has been appointed) * MPAN * location (grid reference or post code) * whether the CMU is a new build * de-rated capacity/credit rating * a declaration that the CMU is not subject to CfD support * a declaration that there has been no collusion
The flow of pre-qualifications	5	Submit completed applications for CMU	Submit to National Grid the completed application forms with all relevant forms	In the case of opted-out plant, the following additional information will be required * whether the plant is opting-out and whether the plant will be operational. Note - opted out plant which is declared to be non-operational and which runs, will face penalties * evidence that the plant has generated in the last three years.
The flow of pre-qualifications	5	Submit completed applications for CMU	Submit to National Grid the completed application forms with all relevant forms	In the case of refurb plant, the following information will be required: * a proposed timeline * a refurbishment plan and certificate.
The flow of pre-qualifications	5	Submit completed applications for CMU	Submit to National Grid the completed application forms with all relevant forms	In the case of new plant, the following additional information will be required: * relevant planning consent * transmission connection agreement or evidence that will have a distribution connection offer * proposed project milestones
The flow of pre-qualifications	6	Assess applications in prescribed order	National Grid assess submitted applications	National Grid has 6 week period to review applications (internal process).
The flow of pre-qualifications	7	Monitor submission rates		
The flow of pre-qualifications	8	Handle a pre-qualification RAD	Refers to "handle a pre-qualification" process diagram.	Carried out by National Grid.
The flow of pre-qualifications	9	Weekly notification of submission rates	National Grid able to feedback to DECC	Carried out by National Grid, and DECC are involved in the provision of ministerial advice with regards to applicant progress. Takes 12 weeks from registration window opening. Takes the format of DECC stakeholder meetings/reporting process.
The flow of pre-qualifications	10	Closure of submission window	To have a deadline for initial round of submissions.	National Grid close submission window.
The flow of pre-qualifications	11	Publication of applicants/total submission volume to market	National Grid provides data to DECC on capacity information	Report by National Grid setting out applicants and total submission volumes to the capacity market
The flow of pre-qualifications	12	Closure of pre-qualification assessment window	National Grid completed assessment of all applications	
The flow of pre-qualifications	13	Update registry		
The flow of pre-qualifications	14	Publish list of pre-qualified CMUs	Results day for pre-qualified CMUs	National Grid publish the list of pre-qualified CMUs. Triggered by closure of pre-qualification assessment window and National Grid updating the registry. List of data which might be published includes: * aggregate volume of pre-qualified capacity, by technology * aggregate volume of pre-qualified new entrant capacity * volume and reliability of opted-out plant * volume and reliability of retired plant * number of pre-qualified parties / CMUs
The flow of pre-qualifications	15	Notify applicants of their pre-qualification status	Inform applicants of status	National Grid inform applicants via e-notification.
The flow of pre-qualifications	16	Wish to appeal?	Make a decision on whether to appeal	Applicant would appeal to National Grid after being informed of unsuccessful pre-qualification status.

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The flow of pre-qualifications	17	Register appeal and documentation	Opportunity for those who did not submit appropriate forms first time round to resubmit - because National Grid will not have an opportunity to clarify application details during activity 13. This is first stage in appeals process (internal) and the second stage is the appeals body on the "Handle a Pre-qualification".	
The flow of pre-qualifications	18	Consider appeals in prescribed order	Consider appeal documentation to see if they meet criteria, and the decision on success of appeal is also being made here. This will be a comparatively mechanistic process, testing whether the agreed method has been followed.	This takes the format of specified appeals documentation.
The flow of pre-qualifications	19	Update registry		
The flow of pre-qualifications	20	Publish list of pre-qualified CMUs	Results day for pre-qualified CMUs	National Grid publish list for all CMUs via e-notification upon closure of pre-qualification assessment window
The flow of pre-qualifications	21	Notification of application status	Contacting individual CMUs regarding status of appeal	National Grid notify applicants after list of pre-qualified CMUs is published
The flow of pre-qualifications	22	Handle a pre-qualification RAD	Refers to "handle a pre-qualification" process diagram.	
Handle a Pre-qualification	1	Submit application form	Applicant submits application form in respect of each CMU (mandatory or voluntary). CMU submit their own de-rating factor, to be compared against the figure that comes from National Grid's methodology.	The applicant submits to National Grid (through online system) when the application window opens. They take a decision on whether the capacity is DSR capacity or not. Current view of the definition of a CMU: * a generating unit, capable of generating electricity * metered separately * capable of being operated independently
Handle a Pre-qualification	2	Start the Handle a Bid Bond process	If capacity is DSR, then start the Handle a Bid Bond process (process to be defined)	Process carried out by applicant, if the capacity applied is DSR (decision made when submitting the application form), Format is to be determined.
Handle a Pre-qualification	3	New DSR?	If you are new DSR capacity, you have to submit a bid bond. There is a range for each CMU.	Bid Bond process is not owned or operated by NG; the Settlement Body/Agent owns this process
Handle a Pre-qualification	4	Pass details	Details are passed to Settlement Body/Agent if a new DSR is agreed	National Grid own this process; the application states if they are DSR provider or not.
Handle a Pre-qualification	5	Can expect Bid Bond	It is the Settlement Body/Agent who can expect Bid Bond	Details are passed from National Grid
Handle a Pre-qualification	6	Assess criteria according to applicant type (see accompanying matrix)	National Grid assessing applications against relevant criteria	National Grid own this process, which is triggered by application forms being submitted from CMUs. This takes the format of an algorithmic approach carried out by National Grid.
Handle a Pre-qualification	7	Update register for this applicant	Updating the register based upon assessment of applicant against relevant criteria	Carried out by National Grid, taking the format of their own internal register.
Handle a Pre-qualification	8	Apply de-rating methodology	Range determined by each CMU. National Grid to apply de-rating methodology using CMU as basis.	National Grid use their specialised algorithm which has been consulted upon and signed off by DECC
Handle a Pre-qualification	9	Notify	Inform applicants of pre-qualification and de-rating status	National Grid inform applicant via e-notification once the application is assessed and register updated.
Handle a Pre-qualification	10	For each criterion	Opportunity for applicant to appeal against National Grid decision	
Handle a Pre-qualification	11	Update register of pre-qualified providers	Update central registry with pre-qualification and de-rating status	National Grid apply their de-rating methodology to applications without discretion. This methodology will be set out in the October consultation, which will be the opportunity for industry input.
Handle a Pre-qualification	12	Wish to appeal?	Opportunity to challenge National Grid's application of assessment factors such as their de-rating algorithm.	Applicant decides whether to appeal.
Handle a Pre-qualification	13	Register appeal (with own figures as necessary)	Opportunity to appeal, submit missing/updated information	Upon deciding to appeal, applicant submits documentation to National Grid during a 1 week window. The basis of any appeal will be whether the prescribed methodology has been followed.
Handle a Pre-qualification	14	Consider representation	National Grid to consider appeal internally using pre-determined process	
Handle a Pre-qualification	15	Appeal successful?	Determining merit of appeal	
Handle a Pre-qualification	16	Update register	This is to update with the status of successful appeals	National Grid update their pre-qualifications register
Handle a Pre-qualification	17	Wish to appeal?	Applicant decides whether to seek an independent view, following failure of initial appeal	Upon deciding to appeal, applicant submits documentation to National Grid during a 1 week window. The basis of any appeal will be whether the prescribed methodology has been followed.
Handle a Pre-qualification	18	Consider representation	Independent Appeals Body to consider appeal internally using pre-determined process	Independent appeals body now consider the appeal. We are now 20 weeks from initial submission.
Handle a Pre-qualification	19	Update register	This is to update with status of successful appeals	The aim is to have all appeals on eligibility complete before the commencement of the auction.
Handle a Pre-qualification	20	Wish to appeal further on this topic	Applicant decides whether to seek judicial appeal following failure of latest appeal	
Handle a Pre-qualification	21	Consider representation	Statutory Appeals Body to consider appeal	Statutory Appeals Body now owning this process
Handle a Pre-qualification	22	Update register	This is to update with status of successful appeals	National Grid update their pre-qualifications register
Handle a Pre-qualification	23	All criteria satisfied by Applicant before end of pre-qualification period (includes possession of Bid Bond for a DSR)	Everyone who is on the register has satisfied criteria, including Bid Bond.	National Grid begin this process in the form of internal documentation at the end of the pre-qualification period.
Handle a Pre-qualification	24	Provide certificate	To show that applicant is pre-qualified	National Grid provides certificate to applicant at the end of the pre-qualification period when all criteria have been satisfied.
Handle a Pre-qualification	25	Applicant is certified as a potential Provider (see Handle a Capacity Provider)	To be certified as a pre-qualified capacity provider.	
