



**The Early Capacity Auction for Delivery in 2017/18**  
Auction Monitor Report

6 February 2017

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# 1 Assurance Report

## **ISAE 3000 Independent Assurance Report on Compliance of National Grid Electricity Transmission Plc (NGET) (as Electricity Market Reform Delivery Body) with selected requirements of the Capacity Market Rules, Regulations and the Auction Guidelines.**

### **1.1 Scope**

We have performed assurance work over the extent to which the Delivery Body ("DB") has complied with the requirements of the Chapter 5 of the Capacity Market Rules, Regulations and the Auction Guidelines (together the "Rules and Guidelines") as at 10 January 2017. In particular, we have considered the rules included in Chapter 5 of the Capacity Market Rules as listed in Appendix A.

A consolidated version of the detailed Capacity Market Rules is available here:

<https://www.ofgem.gov.uk/publications-and-updates/decision-statutory-consultation-amendments-capacity-market-rules-0> with the subsequent amendment at the time of writing available here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/569552/Capacity\\_Market\\_Amendment\\_No3\\_Rules\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/569552/Capacity_Market_Amendment_No3_Rules_2016.pdf). In the context of this Report the actions of the DB in performing the Early Capacity Auction for Delivery in 2017/18 ("the EA") is the "Subject Matter" and the above sections of the Capacity Market Rules form the "Criteria" against which the Subject Matter has been evaluated.

### **1.2 Respective Responsibilities**

The DB as the Responsible Party is responsible for delivering the process and requirements for the EA in accordance with the Capacity Market Rules.

Our responsibility, as agreed with the DB, is to assess the actions performed by the DB in performing the EA against the requirements of the Capacity Market Rules and to independently express a conclusion as to whether the process and actions undertaken by the DB comply with the requirements of the Capacity Market Rules. Other than as defined in our assurance procedures, we did not audit or otherwise test or verify the information given to us in the course of the Services.

### **1.3 Work Performed**

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our work to obtain appropriate evidence about the subject matter of the engagement sufficient to support an opinion providing reasonable assurance.

An outline of the work we performed is included in Appendix B. Except to the extent expressly stated above, we did not subject the information contained in our Report or given to us by the DB to checking or verification procedures. The procedures we performed were not designed to and are not likely to reveal fraud.

### **1.4 Basis of Opinion**

We believe that our work performed and evidence obtained provides a reasonable basis for our opinion. Our assurance report has been produced under our letter of engagement with the Responsible Party dated 31 July 2016.

### **1.5 Opinion**

**In our opinion the actions performed by NGET, in its role as the Capacity Market Delivery Body for Electricity Market Reform, has in all material respects, complied with the relevant sections of the Rules and Guidelines as detailed in Section 1.1 above in respect of the EA held between 09:00 on 31 January 2017 and 12:30 on 3 February 2017.**

A list of the Bidders and corresponding Capacity Market Units ("CMUs") to be awarded Capacity Agreements following the EA is included in Section 3.

#### **1.6 Independence**

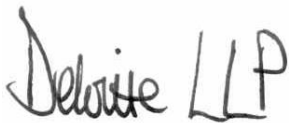
In conducting our engagement, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants in England & Wales.

#### **1.7 Quality Control**

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **1.8 Use of Report**

Our Report has been prepared for the exclusive use of NGET in accordance with the scope agreed within our engagement letter dated 31 July 2016. Our work has been undertaken solely for the purpose of assessing NGET's compliance with the Rules and Guidelines outlined in Section 1.1 above. Our work was not planned or conducted with any other objective in mind and so cannot be relied upon for any other purposes. Save that a copy of our report may be provided to the Secretary of State for Business Energy and Industrial Strategy and the Gas and Electricity Market Authority and may be published on the Department of Business Energy and Industrial Strategy website, our Report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than NGET for this report or for the conclusions we have formed.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, slightly stylized font.

Deloitte LLP  
Chartered Accountants  
Edinburgh, United Kingdom

6 February 2017

## 2 Background and Context

### 2.1 Background

Electricity Market Reform (“EMR”) is intended, inter alia, to promote investment in low-carbon electricity generation and ensure security of supply. The Capacity Market will support achieving security of electricity supply by providing a payment for reliable sources of capacity. This will supplement generators’ electricity revenues, to ensure they deliver energy when needed. This is designed to encourage the investment needed to replace older power stations, provide backup for more intermittent and inflexible low carbon generation sources and support the development of more active demand management in the electricity market.

EMR has been implemented through the Energy Act 2013 and the Electricity Capacity Regulations 2014 (as amended) (“the Regulations”). The Capacity Market Rules 2014 (as amended) (“the Rules”) provide the technical and administrative detail for implementing the operating framework set out in the Regulations. As such, the Capacity Market Rules provide a description and procedures regarding the operation of the Capacity Market.

Unless otherwise specified herein, words and expressions used in this Report have the same meaning as defined in the Regulations and Rules.

### 2.2 Requirement for the Auction Monitor

In its role as Delivery Body (“DB”) for EMR, National Grid Electricity Transmission plc (“NGET”), pursuant to Chapter 5 of the Capacity Market Rules 2014 (as amended), is required to appoint a third party to monitor the conduct of each Capacity Auction, referred to as the Auction Monitor.

