

# **CONSOLIDATED VERSION OF THE CAPACITY MARKET RULES**

**14 JULY 2016**

**ELECTRICITY**

**AMENDMENTS TO THE CAPACITY MARKET RULES 2014**

## Table of Contents

Contents	Page
CHAPTER 1: GENERAL PROVISIONS .....	1
1.1 Citation and commencement.....	1
1.2 Definitions .....	1
1.3 Interpretation.....	38
1.3A Sole director companies .....	38
1.4 Times and dates.....	38
1.5 Hierarchy of documents.....	38
1.6 Notices .....	39
1.7 Waiver .....	39
1.8 Assignment .....	39
1.9 Language.....	39
CHAPTER 2: AUCTION GUIDELINES AND DE-RATING.....	40
2.1 Purpose of this Chapter .....	40
2.2 Capacity Auction Timetable and Guidelines .....	40
2.3 De-rating of CMUs.....	41
CHAPTER 3: PREQUALIFICATION INFORMATION .....	45
3.1 Purpose of this Chapter .....	45
3.2 Identifying the Applicant for a CMU.....	45
3.3 Submitting an Application for Prequalification .....	46
3.4 Information to be provided in all Applications .....	49
3.5 Determining the Connection Capacity of a Generating CMU.....	52
3.5A Determining the Connection Capacity of an Interconnector CMU .....	54
3.5B Clarifications for determining the Connection Capacity of CMUs .....	54
3.6 Additional Information for an Existing Generating CMU.....	55
3.6A Additional information for an Existing Interconnector CMU.....	58
3.6B Additional Information for an Existing or Prospective Interconnector CMU.....	59
3.6C Additional Information for a New Build Interconnector CMU.....	59

<b>3.7</b>	<b>Additional Information for a New Build CMU</b> .....	<b>59</b>
<b>3.8</b>	<b>Additional Information for a Refurbishing CMU</b> .....	<b>63</b>
<b>3.9</b>	<b>Additional Information for a Proven DSR CMU</b> .....	<b>64</b>
<b>3.10</b>	<b>Additional Information for an Unproven DSR CMU</b> .....	<b>65</b>
<b>3.10A</b>	<b>Applications for a Supplementary Auction: Connection Arrangements</b> .....	<b>67</b>
<b>3.11</b>	<b>Opt-out Notifications</b> .....	<b>67</b>
<b>3.12</b>	<b>Declaration to be made when submitting an Application</b> .....	<b>68</b>
<b>3.13</b>	<b>Application process for Secondary Trading Entrants</b> .....	<b>69</b>
<b>3.14</b>	<b>Retention of Applications and Opt-out Notifications by the Delivery Body</b> .....	<b>69</b>
<b>CHAPTER 4: DETERMINATION OF ELIGIBILITY</b> .....		<b>70</b>
<b>4.1</b>	<b>Purpose of this Chapter</b> .....	<b>70</b>
<b>4.2</b>	<b>Delivery Body to assess the completeness of an Application</b> .....	<b>70</b>
<b>4.3</b>	<b>Delivery Body to review complete Applications</b> .....	<b>70</b>
<b>4.4</b>	<b>Decisions to be made by the Delivery Body</b> .....	<b>71</b>
<b>4.5</b>	<b>Notification of Prequalification decision to Applicants</b> .....	<b>73</b>
<b>4.5A</b>	<b>New Build Interconnector CMU and Unproven DSR CMU: Applicant Credit Cover</b> .....	<b>74</b>
<b>4.5B</b>	<b>New Build Interconnector CMU and Unproven DSR CMU: provision of Applicant Credit Cover by Capacity Provider</b> .....	<b>75</b>
<b>4.5C</b>	<b>Applicant Credit Cover: notices to Delivery Body</b> .....	<b>76</b>
<b>4.6</b>	<b>Conditional Prequalification – Applicant Credit Cover</b> .....	<b>76</b>
<b>4.7</b>	<b>Conditional Prequalification – Planning Consents</b> .....	<b>77</b>
<b>4.8</b>	<b>Provision of a Price-Maker Memorandum and Certificate by Applicants</b> .....	<b>77</b>
<b>4.9</b>	<b>Notification of Prequalification decision to Secondary Trading Entrants</b> .....	<b>78</b>
<b>4.10</b>	<b>Disputes relating to Prequalification</b> .....	<b>78</b>
<b>4.11</b>	<b>Changes to the Auction Parameters</b> .....	<b>78</b>
<b>CHAPTER 5: CAPACITY AUCTIONS</b> .....		<b>80</b>
<b>5.1</b>	<b>Purpose of this Chapter</b> .....	<b>80</b>
<b>5.2</b>	<b>The role of the Auctioneer</b> .....	<b>80</b>
<b>5.3</b>	<b>Qualification to bid in the Capacity Auction</b> .....	<b>80</b>