Handle a Pre-qualification	26	Process totally complete for applicant (including appeals etc)		
Handle a Pre-qualification	27	Capture outcome for statistical purposes	For National Grid's reporting purposes once the pre-qualification process is complete (including appeals)	

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Handle an Auction	1	All pre-qualifications and appeals for auction sufficiently complete	We now know who has made it through to auction.	"Sufficiently complete" means that enough plants have qualified to allow the first round of auction to go ahead. Takes place once all the final appeals processes are over and all certificates for pre-qualification have been issued.
Handle an Auction	2	Notify Analyst role in Handle a Demand Curve (the Demand Curve must have final adjustment made)	Analyst must be notified in order to update the Demand Curve. Demand Curve in auction represents just the residuals.	
Handle an Auction	3	Update Demand Curve and reset auction date	Analyst must be notified in order to update the Demand Curve. Demand Curve in auction is net of renewables and opt-outs Demand curve will have changed based on updated register (many organisations may have been eliminated following previous assessment / appeal)	National Grid own this process
Handle an Auction	4	Publish auction rules and information pack	National Grid sets out for all those that have pre-qualified exactly how the auction will run.	This will take the format of an information pack?
Handle an Auction	5	Audit process as it proceeds and at completion	Ensure that the auction process is following the appropriate rules and standards	Carried out by the Auditor who will have criteria against which to judge the auction.
Handle an Auction	6	Appointed time for auction with determined price cap	Tolerance levels need to be set. In the first round of auction, from the point at which price-taker enters the auction they cannot leave until their price-taker threshold is met. Auctioneer will need to look at how much supply has turned up for first round in order for it to be held.	National Grid own this process
Handle an Auction	7	For each bidder		
Handle an Auction	8	Observe auction	Trustee can act as an invigilator during the auction proceedings.	
Handle an Auction	9	Make a bid	Bidder makes their first bid at auction. Contract length and exit price are the pieces of information required for submission in the first round.	
Handle an Auction	10	Collate bids and decide outcome (can cancel auction on first round)	See whether sufficient capacity has been offered.	National Grid look at this once all bids have been submitted. An auction could take a week or as little as a day. In the case of a tie-break, rules may be applied overnight. National Grid will publish guidance next summer online.
Handle an Auction	11	Applicant is licensed generator and has failed to return forms by appointed date	i.e. initial bid not submitted	
Handle an Auction	12	Sufficient capacity ordered?	In order to see whether sufficient capacity has been offered for the bid to continue.	Once the bids have been collated, National Grid own this process.
Handle an Auction	13	Send polite reminder	Where bidder has not returned forms by appointed date, reminder notice to be sent by National Grid.	
Handle an Auction	14	Applicant is licensed generator and has failed to meet final submission date for form		
Handle an Auction	15	Notify applicant's failure	Where an applicant is a licensed generator and has failed to meet the final submission date for the forms, National Grid notifies the Enforcement Body of this failure.	
Handle an Auction	16	Update register to mark applicant as involuntarily opted-out		
Handle an Auction	17	Set new price as per rules	Where there has been insufficient capacity offered, and the auction has not cleared, set a new price as per the rules for the net auction round.	National Grid own this process which occurs in the case of insufficient capacity being offered and the auction has not cleared.
Handle an Auction	18	Need another round		
Handle an Auction	19	Notify outcome	Notify participants of results - who was the clearing plant?	National Grid own this process - they notify the Minister.
Handle an Auction	20	For each successful bidder		
Handle an Auction	21	Notify terms of CO (this connects with Handle a CO)	Notifying all parties	Once the Minister has been notified of the outcome, the successful bidders are notified of the terms of their capacity obligation by National Grid.
Handle an Auction	22	Update register	National Grid updates the register following auction.	Register can be updated following completion of the Handle a CO process is complete.
Handle an Auction	23	Publish auction summary	National Grid publishes an auction summary following the update of the register after the auction.	This will take the format of a quality assured report that gives a story of what worked well, and what didn't, which is then passed onto the Minister. Has the content/format and audience of this being agreed?
Handle an Auction	24	Return any bid bonds as necessary		
Handle an Auction	25	Publish full details of auction	In order for all participants to learn about what happened at auction.	National Grid publish the full details following their summary document. Possibly to include: * breakdown of plant - new / existing * volume of capacity in the auction round * clearing price * list of losing / retiring plant? * net welfare calculations.
Handle an Auction	26	Start process Handle a Delivery Year	Once auction results have been determined and shared, it is time for those who won at auction to begin delivery?	
Handle an Auction	27	Audit process as it proceeds and at completion	Detect impropriety as the process goes on and at completion.	This is carried out the the Auction Monitor.
Handle an Auction	28	Possible impropriety detected	Auction Monitor will detect any failure to observe standards following the completion of (or during) the audit process.	
Handle an Auction	N/A	Key differences between a four-year-ahead and year-ahead auction?		No feed-through to the year-ahead auctions. Different competition requirements (eg in relation to the 2MW threshold).

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Handle a capacity provider	1	Milestone due on CMU for demonstrating significant financial commitment (set-up in Pre-qualification)	12 months after auction, a certain level of expenditure should have been incurred. This is to demonstrate financial commitment on part of the capacity provider. For example, capacity provider may have to show that they've incurred at least 50% expenditure at this milestone. National Grid will be taking note of the fact that this is due.	Need to demonstrate commitment to project through incurring of costs. However, progress on interim milestones need to be reported. There needs to be a series of milestones agreed between the capacity provider and National Grid as part of the contract obligation.
Handle a capacity provider	2	Check milestone has been reached in preceding year	National Grid receive independently verified evidence of interim progress. No penalty if interim milestones are not met (this excludes 12 month milestone)	Format to be determined - receipt showing expenditure incurred or commitment to expenditure is a possibility, but sharing a contract may not be appropriate. It is capacity provider's responsibility to provide evidence.
Handle a capacity provider	3	Achieved?	NG consider evidence provided to them. If adequate and appropriate evidence provided, then this milestone is passed. If not, then capacity provider fails and they will incur a termination fee charge.	Appeal mechanism if evidence is not sufficient is to be explored/investigated. Timing on when this information (and what information) is to be made public is yet to be determined.
Handle a capacity provider	4	Notify that agreement is being terminated and amount of termination fee	Agreement terminated if the percentage of expenditure that was set as a target has not been met by capacity provider.	The milestone is set in order to demonstrate financial commitment. Level of termination fee to be exactly determined by DECC. Potential liability will be able to be precalculated by capacity provider before milestone.
Handle a capacity provider	5	Note termination fee charge for next Billing Cycle	Insufficient evidence provided by capacity provider to NG, therefore the termination fee is charged. Items 1 through to 5 are a standalone process.	This is to be funded by collateral that has been previously posted. DECC looking for feedback on level of collateral. Proposing that collateral is put forward during pre-qualification stage, and if auction is passed then collateral is still held but if milestone 1 is not met, then collateral is "cashed in" to meet percentage of termination fee. However, posting collateral before tender may be a barrier to entry for smaller industry participants, although it would provide National Grid with a level of assurance. Another suggestion was the idea of posting collateral at the 12 month stage if you fail the milestone to prevent termination.
Handle a capacity provider	6	At start of the Delivery Year and monthly thereafter while the CMU ION<90%	Progress on interim milestones need to be reported (however no penalties if these are missed, although progress towards the 12 month milestone needs to be demonstrated).	Items 6 through to 15 show what happens when first financial commitment milestone is passed. Next steps are made by NG as to whether ION status is to be awarded, and when.
Handle a capacity provider	7	Check if the CP has been awarded ION for the new CMU	If no, then capacity provider still not operational. If yes, then they are to be informed of this certification.	
Handle a capacity provider	8	Inform	National Grid informs the settlement body so that they can calculate reduced payments.	
Handle a capacity provider	9	Calculate reduced payments if applicable (not for the first time and/or reduced ION)	Settlement agent calculates how much to pay based on operational level of capacity provider.	This is on the subject of what level of payment is released to capacity provider when ION certified. This takes place at start of delivery year. Term length starts running down at start of delivery year. If you forfeit x amount (e.g. 6 months) of capacity payments, you are not liable for operational fees or penalties that would be in place if you were fully operational. This may be a disincentivisation mechanism.
Handle a capacity provider	10	Inform	National Grid inform capacity provider that they have not been ION certified.	
Handle a capacity provider	11	<18 months or >18 months & ION>50%	ION certified and there are no ramifications.	Start commissioning at this point. Process needs to be introduced between ION and EON to demonstrate interface between these two points and to show that all parties involved are comfortable. Expect commissioning period to be done before start of Delivery Year at start of October?
Handle a capacity provider	12	(18 months & ION<50%) or (24 months & ION<90%)		Process map needs to be updated here, this is not right as flagged by industry participant.
Handle a capacity provider	13	Note and suspend payments	This follows on from point 9, once payments are reduced then this needs to be noted and payments suspended by the settlement body/agent if necessary.	
Handle a capacity provider	14	Inform	2nd termination fee if ION certification not achieved.	