Under the Rules the Auction Monitor is required to provide a report (“Report”) to the Secretary of State for Business, Energy and Industrial Strategy (“the SoS”) with a copy to the Gas and Electricity Markets Authority (“the Authority”) which:

- Confirms the list of Bidders that should have been awarded a Capacity Agreement;
- Sets out whether or not the Auction Monitor considers that the Capacity Market DB and/or the Auctioneer has conducted the Capacity Auction in accordance with the Regulations and the Rules;
- If applicable, identifies any actual or potential breach of the Regulations or the Rules or other actual or potential irregularity in the conduct of the Capacity Auction by the Capacity Market DB and/or the Auctioneer; and
- If applicable, includes a review of the calculations made and the Auction Monitor’s assessment as to the likely consequences of such actual or potential breach or irregularity.

Under Rule 5.14.3(a) the Auction Monitor is required to provide the Report to the SoS. This will be achieved through the Auction Monitor providing the Report to the DB who will send it to the SoS and copy the Report to the Authority. We understand the SoS intends to publish this Report.

### 2.3 Basis on which work performed

Deloitte LLP has been engaged by NGET to perform the Auction Monitor role and report on the performance by NGET (in its role as Delivery Body for the EA) by providing a reasonable assurance opinion under the International Standard on Assurance Engagements (“ISAE”) 3000 in respect of the requirements for the Auction Monitor.

Our independent opinion has been prepared under the International Standard on Assurance Engagements (“ISAE”) 3000, which provides the structure and internationally recognised framework for undertaking the engagement, leading to a formal assurance opinion which is provided in Section 1 of this Report.

## **2.4 Report of Observations**

We have no observations to report relating to the DB's compliance with relevant parts of Chapter 5 of the Capacity Market Rules and the Data and Auction sections of the Capacity Market Auction Guidelines (the 'Auction Guidelines') dated 10 January 2017.

# 3 Confirmation of the list of Bidders to be awarded Capacity Agreements

The EA started at 09:00 on 31 January 2017 and the Clearing Round was round 14, which closed at 12:30 on 3 February 2017.

The Clearing Price of the EA was equal to £6.95, with the aggregate Bidding Capacity of Capacity Agreements of 54,433.634MW.

Based on the outcome of the EA and the Capacity Market Rules 2014 published on 1 August 2014 (as amended), we confirm that the following list of bidders and corresponding CMUs<sup>1</sup> to be awarded Capacity Agreements were successful in the EA.

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
Alkane Energy UK Limited	Alkane Energy UK Limited	ALKE08
	Alkane Energy UK Limited	ALKE09
	Alkane Energy UK Limited	ALKE10
	Regent Park Energy Limited	Brodsworth 2 & Askern 2
	Regent Park Energy Limited	ARPPR6
	Regent Park Energy Limited	ARPPR7
	Regent Park Energy Limited	Grimethorpe 1
	Regent Park Energy Limited	Hickleton 1
	Regent Park Energy Limited	ARPPR8
	Alkane Energy UK Limited	Bilsthorpe 2
	Alkane Energy UK Limited	Wheldale 2
	Alkane Energy UK Limited	Telford
	Alkane Energy CM Ltd	Haydock Park 1
	Alkane Energy CM Ltd	Kirkby 1
	Alkane Energy UK Limited	Markham Main 1
	Alkane Energy UK Limited	AUKPR6
	Alkane Energy UK Limited	AUKPR7

<sup>1</sup> Bidding Company/Group information is taken from the CM auction system.

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Alkane Energy UK Limited	AUKPR8
	Alkane Energy UK Limited	AUKPR9
Anglian Water Services Limited	Anglian Water Services Limited	ANGEA1
Ashford Power Ltd	Ashford Power Ltd	ASHFORD POWER
Attune Energy Limited	Attune Energy Limited	Plymouth A
British Sugar plc	British Sugar plc	Bury St Edmunds CHP
BritNed Development Limited	BritNed Development Limited	Britned Interconnector
Buxton Power Limited	Buxton Power Limited	BUXTON
BYGEN POWER (TREGREEN) LIMITED	BYGEN POWER (TREGREEN) LIMITED	Bygen Power (Tregreen)
Calon Energy Limited	Calon Energy Limited	Baglan-1
	Calon Energy Limited	Baglan-2
	Calon Energy Limited	Sutton Bridge
	Calon Energy Limited	Severn Power Unit 10
	Calon Energy Limited	Severn Power Unit 20
Cargill PLC	Cargill PLC	Cargill Manch Generation
Carrington Power Limited	Carrington Power Limited	Carrington_1
	Carrington Power Limited	Carrington_2
Centrica Barry Limited	British Gas Trading Limited	BGTL01
	British Gas Trading Limited	BGTL03
	GB Gas Holdings Ltd	CENEST
	GB Gas Holdings Ltd	CENEST2
	Centrica Brigg Limited	Brigg OCGT
	Centrica Barry Limited	Barry
	Centrica PB Limited	Peterborough
	Centrica SHB Limited	South Humber Bank
Centrica Langage Limited	T_LAGA-1	
Corby Power Limited	Corby Power Limited	Corby_1
Cornwall Energy Recovery Limited	Cornwall Energy Recovery Limited	Cornwall ERC
Coryton Energy Company Ltd	Coryton Energy Company Ltd	Coryton
Darent Power Limited	Darent Power Limited	Darent 1



