

The Capacity Market (Amendment) Rules 2014

1. Citation, commencement and interpretation

1.1 These Rules may be cited as the Capacity Market (Amendment) Rules 2014.

1.2 These Rules come into force on 22 August 2014.

1.3 In these Rules:

1.3.1 "the Rules" means the Capacity Market Rules 2014;

1.3.2 a reference to a Rule or Schedule by number alone or to an Exhibit by letter alone is a reference to the Rule or Schedule so numbered or the Exhibit so lettered in the Rules; and

1.3.3 expressions which are defined in the Rules have the same meaning as in the Rules.

2. Amendments to the Capacity Market Rules 2014

2.1 The Rules are amended as set out in the Schedule.



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Minister of State

Department of Energy and Climate Change

21 August 2014

SCHEDULE

Amendments to the Capacity Market Rules 2014

1. In Rule 1.2:
 - 1.1 In the definition of "Bidder", in paragraph (a), for "a Mandatory CMU" substitute "an Existing Generating CMU".
 - 1.2 For the definition of "Bidding CMU" substitute:

"Bidding CMU means, for a Capacity Auction:

 - (a) each Existing Generating CMU which has Prequalified;
and
 - (b) each other Prequalified CMU in respect of which a confirmation has been submitted pursuant to Rule 5.5.14".
2. After Rule 1.3, insert:

"1.3A Sole director companies

1.3A. Where a company has a sole director, any requirement in these Rules which requires-

 - (a) that company to act by two directors signing a document is to be read as a requirement to act by the sole director only signing the document;
 - (b) information to be provided in respect of the directors of that company is to be read as a requirement applicable to the sole director only; and
 - (c) authorisation by the board of directors is to be read as a requirement for authorisation by the sole director only."
3. In Rule 2.2.2, in the fourth entry in the table, in the first column, for "T – 7 weeks" substitute "T – 3 weeks".
4. In Rule 3.3.3, after paragraph (a) insert:

"(aa) the CMU does not meet the General Eligibility Criteria;"
5. In Rule 3.4.3, for paragraph (a) substitute:

"(a) specify in the Application:

 - (i) the CMU to which the Application relates (including a description of, and the location of, the Generating Unit(s) and for Proven DSR CMUs, their CMU Component(s);
 - (ii) all relevant Meters and Meter Point Administration Numbers for all the relevant Meter(s), except in respect of Unproven DSR CMUs; and

(iii) BM Unit Identifiers (as defined in the Balancing and Settlement Code), if applicable; and”.

6. In Rule 3.4.3, in paragraph (b), before “if any” insert “except in respect of an Unproven DSR CMU,”.
7. In Rule 3.4.9, in paragraph (e)(ix), at the end insert “or, where such a shareholder is a company and a member of a Group, to any other company which is a member of that Group”.
8. In Rule 3.7.2, for paragraph (c) substitute:

“(c) the total amount of Capital Expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Applicant to be incurred (either by the Applicant or another person) with respect to the CMU between 1 May 2012 and the commencement of the first Delivery Year to which the Application relates (“the Total Project Spend”);”.
9. For Rule 3.12.5 substitute:

“3.12.5 Each Opt-out Notification must be accompanied by a statement, signed by two directors of the person submitting the Opt-out Notification (“the relevant person”), that the directors of the relevant person have formed the opinion, on the basis of due and careful enquiry as to the relevant person’s situation at the date of the statement, that the relevant person can correctly make the declaration in Rule 3.11.5.”.
10. In Rule 4.2.3, delete “or Opt-out Notification” in both places in which it occurs.
11. In Rule 4.3.1, substitute paragraph (b) and add paragraph (c) as follows:

“(b) satisfy itself that the CMU is not a Defaulting CMU for that Capacity Auction; and

(c) where the Application is for a Generating CMU, satisfy itself that the Generating CMU is not an Excluded CMU for that Capacity Auction.”.
12. In Rule 4.6.3 for “Within” substitute “Except where Rule 4.6.3A applies, within”.
13. After Rule 4.6.3 insert:

“4.6.3A. Rule 4.6.3 does not apply where Rule 4.7.1 applies to the Applicant and the Applicant has not complied with Rule 4.7.1 at the time the Applicant provides the copy of the notice in accordance with Rule 4.6.2.”
14. In Rule 4.11.1:
 - 14.1 Omit “(other than to notify a change to the Demand Curve)”.
 - 14.2 For “Mandatory CMU” substitute “Existing Generating CMU”.