Handle a capacity provider	15	Put termination fee into next Billing Cycle	Termination fee has economic "damage" built into it, in order to allow the additional capacity to be procured.	Level of termination fee to be exactly determined by DECC. Formula for calculating termination fee will be published in October consultation so capacity provider will be able to precalculate potential liability before milestone.
Handle a capacity provider	16	The CP has decommissioned a CMU prior to the start of the Delivery Year	The CP has taken a decision to decommission a CMU.	How are National Grid notified on decommissioning? Expert Group are putting more detailed process around this. Consider stress events in this part of the process.
Handle a capacity provider	17	Inform	The CP must inform the settlement body prior to the start of a delivery year of the decommissioned CMU.	
Handle a capacity provider	18	Calculate termination fee (if any)	Based on a number of factors, to be determined, such as the duration of the commissioned CMU. The settlement body will calculate whether a termination fee must be paid by the CP.	
Handle a capacity provider	19	Notify (if necessary)	National Grid will notify the CP of the termination fee if required.	
Handle a capacity provider	20	Put termination fee into next Billing Cycle	Settlement body will put the termination fee into the next Billing Cycle.	

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Handle Lifetime of a Capacity Obligation	1	Contract Obligation has been issued at end of an auction	If CP have a capacity obligation, NG will issue that CO. At the end of an auction a contract obligation is issued by National Grid. CP must submit a schedule of their chosen milestones (these must be stated at the pre-qualification stage). There will be no penalty if the CP misses a milestone however there will be implications of failure to report against a milestone accurately and to time.	Query as to whether there are two separate documents/mechanisms. There will be a set of rules/obligations by which CP must abide. Still need to decide what the implications would be for missing a milestone.
Handle Lifetime of a Capacity Obligation	2	Notify terms of CO	NG notifies the CP of the terms of the CO. CP is informed of terms and conditions	CP sees the terms of the CO in advance of the auction however there is no accession to those terms. CP is bound to the terms of agreement if they are successful at auction.
Handle Lifetime of a Capacity Obligation	3	Acknowledge	CP required to acknowledge to NG that they have received the terms of the CO	
Handle Lifetime of a Capacity Obligation	4	Update Registry if necessary	NG updates registry. Elements of the registry may be published	DECC still need to determine what information will be published.
Handle Lifetime of a Capacity Obligation	5	Send payment information	NG responsible for notifying settlement agent. Settlement Agency receive payment information from NG about the CP. End of stand alone process (steps 1-5).	Payment information type yet to be specified.
Handle Lifetime of a Capacity Obligation	6	Check for a milestone notification that has become due	NG is required to monitor CP to check whether CP has delivered to required agreed milestones and notified NG of upcoming milestone.	
Handle Lifetime of a Capacity Obligation	7	Send notification of milestone	CP has agreed milestones in line with their CO. CP is required to send notification of milestone from time to time, in an accurate manner, in line with their milestone requirements	Onus is on CP to report progress. NG will undertake spot checks to ensure the CP is correctly reporting progress. Unclear what the trigger for this is.
Handle Lifetime of a Capacity Obligation	8	Was it overdue?	Once NG has seen whether a milestone notification has become due, if it was not overdue no further action is taken.	Even if the report was not overdue the NG can carry out spot checks - this is not reflected in the process map.
Handle Lifetime of a Capacity Obligation	9	Notify of lateness	NG will notify CP that progress report is late against agreed reporting schedule.	
Handle Lifetime of a Capacity Obligation	10	Respond	CP will be required to respond to late notice with a progress update against milestone.	
Handle Lifetime of a Capacity Obligation	11	CP Asserts	The CP asserts whether or not they are to plan against their milestone.	CP asserts to NG that they have sent notification of milestone according to plan. If milestone has been missed but CP writes to NG to inform them that a plan is in place then NG will either accept this or disagree? Would an independent auditor check this? Is there a consequence to failing a milestone?
Handle Lifetime of a Capacity Obligation	12	Check their assertion	NG check CP's progress to ensure they are reporting accurately.	Steps 12 - 15 require more clarification as to how checks are carried out, what the triggers are and what the penalties will be.
Handle Lifetime of a Capacity Obligation	13	Handle CP's lateness	If CP has asserted that they are not to plan against their milestone then NG will decide what further action is necessary.	What does "handle CP's lateness" mean? Could there be a risk of under reporting your status given there are no implications.
Handle Lifetime of a Capacity Obligation	14	Do we agree?	If NG agree with the CPs assertion then no further action necessary.	
Handle Lifetime of a Capacity Obligation	15	Deal with the fact they have made an incorrect assertion	If NG does not agree with CP's assertion then NG decides how best to deal with incorrect assertion and what needs to be done to resolve this.	DECC still need to determine what the consequences will be of incorrect reporting.
Handle Lifetime of a Capacity Obligation	16	Notify	When the all the milestones have been completed then NG notifies Settlement Agency	Still need to determine whether CP informs NG that all milestones have been met or is this the responsibility of NG to track milestone completion.
Handle Lifetime of a Capacity Obligation	17	Receive notification that the plant has been registered for LC subsidy (Natural end of the CO)	Ofgem informs NG that the plant has been registered for a low carbon subsidy. CO comes to an end. Obligation is removed when CP receives a subsidy.	End of the CO and the ability for the CP to collect the LC subsidy may not be cohesive at the moment so there will need to be some thought given to this progress and the timings.
Handle Lifetime of a Capacity Obligation	18	Update Registry for payments and penalties	Settlement Agency required to update registry with payment and penalty details.	It may be more appropriate for NG to update registry given they perform a similar action at step 4
Handle Lifetime of a Capacity Obligation	19	Terminate CO		
Handle a novation	1	Trading window opens	Those eligible to take on a trade are those who were unsuccessful or who didn't participate in the auction, or new entrants who came online earlier than anticipated. However, if a CMU opted out of the auction process, a CMU is ineligible to participate in the physical trade (although could undertake financial trading/hedging). Specific trading window - opens for a minimum of one calendar day and a maximum of 12 months, which is between the opening of the trading window and the end of that auction year; CMU can trade position for future date. Can trade out of that delivery year in its entirety.	A number of discussions around objectives of physical trading. There are a number of concepts relating to frequency, type and payment levels within the handling of a physical trade. For example, Party A may decide for efficiency or plant downtime reasons to trade away its position. This could be possible through financial hedges or through this process, physical trade. If you are prequalified, participated in the auction but were unsuccessful, you would be able to take on physical trading.
Handle a novation	2	Submission of trade notification	Party that wishes to transfer its notification must notify NG of intent to trade	Must notify NG to trade. Currently looking at what that trading window needs to be. If trade to occur for example in 3 weeks time, need to notify in advance of that. Parties considered that the trading parties would discuss together and apply to NG together rather than the current 'checking' process steps 5-11. This might be a system that matches the inputs submitted by both parties, and if the automated system correctly matches the inputs, then it automatically clears the trade. Could be part of the pre-qualification process to get an ID.
Handle a novation	3	Timestamp notification receipt	NG will timestamp the notification receipt	
Handle a novation	4	Acknowledge notification	NG will respond to the CP to acknowledge receipt and timestamp of the notification	
Handle a novation	5	Confirm trade notification	NG: 'we've had this trade coming in, transferee, are you happy to be part of this trade'	Unnecessary as per step 2
Handle a novation	6	Check whether agree with notification	Transferee checks whether the notification is correct	Parties together agree notification and submit it to NG - would it make sense to subsume steps 5-11 within step 2.
Handle a novation	7	Check whether notification is within trading window	NG confirms whether the notification that has been received is within the trading window	

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a novation	8	Within trading window?	NG checks whether trade notification is within the trade window	
Handle a novation	9	Check within notification window	If trade notification is within the notification window then this is fine.	Conceptually, there will be a point of gate closure for the trades
Handle a novation	10	Notify	Transferee disagrees with the notification received by NG.	No longer required
Handle a novation	11	Notify	Transferee agrees with the notification received by NG	No longer required
Handle a novation	12	Notify rejection	If the notification is not within the trading window, will notify rejection	No ability to appeal an 'incorrect' rejection. An industry led dispute process or committee could be used.
Handle a novation	13	Within notification window?	Check whether the notification is within the notification window	
Handle a novation	14	Check transferee's eligibility status	NG checks whether the party is pre-qualified, did they opt out, etc. If the CP is eligible, can move forward	Criteria could also look at whether a party trading has attempted to trade with multiple parties at a volume greater than it is capable of trading.
Handle a novation	15	Notify rejection	If the notification is not within the notification window, will notify rejection	
Handle a novation	16	Transferee eligible?	NG will confirm whether the transferee is eligible	NG commented that automation of the system may be difficult to justify given the uncertainty over how many participants will trade. Group assumes that most trades are financial rather than physical so volumes of use of this system may take place. If gate closure is less than 4 hours, without knowing volumes, then automation is helpful.
Handle a novation	17	Check trade meets minimum criteria	NG to check whether the trade meets the minimum criteria	Criteria is effectively the timeline. The minimum volume of trade is the de minimis of 2MW.