<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
Drax Power Limited	Drax Power Limited	DRAX05
	Drax Power Limited	DRAX06
	Drax Power Limited	DRAX09
	Drax Power Limited	DRAX10
	Drax Power Limited	DRAX12
E.ON	E.ON UK Cogeneration Ltd	Bradford CHP
	E.ON UK Cogeneration Ltd	Castleford CCGT
	E.ON UK Plc	Community Energy Aggregation 002
	Citigen (London) Limited	Citigen CHP 001
	E.ON UK Plc	EON009
	E.ON UK Plc	EON011
	E.ON UK Plc	EON020
	E.ON UK Plc	EON024
	E.ON UK CHP Limited	POL CHP
	E.ON Connecting Energies Limited	Queens Medical Centre CHP
	E.ON UK Cogeneration Ltd	Sandbach CCGT
	E.ON UK Cogeneration Ltd	Thornhill CCGT
EDF Energy Customers plc	EDF Energy Customers plc	EDF Energy Smart Response CMU 2
	EDF Energy Customers plc	EDF Energy Smart Response CMU 3
EDF Energy Nuclear Generation Limited	EDF Energy Nuclear Generation Limited	Dungeness B Power Station CMU 21
	EDF Energy Nuclear Generation Limited	Dungeness B Power Station CMU 22
	EDF Energy Nuclear Generation Limited	Hinkley Point B Power Station CMU 7
	EDF Energy Nuclear Generation Limited	Hinkley Point B Power Station CMU 8
	EDF Energy Nuclear Generation Limited	Hartlepool Power Station CMU 1
	EDF Energy Nuclear Generation Limited	Hartlepool Power Station CMU 2
	EDF Energy Nuclear Generation Limited	Hunterston B Power Station CMU

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Limited	7
	EDF Energy Nuclear Generation Limited	Hunterston B Power Station CMU 8
	EDF Energy Nuclear Generation Limited	Heysham 1 Power Station CMU 1
	EDF Energy Nuclear Generation Limited	Heysham 1 Power Station CMU 2
	EDF Energy Nuclear Generation Limited	Heysham 2 Power Station CMU 7
	EDF Energy Nuclear Generation Limited	Heysham 2 Power Station CMU 8
	EDF Energy Nuclear Generation Limited	Sizewell B Power Station CMU 1
	EDF Energy Nuclear Generation Limited	Sizewell B Power Station CMU 2
	EDF Energy Nuclear Generation Limited	Torness Power Station CMU 1
	EDF Energy Nuclear Generation Limited	Torness Power Station CMU 2
EDF Energy plc	EDF Energy plc	Cottam Power Station CMU 1
	EDF Energy plc	Cottam Power Station CMU 2
	EDF Energy plc	Cottam Power Station CMU 3
	EDF Energy plc	Cottam Power Station CMU 4
	EDF Energy plc	West Burton A Power Station CMU 1
	EDF Energy plc	West Burton A Power Station CMU 2
	EDF Energy plc	West Burton A Power Station CMU 3
	EDF Energy plc	West Burton A Power Station CMU 4
	EDF Energy plc	West Burton B Power Station CMU 1
	EDF Energy plc	West Burton B Power Station CMU 2
	EDF Energy plc	West Burton B Power Station CMU 3
	EDF Energy plc	West Burton A Power Station Gas Turbine CMU 1

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	EDF Energy plc	West Burton A Power Station Gas Turbine CMU 4
Eggborough Power Limited	Eggborough Power Limited	Eggborough Power Station
EirGrid Interconnector Limited	EirGrid Interconnector Limited	EWIC
Endeco Technologies Limited	Endeco Technologies Limited	Endeco Technologies CMU1
Energy Pool UK limited	Energy Pool UK limited	EPO001
	Energy Pool UK limited	EPO002
	Energy Pool UK limited	EPO004
EnerNOC UK Limited	EnerNOC UK Limited	GCMU02
	EnerNOC UK Limited	GCMU03
	EnerNOC UK Limited	GCMU04
	EnerNOC UK Limited	GCMU05
	EnerNOC UK Limited	GCMU06
	EnerNOC UK Limited	GCMU07
	EnerNOC UK Limited	GCMU08
	EnerNOC UK Limited	GCMU09
	EnerNOC UK Limited	ECMUAH
	EnerNOC UK Limited	GCMU11
	EnerNOC UK Limited	GCMU14
	EnerNOC UK Limited	GCMU15
	EnerNOC UK Limited	GCMU17
	EnerNOC UK Limited	GCMU18
Esso Petroleum Company Limited	Esso Petroleum Company Limited	EPCo Fawley CMU
Exeter RP Limited	Exeter RP Limited	Asher Lane 1
	Exeter RP Limited	Manners Avenue 1
FCC Recycling (UK) Ltd	FCC Recycling (UK) Ltd	Allington EFW
	FCC Buckinghamshire Ltd	FCC Buckinghamshire Ltd
	FCC Recycling (UK) Ltd	Lincs EFW
	Mercia Waste Management Ltd	Mercia Waste Management Ltd
Ferrybridge MFE Limited	Ferrybridge MFE Limited	FM1
Flexitricity Limited	Flexitricity Limited	FLEX01

