

T-4 Capacity Market Auction 2015
Auction Monitor Report

14 December 2015



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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.

To: The Board of Directors of NGET

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 16 November 2015. In particular, we have considered the rules included in Chapter 5 of the Capacity Market Rules as listed in Appendix A. The detailed Capacity Market Rules are available here: <https://www.ofgem.gov.uk/publications-and-updates/decision-statutory-consultation-amendments-capacity-market-rules> . In the context of this Report the actions of the DB in performing the T-4 Capacity Market Auction 2015 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 a T-4 Capacity Market Auction 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 T-4 Capacity Market Auction 2015 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 11 May 2015.

1.5 Opinion

In our opinion the actions performed by NGET, in its role as the Capacity Market Delivery Body for Electricity Market Reform, have 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 T-4 Capacity Market Auction 2015 held between 09:00 on 8 December 2015 and 16:30 on 10 December 2015.

A list of the Bidders and corresponding Capacity Market Units (“CMUs”) to be awarded Capacity Agreements following the T-4 Capacity Market Auction 2015 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 11 May 2015. 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 Energy and Climate Change and the Gas and Electricity Market Authority and may be published on the Department of Energy and Climate Change 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

14 December 2015

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 ("AM").

Under the Rules the Auction Monitor is required to provide a report ("Report") to the Secretary of State for Energy and Climate Change ("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 AM 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 AM'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 T-4 Capacity Market Auction 2015) 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 16 November 2015.

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

The T-4 Capacity Market Auction 2015 started at 09:00 on 8 December 2015 and the Clearing Round was round 12, which closed at 16:30 on 10 December 2015.

The Clearing Price of the T-4 Capacity Market Auction 2015 was equal to £18.00, with the aggregate Bidding Capacity of Capacity Agreements of 46,353.569MW.

Based on the outcome of the T-4 Capacity Market Auction 2015 and the Capacity Market Rules 2014 published on 1 August 2014 (as amended), we confirm that the following list of bidders and corresponding CMUs¹ to be awarded Capacity Agreements were successful in the T-4 Capacity Market Auction 2015.

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
Alkane Energy	Darent Power Limited	Darent 1
	Alkane Energy UK Limited	Hem Heath 1 & Manvers 1
	Regent Park Energy Limited	Houghton Main 1
	Regent Park Energy Limited	Grimethorpe 1
	Regent Park Energy Limited	Hickleton 1
	Rhymney Power Limited	Rhymney 1
	Alkane Energy UK Limited	Staveley 1
	Alkane Energy UK Limited	Haydock Park 1
	Alkane Energy UK Limited	Cardiff 2
	Alkane Energy UK Limited	Shirebrook 1
	Alkane Energy UK Limited	Toray 1 & Markham 1
	Alkane Energy UK Limited	Wheldale 1
	Alkane Energy UK Limited	Shirebrook 2 & Warsop 2
	Ashford Power Ltd	Ashford Power Ltd
Attune Energy Limited	Attune Energy Limited	Plymouth A
Balance Power Limited	Balance Power Limited	Crumlin
Beaufort Power Ltd	Beaufort Power Ltd	Beaufort Power
Brecon Power Ltd	Brecon Power Ltd	Brecon Power
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
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
Carrington Power Limited	Carrington Power Limited	Carrington_1
	Carrington Power Limited	Carrington_2
Centrica Plc.	Centrica Langage Limited	T_LAGA-1
	Centrica SHB Limited	T_SHBA-1
	Centrica SHB Limited	T_SHBA-2
Curzon Lodge Energy Limited	Curzon Lodge Energy Limited	CURZ01
Drax Power Limited	Drax Power Limited	DRAX05
	Drax Power Limited	DRAX06
	Drax Power Limited	DRAX09
	Drax Power Limited	DRAX10