Handle a novation	18	Notify rejection	If the transferee is not eligible, notify the CP of the rejection	
Handle a novation	19	Meets minimum criteria?	NG will check if the trade meets the minimum criteria for approval or rejection	
Handle a novation	20	Notify rejection	If NG deems the trade to have not met the minimum criteria, they will notify the CP of the rejection	
Handle a novation	21	Trade occurs	If the trade meets the minimum criteria, the trade occurs	Discussion took place around the liquidity of the secondary trading market.
Handle a novation	22	Registry updated	Once the trade is completed, the registry is updated	Define registry
Handle a novation	23	Notification of successful trade	Once the trade is completed and the registry is updated, NG will send a notification of successful trade to both the trading parties and also to the settlement body	
Handle a novation	24	Update payment records	Settlement body updates payment records in terms of capacity payments	Settlement Body is a public body aided by the Settlement Agency (Elexon).
Handle a novation	25	Handle a billing cycle process	Billing cycle to be processed.	To be discussed in future workshop
Handle a capability test	1	Request a retest	A retest is requested by the Capacity Provider, they need to be able to show that their performance is meeting their de-rating level.	The onus is on the Capacity Provider to let National Grid know of their availability and desire for a retest - this gives the Capacity Provider flexibility on when they are retested, and means that the damage from previously not passing the test (reduced payments) can be minimised.
Handle a capability test	2	Criteria for commencing spot test met	"Handling a capability test" is a 2 stage process around testing capability. Providers will need to show occasions where de-rating factor has been met on 10 different individual days over the peak period (any individual dates in the peak period can be picked). Process starts here, with the EMR Delivery Body being satisfied that the criteria for a spot test of a capacity provider have been met.	There is an obligation that at some point over winter, providers need to make themselves available to demonstrate they've met their de-rating figure, and if they don't then it will have to be done at a later point. There will be payment suspensions and other financial penalties the following year if de-rating figures are not met.
Handle a capability test	3	Schedule test	National Grid schedule a 6 hour window in which the capacity provider must produce output which shows the de-rating figure has been met.	The 6 hour window has been identified as being highly impractical. Participants noted that it is possible to avoid testing.
Handle a capability test	4	Notify date and time of test	National Grid notify Capacity Provider of this 6 hour window.	The 6 hour window has been identified as being highly impractical. Participants noted that it is possible to avoid testing.
Handle a capability test	5	Acknowledge test schedule		
Handle a capability test	6	Run the test	In that 6 hour period as notified by National Grid, the CMU output must be produced to show de-rating figure is met.	
Handle a capability test	7	Request performance report	National Grid report the result of the test to Settlement Body	
Handle a capability test	8	Determine delivery performance	Settlement Body determine whether the output of the test is aligned with required level of performance.	
Handle a capability test	9	Performance at least de-rating level?	Do the Capacity Provider's outputs demonstrate that the de-rating figure has been met?	
Handle a capability test	10	Resume payments	The Settlement Body are satisfied that the Capacity Provider has met the de-rating level and payments can be resumed.	This point 10 should not be titled "Resume Payments", as it is not clear where they were ever stopped (unless CP has previously failed test). Rename as "Continue/resume payments"?
Handle a capability test	11	Suspend payments	Payments suspended until successfully retested. De-rating factor would subsequently be reduced in the following year with same obligation but payments would be reduced.	
Handle a capability test	12	Notify "pass"	Settlement Body notify the Capacity Provider that they have passed the check on their performance being at the de-rating level.	
Handle a capability test	13	Update records	National Grid update their own records to reflect Capacity Provider's passed test.	
Handle a capability test	14	Notify "fail"	Settlement Body notify the Capacity Provider that they have failed as performance was below the de-rating level. As a result, onus is then on the Capacity Provider to request a retest (see Topic ID 1)	
Handle a capability test	15	Update records	National Grid update their own records to reflect Capacity Provider's failed test.	Feedback loop from failing test to requesting a retest between the settlement body and the capacity provider.
Handle a capability test	16	Adjust testing output factor	Payments are scaled downwards by the proportion by which the test missed the de-rating capacity.	

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a change to the rules and regulations	1	Proposed change to regulations	Trigger for a proposed change to the regulations is not necessarily from a review. Anyone is able to propose a change e.g. industry, NG, DECC etc.	This could sit in the "public" role (certainly outside of the DECC role)
Handle a change to the rules and regulations	2	Consider whether a change to regulations or Rules is most appropriate	DECC consider whether the change should be considered as a regulation change or if it would be more appropriate to treat as a rule change.	Where does consultation with industry fit in? Industry participants commented that there needs to be a process by which industry can drive through a change.
Handle a change to the rules and regulations	3	Change to Regulation		Should this process mirror code process e.g. CUSC?
Handle a change to the rules and regulations	4	Change to the Rules		
Handle a change to the rules and regulations	5	Inform Ofgem of the proposal, and that Government does not intend to initiate a change	If a change to the rules is required, DECC hand over the proposal to Ofgem who are owners of the rules.	Effectively DECC have received a proposal but is not considering making a change themselves. They hand over the proposal to Ofgem who then decided whether they wish to initiate a change.
Handle a change to the rules and regulations	6	Ofgem to consider whether to initiate a change to Rules/licence/code	Ofgem receive the proposal from DECC and consider whether a change to the rules is required.	
Handle a change to the rules and regulations	7	No	Ofgem don't believe a change in rules is sufficient so proposal is sent back to DECC for final decision	
Handle a change to the rules and regulations	8	Yes	Ofgem consider that they would like to initial a change to the rules/licence/code and initiate their change process	Box 8 should feed into 36
Handle a change to the rules and regulations	9	Return to DECC	Ofgem sends the proposal back to DECC for the final decision	
Handle a change to the rules and regulations	10	Final decision of whether to change the Rules	DECC make final decision of whether to change rules	
Handle a change to the rules and regulations	11	No		
Handle a change to the rules and regulations	12	Yes	DECC decide a rule change is in fact necessary	
Handle a change to the rules and regulations	13	Assess and develop proposal	DECC believe a change to regulation is required and assess and develop a proposal	Industry considered that stake holders need to be represented at this stage
Handle a change to the rules and regulations	14	Consider whether consequential Rule changes are necessary	As a result of a change in regulation, DECC consider whether a consequential rule change will be necessary.	At this point, DECC should consult with Ofgem over potential consequential rule changes. A yes/no decision box would be needed between steps 14 & 15
Handle a change to the rules and regulations	15	Will SoS need to change the Rules as well?	DECC consider whether the SoS will need to change the Rules at the same time as regulation.	A small subset of the rules (draft for consultation in October) would identify which rules can only be changed by the SoS. Use of the word "need" questionable - would "want" be more appropriate? Box 15 could be a decision box which links to box 21. Process map needs refining.
Handle a change to the rules and regulations	16	Yes (exceptional circumstances)	The SoS is able to change rules as well as regulations at the same time.	Criteria still need to be decided. This would apply to rules which have been ringfenced for the SoS to change.
Handle a change to the rules and regulations	17	No	SoS does not feel a change to rules as well as regulations is necessary	
Handle a change to the rules and regulations	18	Rules		
Handle a change to the rules and regulations	19	Regs		
Handle a change to the rules and regulations	20	Regs	Only a change to regulation is required	
Handle a change to the rules and regulations	21	Rules	Rule change is required but not a rule change initiated by the SoS. Standard rule change process managed by Ofgem is therefore triggered.	
Handle a change to the rules and regulations	22	Develop amended Rules	As a result of a decision by DECC to change the rules they are now developing amended rules.	
Handle a change to the rules and regulations	23	Publish for consultation		Process map must link to the Public here.
Handle a change to the rules and regulations	24	Amend if necessary	Following consultation, DECC take decisions as to whether to make revisions to the draft rules	
Handle a change to the rules and regulations	25	Publish new rules	Assumption that new rules and new regulations will be published at the same time.	
Handle a change to the rules and regulations	26	Develop amended regulations	As a result of a decision by DECC to change the regulations they are now developing amended regulations	This is in parallel to 22-25
Handle a change to the rules and regulations	27	Publish for consultation	The amended regulations are published for consultation by the public.	
Handle a change to the rules and regulations	28	Amend if necessary	Following consultation, DECC take decisions as to whether to make revisions to the draft regulations	
Handle a change to the rules and regulations	29	Lay amendments before Parliament	Amended regulations are put before Parliament	Assumption that new rules will be annexed alongside the new regulation and put before Parliament (brings together boxes 25 & 29)
Handle a change to the rules and regulations	30	Publish new regulations	Assumption that new rules and new regulations will be published at the same time.	
Handle a change to the rules and regulations	31	Appropriate institutions change process to comply with new Rules and regulations	New rules and regulations have now been published by DECC and institutions comply to these changes.	Industry look to understand likely frequency of changes. DECC to consider timelines for the introduction of new regulations and/or rules.