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Flexitricity Limited	FLEX02
	Flexitricity Limited	FLEX03
	Flexitricity Limited	FLEX04
	Flexitricity Limited	FLEX05
	Flexitricity Limited	FLEX06
	Flexitricity Limited	FLEX08
	Flexitricity Limited	FLEX09
	Flexitricity Limited	FLEX10
	Flexitricity Limited	FLEX11
	Flexitricity Limited	FLEX12
	Flexitricity Limited	FLEX13
	Flexitricity Limited	FLEX14
	Flexitricity Limited	FLEX18
	Flexitricity Limited	FLEX19
	Flexitricity Limited	FLEX20
	Flexitricity Limited	FLEX21
	Flexitricity Limited	FLEX22
	Flexitricity Limited	FLEX24
	Flexitricity Limited	FLEX25
	Flexitricity Limited	FLEX26
	Flexitricity Limited	FLEX27
	Flexitricity Limited	FLEX40
	Flexitricity Limited	FLEX41
	Flexitricity Limited	FLEX66
	Flexitricity Limited	FLEX67
	Flexitricity Limited	FLEX61
	Flexitricity Limited	FLEX62
	Flexitricity Limited	FLEX63
	Flexitricity Limited	FLEX64
	Flexitricity Limited	FLEX71
	Flexitricity Limited	FLEX74

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Flexitricity Limited	FLEX75
	Flexitricity Limited	FLEX77
	Flexitricity Limited	FLEX81
Fulcrum Power Ltd	Fulcrum Power Ltd	Whatley
GF Power Peaking Limited	GF Power Peaking Limited	Hirwaun and Dowlais
	GF Power Peaking Limited	Willoughby Peak CMU
Grangemouth CHP Limited	Grangemouth CHP Limited	Grangemouth CHP
Green Frog Power Limited	Green Frog Power Limited	Plymouth Main
Harworth Power Generation Limited	Harworth Power Generation Limited	Harworth
	Harworth Power Generation Limited	Kellingley
Imerys Minerals	Imerys Minerals	Crossley
	Imerys Minerals	Combined Diesel Sets
	Imerys Minerals	Par CHP's
	Imerys Minerals	Par Grade Dryer CHP
	Imerys Minerals	Treviscoe Dryer CHP
	Imerys Minerals	Rocks Dryer CHP
Industrial Energy Services Limited	Industrial Energy Services Limited	Humber
INEOS Nitriles (UK) Ltd	INEOS Nitriles (UK) Ltd	INEOS Nitriles (UK) Ltd
Infinis Alternative Energies Limited	Infinis Alternative Energies Limited	BROST1
	Infinis Alternative Energies Limited	BROST2
IPM Holdings (UK) Limited	First Hydro Company	Dinorwig Unit 1
	First Hydro Company	Dinorwig Unit 2
	First Hydro Company	Dinorwig Unit 3
	First Hydro Company	Dinorwig Unit 4
	First Hydro Company	Dinorwig Unit 5
	First Hydro Company	Dinorwig Unit 6
	First Hydro Company	Ffestiniog Unit 1
	First Hydro Company	Ffestiniog Unit 2
	First Hydro Company	Ffestiniog Unit 3

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	First Hydro Company	Ffestiniog Unit 4
	Indian Queens Power Limited	Indian Queens
	Saltend Cogeneration Company Limited	Saltend Units 1-3
Keystone Power Limited	Keystone Power Limited	Plymouth
KIWI POWER BATTERY LIMITED	KIWI POWER BATTERY LIMITED	CMU - New Build Generation KPBL01
KiWi Power Ltd	KiWi Power Ltd	CMU - Existing Generation KPEG03
LAKESIDE ENERGY FROM WASTE LIMITED	LAKESIDE ENERGY FROM WASTE LIMITED	Lakeside EFW
Limejump Ltd.	Limejump Ltd.	DSR_01
	Limejump Ltd.	DSR_02
	Limejump Ltd.	EXC_02
	Limejump Ltd.	EXC_03
	Limejump Ltd.	EXC_04
	Limejump Ltd.	EXC_05
	Limejump Ltd.	NBB_02
LondonWaste Limited	LondonWaste Limited	LondonWaste
Moyle Interconnector Ltd	Moyle Interconnector Ltd	Moyle Interconnector
National Grid Interconnectors Limited	National Grid Interconnectors Limited	Interconnexion France Angleterre
New Power Generation N04 Limited	New Power Generation N04 Limited	Northwick Peak
NG 1 Power Ltd	NG 1 Power Ltd	NG1POW
Nuclear Decommissioning Authority	Nuclear Decommissioning Authority	Maentwrog Hydro-electric Power Station
ORIGAMI ENERGY LIMITED	ORIGAMI ENERGY LIMITED	OEL CM 01
P3P Group	P3P Energy Management Limited	Europa Energy Centre
	P3P Energy Management AE Limited	Woodhouse Energy Centre
	The Isle of Wight Energy Company Limited	Main Site Energy Centre
Peak Gen Power 11 Limited	Peak Gen Power 11 Limited	Peak Gen Power 11
	Peak Gen Power 13 Limited	Peak Gen Power 13
	Peak Gen Power 14 Limited	Peak Gen Power 14