<b>5.4</b>	<b>Disqualification from future bid submission .....</b>	<b>80</b>
<b>5.5</b>	<b>Capacity Auction format .....</b>	<b>81</b>
<b>5.6</b>	<b>Duration Bids in a Capacity Auction.....</b>	<b>83</b>
<b>5.7</b>	<b>Continuing Bids in a Capacity Auction .....</b>	<b>84</b>
<b>5.8</b>	<b>Exit Bids in a Capacity Auction .....</b>	<b>85</b>
<b>5.9</b>	<b>Capacity Auction clearing.....</b>	<b>85</b>
<b>5.10</b>	<b>Capacity Auction results.....</b>	<b>88</b>
<b>5.11</b>	<b>Capacity Auction suspension or cancellation .....</b>	<b>89</b>
<b>5.12</b>	<b>Prohibition on Market Manipulation.....</b>	<b>90</b>
<b>5.13</b>	<b>Prohibition on other unreasonable business methods .....</b>	<b>90</b>
<b>5.14</b>	<b>Auction Monitor and Audit of Capacity Auctions .....</b>	<b>91</b>
	<b>CHAPTER 6: CAPACITY AGREEMENTS .....</b>	<b>93</b>
<b>6.1</b>	<b>Purpose of this Chapter .....</b>	<b>93</b>
<b>6.2</b>	<b>Nature of Capacity Agreement Notices and Capacity Agreements .....</b>	<b>93</b>
<b>6.3</b>	<b>Issuing Capacity Agreement Notices .....</b>	<b>93</b>
<b>6.4</b>	<b>Indexation .....</b>	<b>95</b>
<b>6.5</b>	<b>Survival .....</b>	<b>95</b>
<b>6.6</b>	<b>Achieving the Financial Commitment Milestone.....</b>	<b>95</b>
<b>6.6A</b>	<b>Achieving the Financial Commitment Milestone: New Build CMUs.....</b>	<b>96</b>
<b>6.7</b>	<b>Achieving the Substantial Completion Milestone .....</b>	<b>96</b>
<b>6.8</b>	<b>Sanctions for Delay in Achieving Milestones .....</b>	<b>98</b>
<b>6.9</b>	<b>Exclusion of Force Majeure .....</b>	<b>100</b>
<b>6.10</b>	<b>Termination.....</b>	<b>100</b>
<b>6.11</b>	<b>Non-completion Fee .....</b>	<b>107</b>
	<b>CHAPTER 7: CAPACITY MARKET REGISTER.....</b>	<b>109</b>
<b>7.1</b>	<b>Purpose of this Chapter .....</b>	<b>109</b>
<b>7.2</b>	<b>Establishment, form and maintenance of the Capacity Market Register.....</b>	<b>109</b>
<b>7.3</b>	<b>Effect of registration determinative .....</b>	<b>109</b>
<b>7.4</b>	<b>Contents of the Capacity Market Register .....</b>	<b>109</b>

<b>7.5</b>	<b>Delivery Body amendments to the Capacity Market Register .....</b>	<b>113</b>
<b>7.6</b>	<b>Capacity Market Register to be publicly available .....</b>	<b>116</b>
<b>7.7</b>	<b>Applications for rectification of the Capacity Market Register and Appeals .....</b>	<b>116</b>
<b>7.8</b>	<b>Replacement Capacity Agreement Notice.....</b>	<b>117</b>
	<b>CHAPTER 8: OBLIGATIONS OF CAPACITY PROVIDERS AND SYSTEM STRESS EVENTS .....</b>	<b>118</b>
<b>8.1</b>	<b>Purpose of this Chapter .....</b>	<b>118</b>
<b>8.2</b>	<b>General obligation to maintain eligibility .....</b>	<b>118</b>
<b>8.3</b>	<b>Specific obligations and consequences .....</b>	<b>118</b>
<b>8.4</b>	<b>Triggering a Capacity Obligation and System Stress Events .....</b>	<b>127</b>
<b>8.5</b>	<b>Discharging a Capacity Obligation .....</b>	<b>130</b>
<b>8.6</b>	<b>Determining the output of a Capacity Committed CMU or CMVR Registered CMU (Eij) .....</b>	<b>134</b>
<b>8.7</b>	<b>Requirement to provide general assistance .....</b>	<b>134</b>
	<b>CHAPTER 9: TRANSFER OF CAPACITY OBLIGATIONS .....</b>	<b>135</b>
<b>9.1</b>	<b>Purpose of this Chapter .....</b>	<b>135</b>
<b>9.2</b>	<b>Restrictions on transfer and eligibility to trade.....</b>	<b>135</b>
<b>9.3</b>	<b>Registration of transfers .....</b>	<b>140</b>
<b>9.4</b>	<b>Effect of transfer .....</b>	<b>140</b>
<b>9.5</b>	<b>Transfers and testing.....</b>	<b>141</b>
	<b>CHAPTER 10: VOLUME REALLOCATION.....</b>	<b>142</b>
<b>10.1</b>	<b>Purpose of this Chapter and Interpretation .....</b>	<b>142</b>
<b>10.1A</b>	<b>CMVR Registered Participant .....</b>	<b>142</b>
<b>10.2</b>	<b>Capacity Market Volume Reallocation Notification .....</b>	<b>143</b>
<b>10.3</b>	<b>Matching .....</b>	<b>144</b>
<b>10.4</b>	<b>Traded Capacity Market Volume.....</b>	<b>144</b>
<b>10.5</b>	<b>Information .....</b>	<b>145</b>
<b>10.6</b>	<b>Failures of the CM Settlement Body System .....</b>	<b>146</b>
	<b>CHAPTER 11: TRANSITIONAL ARRANGEMENTS.....</b>	<b>147</b>
<b>11.1</b>	<b>Purpose of this Chapter .....</b>	<b>147</b>
<b>11.2</b>	<b>Application of the Rules to transitional arrangements.....</b>	<b>147</b>

<b>11.3 Transitional Capacity Auctions .....</b>	<b>147</b>
CHAPTER 12: MONITORING.....	152
<b>12.1 Purposes of this Chapter .....</b>	<b>152</b>
<b>12.2 Monitoring of construction progress of Prospective CMUs .....</b>	<b>152</b>
<b>12.3 Monitoring of Capacity Providers .....</b>	<b>154</b>
<b>12.4 Further monitoring obligations .....</b>	<b>154</b>
<b>12.5 Provision of information for monitoring purposes .....</b>	<b>154</b>
CHAPTER 13: TESTING REGIME .....	155
<b>13.1 Purpose of this Chapter .....</b>	<b>155</b>
<b>13.2 DSR Test .....</b>	<b>155</b>
<b>13.2A New DSR Test.....</b>	<b>158</b>
<b>13.2B Joint DSR Test.....</b>	<b>159</b>
<b>13.2C New Joint DSR Test .....</b>	<b>163</b>
<b>13.3 Metering Test.....</b>	<b>165</b>
<b>13.4 Demonstrating satisfactory performance .....</b>	<b>167</b>
<b>13.5 Site Audit .....</b>	<b>169</b>
CHAPTER 13A: METERING RECOVERY FAULTS AND REPAYMENT OF CAPACITY PAYMENTS .....	172
<b>13A.1 Purpose of this Chapter .....</b>	<b>172</b>
<b>13A.2 Failure to notify a change to the metering configuration .....</b>	<b>172</b>
<b>13A.3 Errors with the submission of data.....</b>	<b>174</b>
<b>13A.4 Faulty Metering Equipment.....</b>	<b>176</b>
<b>13A.5 Submission of incorrect information.....</b>	<b>178</b>
<b>13A.6 Metering concerns following Site Audit .....</b>	<b>180</b>
<b>13A.7 Determining the repayment periods .....</b>	<b>180</b>
<b>13A.8 Repayment of capacity payments for a metering fault .....</b>	<b>180</b>
CHAPTER 14: DATA PROVISION .....	182
<b>14.1 Purpose of this Chapter .....</b>	<b>182</b>
<b>14.2 General.....</b>	<b>182</b>