Handle a change to the rules and regulations	32	Hand proposal over to Ofgem	The proposal is handed from DECC/SoS to Ofgem if only a change to rules is necessary (as opposed to rules and regulations)	This should lead into box 35.
Handle a change to the rules and regulations	33	Proposed change to the Rules	Anyone, including industry, is able to propose a change to the rules.	This could sit in the "public" box. Clarification needed between the different entry points at 33 and 35. Perhaps 33 is a legacy and 35 is an entry point. Delete entry point 33?

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a change to the rules and regulations	34	Initial assessment of what should be changed	Yes/No decision point for Ofgem	There need to be some form of criteria as to how Ofgem consider what is a reasonable rule change request. Who has the authority to dismiss a "trivial" request and on what grounds? Should this "criteria" not sit in the regulations box. Scope and objective of the rules needs to be set out. Will there be a different process for small/large changes? Industry panel or just industry consultation? Feeling from the industry participants that a panel is required? DECC responded that a requirement to consult will be a minimum but that taking every proposed change to a panel would be excessive. It will be Ofgem's decision whether a panel would be necessary.
Handle a change to the rules and regulations	35	Proposed change to the Rules	Someone external to Ofgem propose a change	Further clarification needed on the aims / objectives of the rule administrator and which organisation they are from. Process diagram may need to be updated to reflect final decisions. Further discussions with Ofgem are required. Industry may fill out a form and circulate this before going to Ofgem.
Handle a change to the rules and regulations	36	Review	Ofgem make an initial assessment of whether this is a minor/major change request.	Industry suggested a permanent panel should be in place to support in the initial assessment (and subsequent stages of the change process).
Handle a change to the rules and regulations	37	Report with recommendation	Rule administrator prepares initial recommendation for Ofgem	The recommendation could be the view of the panel in combination with the view of rule administrator as to what should be changed in terms of rules / regulations / code change etc.
Handle a change to the rules and regulations	38	Regulation change	Ofgem decide a regulation change is appropriate and must inform DECC of the proposal	
Handle a change to the rules and regulations	39	Initiate a Rule change	Ofgem decide rule change is necessary	
Handle a change to the rules and regulations	40	Consequential licence change	Trigger for preexisting licence change process	Further discussions needed to develop the details of this
Handle a change to the rules and regulations	41	Consequential code change	Trigger for preexisting code change process	Further discussions needed to develop the details of this. Industry asked if a consequential change to a code is necessary but the code administrator objects then what happens? A feedback loop on the process map is required here.
Handle a change to the rules and regulations	42	Inform DECC of the proposal	Ofgem send the proposal of regulation change back to DECC	
Handle a change to the rules and regulations	43	Assess and develop proposal	Ofgem develop proposals for the rule changes	
Handle a change to the rules and regulations	44	Is an expert panel required?	Consider whether expert panel is needed to be set up.	Participants were concerned that if an expert panel was not required stakeholders would not have an opportunity to comment on or inform changes. Criteria required to support decision on requirement for an expert panel
Handle a change to the rules and regulations	45	No		
Handle a change to the rules and regulations	46	Yes		
Handle a change to the rules and regulations	47	Set up Panel	An expert panel is set up	Industry see this as an expert workgroup rather than a panel.
Handle a change to the rules and regulations	48	Pass over	Rule change is handed over from Ofgem to the expert panel / working group.	
Handle a change to the rules and regulations	49	Test and develop proposal	Expert panel test and develop a proposal to the rule change.	
Handle a change to the rules and regulations	50	Confirm proposal and consider any consequential changes	Ofgem receive the proposal developed by the expert panel and confirm it. Ofgem must consider whether there would be any consequential changes resulting from this.	
Handle a change to the rules and regulations	51	Pass over	Ofgem would hand over code change administration to existing code administrator	
Handle a change to the rules and regulations	52	Amend code using existing processes		
Handle a change to the rules and regulations	53	Statutory consultation	Ofgem initiate statutory consultation process	Currently this is the only statutory requirement. Apart from this, Ofgem are owners of the rules. Consultation time scales will vary depending on the scope of proposed changes.
Handle a change to the rules and regulations	54	Consider responses	Following receipt of responses from consultation Ofgem will take these responses into account in making their final decision	
Handle a change to the rules and regulations	55	Make a change to the Rules	Ofgem publish rule modification	
Handle a change to the rules and regulations	56	Appropriate institutions change process to comply with new Rules.		This does not belong in the Ofgem box. Relates to market participants instead.
Handle an 'ad hoc' policy review	1	Propose review of particular policy issue (see notes)	The trigger for proposing a review to policy can be from variety of sources e.g. Result of a report, stakeholders getting in touch with ministers etc.	No intention for DECC to have an annual report on the regulations
Handle an 'ad hoc' policy review	2	Initial scoping of review parameters and objectives		
Handle an 'ad hoc' policy review	3	Seek initial input on proposals for review objectives and parameters	DECC seeks an input from Ofgem and National Grid on the proposed policy review	Query as to whether it is appropriate for DECC to consult with NG on policy issues. This box should just be Ofgem.
Handle an 'ad hoc' policy review	4	Consider evidence and decide which policies to review	Based on the evidence and input from Ofgem (and NG), DECC decide which policies to review.	
Handle an 'ad hoc' policy review	5	Commission further analysis as required		
Handle an 'ad hoc' policy review	6	Refine proposals		
Handle an 'ad hoc' policy review	7	Consult on proposals as appropriate	DECC asks for input from different stakeholders	

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle an 'ad hoc' policy review	8	Consider responses		
Handle an 'ad hoc' policy review	9	Finalise advice on proposed changes (other than exit from the market) via Handle a Change to the Rules or change to regulations		
Handle an 'ad hoc' policy review	10	Clear with Ministers		
Handle an 'ad hoc' policy review	11	Trigger Change of Rules process		
Handle an annual report	1	End of Capacity Year (starting 2018/2019)	Settlement body is a government body who is responsible for the settlement process.	DECC will have to justify its decision to run an auction in the CM every year. This requirement is not demonstrated on this process map.
Handle an annual report	2	Prepare contribution	The settlement body will be required to report to Ofgem on how the settlement process has worked during the year as well as the settlement bodies own budget / running costs	
Handle an annual report	3	Send to DECC 4 months following end of capacity year		
Handle an annual report	4	Time for the Annual Report to be prepared		
Handle an annual report	5	Prepare contribution	Ofgem will be required to produce an Annual Report on operational effectiveness of the Capacity Market that year as well as any changes they may propose in the forthcoming year.	Box missing - Ofgem is expected to collect the opinions of stakeholders about how they believe the capacity market has performed this year. Ofgem will be expected to comment on "value for money" and the cost of the CM to consumers. It is still in policy review but, if a market monitor is required, National Grid would be responsible for appointing a market monitor to report on how the auction has been run and whether the process was fair. This contribution would feed into the report compiled by Ofgem. Industry representatives questioned whether it was appropriate for NG to appoint the market monitor
Handle an annual report	6	Compile report	Ofgem compiles the Annual Report using their own contributions, those of the market monitor and the delivery body on how the capacity market has performed that year and any proposed changes for the following year.	
Handle an annual report	7	Time for the Annual Report to be prepared - following end of auction		
Handle an annual report	8	Prepare contribution - eg Auction Report	The delivery body must prepare their contribution.	Further discussions needed as to the type of contribution required by the delivery body. It may not be more than an auction report.
Handle an annual report	9	Send to Ofgem X days following end of auction (before/alongside publication, tbc)	Delivery body send their contribution to Ofgem	Clarity is needed about timescales
Handle an annual report	10	Send to DECC X days following end of auction	Ofgem send their report to both DECC and Parliament	Clarity is needed about timescales
Handle an annual report	11	Raise and consider issues arising	Ofgem in conjunction with Delivery Body, DECC and parliament raise any issues arising from Ofgem's report	
Handle an annual report	12	Propose policy review/change to the rules if necessary	If necessary, the process described in "Handle a change to the rules and regulations" will take effect.	
Handle an annual report	13	Propose policy review/change to the rules if necessary	If necessary, the process described in "Handle a change to the rules and regulations" will take effect.	
Handle an annual report	14	Propose policy review/change to the rules if necessary	If necessary, the process described in "Handle a change to the rules and regulations" will take effect.	
Handle a 5-year Statutory Review	1	Sufficiently in advance of publication deadline for 5 year report		
Handle a 5-year Statutory Review	2	Scope report on CM effectiveness and rules, considering annual reports	The 5 year statutory review should report on the effectiveness of CM market in relation to the high level objectives of the CM market. The report will also be forward looking, considering the ongoing need of the capacity market and bigger changes required in the future.	