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Peak Gen Power 18 Limited	Peak Gen Power 18
	Peak Gen Power 2 Limited	Peak Gen Power 2
	Peak Gen Power 5 Limited	Peak Gen Power 5
	Peak Gen Power 6 Limited	Peak Gen Power 6
	W4B Renewable Energy Limited	Peak Gen Power W4B
Powertree (Holdings) Limited	Powertree (Foxwood Road) Limited	Foxwood Road
	Powertree (Sidings Road) Limited	Sidings Road
	Powertree (Taylor Lane) Limited	Taylor Lane Phase 3
Prime Energy Limited	Prime Energy Limited	Brampton6MW
Reserve Power Trading Limited	Reserve Power Trading Limited	Garnham Close 1
REstore Flexpond UK Limited	REstore Flexpond UK Limited	EA 17/18 REST01
	REstore Flexpond UK Limited	EA 17/18 REST02
	REstore Flexpond UK Limited	EA 17/18 REST03
	REstore Flexpond UK Limited	EA 17/18 REST04
	REstore Flexpond UK Limited	EA 17/18 REST05
	REstore Flexpond UK Limited	EA 17/18 REST07
	REstore Flexpond UK Limited	EA 17/18 REST08
	REstore Flexpond UK Limited	EA 17/18 REST09
Riverside Resource Recovery Limited	Riverside Resource Recovery Limited	RRRF01
Rocksavage Power Company Ltd	Rocksavage Power Company Ltd	Rocksavage
Rolls-Royce Power Development Limited	Rolls-Royce Power Development Limited	Bristol Energy
	Rolls-Royce Power Development Limited	Croydon Energy
	Rolls-Royce Power Development Limited	Derby Cogen Ltd
	Rolls-Royce Power Development Limited	Exeter Power
	Rolls-Royce Power Development Limited	Heartlands Power
	Rolls-Royce Power Development Limited	Heartlands Power
	Rolls-Royce Power Development Limited	Viking Power

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
RWE Cogen UK (Hythe) Ltd	RWE Cogen UK (Hythe) Ltd	CMU_HYTHE
RWE Cogen UK Ltd	RWE Cogen UK Ltd	CMU_CHEGT1
	RWE Cogen UK Ltd	CMU_SEALS-1
RWE Generation UK plc	RWE Generation UK plc	CMU_ABTH_7C
	RWE Generation UK plc	CMU_ABTH_8C
	RWE Generation UK plc	CMU_ABTH_9C
	RWE Generation UK plc	CMU_COWE1
	RWE Generation UK plc	CMU_COWE2
	RWE Generation UK plc	CMU_DIDC1G
	RWE Generation UK plc	CMU_DIDC2G
	RWE Generation UK plc	CMU_DIDC3G
	RWE Generation UK plc	CMU_DIDC4G
	RWE Generation UK plc	CMU_DIDCB5
	RWE Generation UK plc	CMU_DIDCB6
	RWE Generation UK plc	CMU_GYAR-1
	RWE Generation UK plc	CMU_LBAR-1
	RWE Generation UK plc	CMU_PEMB-11
	RWE Generation UK plc	CMU_PEMB-21
	RWE Generation UK plc	CMU_PEMB-31
	RWE Generation UK plc	CMU_PEMB-41
	RWE Generation UK plc	CMU_PEMB-51
	RWE Generation UK plc	CMU_STAY-1
	RWE Generation UK plc	CMU_STAY-2
RWE Generation UK plc	CMU_STAY-3	
RWE Generation UK plc	CMU_STAY-4	
ScottishPower Generation Limited	ScottishPower Generation Limited	Blackburn Mill
	ScottishPower Generation Limited	Cruachan
	ScottishPower Generation Limited	Damhead Creek
	ScottishPower Generation Limited	Glenlee Hydro
	ScottishPower Generation Limited	Kendoon Hydro
	ScottishPower Generation Limited	Rye House



<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	ScottishPower Generation Limited	Shoreham
	ScottishPower Generation Limited	Tongland Hydro
	ScottishPower Energy Retail Limited	SPERL DSR Unit 1
Seabank Power Limited	Seabank Power Limited	Seabank 1 and 2
Sembcorp Utilities (UK) Limited	Sembcorp Utilities (UK) Limited	Sembcorp Wilton GT1
	Sembcorp Utilities (UK) Limited	Sembcorp Wilton GT2
	Sembcorp Utilities (UK) Limited	Sembcorp Wilton ST11
SITA Northumberland Limited	SITA Northumberland Limited	STV Line 3 EfW
SITA South Tyne and Wear Limited	SITA South Tyne and Wear Limited	STV Lines 4 & 5 EfW
Spalding Energy Company Ltd	Spalding Energy Company Ltd	Spalding
SSE	SSEPG (Operations) Limited	Burghfield
	SSEPG (Operations) Limited	Chickerell
	SSEPG (Operations) Limited	Chippenham
	SSE Generation Ltd.	Clachan 1
	SSE Generation Ltd.	Clunie
	SSE Generation Ltd.	Errochty 1
	SSE Generation Ltd.	Errochty 2
	SSE Generation Ltd.	Errochty 3
	SSE Generation Ltd.	Fasnakyle 1
	SSE Generation Ltd.	Fasnakyle 2
	SSE Generation Ltd.	Fasnakyle 3
	Keadby Generation Limited	Fiddler's Ferry GT2
	Keadby Generation Limited	Fiddler's Ferry GT3
	Keadby Generation Limited	Fiddler's Ferry 2
	Keadby Generation Limited	Fiddler's Ferry 3
	Keadby Generation Limited	Fiddler's Ferry 4
	SSEPG (Operations) Limited	Five Oaks
	SSE Generation Ltd.	Foyers 1
	SSE Generation Ltd.	Foyers 2
	SSE Generation Ltd.	Glenmoriston
	SSE Generation Ltd.	Inverawe