<b>14.3 BSCCo: Data provision .....</b>	<b>182</b>
<b>14.4 System Operator and Delivery Body: Data provision .....</b>	<b>183</b>
<b>14.5 Capacity providers: data provision.....</b>	<b>185</b>
<b>15.1 Review by the Secretary of State .....</b>	<b>187</b>
<b>15.2 Review by the Authority .....</b>	<b>187</b>
<b>SCHEDULE 1: TEMPLATE CAPACITY AGREEMENT NOTICE .....</b>	<b>189</b>
<b>SCHEDULE 2: BASELINE METHODOLOGY .....</b>	<b>192</b>
<b>SCHEDULE 3: GENERATING TECHNOLOGY CLASSES.....</b>	<b>194</b>
<b>SCHEDULE 3A: METHODOLOGY FOR DETERMINING THE DE-RATING FACTOR FOR AN INTERCONNECTOR CMU.....</b>	<b>195</b>
<b>SCHEDULE 4: RELEVANT BALANCING SERVICES .....</b>	<b>197</b>
<b>SCHEDULE 5: EXPERT DETERMINATION PROCEDURE.....</b>	<b>199</b>
<b>SCHEDULE 6: METERING STATEMENT.....</b>	<b>203</b>
<b>SCHEDULE 7: BESPOKE TECHNICAL REQUIREMENTS .....</b>	<b>207</b>
<b>EXHIBIT A: FORM OF PREQUALIFICATION CERTIFICATE .....</b>	<b>223</b>
<b>EXHIBIT B: FORM OF PRICE-MAKER CERTIFICATE .....</b>	<b>225</b>
<b>EXHIBIT C: FORM OF CERTIFICATE OF CONDUCT .....</b>	<b>226</b>
<b>EXHIBIT D: FORM OF APPLICANT DECLARATION .....</b>	<b>228</b>
<b>EXHIBIT DA: FORM OF JOINT OWNER DECLARATION FOR EXISTING INTERCONNECTOR CMU.....</b>	<b>229</b>
<b>EXHIBIT DB: ALTERNATIVE FORM OF JOINT OWNER DECLARATION FOR EXISTING INTERCONNECTOR CMU.....</b>	<b>230</b>
<b>EXHIBIT DC: FORM OF JOINT OWNER DECLARATION FOR PROSPECTIVE INTERCONNECTOR CMU.....</b>	<b>231</b>
<b>EXHIBIT E: FORM OF AGENT NOMINATION FORM .....</b>	<b>232</b>
<b>EXHIBIT F: FORM OF AGGREGATOR DECLARATION .....</b>	<b>234</b>
<b>EXHIBIT G: FORM OF LEGAL OWNER DECLARATION .....</b>	<b>235</b>
<b>EXHIBIT H: FORM OF AGGREGATOR TRANSFER DECLARATION .....</b>	<b>236</b>
<b>EXHIBIT I: FORM OF LEGAL OWNER TRANSFER DECLARATION .....</b>	<b>237</b>

# CHAPTER 1: GENERAL PROVISIONS

## 1. General Provisions

### 1.1 Citation and commencement

- 1.1.1 These Rules may be cited as the Capacity Market Rules 2014.
- 1.1.2 These Rules come into force on the same day as the Regulations (except for Part 11 and regulation 88) come into force.

### 1.2 Definitions

- 1.2.1 In these Rules:

<b>the Act</b>	means the Energy Act 2013
<b>EA 1989</b>	means the Electricity Act 1989
<b>the Regulations</b>	means the Electricity Capacity Regulations 2014 as amended in particular by the Electricity Capacity (Supplier Payment etc.) Regulations 2014 <sup>1</sup> and the Electricity Capacity (Amendment) Regulations 2015 <sup>2</sup> , and references to a regulation by number alone are to the regulation so numbered in the Regulations
<b>the Rules</b>	means these Capacity Market Rules 2014
<b>3 Year Minimum £/kW Threshold</b>	has the meaning given to that term in Regulation 11
<b>15 Year Minimum £/kW Threshold</b>	has the meaning given to that term in Regulation 11
<b>Acceptable Transferee</b>	has the meaning given in Rule 9.2.6, 9.2.7 or 9.2.8 (as applicable)
<b>Active Energy</b>	means the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of instantaneous Active Power, measured in units of watt-hours or standard multiples thereof
<b>Active Power</b>	means the product of voltage and the in-phase component of alternating current measured in units of watts and standard multiples thereof, that is:  1000 watts = 1 kW  1000 kW = 1 MW

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<sup>1</sup> S.I. 2014/3354.

<sup>2</sup> S.I. 2015/875.