Handle a 5-year Statutory Review	3	Request further data from market participants if required	If necessary, Ofgem will request more information from CM participants	
Handle a 5-year Statutory Review	4	Prepare draft report	Ofgem prepare a draft report based on the data it has collated	
Handle a 5-year Statutory Review	5	Consult as appropriate	Ofgem consult with a wider range of stakeholders	
Handle a 5-year Statutory Review	6	Send revised draft to Government	Ofgem revise their report in light of consultation and send updated draft to the Government	
Handle a 5-year Statutory Review	7	Update and finalise report on rules	Ofgem update and finalise report based on any further analysis carried out by DECC / updates made by DECC	
Handle a 5-year Statutory Review	8	Publish alongside DECC statutory report	Ofgem's publish their report at the same time as the 5 year statutory review.	Ofgem's report will look at the functioning of the market whereas the government's report will be a wider view which considers the ongoing need for the capacity market. The government's report will be informed by Ofgem's report.
Handle a 5-year Statutory Review	9	Scope statutory review (taking account of draft Ofgem report)	The government consider Ofgem's draft report when compiling their statutory report.	
Handle a 5-year Statutory Review	10	Commission further analysis	If required, Government commission further analysis	
Handle a 5-year Statutory Review	11	Consult	The Government consult with stakeholders	
Handle a 5-year Statutory Review	12	Prepare draft statutory report	Based on the outputs from further analysis and stakeholder consultation, the Government prepare a draft statutory report	
Handle a 5-year Statutory Review	13	Share draft with Ofgem	DECC and Ofgem collaboratively develop the proposals.	Report sharing between DECC and Ofgem will be more fluid than illustrated here.
Handle a 5-year Statutory Review	14	Finalise draft and clear with Ministers	Government finalises draft report and clears it with Ministers	
Handle a 5-year Statutory Review	15	Publish report alongside delivery plan (5 yrs following laying of regulations)	DECC will publish the 5 year statutory report alongside the annual delivery plan report.	5 year statutory report is due 5 years after the laying of regulation.
Handle a 5-year Statutory Review	16	Propose policy review or changes to rule or regulations	Based on the statutory report, the government may propose a policy review or changes to the rules / regs. This would then feed into the "Handle a change to the rules and regulations"	

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle the Capacity Market Payment Obligations	1	Successful auction has completed	Process map used for establishing what the monthly charges are. The process begins once outcomes of auctions have been decided and published.	
Handle the Capacity Market Payment Obligations	2	Notify	National Grid notify the Settlement Body/Agent about these outcomes of the auction process.	
Handle the Capacity Market Payment Obligations	3	Publish marketwide estimate of capacity costs for the delivery year, with qualifications	Settlement Body is a "2 party body". Involvement in day-to-day activity will be limited, but the Agent (Elexon) will be responsible for overall accountability (reporting etc.). Secretary of State would approve the budget which has been set by Settlement Body (that is main task of Settlement Body).	Capacity market will be classified as a taxation measure (party responsible for collecting tax must be government owned party). Settlement Agent should be first point of contact for any payment queries. Settlement agent - responsible for data collection (data from BSC arrangements, also from system operator as a facilitator, non BSC parties provide data directly), calculation (Elexon carry out all of these such as delivery payments etc.), and enforcement. Cost of Settlement Body is borne by suppliers. Settlement body are the party who payments are made to.
Handle the Capacity Market Payment Obligations	4	Notify	Suppliers are notified of the market-wide estimates as calculated by the Settlement Body/Agent.	
Handle the Capacity Market Payment Obligations	5	Estimate own costs	Based on the published market-wide estimates of capacity costs from the Settlement Body/Agent, the supplier is able to then estimate their own costs.	How do we deal with a new entrant? If they join after 1st October then they will not be part of the CM process for that Winter peak (have no liabilities for the rest of the year) and won't know until the end of February as to whether they have any charges as reconciliation follows the BSC timetable.
Handle the Capacity Market Payment Obligations	6	At appropriate moment relative to the start of the Delivery Year, issue system-wide peak demand forecast	National Grid will, at the appropriate moment relative to the start of the Delivery Year, issue system-wide peak demand forecast.	
Handle the Capacity Market Payment Obligations	7	Provide own peak demand forecast at time of system peak	Supplier's submitted forecast is used to determine market share for supplier by Settlement Body/Agent. Obligation to provide forecast in their peak demand, and it will be set within regulations, not in the capacity markets rulebook	DECC need to ensure that suppliers are incentivised to provide accurate forecasts. If this was against annual demand (as opposed to peak demand), there would be less variation from the suppliers. If peak demand can be reduced, less capacity needs to be purchased.
Handle the Capacity Market Payment Obligations	8	Calculate forecast of Capacity Market Supplier Charge for each supplier including own costs	Supplier's submitted forecast is used to determine costs for each supplier by Settlement Body/Agent Settlement runs as per existing BSC timetable.	
Handle the Capacity Market Payment Obligations	9	Start the Handle a Credit Requirement process for each supplier	Trigger for process map around credit requirements.	Annual cost will be taken and spread into a monthly weighted factor across 12 months (weighting based on levels of demand). It is a £ charge, based on reconciled market share. If billing on a £/MWh figure (for which there would be supplier support), DECC have identified complexities with the conversion. Suppliers are paying a tax which needs to be funded from their own business activities.
Handle the Capacity Market Payment Obligations	10	At appropriate moment relative to the start of the Delivery Year	Settlement Body/Agent costs - DECC will be following a process to determine costs to the settlement body.	
Handle the Capacity Market Payment Obligations	11	Forecast Settlement Body and agent costs	Settlement Body and Agent define what their costs are. It is likely that they will follow the process set out in BSC code, whereby a consultative approach with industry is the aim.	
Handle the Capacity Market Payment Obligations	12	Consult and determine	Providers are consulted with about the costs as set out by Settlement Body/Agent. Once budget is signed off by Secretary of State, it forms the basis of the levy to be applied to Suppliers.	The items to be consulted upon may be unlikely to change moving forward (mainly constrained by time).
Handle the Capacity Market Payment Obligations	13	According to fixed monthly schedule		
Handle the Capacity Market Payment Obligations	14	Put invoice for Settlement Body and agent costs into Billing Cycle	Costs set out over the 12 months Each month, 4 items will be invoiced (14, 16, 18, 20)	Industry commented that there are a number of ways in which the fixed monthly schedule could occur which will have a number of impacts on their working capital position. Particular issues were identified for small suppliers (high working capital requirements, particularly where all participants over deliver and noone is penalised), exiting suppliers (potentially onerous and lengthy exit fees) etc. Issues were also raised around weighting (i.e. will it be heavily weighted in winter or summer?)
Handle the Capacity Market Payment Obligations	15	According to fixed monthly schedule		
Handle the Capacity Market Payment Obligations	16	Put invoice for Supplier Monthly Charge into Billing Cycle		
Handle the Capacity Market Payment Obligations	17	According to fixed monthly schedule		
Handle the Capacity Market Payment Obligations	18	Put invoice for Capacity Provider Penalty Charges into Billing Cycle	If there is a warning of a stress event, then the provider will be penalised.	Need to pay these out in the same month in order to fulfil any desire for financial trading. However, there are knock-on events for determining what events actually constituted as a stress event/penalty event (could take up to 30 working days from event occurring to invoice being issued). Penalty amounts are returned to suppliers. It could be staged that settlement timetable is delayed slightly and topped up with overdelivery funding.
Handle the Capacity Market Payment Obligations	19	According to fixed monthly schedule		

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle the Capacity Market Payment Obligations	20	Put invoice for Over-Delivery Supplier Funding Amount into Billing Cycle	Invoice suppliers for the amount of money if there is over-delivery to pass the money on to over-delivering suppliers.	Separate invoice for overdelivery funding. Overdelivery and penalty payments form 2 separate funding streams. They may not entirely offset each other. Issue around tax being levied on supplier, not the customer.
Handle the Capacity Market Payment Obligations	21	Supplier fails to pay invoice for CM Monthly Charge		
Handle the Capacity Market Payment Obligations	22	Call on credit		
Handle the Capacity Market Payment Obligations	23	Notify		
Handle a Credit Requirement on a Supplier	1	Send request to put appropriate credit in place (amounts and dates)	Credit which will be required will be in place to cover what suppliers owe against their monthly charge plus their obligations towards the Settlement Body. The process starts ahead of the capacity year, once the monthly forecasts have been worked out.	The DECC policy position relating to market share is that the schedule is set out at the beginning of the year and not adjusted through the year, then credit requirements are taken from that throughout the year. Credit requirements are well known before the start of the month, and credit must be posted 5 working days before the start of the month.
Handle a Credit Requirement on a Supplier	2	Some credit has been drawn down by Settlement Body/Agent (TBD) elsewhere	Two potential scenarios - either exact credit is in place, or the credit has been drawn down against (therefore requirement to increase it). The latter is unlikely.	
Handle a Credit Requirement on a Supplier	3	Date arrives when credit is supposed to be in place	In this scenario, appropriate credit is in place (a lot more likely than 2)	
Handle a Credit Requirement on a Supplier	4	Check existence, size and validity of credit	In the case of either of the 2 scenarios above, a check needs to be carried out on the credit (existence, size, validity). Cash and letters of credit are the two forms of credit. If the above is all fine, then we do not move into any defaulting process and the process map ends here.	Banks of credit rating A minus are accepted. If the bank fails to deliver on the letter of credit (or if the bank is downgraded) then supplier would be contacted about searching for a replacement.