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

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
	Drax Power Limited	DRAX12
E.ON Global Commodities SE	E.ON Global Commodities SE	CDCL01
	E.ON Global Commodities SE	Connahs U1
	E.ON Global Commodities SE	Connahs U2
	E.ON Global Commodities SE	Connahs U3
	E.ON Global Commodities SE	Connahs U4
	E.ON Global Commodities SE	Enfield
	E.ON Global Commodities SE	Grain GT-1
	E.ON Global Commodities SE	Grain GT-4
	E.ON Global Commodities SE	Grain U6
	E.ON Global Commodities SE	Grain U7
	E.ON Global Commodities SE	Grain U8
	E.ON Global Commodities SE	Ratcliffe GT2
	E.ON Global Commodities SE	Ratcliffe GT4
	E.ON Global Commodities SE	Ratcliffe U1
	E.ON Global Commodities SE	Ratcliffe U2
	E.ON Global Commodities SE	Ratcliffe U3
	E.ON Global Commodities SE	Ratcliffe U4
	E.ON Global Commodities SE	Taylor's Lane GT2
	E.ON Global Commodities SE	Taylor's Lane GT3
E.ON UK Cogeneration Ltd	E.ON UK Cogeneration Ltd	Bradford CHP
	E.ON UK Cogeneration Ltd	Castleford CCGT
	E.ON UK Cogeneration Ltd	Sandbach CCGT
	E.ON UK Cogeneration Ltd	Thornhill CCGT
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	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	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 7
	EDF Energy Nuclear Generation Limited	Hunterston B 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	West Burton A Power Station Gas Turbine CMU 1
	EDF Energy plc	West Burton A Power Station Gas Turbine CMU 4
	EDF Energy plc	West Burton B Power Station CMU 1

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
	EDF Energy plc	West Burton B Power Station CMU 2
	EDF Energy plc	West Burton B Power Station CMU 3
Energy Pool UK limited	Energy Pool UK limited	EPO031
EnerNOC UK Limited	EnerNOC UK Limited	2019/20 T-4 CMU1
	EnerNOC UK Limited	2019/20 T-4 CMU2
	EnerNOC UK Limited	2019/20 T-4 CMU3
	EnerNOC UK Limited	2019/20 T-4 CMU4
	EnerNOC UK Limited	2019/20 T-4 CMU5
Esso Petroleum Company Limited	Esso Petroleum Company Limited	EPCo Fawley CMU
FCC Mercia Group	FCC Buckinghamshire Ltd	FCC Buckinghamshire Ltd
	FCC Recycling (UK) Ltd	Allington and Lincs EFW
	Mercia Waste Management Ltd	Mercia Waste Management Ltd
Ferrybridge MFE Limited	Ferrybridge MFE Limited	FM1
First Renewable Alpha Limited	First Renewable Alpha Limited	FIRST RENEWABLE ALPHA LIMITED
First Renewable Gamma Limited	First Renewable Gamma Limited	First Renewable Gamma Limited
Flexitricity Limited	Flexitricity Limited	FLEX01
	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	FLEX15
	Flexitricity Limited	FLEX16
	Flexitricity Limited	FLEX18
	Flexitricity Limited	FLEX19
	Flexitricity Limited	FLEX20
	Flexitricity Limited	FLEX21
	Flexitricity Limited	FLEX40
	Flexitricity Limited	FLEX41
	Flexitricity Limited	Nevis
	Flexitricity Limited	Vorlich
	Flexitricity Limited	Tinto
	Flexitricity Limited	Ledi
	Flexitricity Limited	Vrackie
	Flexitricity Limited	Tolmount
	Flexitricity Limited	Conival
	Flexitricity Limited	Slioch
	Flexitricity Limited	Cranstackie
	Flexitricity Limited	Arkle
	Flexitricity Limited	Gulvain
	Flexitricity Limited	Canisp
	Flexitricity Limited	Malcolm
	Flexitricity Limited	Macbeth
Fulcrum Power Ltd	Fulcrum Power Ltd	Whatley
GF Power Peaking Limited	GF Power Peaking Limited	Briton Ferry Peak CMU
	GF Power Peaking Limited	Flatworth Peak
	GF Power Peaking Limited	Hirwaun and Dowlais Aggregated Peak CMU
	GF Power Peaking Limited	Hull Peak