<b>Additional Information</b>	means the additional information to be submitted with an Application, being: <ul style="list-style-type: none"> <li>(a) in the case of an Application relating to an Existing Generating CMU, such information as is required pursuant to Rule 3.6;</li> <li>(aa) in the case of an Application relating to an Interconnector CMU, such information as is required pursuant to Rule 3.6A and/or 3.6B;</li> <li>(b) in the case of an Application relating to a New Build CMU, such information as is required pursuant to Rule 3.7;</li> <li>(c) in the case of an Application relating to a Refurbishing CMU, such information as is required pursuant to Rule 3.8; or</li> <li>(d) in the case of an Application relating to a Proven DSR CMU, such information as is required pursuant to Rule 3.9; or</li> <li>(e) in the case of an Application relating to an Unproven DSR CMU, such information as is required pursuant to Rule 3.10</li> </ul>
<b>Adjusted Eij</b>	means, for each CMU i, and Settlement Period j, from time to time, the sum of Eij and ACMVij
<b>Adjusted Load Following Capacity Obligation (ALFCO)</b>	has the meaning given in Rule 8.5.2
<b>Administrative Parties</b>	has the meaning given to that term in Regulation 2
<b>Affected Person</b>	has the meaning given to that term in Regulation 2
<b>Agent</b>	means a person nominated by an Applicant pursuant to Rule 3.3.5 to perform its obligations with respect to a CMU (whether as Applicant, Bidder or Capacity Provider) under the Regulations and the Rules
<b>Agent Nomination Form</b>	means an agent nomination form in the form set out in Exhibit E
<b>Aggregate Offered Capacity</b>	means, in relation to a price in a Capacity Auction, the aggregate of the Bidding Capacity for all Bidding CMUs that are not the subject of an Exit Bid with an Exit Price higher than such price

<b>Aggregate Traded Capacity Market Volume (ACMV)</b>	means the quantity determined in accordance with Rule 10.4.2
<b>Aggregator Declaration</b>	means a declaration in the form set out in Exhibit F
<b>Aggregator Transfer Declaration</b>	means a declaration in the form set out in Exhibit H
<b>Anticipated De-rated Capacity</b>	means the anticipated De-rated Capacity for a CMU, based on the information provided by an Applicant pursuant to Rule 3.4.5(a) and Rule 3.4.5(b) and the applicable De-rating Factor for the CMU and, in the case of a Generating CMU that comprises more than one Generating Technology Class, the applicable De-rating Factor for each Generating Unit
<b>Applicable Baseline Methodology</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) for the purposes of determining DSR Volume in the calculation of Eij for a DSR CMU during a System Stress Event, the baseline methodology in use at the time the DSR CMU pre-qualified for the relevant delivery year as recorded on the Capacity Market Register; and</li> <li>(b) otherwise, the Baseline Methodology</li> </ul>
<b>Applicant</b>	means the person that has submitted, or is entitled to submit, an Application with respect to a CMU as determined in accordance with Rule 3.2
<b>Applicant Confidential Information</b>	means all data and other information of whatever nature and in whatever form, including but not limited to written, oral, electronic and in a visual or machine-readable form (including but not limited to CD-ROM, magnetic and digital form) and relating to the affairs of an Applicant that is furnished to the Delivery Body by the Applicant or an Applicant-related Party under or in accordance with the Rules, the Regulations or the Auction Guidelines
<b>Applicant Credit Cover</b>	has the meaning given to that term in Regulation 59
<b>Applicant Declaration</b>	means an applicant declaration in the form set out in Exhibit D
<b>Applicant-related</b>	means, in relation to a CMU, its Applicant (or Bidder or Capacity Provider, as applicable) and any Agent

<b>Party</b>	its Applicant may appoint
<b>Application</b>	means the application that is to be completed by the Applicant in accordance with Rule 3.3.6(a) and includes a Registration Declaration
<b>Application Process</b>	has the meaning given in Rule 3.1.1
<b>Approved Metering Solution</b>	means a Metering Configuration Solution approved by the CM Settlement Body which is an arrangement of Metering Equipment for: <ul style="list-style-type: none"> <li>(a) a Generating Unit that is not a BM Unit;</li> <li>(b) a DSR CMU Component; or</li> <li>(c) a CMU that is a partial BM Unit</li> </ul>
<b>Auction Acquired Capacity Obligation</b>	has the meaning given in Rule 8.5.3
<b>Auction Guidelines</b>	has the meaning given in Rule 2.2.1
<b>Auction Monitor</b>	has the meaning given in Rule 5.14.1(a)
<b>Auction Parameters</b>	has the meaning given to that term in Regulation 11
<b>Auction Results Day</b>	has the meaning given in Rule 5.10.6
<b>Auction Window</b>	has the meaning given to that term in Regulation 2
<b>Auctioneer</b>	has the meaning given to that term in Regulation 24
<b>Authority</b>	means the Gas and Electricity Markets Authority
<b>Automatic Low Frequency Demand Disconnection</b>	means an automatic low frequency demand disconnection pursuant to OC6.6 of the Grid Code
<b>Auxiliary Load</b>	has the meaning given to that term in Regulation 2
<b>Average Highest Output</b>	has the meaning given in Rule 3.5.4
<b>Back-feed Milestone</b>	means: <ul style="list-style-type: none"> <li>(a) for a Transmission CMU, the date on which its Energisation Operational Notification is received; and</li> <li>(b) for any other Generating CMU, the</li> </ul>

	commencement of activities to commission the Generating Unit(s) comprising the Generating CMU which involve energising that Generating Unit
<b>Balancing and Settlement Code (BSC)</b>	has the meaning given to that term in Regulation 2 of the Regulations
<b>Balancing Mechanism</b>	has the meaning given to that term in the NGET Transmission Licence
<b>Balancing Service</b>	has the meaning given to that term in the NGET Transmission Licence
<b>Balancing Services Metering Configuration Solution</b>	means a Metering System installed to comply with one of the following Relevant Balancing Services: (a) Short Term Operating Reserve; (b) Frequency Control by Demand Management; or (c) Firm Frequency Response
<b>Base Period</b>	has the meaning given to that term in Regulation 2 of the Regulations
<b>Baseline Demand</b>	means, for a DSR CMU Component and a Settlement Period, the baseline Demand of that DSR CMU Component in that Settlement Period calculated in accordance with the Applicable Baseline Methodology
<b>Baseline Methodology</b>	means the methodology set out in Schedule 2
<b>Bespoke Metering Configuration Solution</b>	means a Metering System using additional on-site Meters to demonstrate output behind the pre-existing Meter Point which is installed to comply with the Bespoke Technical Requirements
<b>Bespoke Technical Requirements</b>	means the technical requirements for the Bespoke Metering Configuration Solution set out in Schedule 7 containing technical information relating to Meter Points, measured quantities and demand values for Metering Systems, Metering Equipment criteria and commissioning, records and proving
<b>Bid</b>	means a Continuing Bid or Exit Bid made (or deemed to be made) by a Bidder with regard to a Bidding CMU in accordance with Chapter 5 (and “Bidding” must be construed accordingly)