Handle a Credit Requirement on a Supplier	5	Notify they have moved to Stage 1 Credit Default	Where there isn't sufficient credit in place, we begin to move down the process map. In any given month, DECC are looking for assurances that sufficient credit is in place if payments aren't met. If a supplier fails to meet credit requirement, they are moved through the defaulting process.	Stage 1 default - gentle reminder to the supplier to get the credit in place.
Handle a Credit Requirement on a Supplier	6	Response adequate	If the supplier has posted the correct level of credit, then the process ends here. Otherwise, DECC escalates the Credit Default to Stage 2	
Handle a Credit Requirement on a Supplier	7	Notify they have moved to Stage 2 Credit Default	Supplier response to Stage 1 Default is deemed inadequate.	
Handle a Credit Requirement on a Supplier	8	Inform	Ofgem are informed of the supplier in question's failure to post the appropriate level of credit, and they have been taken through to Stage 2 Credit Default.	
Handle a Credit Requirement on a Supplier	9	Suspend the supplier	Supplier who did not meet credit requirements is suspended immediately as they were not deemed credit-worthy. They are also in breach of their license.	
Handle a Credit Requirement on a Supplier	10	Mutualise credit requirement for all other suppliers	As a result of moving the Stage 2 Credit Default, and the supplier in question not being able to meet their credit requirements, DECC mutualise the credit requirement for all other suppliers.	The remaining suppliers have their charges increase as a result of the suspended supplier not having the appropriate credit in place.
Handle a Credit Requirement on a Supplier	11	Notify new figure	Settlement Body will add the mutualised credit requirement to the supplier's base credit requirement and inform the supplier of the new credit requirements.	
Handle a Credit Requirement on a Supplier	12	Defaulting supplier makes good, or third party takes over liabilities and future obligations, or supplier of last resort takes over future obligations (but not liabilities)	Mutualisation continues until the supplier makes good on their defaulted payments, or they have entered the administration process (administrator picks up past liabilities) - once this occurs then all other suppliers get their money back.	Process map needs to be updated to reflect suppliers getting their money back.
Handle a Credit Requirement on a Supplier	13	Stop the process		
Handle a Billing Cycle	1	Time to present bills	This process map provides more detail on the inter-relationship between credit arrangements and charges. It begins with the trigger of the moment when it is time to send out invoices.	
Handle a Billing Cycle	2	Prepare and send out invoices	Settlement Body sends out invoices	
Handle a Billing Cycle	3	CM Supplier Charge unpaid	Settlement Body check if payments are paid, if not then credit is drawn down and then Handle a Credit Requirement begins.	
Handle a Billing Cycle	4	Draw down credit	In the event of non-payment, Settlement Body draws down credit.	
Handle a Billing Cycle	5	Start Handle a Credit Requirement for a Supplier, for that supplier	Earlier process of Handle a Credit Requirement process then begins.	
Handle a Billing Cycle	6	Settlement Body Charge unpaid	Settlement Body check if payments relating to the Settlement Body charge are made. If unpaid, move onto step 7	
Handle a Billing Cycle	7	Mutualise shortfall across other suppliers, and raise invoices to them for next Billing Cycle	If Settlement Body charge is unpaid, then the shortfall is mutualised across other suppliers, by raising invoices to them in the next billing cycle.	
Handle a Billing Cycle	8	CP Penalty charge unpaid	Settlement Body check if payments relating to the Penalty charge have been made. If unpaid, move onto step 9.	
Handle a Billing Cycle	9	Chase Capacity Provider	Supplier gently reminded of outstanding payments	
Handle a Billing Cycle	10	Payment received as a result?	If payment is then made, process ends here.	
Handle a Billing Cycle	11	Record the outstanding debt (feeds into Pre-qualification process)	Outstanding debt recorded on the late payments register. Late payment interest is the only additional penalty as a result of outstanding debt here.	Future capacity payments also withheld from provider until debt is paid off. If contract has finished and no revenues can be withheld then the loss is mutualised across suppliers. If someone is in debt to the capacity market, it could count against them in the pre-qualification process.
Handle a Billing Cycle	12	Notify	National Grid notified of any outstanding debts	There should be a link between 12 and 19

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a Billing Cycle	13	OFSA unpaid	If Over-Delivery Funding Supplier Amounts are not met, then supplier now has an outstanding payment to be made	
Handle a Billing Cycle	14	Chase supplier	Supplier gently reminded of outstanding payments	Payments are ringfenced over delivery but monthly invoicing payments are still kept separate
Handle a Billing Cycle	15	Payment received as a result?	If yes, then the process ends here	
Handle a Billing Cycle	16	Notify of breach of licence	Due to supplier not paying - Ofgem may subsequently investigate breach of license.	
Handle a Billing Cycle	17	Time to calculate CP payments	At the appropriate moment, Settlement Body will calculate CP payments.	
Handle a Billing Cycle	18	For each capacity agreement held by a CP	Settlement Body will calculate CP payments for each CA held by CP.	
Handle a Billing Cycle	19	Calculate the amount due	Settlement Agent will calculate the total amount due to a CP.	
Handle a Billing Cycle	20	Pay Capacity Provider	Settlement Body via Settlement Agent then pay the Capacity Provider.	
Handle a Billing Cycle	21	Time to calculate CP Over-Delivery Payments	At the appropriate moment, Settlement Body will calculate over-delivery payments.	With over-delivery, there is an obligation to pay out (funded by the over-delivery), but if the supplier does not pay-out then payments to other suppliers may be scaled back.
Handle a Billing Cycle	22	For each capacity agreement held by a CP	Settlement Body will calculate CP payments for each CA held by CP.	
Handle a Billing Cycle	23	Calculate the amount due	Settlement Agent will calculate the total amount due to a CP.	
Handle a Billing Cycle	24	Sum the amounts		
Handle a Billing Cycle	25	Are there sufficient funds from CP penalties and OFSAs?	DECC check if there is sufficient funds from CP penalties and OFSAs, if yes then they issue the payments, if no then they pro-rata the amounts	
Handle a Billing Cycle	26	Pro rate the amounts to balance	If there are insufficient funds from CP penalties and OFSAs, then pro rate	
Handle a Billing Cycle	27	Issue payments	The issued payments are pro-rated payments	For example, if there is a 10% shortfall in funding, then this 10% is diverted from penalty payments into over-delivery payment pot to make good on OFSA.
Handle a Billing Cycle	28	Issue payments	Where there are sufficient funds from CP penalties and OFSAs, these payments are issued for the full amount.	
Handle a Billing Cycle	29	Are there residual funds from CP penalties and OFSAs remaining?	If there was residual funding from CP penalties and OFSAs	
Handle a Billing Cycle	30	Mutualise funds across suppliers	Residual funds will be mutualised across suppliers	
Handle a Billing Cycle	31	Issue payments	Suppliers are issued with payments	
Handle a CM Warning Notification	1	Stress event expected (based set parameters)	Steps 1 - 9 covers the publication of a CM warning and what happens as a result of a warning being published. NG will have a trigger level based on the reserve for requirements level, the transmission system demand and the declared MELs and if the calculation of these 3 elements is outside the threshold level then a warning will be published.	<p>If no warning is published by the System Operator but a stress event occurs then there will be no penalties for the CP. Similarly is a warning is published but no stress event occurs there will be no penalties (if a warning is issued but no stress event occurs by midnight that same day then the warning is automatically cancelled). There will only be ramifications if both a stress event and a warning coincide. Penalties will change depending on how much warning a CP is given before a stress event.</p> <p>NG voiced that they may use a NISM if they are concerned that there may be a stress event more than 4 hours in advance. Suggestion from industry that CM warnings are only used 4 hours in advance. For anything further in advance only NISMs should be used given incompleteness of data. Industry are concerned that there CM warnings will be published too frequently.</p> <p>Policy should ensure that NG use all available options before a stress event occurs.</p>
Handle a CM Warning Notification	2	Notify (by electronic means)	The criteria for publishing a warning have been sent to the Settle Body/Agent and the CP . At the same time, NG will publish a forecast of forecast capacity from 4 hours hence. This forecast is indicative but not binding.	<p>The warning will be published electronically. Industry want to know that they haven't missed a warning - perhaps receive warning through multiple existing routes.</p> <p>Industry raised that the forecast will be subject to change therefore suggest it would be better for NGCs to dictate a set level (based on the previous day figures?)</p>
Handle a CM Warning Notification	3	Record reason for warning	Points 3 - 9 are about recording data and taking a snapshot of conditions when a warning was published. Here NG record the reason for the warning of a stress event	
Handle a CM Warning Notification	4	Store details	NG notify the settlement agent/body of the reason for warning	
Handle a CM Warning Notification	5	Respond	How the CP responds to the warning is at their discretion.	