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
	GF Power Peaking Limited	Plymouth Peak CMU
	GF Power Peaking Limited	Tir John Peak CMU
	GF Power Peaking Limited	Tregaron Peak CMU
	GF Power Peaking Limited	Willoughby Peak CMU
Grangemouth CHP Limited	Grangemouth CHP Limited	Grangemouth CHP
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
InterGen Group	Coryton Energy Company Ltd	Coryton
	Rocksavage Power Company Ltd	Rocksavage
	Spalding Energy Company Ltd	Spalding
IPM Holdings (UK) Ltd	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
	Indian Queens Power Limited	Indian Queens
	Saltend Cogeneration Company Limited	Saltend Units 1-3
Keystone Power Limited	Keystone Power Limited	Plymouth
Leaffield Energy Limited	Leaffield Energy Limited	Leaffield Energy Limited
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
Noriker Power Ltd	Noriker Power Ltd	Perseverance
	Noriker Power Ltd	Staunch
	Noriker Power Ltd	Purity
	Noriker Power Ltd	Waterloo
Npower Cogen (Hythe) Limited	Npower Cogen (Hythe) Limited	CMU_HYTHE
Npower Cogen Limited	Npower Cogen Limited	CMU_BDGW-1
	Npower Cogen Limited	CMU_SEALS-1
Nuclear Decommissioning Authority	Nuclear Decommissioning Authority	Fellside CHP Power Station
	Nuclear Decommissioning Authority	Maentwrog Hydro-electric Power Station
P3P Group	P3P Energy Management Limited	Europa Energy Centre
	P3P Energy Management AE Limited	Woodhouse Energy Centre
Peak Gen Power Group	Peak Gen Power 12 Limited	Peak Gen Power 12
	Peak Gen Power 15 Limited	Peak Gen Power 15
	Peak Gen Power 16 Limited	Peak Gen Power 16
	Peak Gen Power 18 Limited	Peak Gen Power 18
	Peak Gen Power 21 Limited	Peak Gen Power 21
	Peak Gen Power 22 Limited	Peak Gen Power 22
	Peak Gen Power 8 Limited	Peak Gen Power 8
Plutus Energy LTD	Plutus Energy LTD	Selby
Power Balancing Services (Garnham Close) Limited	Power Balancing Services (Garnham Close) Limited	Garnham Close Phase 2
Power Balancing Services Limited	Power Balancing Services Limited	Fowxwood Road Phase 1
	Power Balancing Services Limited	Sidings Road Phase 1
Rolls-Royce Power Development Limited	Rolls-Royce Power Development Limited	Bristol Energy
	Rolls-Royce Power Development Limited	Croydon Energy

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
	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
RWE Generation UK plc	RWE Generation UK plc	CMU_ABTH_MAIN
	RWE Generation UK plc	CMU_COWE1
	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 (DCL) Limited	ScottishPower Generation Limited	Blackburn Mill
	ScottishPower Generation Limited	Cruachan
	ScottishPower (DCL) Limited	Damhead Creek
	ScottishPower Generation Limited	Glenlee Hydro
	ScottishPower Generation Limited	Kendoon Hydro
	ScottishPower Generation Limited	Rye House
	ScottishPower (SCPL) Limited	Shoreham
	ScottishPower Generation Limited	Tongland Hydro
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 ST11
SITA (Kirklees) Limited	SITA (Kirklees) Limited	Kirklees EfW
SITA Cornwall Limited	SITA Cornwall Limited	Cornwall ERC
SITA Suffolk Limited	SITA Suffolk Limited	Suffolk EfW
SITA Tees Valley Limited	SITA Tees Valley Limited	STV Lines 1 and 2 EfW
SITA West London Limited	SITA West London Limited	Sevenside ERC
SSE Group	SSEPG (Operations) Limited	Burghfield
	SSE Generation Ltd.	Deanie 1
	SSE Generation Ltd.	Deanie 2
	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
	SSE Generation Ltd.	Foyers 1

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
	SSE Generation Ltd.	Foyers 2
	SSE Generation Ltd.	Glenmoriston
	SSE Generation Ltd.	Inverawe
	Keadby Generation Limited	Keadby
	Keadby Generation Limited	Keadby 3
	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
	SSE Energy Supply Ltd.	SSE DSR Unit 1
	SSEPG (Operations) Limited	Thatcham
	SSE Generation Ltd.	Tummel 1
	SSE Generation Ltd.	Tummel 2
Statkraft Markets GmbH	Statkraft Markets GmbH	Rheidol Hydro Electric Power Plant Generator 2
	Statkraft Markets GmbH	Rheidol Hydro Electric Power Plant Generator 3
Sudmeadow Limited	Sudmeadow Limited	Sudmeadow A
	Sudmeadow Limited	Sudmeadow B
	Sudmeadow Limited	Sudmeadow C
TP LEASECO LIMITED	TP LEASECO LIMITED	Glasshouse Energy Centre
	TP LEASECO LIMITED	Harvest Energy Centre
Trafalgar Park Power Limited	Trafalgar Park Power Limited	Trafalgar Park A
	Trafalgar Park Power Limited	Trafalgar Park B
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 Strategic Reserve Limited	UK Strategic Reserve Limited	Rhymney Power Station
	UK Strategic Reserve Limited	Wildmill Power Station
	UK Strategic Reserve Limited	Lodge West Power Station
	UK Strategic Reserve Limited	Cadishead Power Station
	UK Strategic Reserve Limited	Swansea Power Station
	UK Strategic Reserve Limited	Thurrock Power Station
	UK Strategic Reserve Limited	Cardiff Seawall Power Station
	UK Strategic Reserve Limited	Asfordby 3 Power Station
VEOLIA UK Limited	VEOLIA UK Limited	DCPS01
	VEOLIA UK Limited	Hampshire ERFs
	VEOLIA UK Limited	Newhaven ERF
	VEOLIA UK Limited	Staffordshire ERF & Standby gen
VPI Immingham LLP	VPI Immingham LLP	Immingham CHP
Waterswallows Energy Limited	Waterswallows Energy Limited	water1
Watt Power	Prime Energy Development Limited	Alfreton
	Prime Energy Development Limited	Belfield