<b>Bid-Offer Acceptance</b>	means a confirmed bid-offer acceptance issued by the System Operator to a BM Unit in accordance with BC2.7 of the Grid Code
<b>Bidder</b>	means, for a Capacity Auction: <ul style="list-style-type: none"> <li>(a) each Applicant for an Existing CMU which has Prequalified; and</li> <li>(b) each Applicant for any other Prequalified CMU in relation to which a confirmation has been submitted pursuant to Rule 5.5.14</li> </ul>
<b>Bidding Capacity</b>	means, for a Bidding CMU: <ul style="list-style-type: none"> <li>(a) if it is a Generating CMU or an Interconnector CMU, its De-rated Capacity; and</li> <li>(b) if it is a DSR CMU, its DSR Bidding Capacity</li> </ul>
<b>Bidding CMU</b>	means, for a Capacity Auction: <ul style="list-style-type: none"> <li>(a) each Existing CMU which has Prequalified; and</li> <li>(b) each other Prequalified CMU in respect of which a confirmation has been submitted pursuant to Rule 5.5.14</li> </ul>
<b>Bidding Round</b>	has the meaning given in Rule 5.5.5
<b>Bidding Round Price Cap</b>	has the meaning given in Rule 5.5.6
<b>Bidding Round Price Floor</b>	has the meaning given in Rule 5.5.6
<b>Bidding Round Price Spread</b>	has the meaning given in Rule 5.5.6
<b>Bidding Window</b>	has the meaning given in Rule 5.5.20
<b>Bilateral Connection Agreement</b>	means an agreement entered into pursuant to paragraph 1.3.1 of the CUSC, a form of which is set out in Exhibit 1 to Schedule 2 of the CUSC
<b>Bilateral Embedded Generation Agreement</b>	means an agreement entered into pursuant to paragraph 1.3.1 of the CUSC, a form of which is set out in Exhibit 2 to Schedule 2 of the CUSC
<b>BM Responsible Party</b>	means the person responsible for an Export under the BSC
<b>BM Unit</b>	has the meaning given to that term in the BSC

<b>Boundary Point</b>	means:  (a) for a Generating CMU, any point at which any plant or apparatus not forming part of the Total System is connected to the Total System;  (b) for an Interconnector CMU, any point at which any plant or apparatus forming part of the Electricity Interconnector is connected to the GB Transmission System
<b>BSCCo</b>	means ELEXON Limited (or any successor to that company acting in the capacity as BSCCo under the BSC)
<b>Capacity Agreement</b>	has the meaning given in Rule 6.2.1
<b>Capacity Agreement Notice</b>	means a notice issued by the Delivery Body to a Capacity Provider setting out the terms of the Capacity Agreement of that Capacity Provider for a Capacity Committed CMU
<b>Capacity Auction</b>	means a capacity auction conducted pursuant to Rule 5
<b>Capacity Committed CMU</b>	has the meaning given to that term in Regulation 2
<b>Capacity Market Confidential Information</b>	means all data and other information of whatever nature and in whatever form, including but not limited to written, oral, electronic and in a visual or machine-readable form (including but not limited to CD-ROM, magnetic and digital form) either:  (a) relating to the affairs of an Applicant or CMU to the extent relevant to its participation in the capacity market or its obligations under the Regulations or the Rules; or  (b) supplied to an Applicant Related Party under or in accordance with the Rules, the Regulations or the Auction Guidelines
<b>Capacity Market Register</b>	has the meaning given to that term in Regulation 2
<b>Capacity Market Volume Reallocation Notification or CMVRN</b>	means a notification of Traded Capacity Market Volume in relation to one or more Settlement Periods

<b>Capacity Market Warning</b>	means a warning issued in accordance with Rule 8.4.6
<b>Capacity Obligation</b>	has the meaning given to that term in Regulation 2
<b>Capacity Payment</b>	has the meaning given to that term in Regulation 2
<b>Capacity Provider</b>	means, for any Capacity Committed CMU and Delivery Year or part of a Delivery Year: <ul style="list-style-type: none"> <li>(a) the person who was the Applicant for that CMU at Prequalification; or</li> <li>(b) if a transfer of the Capacity Agreement for that CMU and Delivery Year or part of a Delivery Year has been registered on the Capacity Market Register, the transferee</li> </ul>
<b>Capacity Volume Register</b>	means the register maintained by the CM Settlement Body to record the information set out in Rule 10.5 for each CMU from time to time
<b>Capacity Year</b>	has the meaning given to that term in Regulation 2
<b>Capital Expenditure</b>	means the capital expenditure as determined under International Accounting Standard 16: <ul style="list-style-type: none"> <li>(a) for a Generating CMU, on that CMU; or</li> <li>(b) for an Interconnector CMU, on that CMU together with the Non-GB Part</li> </ul>
<b>Central Meter Registration Service</b>	has the meaning given to that term in the BSC
<b>Certificate of Conduct</b>	means a certificate of conduct in the form set out in Exhibit C
<b>CFD Transfer Notice</b>	has the meaning given to that term in Regulation 34
<b>Clearing Capacity</b>	means, for any Capacity Auction, the capacity (in MW) at the Clearing Price in that auction as determined by the Demand Curve
<b>Clearing Price</b>	means, for any Capacity Auction, the price per MW per year determined by the Capacity Auction to be payable to Capacity Committed CMUs which have been successful in the Capacity Auction, and being the price for a Capacity Agreement for one Delivery Year as at the Base Period for that Capacity Auction