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Keadby Generation Limited	Keadby 1 and GT3
	SSE Generation Ltd.	Luichart
	SSE Generation Ltd.	Lochay
	Medway Power Limited	Medway
	SSE Energy Supply Ltd.	Marchwood
	SSE Generation Ltd.	Rannoch 1
	SSE Generation Ltd.	Rannoch 2
	SSE Generation Ltd.	Rannoch 3
	SSE Generation Ltd.	Sloy 1
	SSE Generation Ltd.	Sloy 2
	SSE Generation Ltd.	Sloy 3
	SSE Generation Ltd.	Sloy 4
	SSEPG (Operations) Limited	Thatcham
	SSE Generation Ltd.	Tummel 1
	SSE Generation Ltd.	Tummel 2
	SSE Energy Supply Ltd.	Weston Point CHP
Statkraft Markets GmbH	Statkraft Markets GmbH	Rheidol Hydro Electric Power Plant Generator 2
	Statkraft Markets GmbH	Rheidol Hydro Electric Power Plant Generator 3
SUEZ RECYCLING AND RECOVERY KIRKLEES LTD	SUEZ RECYCLING AND RECOVERY KIRKLEES LTD	Kirklees EfW
	SUEZ RECYCLING AND RECOVERY SUFFOLK LTD	Suffolk EfW
	SUEZ RECYCLING AND RECOVERY TEES VALLEY LTD	STV Lines 1 and 2 EfW
TP LEASECO LIMITED	TP LEASECO LIMITED	Glasshouse Energy Centre
	TP LEASECO LIMITED	Harvest Energy Centre
UK Capacity Reserve Ltd	UK Capacity Reserve Ltd	Phoenix Power Station
	UK Capacity Reserve Ltd	Tonypandy Power Station
	UK Capacity Reserve Ltd	Transton Power Station
	UK Capacity Reserve Ltd	Nottage Power Station
	UK Capacity Reserve Ltd	Cynon Power Station

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	UK Capacity Reserve Ltd	Chelmsford Power Station
	UK Capacity Reserve Ltd	Canterbury East Power Station
	UK Capacity Reserve Ltd	Immingham Kings Power Station
	UK Capacity Reserve Ltd	Immingham Queens Power Station
	UK Capacity Reserve Ltd	Gloucester Canal Power Station
	UK Capacity Reserve Ltd	Dunstable Power Station
	UK Capacity Reserve Ltd	Mersey South West Power Station
	UK Capacity Reserve Ltd	Sheerness Power Station
	UK Capacity Reserve Ltd	Leeside Power Station
	UK Capacity Reserve Ltd	Coronation Power Station
	UK Capacity Reserve Ltd	Alexandra Power Station
	UK Capacity Reserve Ltd	Oldham Power Station
	UK Capacity Reserve Ltd	Bracknell Power Station
	UK Capacity Reserve Ltd	Neath Port Power Station
	UK Capacity Reserve Ltd	Long Barrow Power Station
UK Power Reserve Limited	UK Power Reserve Limited	Aberdare Power Station
	UK Power Reserve Limited	Bridgwater Power Station
	UK Power Reserve Limited	Sevington Power Station
	UK Power Reserve Limited	Solutia Power Station
	UK Power Reserve Limited	South Cornelly Power Station
	UK Power Reserve Limited	Styal Road Power Station
	UK Power Reserve Limited	Humber Power Station
	UK Power Reserve Limited	Cantelo Power Station
	UK Power Reserve Limited	Watson Street Power Station
	UK Power Reserve Limited	Cowley Hill Power Station
	UK Power Reserve Limited	Greengate Power Station
	UK Power Reserve Limited	Asfordby 2 Power Station
Uniper Global Commodities SE	Uniper Global Commodities SE	CDCL01
	Uniper Global Commodities SE	Connahs U1
	Uniper Global Commodities SE	Connahs U2
	Uniper Global Commodities SE	Connahs U3

