

The Capacity Market (Amendment) (No. 3) Rules 2017

Presented to Parliament pursuant to Section 41(9) of the
Energy Act 2013

The Capacity Market (Amendment) (No.3) Rules 2017

1. Citation and commencement

1.1 These Rules may be cited as the Capacity Market (Amendment) Rules 2017.

1.2 These Rules come into force on 2 November 2017.

1.3 In these Rules:

1.3.1 “the Rules” means the Capacity Market Rules 2014 as amended by:

- (a) the Capacity Market (Amendment) Rules 2014;
- (b) the Capacity Market (Amendment) (No. 2) Rules 2014;
- (c) the Capacity Market (Amendment) Rules 2015;
- (d) the Capacity Market (Amendment) (No. 2) Rules 2015;
- (e) the Capacity Market (Amendment) Rules 2016;
- (f) the Capacity Market (Amendment) (No. 2) Rules 2016;
- (g) the Capacity Market (Amendment) (No. 3) Rules 2016;
- (h) the Capacity Market (Amendment) Rules 2017; and
- (i) the Capacity Market (Amendment) (No. 2) Rules 2017;

1.3.2 a reference to a Chapter, Rule or numbered Schedule by number alone is a reference to the Chapter, Rule or Schedule so numbered in the Rules; and

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

2. Amendments

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

Minister of State

2017

Department for Business, Energy & Industrial Strategy

SCHEDULE

PART 1

Definition of De-rated Capacity as it applies to DSR

1. Amendments to Chapter 1

1.1. In Rule 1.2:

1.1.1. For the definition of “Bidding Capacity” substitute:

“Bidding Capacity means, for a Bidding CMU, its De-rated Capacity”.

1.1.2. In the definition of “De-rated Capacity”, for paragraph (b) substitute:

“(b) for a DSR CMU:

- (i) unless sub-paragraph (ii) applies, its DSR Capacity, or,
- (ii) if an amount of capacity has been nominated under Rule 5.5.11, that capacity;”.

1.1.3. Omit the entry for “DSR Bidding Capacity”.

2. Amendments to Chapter 5

2.1. In Rule 5.5.11, for “the De-rated Capacity of such DSR CMU” substitute “the product (in MW to three decimal places) of the DSR Capacity of such DSR CMU and the De-rating Factor (“the original de-rated capacity)”.

2.2. Omit Rule 5.5.12.

2.3. In Rule 5.5.13, for “a DSR Bidding Capacity which is lower than the De-rated Capacity” substitute “under Rule 5.5.11 a capacity which is lower than the original de-rated capacity”.

3. Amendments to Chapter 7

3.1. In rule 7.4.1(d)(iv), omit “and, in each case, its DSR Bidding Capacity”.

4. Amendments to Chapter 9

4.1. In rule 9.2.6, in proviso (ii)(bb) omit “or DSR Bidding Capacity”.

PART 2

Capacity Market Notices

5. Amendments to Chapter 1

5.1. In Rule 1.2:

5.1.1. Omit the definition of “Capacity Market Warning”.

5.1.2. After the entry for “Capacity Market Confidential Information”, insert:

“Capacity Market Notice means a notice issued in accordance with Rule 8.4.6”.

6. Amendments to Chapter 8

6.1. In Rule 8.1.1, for “Capacity Market Warning” substitute “Capacity Market Notice”.

6.2. In Rule 8.4.6, for each occurrence of “Capacity Market Warning” and “warning” substitute “Capacity Market Notice”.

6.3. In Rule 8.5.1, for each occurrence of “Capacity Market Warning” substitute “Capacity Market Notice”.

6.4. In Rule 8.6.2, for “Capacity Market Warning” substitute “Capacity Market Notice”.

7. Amendments to Chapter 11

7.1. In Rule 11.3.5, for “Capacity Market Warnings” substitute “Capacity Market Notices” and for “Capacity Market Warning” substitute “Capacity Market Notice”.

8. Amendments to Chapter 14

8.1. In Rule 14.4.3(a)(i), for “Capacity Market Warning” substitute “Capacity Market Notice”.

9. Amendments to Schedule 2

9.1. In Schedule 2, for each occurrence of “Capacity Market Warning” substitute “Capacity Market Notice”.

PART 3

De-rating

10. Amendments to Chapter 2

10.1. For Rule 2.3.8, substitute:

“2.3.8 The Delivery Body:

- (a) must, on the request of the Secretary of State or the Authority, and
- (b) may, at any other time,

consult interested parties as to whether the calculation methodology for TCWAA and/or AABS achieves its objective and/or whether an alternative methodology (for which it may make proposals) would be more effective.”.

10.2. In paragraphs (a) and (b) of Rule 2.3.9, omit “in the Delivery Year”.

10.3. For Rule 2.3.10, substitute:

“2.3.10 This Rule 2.3.10 applies following a consultation in accordance with Rule 2.3.8.

- (a) The Delivery Body may propose a revised calculation methodology for, or alternative calculation methodology to, TCWAA and/or AABS to the relevant entity.
- (b) If a calculation methodology is approved by the relevant entity and, where required, introduced via amendments to these Rules, the Delivery Body must apply it in accordance with paragraphs (c) and (d).
- (c) Subject to paragraph (d), the Delivery Body must apply the calculation methodology to calculate the affected De-rating Factors pursuant to Rule 2.3.1 for Auction Guidelines published in the calendar year in which the calculation methodology is introduced via amendments to these Rules (or the calendar year in which the calculation methodology

is approved, if no amendments to these Rules are required) and following calendar years.

- (d) Where the calculation methodology is introduced via amendments to these Rules (or approved, if no amendments to these Rules are required) in the same calendar year as, but later than, the publication of a final version of the Auction Guidelines pursuant to the Regulations, the calculation methodology must not be applied to calculate the De-rating Factors for those Auction Guidelines.”.

10.4. After Rule 2.3.10, insert:

“2.3.10A For the purposes of Rule 2.3.10, unless the Authority and Secretary of State agree otherwise, the relevant entity is:

- (a) the Authority where the Authority requested the consultation under Rule 2.3.8(a); and
- (b) in any other case, the Secretary of State.”.

10.5. Omit Rule 2.3.11.