<b>Clearing Round</b>	has the meaning given in Rule 5.9.2
<b>CM Settlement Body</b>	means Electricity Settlements Company Limited (registered number 08961281) or such other person appointed in accordance with Regulation 80
<b>CMRS CMU</b>	means a Transmission CMU or a CMRS Distribution CMU
<b>CMRS Distribution CMU</b>	means a Generating CMU, each Generating Unit of which Exports electricity to a Distribution Network where the Metering System for the corresponding BM Unit is registered in the Central Meter Registration Service in accordance with the BSC
<b>CMU</b>	has the meaning given to that term in Regulation 2
<b>CMU Transferee</b>	has the meaning given in Rule 9.2.4
<b>CMVR Registered CMU</b>	has the meaning given in Rule 10.1A.2
<b>CMVR Registered Participant</b>	means a person who has been registered under Rule 10.1A.2
<b>CMVR Transferee</b>	has the meaning given to it in Rule 10.2.1
<b>CMVR Transferor</b>	has the meaning given to it in Rule 10.2.1
<b>Connection Capacity</b>	means: <ul style="list-style-type: none"> <li>(a) with respect to a Generating CMU or a Generating Unit, the capacity of that Generating CMU or Generating Unit as determined pursuant to Rule 3.5; or</li> <li>(b) with respect to an Interconnector CMU, the capacity of that Interconnector CMU as determined under Rule 3.5A</li> </ul>
<b>Connection and Use of System Code (CUSC)</b>	has the meaning set out in the NGET Transmission Licence
<b>Connection Entry Capacity</b>	has the meaning given to that term in section 11 of the CUSC
<b>Construction Milestones</b>	means for any Prospective CMU, the Financial Commitment Milestone and the milestones to completion contemplated by Rule 3.7.2(b)
<b>Construction Plan</b>	means all the information provided pursuant to Rule



3.7.2

<b>Consumer Prices Index (CPI)</b>	means the UK Consumer Prices Index (All Items) published by the Office for National Statistics or, if such index ceases to be published, such other consumer prices index or any index which may replace it
<b>Consumption</b>	means the electrical energy consumed by a Generating Unit that is part of a Storage Facility
<b>Continuing Bid</b>	has the meaning given to it in Rule 5.7.1
<b>Contracted Capacity</b>	means, with respect to a Capacity Auction, the aggregate Bidding Capacity of the CMUs that were awarded a Capacity Agreement pursuant to Rule 5.9.7
<b>Contractual DSR Control</b>	has the meaning given to that term in Regulation 5
<b>Core Generating Plant</b>	means any combination of generators, turbines and other machinery or devices (" <b>Apparatus</b> ") which are connected physically and operated together as part of one Generating Unit which: <ul style="list-style-type: none"><li>(a) transform energy from a fuel source into mechanical or electrical form (or both);</li><li>(b) are driven by water, other than by tidal flows, waves, ocean currents or geothermal sources; or</li><li>(c) convert stored energy into electrical energy</li></ul>
<b>Core Industry Document</b>	means each of the Connection and Use of System Code, the Balancing and Settlement Code and the Grid Code
<b>Core Industry Document Owner</b>	means, in relation to a Core Industry Document, the body or entity which is responsible for the management and operation of procedures for making changes to such documents
<b>Core Winter Period</b>	means a period beginning with 1 December in any year and ending with the last day of the following February
<b>Customer</b>	has the meaning given to that term in Regulation 2
<b>Defaulting CMU</b>	means, in relation to a Capacity Auction in respect of Delivery Year "t", a Defaulting Interconnector CMU or a CMU that includes a Generating Unit or DSR CMU

Component that has previously formed part of any CMU:

- (a) that was disqualified from Bidding under Rule 5.4 in any prior Capacity Auction relating to Delivery Years t, t-1 or t-2;
- (b) in respect of which a Capacity Agreement relating to Delivery Years t, t-1 or t-2 has been terminated due to an actual or suspected engagement in one or more of the Prohibited Activities; or
- (c) that participated in a Capacity Auction relating to Delivery Years t, t-1 or t-2 but has not been awarded a Capacity Agreement for those corresponding Delivery Years, and for which there has been actual engagement in one or more of the Prohibited Activities

<b>Defaulting Interconnector CMU</b>	means, in relation to a Capacity Auction in respect of Delivery Year “t”, an Interconnector CMU to which paragraph (a) or (b) or (c) of the definition of “Defaulting CMU” applies
<b>Delivery Body</b>	has the meaning given to that term in Regulation 2
<b>Delivery Year</b>	has the meaning given to that term in Regulation 2
<b>Demand</b>	means the demand for Active Power (in MW)
<b>Demand Curve</b>	has the meaning given to that term in Regulation 2
<b>Demand Reduction Instruction</b>	means a demand reduction instruction pursuant to OC6.5 of the Grid Code
<b>Demand Side Response</b>	has the meaning given to that term in Regulation 2
<b>De-rated Capacity</b>	<p>means, for any Generating CMU or DSR CMU and Capacity Auction, an amount (in MW to three decimal places) equal to the product of:</p> <ul style="list-style-type: none"><li>(a) for a Generating CMU, its Connection Capacity; or</li><li>(b) for a DSR CMU, its DSR Capacity;</li></ul> <p>and the De-rating Factor, provided that the De-rated Capacity of a Pre-Refurbishment CMU must not exceed the De-rated Capacity of the related Refurbishing CMU;</p> <p>means, for any Interconnector CMU and Capacity Auction, an amount (in MW to three decimal places)</p>

equal to the lower of:

- (a) the product of its Connection Capacity and De-rating Factor; or
- (b) the total Transmission Entry Capacity secured by Grid Connection Agreements for the relevant Delivery Year and evidenced in accordance with Rule 3.6A.