Bidding Company / Group	Name of Applicant per CM Register	CM Unit Name per CM Register
	Prime Energy Development Limited	Cefn Mawr
	Prime Energy Development Limited	Checkerhouse
	Prime Energy Development Limited	Four Crosses
	Prime Energy Development Limited	Hinksford
	Prime Energy Development Limited	Hyde
Wednesbury Power Ltd	Wednesbury Power Ltd	Wednesbury Power
Welsh Power Main Company	Cadoxton Reserve Power Limited	Cadoxton Power
	Dafen Reserve Power Limited	Dafen Power
	Harbourne Power Limited	Harbourne Power
	Larigan Power Limited	Larigan Power
	Redlake Power Limited	Redlake Power
	Selby Power Limited	Selby Power
	Tillingham Power Limited	Tillingham Power
Winnington CHP Limited	Winnington CHP Limited	WINCHP

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

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	<p>Check that security controls are in place to prevent unauthorised access to the Auction System.</p> <ul style="list-style-type: none"> • Confirm that UAT included consideration of security processes. • Confirm that all users are required to have a password and PIN. • Confirm from the audit log that all authorised individuals that viewed the CMUs of an organisation were associated to that organisation.
3	5.3	<p>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 IT Auction System by:</p> <ul style="list-style-type: none"> • Obtaining a register of qualifying CMUs, with their relevant features, which intend to participate in the Capacity Auction. • 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. • 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.
4	5.4	<p>Check that excluded CMUs do not have access to the IT Auction System by:</p> <ul style="list-style-type: none"> • Obtaining list of CMUs that have been withdrawn from a Capacity Auction and register of qualifying CMUs. • 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.
5	5.5.1 – 5.5.4 5.11 (if applicable)	<p>Check on the timing and duration of the Capacity Auction by:</p> <ul style="list-style-type: none"> • Confirming that the Capacity Auction was held on the date specified in the Auction Guidelines, with minimal delays. • 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.

Ref	CM Rule clause	Independent checks
6	5.5.5 – 5.5.9	<p>Check that the Capacity Auction was run in line with Rules 5.5.5 and 5.5.9 by:</p> <ul style="list-style-type: none"> • 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 29 June 2015 as amended 12 October 2015, concluding only once the Capacity Auction clears. • 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. • 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. • Reproducing the calculation of Clearing Price and the aggregate Bidding Capacity at the Clearing Price.
7	5.5.10	<p>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.</p>
8	5.5.11 – 5.5.13	<p>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.</p>
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"> • 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. • 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. • 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.
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"> • 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. • 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. • For each round the Auctioneer specified in advance the time that the Bidding Round would begin and end.

Ref	CM Rule clause	Independent checks
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.</p> <p>Observe and confirm with the Auctioneer whether the backup systems have been used to submit bids during the Capacity Auction.</p> <p>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"> • Obtain full details of Exit Bids and Duration Bid Amendments from Delivery Body. • 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. • Review Auction System UAT to check the random number process that is applied for the Auction.
13	5.10	<p>Confirm that the DB has notified Bidders and the SoS of the provisional results.</p> <p>Compare the results provided by the DB to the Bidders and the SoS 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.</p> <p>Document details of any discussion with Delivery Body of any potential breach identified by the Auction Monitor.</p> <p>Document details of any views expressed by the Auction Monitor following a request by the Delivery Body.</p>

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