Handle a CM Warning Notification	6	Manual/auto instruction issued before warning period closes	NG record all of the system operators instructions over the lifetime of the warning.	
Handle a CM Warning Notification	7	Market participant EDT submission during warning period (only CPs in the Balancing Mechanism)	NG take a snapshot of PNs and FPNs at the time when the warning is released.	
Handle a CM Warning Notification	8	Store details	NG share these details with the Settlement Body/Agent	Query as to whether data which is stored is made public and a report issued?
Handle a CM Warning Notification	9	Store details	NG share these details with the Settlement Body/Agent	Query as to whether data which is stored is made public and a report issued?

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a CM Warning Notification	10	Stress event occurs	Steps 10-18 cover how a stress event is determined, triggered and handled. On a random basis a stress event can occur. The start of a stress event is when the first DNO is instructed to reduce demand and the end of a stress event is when the last DNO is instructed to reconnect.	It is not a stress event if a) demand control is a result of a network or transmission system failure b) the demand control is less than 15 minutes or c) if the level of demand disconnection is less than the volume instructed off by the system operator.
Handle a CM Warning Notification	11	Notify (by electronic means)	NG notify the settlement agent/body that the stress event has begun. (Assumption in the process map that it is a system stress event)	Industry felt it would be appropriate for them to also be informed at this point.
Handle a CM Warning Notification	12	Record data about event & relevant data for the preceding four hours	NG start recording data on performance which they can then track against the CPs baseline set at step 7.	
Handle a CM Warning Notification	13	Start the Handle Bonuses & Penalties arising from a Stress Event process	Feeds into 'Handle all Bonus and Penalties for a stress event' process map	
Handle a CM Warning Notification	14	Manual/auto instruction issued during period of event	During the lifetime of a system stress event, NG must record what their instructions were to CPs.	The process map does not indicate that any information was given to CPs.
Handle a CM Warning Notification	15	Store details	The settlement body/agent record the information about instructions NG gave.	Query as to whether data which is stored is made public and a report issued?
Handle a CM Warning Notification	16	Market participant EDT submission during period of event (only CPs in the Balancing Mechanism)	All relevant information about performance during the stress event as well as baseline PNs is given to the Settlement Agency/Body.	
Handle a CM Warning Notification	17	Inform		
Handle a CM Warning Notification	18	Store details	Settlement Body/Agent receive performance and baseline data and store it.	Query as to whether data which is stored is made public and a report issued?
Handle a CM Warning Notification	19	Decision to close the warning at some point in the future	Steps 19 - 21 cover the closing of a warning. If a warning has been published but no stress event occurs, at midnight on the day of the warning the warning will automatically cancel. NG decide to close the warning.	Industry commented that midnight makes little sense. Industry would like a notification from NG that the market has been restored.
Handle a CM Warning Notification	20	Notify	NG notify Settlement Body/Agency of decision to close the warning	Industry noted that they must also be noted of this.
Handle a CM Warning Notification	21	Record notice of warning of closure	NG and Settlement Agency record the notice of warning of closure	
Handle all Bonuses and Penalties for a Stress Event	1	Stress event occurred and according to reconciliation	This process is the responsibility of the settlement body. A stress event has occurred and been verified as a stress event	
Handle all Bonuses and Penalties for a Stress Event	2	Calculate the hard cap for each CP for each half-hour of the stress event	The settlement agent carries out the calculation of the hard cap where the total penalty exposure is 101 - 150% of a CP's portfolio. This means a CMU could lose up to 50% of the total revenue of a portfolio in a delivery year.	Industry voiced that this would penalise large operators.
Handle all Bonuses and Penalties for a Stress Event	3	Starting the first period following the warning		
Handle all Bonuses and Penalties for a Stress Event	4	Calculate the soft cap for each CP in this period	A soft penalty cap determines what is the maximum theoretical penalty that a unit within your portfolio could incur. The soft penalty cap is calculated as: a CMUs actual penalty ÷ CMUs maximum theoretical penalty x the lower of a) the maximum theoretical penalty or b) the value of the annual portfolio account.	
Handle all Bonuses and Penalties for a Stress Event	5	This period is in the four hours lead time	4 hour lead time is the 4 hours following the CM warning. There are two different treatments depending on whether the calculation is within the four hour CMW notification period or after. In the first scenario it is on an FPN basis and the second is load following.	Industry voiced that the term 'lead time' is misleading. The process map should be edited to either '4 hour window' or '4 hour CMW notification period'
Handle all Bonuses and Penalties for a Stress Event	6	This period is after the four hours lead time		
Handle all Bonuses and Penalties for a Stress Event	7	Calculate the adjusted load following obligation for each CMU	The settlement body compares the CO to what was actually produced. The result will trigger a penalty or a bonus.	Load following obligation is deduced by starting with the derated capacity obligation or it will pick up any physically traded COs. Put simply this is instructed load reduction plus capacity market plant (ILR +CMCC). With regards to adjustments to load following obligations (it has been noted that the FPN should also be adjusted), DECC have identified 4 actions that could be issued by the SO that reduces a CPs ability to respond to a stress event. 1. Bid offer acceptances to reduce CPs output 2. Capacity that has been made available but not utilised by the SO 3. Capacity is QAS, ie capped at zero. 4. Any trade that results in a PN being traded
Handle all Bonuses and Penalties for a Stress Event	8	Calculate the penalty/bonus for each CMU in this period	Steps 8-11: For each CMU the SO calculates the relevant penalties and bonuses for each settlement period.	Calculated at a CMU level first and then at a portfolio level in order to calculate the cap.
Handle all Bonuses and Penalties for a Stress Event	9	Sum the penalties and bonuses for each CP, applying the soft cap if necessary	The Settlement Body/Agent sums together all penalties and bonuses for each CP, where necessary applying the soft cap.	
Handle all Bonuses and Penalties for a Stress Event	10	All periods dealt with?	Feedback loop for all periods that were classified as a settlement period. Once all periods have been dealt with and the total sum of penalties and bonuses has been decided then progress to point 11.	If CP wishes to challenge a penalty there are 3 points around which challenges may arise: 1. Challenging NG's decision to classify an event as a stress event. 2. If challenging the provision of data the CP should follow the trading disputes committee route 3. If challenging the calculation of a penalty the initial route is via the settlement body and failing that, the dispute will be escalated to a statutory level.
Handle all Bonuses and Penalties for a Stress Event	11	For each CP, note payment/charge for next Billing Cycle		

Workshop Name	Topic ID	Topic Name (see related process map)	Topic Description	Points Made
Handle a Bid Bond	1	Bid bond required for DSR		Pre-qualification is mandatory for all participants, but bid bonds are only required for new DSRs Existing DSR participants are not required to pre-qualify
Handle a Bid Bond	2	Notify bond value and date it is to be in place as set out by DECC in regulation/rules	National grid notifies DSR applicant of bid bond requirement	
Handle a Bid Bond	3	Organise bid bond	DSR applicant required to organise their bid bond.	
Handle a Bid Bond	4	Provide details	Additionally, DSR applicant provides funds at this point	
Handle a Bid Bond	5	Check the bond	The settlement body or agent checks the bond value required and submitted by the DSR applicant.	
Handle a Bid Bond	6	Ok?	If the level of bond submitted by DSR applicant is not sufficient they move to number 7	
Handle a Bid Bond	7	Notify	Notify DSR applicant of non compliance against bid bond details	
Handle a Bid Bond	8	Provide receipt	Where the bid bond provided by the DSR applicant matches that required by the settlement body/agent, the settlement body/agent provides receipt to DSR applicant	
Handle a Bid Bond	9	Show the receipt	DSR applicant provides copy of receipt to National Grid	
Handle a Bid Bond	10	DSR provider cleared as Capacity provider	Upon receipt of receipt, National Grid clears DSR provider as capacity provider	
Handle a Bid Bond	11	A pre-qualified DSR fails to participate in auction, or it does participate but unsuccessfully, or it participates successfully and proves its capability	There are a number of circumstances that can occur, 1) a pre-qualified DSR fails to participate in auction, 2) it does participate but unsuccessfully, or 3) it participates successfully and proves its capability	Need to add in those who failed pre-qualification but put a bid in If DSR fails to participate in auction, should receive bid bond back
Handle a Bid Bond	12	Notify	National Grid will notify settlement body/agent based on the participation of the DSR under point 11	
Handle a Bid Bond	13	Return bond	Upon completion of pre-qualification, National Grid will notify settlement body/agent and the DSR will receive its bond back	
Handle a Bid Bond	14	DSR successful in auction but fails to prove capability on time	There is a cut-off point by which participants must be able to prove capability	
Handle a Bid Bond	15	Notify	The settlement body will then notify the DSR that they did not meet the cut-off point	
Handle a Bid Bond	16	Cash the bond		
Handle a Bid Bond	17	Distribute proceeds		A query was raised as to where bid bonds go back to if unsuccessful?