<b>De-rating Factor</b>	means, for a Capacity Auction, the factors (expressed to two decimal places) to be applied to each of the Generating Technology Classes, to each Interconnector CMU and to DSR CMUs for the purpose of calculating the De-rated Capacity of a CMU
<b>Despatch Control</b>	means, for a Generating CMU, control exercised by a person over whether or not the Generating Unit(s) comprised in that Generating CMU generate(s) in a Settlement Period, provided that a person does not cease to have Despatch Control by: <ul style="list-style-type: none"><li>(a) contracting with another person for the service of operating the Generating Unit(s);</li><li>(b) contracting with another person to supply electricity in a Settlement Period;</li><li>(c) in the case of a CMRS CMU, agreeing that another person may be the BM Responsible Party under the BSC; or</li><li>(d) entering into a Balancing Services Contract with the System Operator</li></ul>
<b>Despatch Controller</b>	means, for a Generating CMU, the person exercising Despatch Control with respect to each Generating Unit comprised in that Generating CMU
<b>Director</b>	means, in relation to the certificates, nomination form and declarations in Exhibit A to I, a director of a company or, in the case of a body other than a company, an officer of that body, including any authorised signatory
<b>Distribution CMU</b>	means a CMRS Distribution CMU or a Non-CMRS Distribution CMU
<b>Distribution Code</b>	means the Distribution Code required to be prepared by a DNO in accordance with standard condition 9 (Distribution Code) of the licence granted to it pursuant to section 6(1)(c) of EA 1989

<b>Distribution Connection Agreement</b>	means, for a Distribution CMU, an agreement entered into between a DNO and the person responsible for that CMU for the connection of that CMU to, and use of, a Distribution Network
<b>Distribution Network</b>	has the meaning given to that term in Regulation 2
<b>Distribution Network Operator (DNO)</b>	has the meaning given to that term in Regulation 2
<b>DSR Alternative Delivery Period</b>	means a continuous period of 30 minutes
<b>DSR Bidding Capacity</b>	means, in relation to a Prequalified DSR CMU, the De-rated Capacity of that DSR CMU or, if less, the amount which is nominated by the Applicant for that DSR CMU in accordance with Rule 5.5.12
<b>DSR Capacity</b>	means: <ul style="list-style-type: none"> <li>(a) in the case of a Proven DSR CMU, its Proven DSR Capacity; and</li> <li>(b) in the case of an Unproven DSR CMU, its Unproven DSR Capacity,</li> </ul> expressed in MW to one decimal place
<b>DSR CMU</b>	means a demand side response CMU as defined in Regulation 2
<b>DSR CMU Component</b>	means a demand side response CMU component as defined in Regulation 2
<b>DSR Provider</b>	has the meaning given to that term in Regulation 5
<b>DSR Test</b>	means a test of a DSR CMU carried out pursuant to Rule 13.2, or a Joint DSR Test
<b>DSR Test Certificate</b>	means a certificate issued by the Delivery Body in relation to a DSR CMU following a DSR Test pursuant to Rule 13.2.11
<b>DSR Volume</b>	means the excess (if positive) of: <ul style="list-style-type: none"> <li>(a) the sum of the Baseline Demand of each DSR CMU Component comprised in the DSR CMU in that Settlement Period, over</li> <li>(b) the sum of the Metered Volume (positive or negative) of each DSR CMU Component comprised in the DSR CMU in that Settlement</li> </ul>

	<p>Period,</p> <p>expressed in MWh to three decimal places and, for these purposes, a net imported Metered Volume is positive and a net exported Metered Volume is negative</p>
<b>Duration Bid</b>	means, with respect to a Bidding CMU in a Capacity Auction, a submission by the Bidder specifying the duration of Capacity Agreement in whole Delivery Years that the Bidder requires at any particular price as amended during the Capacity Auction by any Duration Bid Amendment
<b>Duration Bid Amendment</b>	has the meaning given to it in Rule 5.6.4
<b>Dynamic Parameters</b>	means those parameters listed in Appendix 1 to BC1 of the Grid Code under the heading “BM Unit Data – Dynamic Parameters”
<b>Eij</b>	for CMU “i” and Settlement Period “j”, has the meaning given by Rule 8.6
<b>Electricity Interconnector</b>	has the meaning given to that term in section 4(3E) EA 1989 (but does not include any line or plant landward of the converter station)
<b>Eligible Secondary Trading Entrant</b>	means a Secondary Trading Entrant which has Prequalified in accordance with Rule 4.9
<b>Emergency Instruction</b>	means an instruction issued by the System Operator in accordance with BC2.9 of the Grid Code
<b>Emergency Manual Disconnection Instruction</b>	means a demand disconnection instruction pursuant to OC6.7 of the Grid Code
<b>EMR Delivery Body Portal</b>	<p>means the IT infrastructure through which the Regulations and the Rules are administered by the Delivery Body and pursuant to which, without limitation:</p> <ul style="list-style-type: none"> <li>(a) Applications are submitted;</li> <li>(b) Prequalification is administered;</li> <li>(c) the Capacity Market Register may be viewed;</li> <li>(d) the IT Auction System may be accessed; and</li> <li>(e) all notifications to be made by, or to, the Delivery Body in relation to the Regulations and the Rules must be submitted</li> </ul>