- 14.3** For "an Opt-out Notification" substitute "a notice to the Delivery Body withdrawing from the Auction".
- 15.** After Rule 4.11.1 insert:
- "4.11.1A Rule 4.11.1 does not apply if the adjusted Auction Parameters do not include changes to any of the Auction Parameters listed in paragraphs (c) to (h) of Regulation 11(1).
- 4.11.1B In the case of a Prequalified Mandatory CMU, a notice under Rule 4.11.1 must be in the form of an Opt-out Notification, and must comply with Rule 3.11 and, so far as applicable, Rule 3.12."
- 16.** In Rule 4.11.2:
- 16.1** For "an Opt-out Notification" substitute "a notice".
- 16.2** For "Mandatory CMU" substitute "Existing Generating CMU".
- 17.** In Rule 5.5.14, for "Prospective Generating CMU", in both places in which it occurs, substitute "New Build CMU".
- 18.** In Rule 8.3.3:
- 18.1** After paragraph (b) insert:
- "(ba) If a Prospective Generating CMU is awarded a Capacity Agreement then the Capacity Provider must, as soon as reasonably practicable after the CMU becomes Operational, and in any event not later than the Long Stop Date:
- (i) provide to the Delivery Body detailed line diagrams showing electrical configurations and metering sites at which the Generating Units are located; and
- (ii) complete a Metering Assessment in relation to the CMU."
- 18.2** In paragraph (c), for "Rule 8.3.3(a) or 8.3.3(b)" substitute "Rule 8.3.3 (a), (b) or (ba)".
- 18.3** In paragraph (d)(i), at the beginning, insert "a Prospective Generating CMU or".
- 18.4** In paragraph (e), at the end insert:
- "; or
- (iv) in the case of a Prospective Generating CMU, as soon as reasonably practicable after the date on which the Capacity Provider receives notification under Rule 8.3.3(d)(i), and in any event not later than the Long Stop Date".

19. After Rule 8.3.3 insert:

"8.3.3A Notifying DSR Components

- (a) A Capacity Provider in respect of an Unproven DSR CMU must, by no later than the date specified in Rule 8.3.3(b) below, give a notice to the Delivery Body specifying:
 - (i) each DSR CMU Component which forms part of the Unproven DSR CMU, including a description of, and the location of, each such DSR CMU Component; and
 - (ii) all relevant Meters, and Meter Point Administration Numbers for those Meters if applicable.
- (b) The date referred to in Rule 8.3.3(a) is the earlier of the dates on which the Capacity Provider:
 - (i) completes a Metering Assessment under Rule 8.3.3(b); or
 - (ii) provides the Delivery Body with the information required in order to carry out a DSR Test under Rule 13.2.5."

20. In Rule 8.3.4, for paragraph (a) substitute:

- "(a) Subject to Rule 8.3.4(b), a Capacity Provider must not change the DSR Components of:
 - (i) a Proven DSR CMU that is a Prequalified CMU or a Capacity Committed CMU; or
 - (ii) an Unproven DSR CMU in respect of which the Capacity Provider has given a notice under Rule 8.3.3A."

21. In Rule 8.3.6, for "Capital Expenditure", in each place that it occurs, substitute "Total Project Spend".

22. In Schedule 3:

22.1 In the first entry in the table:

22.1.1 in the first column, delete "and oil burning reciprocating engines (non-autogeneration)"; and

22.1.2 in the second column, delete "Oil burning reciprocating engines not used for autogeneration".

22.2 In the second entry in the table:

22.2.1 in the first column, delete "gas burning"; and

22.2.2 in the second column, delete "Gas burning".

- 23.** In Exhibits A, B and C:
- 23.1** after "belief" insert "^{A1}";
- 23.2** after "Director" where it appears in the right-hand signature block insert "^{A2}"; and
- 23.3** at the end of Exhibits A, B and C insert the following as footnotes (but in the case of Exhibit A, footnote "^{A1}" is to appear before footnote "¹" and footnote "^{A2}" after footnote "¹");
- ^{A1} For sole director companies, substitute "I, being the director of [APPLICANT], HERBY CERTIFY as at the date of this certificate that, having made due and careful enquiry and to the best of my knowledge, information and belief:".
- ^{A2} No second signature is required for sole director companies, see Rule 1.3A."
- 24.** In Exhibit C, in paragraph (e):
- 24.1** At the beginning, insert:
- (i) in accordance with any requirement under:
- (aa) an enactment;
- (bb) a licence under section 6(1) of EA 1989 (where the Company is the holder of such a licence); or
- (cc) a document maintained under such a licence;".
- 24.2** Re-number the existing sub-paragraphs (i) to (x) as (ii) to (xi).
- 24.3** In sub-paragraph (vii) (as so re-numbered), for the words from "having" to the end, substitute "having, or potentially having, Despatch Control with respect to that CMU".
- 24.4** In sub-paragraph (viii) (as so re-numbered), delete "where the CMU is a Prospective Generating CMU".
- 24.5** For sub-paragraph (ix) (as so re-numbered), substitute: "to any shareholder in the Applicant or, where such a shareholder is a company and a member of a Group, to any other company which is a member of that Group".
- 25.** In Exhibit D:
- 23.1** after "Director" where it appears in both right-hand signature blocks insert "¹"; and
- 23.2** at the end of Exhibit D insert the following as a footnote:
- ¹ No second signature is required for sole director companies, see Rule 1.3A."