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Uniper Global Commodities SE	Connahs U4
	Uniper Global Commodities SE	Enfield
	Uniper Global Commodities SE	Grain U6
	Uniper Global Commodities SE	Grain U7
	Uniper Global Commodities SE	Grain U8
	Uniper Global Commodities SE	Grain GT-1
	Uniper Global Commodities SE	Grain GT-4 (CEC Version)
	Uniper Global Commodities SE	Killingholme Module 1 T-1
	Uniper Global Commodities SE	Killingholme Module 2 T-1
	Uniper Global Commodities SE	Ratcliffe U2
	Uniper Global Commodities SE	Ratcliffe U4 and GT
	Uniper Global Commodities SE	Ratcliffe GT2
	Uniper Global Commodities SE	Taylor's Lane GT2 (99MW TEC)
	Uniper Global Commodities SE	Taylor's Lane GT3 (99MW TEC)
Urban Energy	Excel District Energy Company Limited	EDEC
	East London Energy Limited	CELEKY
	East London Energy Limited	CELEYS
	Leicester District Energy Company Limited	LDEC
	Southampton Geothermal Heating Company Limited	SGHC
	Birmingham District Energy Company Limited	BDEC
Veolia UK Limited	Veolia UK Limited	Broadgreen Hospital & Royal Liverpool Hospital CHPs
	Veolia UK Limited	CleanPower1
	Veolia UK Limited	Hampshire ERFs
	Veolia UK Limited	Newhaven ERF
	Veolia UK Limited	Southampton General Hospital CHP
	Veolia UK Limited	Shropshire ERF and standby gen
	Veolia UK Limited	Tyseley ERF
Viridis 178 Ltd	Viridis 178 Ltd	Drover

<b>Bidding Company / Group</b>	<b>Name of Applicant per CM Register</b>	<b>CM Unit Name per CM Register</b>
	Viridis 178 Ltd	Lester Way
	Viridis 178 Ltd	Letchworth
	Viridis 178 Ltd	Redfield Road A
	Viridis 178 Ltd	Peny
	Viridis 178 Ltd	Water Lane
	Viridis 178 Ltd	Barton Hill
	Viridis 178 Ltd	Plymouth Rock
	Viridis 178 Ltd	Sudmeadow A
	Viridis 178 Ltd	Sudmeadow B
	Viridis 178 Ltd	Sudmeadow C
	Viridis 178 Ltd	Trafalgar Park A
	Viridis 178 Ltd	Trafalgar Park B
Viridor Waste Management Limited	Viridor Waste Management Limited	Ardley ERF
	Viridor Waste Management Limited	Cardiff ERF
	Viridor Waste Management Limited	Exeter ERF
VPI Immingham LLP	VPI Immingham LLP	Immingham CHP
Waterswallows Energy Limited	Waterswallows Energy Limited	water1
Welsh Power - All CMU's	Cadoxton Reserve Power Limited	Cadoxton Power
	Cynon Power Limited	Cynon Power
	Dafen Reserve Power Limited	Dafen Power
	Harbourne Power Limited	Harbourne Power
	Larigan Power Limited	Larigan Power
	Nevern Power Limited	Nevern Power
	Redlake Power Limited	Redlake Power
	Selby Power Limited	Selby Power
	Tillingham Power Limited	Tillingham Power
West London Energy Recovery Limited	West London Energy Recovery Limited	Sevenside ERC
Winnington CHP Limited	Winnington CHP Limited	Winnington CHP

# 4 Appendix A – In-scope Capacity Market Rules (Chapter 5)

The following rules included in Chapter 5 of the Capacity Market Rules were considered in performing the assurance work.

- Rule 5.3 on the ability of qualified parties to participate in the Capacity Auction
- Rule 5.4 on CMUs excluded from the Capacity Auction
- Rules 5.5.1 to 5.5.4 and 5.11 on the scheduled timing and duration of the Capacity Auction
- Rules 5.5.5 to 5.5.9 on the Capacity Auction format and starting price
- Rule 5.5.10 on the publication of pre-auction information
- Rules 5.5.11 to 5.5.13 on Demand Side Response CMUs and Bidding Capacity
- Rules 5.5.14 to 5.5.17 on the consistency of the register with the pre-qualified parties
- Rules 5.5.18 to 5.5.20 on the information provided in each round by Auctioneer
- Rule 5.5.21 on the use of backup systems during the Capacity Auction
- Rules 5.6 to 5.9 on the calculation of the Capacity Auction results
- Rule 5.10 on the list of bidders to be awarded Capacity Agreements
- Rule 5.14 on the Auction Monitor role

# 5 Appendix B – Outline of Work Performed

The specific procedures performed were as follows.

Ref	CM Rule clause	Independent checks
1	n/a	Check that the version of the Auction System used in the Auction is the same version accepted following User Acceptance Testing (UAT).
2	n/a	Check that security controls are in place to prevent unauthorised access to the Auction System. <ul style="list-style-type: none"> <li>• Confirm that UAT included consideration of security processes.</li> <li>• Confirm that all users are required to have a password and PIN.</li> <li>• Confirm from the audit log that all authorised individuals that viewed the CMUs of an organisation were associated to that organisation.</li> </ul>
3	5.3	Check that those Bidders and CMUs that were allowed to participate in the Capacity Auction had the correct access and information loaded on to the Auction System by: <ul style="list-style-type: none"> <li>• Obtaining a register of qualifying CMUs, with their relevant features, which intend to participate in the Capacity Auction.</li> <li>• Comparing the register to the list of CMUs on the Auction System and confirming that there have been neither additions to nor omissions from the list.</li> <li>• Liaising with the Auctioneer throughout the Auction as to whether they have identified any disqualified CMUs and, if so, confirming that these have been treated as required by clause 5.3.3.</li> </ul>
4	5.4	Check that excluded CMUs do not have access to the Auction System by: <ul style="list-style-type: none"> <li>• Obtaining list of CMUs that have been withdrawn from a Capacity Auction and register of qualifying CMUs.</li> <li>• Comparing the register to list of CMUs on the Auction System and confirming that those CMUs that have been withdrawn are not included in the Auction System, or that their ability to submit an Exit Bid has been withdrawn.</li> </ul>
5	5.5.1 – 5.5.4 5.11 (if applicable)	Check on the timing and duration of the Capacity Auction by: <ul style="list-style-type: none"> <li>• Confirming that the Capacity Auction was held on the date specified in the Auction Guidelines, with minimal delays.</li> <li>• If the Auction was not completed within 5 working days of the first Bidding Window, confirming that the Secretary of State was notified by the Auctioneer.</li> </ul>
6	5.5.5 – 5.5.9	Check that the Capacity Auction was run in line with Rules 5.5.5 and 5.5.9 by: <ul style="list-style-type: none"> <li>• Confirming that the Capacity Auction was run in a manner aligned with the Rules: on a descending clock basis, with a series of price spread Bidding Rounds of decrements as specified in the Secretary of State’s letter on 6 July 2016 as amended 27 October 2016, concluding only once the Capacity Auction clears.</li> <li>• Confirming that these spreads are expressed as a range from the Bidding Round Price Cap to the Bidding Round Price Floor, and that the Bidding Round Price Cap of the first round is equal to the Price Cap for the Auction.</li> <li>• Confirming that the price cap for round n+1 is equal to price floor to round n for all rounds as per rule 5.5.7.</li> <li>• Reproducing the calculation of Clearing Price and the aggregate Bidding Capacity at the Clearing Price.</li> </ul>
7	5.5.10	Check that, at least 15 Working Days before the first Bidding Round, the Delivery Body published the date and time on which the Capacity Auction would start, the identity and De-rated Capacity of all Prequalified CMUs, and the identity of the Auction Monitor.
8	5.5.11 – 5.5.13	Check that, for each Demand Side Response CMU (DSR CMU), Bidding Capacity equals De-rated Capacity unless the DSR CMU nominated a lower capacity at least 10 Working Days before the first Bidding Window.

<b>Ref</b>	<b>CM Rule clause</b>	<b>Independent checks</b>
9	5.5.14 – 5.5.17	<p>Check that the correct information for Prequalified New Build CMUs, Refurbishing CMUs and DSR CMUs has been correctly uploaded to the IT Auction System by:</p> <ul style="list-style-type: none"> <li>• Confirming that the register provided for Rule 5.3 only includes those Prequalified New Build CMUs, Refurbishing CMUs and DSR CMUs that confirmed their intention to participate in the Capacity Auction between 15 and 10 Working Days before the first Bidding Window.</li> <li>• Confirming that the features contained in the register include the duration of Capacity Agreements at the Price Cap for New Build CMUs and Refurbishing CMUs.</li> <li>• Confirming that the system has recorded both the Refurbishing CMU and the Pre-Refurbishment CMU for any Applicant which confirmed that it wanted to participate with its Pre-Refurbishment CMU.</li> </ul>
10	5.5.18 – 5.5.20	<p>Check that the running of the Auction was in line with the Rules, namely:</p> <ul style="list-style-type: none"> <li>• For each round that is not the first bidding round, the Auctioneer announced the Bidding Round Price Spread, the Clearing Capacity at the Bidding Round Price Floor, and the Excess Capacity to the nearest 1 GW (or if the Excess Capacity is below 1GW, the Auctioneer announced that the Excess Capacity is below 1 GW) at the start of the round.</li> <li>• For each round Excess Capacity at price floor was calculated and displayed correctly on the Auction system for each round in line with 5.5.18.</li> <li>• For each round the Auctioneer specified in advance the time that the Bidding Round would begin and end.</li> </ul>
11	5.5.21	<p>Check that backup systems are in place to submit bids and that these include safeguards to ensure that the correct bid is submitted. Observe and confirm with the Auctioneer whether the backup systems have been used to submit bids during the Capacity Auction. Review log of calls made/received by the Auctioneer during the Auction.</p>
12	5.6 – 5.9	<p>Independently reapply the relevant Capacity Market Rules to calculate the Capacity Auction clearing price and confirm the identification of each CMU to be awarded a Capacity Agreement.</p> <ul style="list-style-type: none"> <li>• Obtain full details of Exit Bids and Duration Bid Amendments from Delivery Body.</li> <li>• Independently reapply the auction rules, as detailed within the Capacity Market Rules 2014 (as amended), and compare the results to those calculated by the Delivery Body. To minimise differences, use the random number generated by the Delivery Body in the case of a tie-break. If differences are identified in the results, review with the Delivery Body and obtain explanations for these differences.</li> <li>• Review Auction System UAT to check the random number process that is applied for the Auction.</li> </ul>
13	5.10	<p>Confirm that the DB has notified Bidders and the SoS of the provisional results. Confirm that the DB has published the provisional clearing price and the provisional aggregated Bidding Capacity of Capacity Agreements awarded within 24 hours of the auction clearing. Compare the results provided by the DB to the Bidders and the SoS and published to the results of our independent reapplication of the auction rules from the previous procedure. Obtain explanations for any differences.</p>
14	5.14	<p>Confirm read-only access has been provided to the Auction System for the Auction Monitor throughout the Capacity Auction. Document details of any discussion with Delivery Body of any potential breach identified by the Auction Monitor. Document details of any views expressed by the Auction Monitor following a request by the Delivery Body.</p>





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