<b>Energisation Operational Notification (EON)</b>	has the meaning given to that term in the Grid Code
<b>Excess Capacity</b>	has the meaning given to it in Rule 5.5.18
<b>Excluded CMU</b>	means: <ul style="list-style-type: none"> <li>(a) for a Capacity Auction for Delivery Year “t”, an Existing CMU (or any Generating Unit forming part of an Existing Generating CMU) that is, for any Capacity Auction in respect of Delivery Years t-1 or t-2, Retired; or</li> <li>(b) for a T-1 Auction for Delivery Year “t”, an Existing CMU (or any Generating Unit forming part of an Existing Generating CMU) that was, in the T-4 Auction in respect of Delivery Year t, Non-Operational Opted-out</li> </ul>
<b>Exemptable Generating Plant</b>	has the meaning given in the BSC
<b>Existing CMU</b>	means an Existing Generating CMU or an Existing Interconnector CMU
<b>Existing Generating CMU</b>	means a CMU falling within sub-paragraphs (1)(a) or (1)(c) of the definition of “generating CMU” in Regulation 4
<b>Existing Interconnector CMU</b>	means an Interconnector CMU falling within Regulation 5A(1)(a)
<b>Exit Bid</b>	has the meaning given to it in Rule 5.8.1
<b>Exit Price</b>	has the meaning given to it in Rule 5.8.2(b)
<b>Exit Ranking</b>	has the meaning given to it in Rule 5.9.4(a)
<b>Expert</b>	has the meaning given to it in paragraph 2.1.4 of Schedule 5
<b>Expert Determination Notice</b>	has the meaning given to it in paragraph 2.1 of Schedule 5
<b>Expert Determination Procedure</b>	has the meaning given to it in paragraph 1 of Schedule 5

<b>Export</b>	has the meaning given to that term in Regulation 2
<b>Extended Years Criteria</b>	has the meaning given in Rules 8.3.6B and 8.3.6C
<b>Final Physical Notification Data (FPN)</b>	has the meaning given in the BSC
<b>Financial Commitment Milestone</b>	means, for a Prospective CMU, the provision to the Delivery Body by an Independent Technical Expert of a report meeting the Required Technical Standard confirming the Capital Expenditure and financial commitment requirements specified in Rule 6.6
<b>First Full Capacity Auction</b>	means the T-4 Auction for the Delivery Year commencing on 1 October 2018 (if any)
<b>First Submission</b>	has the meaning given to it in paragraph 3.3.2 of Schedule 5
<b>FON</b>	means a final operational notification, with the meaning given to that term in the Grid Code
<b>GB Transmission System</b>	has the meaning given to the term 'national electricity transmission system' in the NGET Transmission Licence
<b>General Eligibility Criteria</b>	has the meaning given to that term in Regulation 15
<b>Generating CMU</b>	has the meaning given to that term in Regulation 4
<b>Generating Technology Class</b>	means a class of Generating Unit, defined by the technology used to generate electricity, for which the Secretary of State requires the Delivery Body to publish a De-Rating Factor, identified in the list attached as Schedule 3
<b>Generating Unit</b>	means any equipment in which electrical conductors are used or supported or of which they form part which produces electricity, and includes such equipment which produces electricity from storage
<b>Generation Licence</b>	means a licence for the generation of electricity, as modified from time to time, granted pursuant to section 6(1)(a) of EA 1989
<b>Generation Licence Exemption</b>	means an exemption from section 4(1)(a) of EA 1989 granted under section 5 of EA 1989

<b>Generator</b>	means a person who generates electricity under a Generation Licence or a Generation Licence Exemption acting in its capacity as a generator in Great Britain or the Offshore Area
<b>Governing Documents</b>	<p>means each of the following documents that are applicable to a Metering Configuration Solution:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Balancing Services Metering Configuration Solution: <ul style="list-style-type: none"> <li>(i) Short Term Operating Reserve - STOR Despatch Procedure version 1.3; or</li> <li>(ii) Frequency Control by Demand Management – the relevant bilateral agreement between the Generator and System Operator; or</li> <li>(iii) Firm Frequency Response – the relevant framework agreement or relevant bilateral agreement between the Generator and System Operator;</li> </ul> </li> <li>(b) in respect of the Bespoke Metering Configuration Solution, the Bespoke Technical Requirements;</li> <li>(c) in respect of the Supplier Settlement Metering Configuration Solution, the version of the BSC Metering Codes of Practice applicable at the date of installation of the Applicant's/Capacity Provider's Metering System</li> </ul>
<b>Grid Code</b>	has the meaning given to that term in the Transmission Licence
<b>Grid Connection Agreement</b>	means, in relation to a Transmission CMU or an Interconnector CMU, a Bilateral Connection Agreement between the System Operator and a person responsible for the CMU
<b>Grid Entry Point</b>	means an Onshore Grid Energy Point (as defined in the Grid Code) or an Offshore Grid Entry Point (as defined in the Grid Code)
<b>Grid Supply Point</b>	means a point of supply from the Transmission Network to DNOs or Non Embedded Customers (as defined in the Grid Code)
<b>Group</b>	Means, for any person, another person who is the direct or indirect Holding Company of that person and any Subsidiary of that Holding Company



<b>Half Hourly Data Aggregators</b>	has the meaning given in the BSC
<b>Half Hourly Data Collectors</b>	has the meaning given in the BSC
<b>Half Hourly Metering System</b>	has the meaning given in the BSC
<b>High Demand Settlement Period</b>	<p>means:</p> <p>(a) in relation to the calculation of a De-rating Factor for the CCGT Generating Technology Class, a Settlement Period in a Core Winter Period where demand is above the 90th percentile of the Demand in all the Settlement Periods falling between 7am and 7pm on Working Days in that Core Winter Period;</p> <p>(b) in relation to the calculation of a De-rating Factor for any other Generating Technology Class or for DSR CMUs, a Settlement Period in a Core Winter Period where demand is above the 50th percentile of the Demand in all the Settlement Periods falling between 7am and 7pm on Working Days in that Core Winter Period</p>
<b>Holding Company</b>	means, in relation to a company, any other company in respect of which it is a Subsidiary
<b>Independent</b>	<p>means, for any technical expert and Capacity Provider, that the technical expert is:</p> <p>(a) not in the same Group as the Capacity Provider; and</p> <p>(b) neither engaged on terms, nor party to any other arrangements, which could allow the Capacity Provider or any member of its Group to exercise undue influence on any report, assessment, certificate or commentary prepared by that technical expert or otherwise compromise the objectivity of any such report, assessment, certificate or commentary</p>
<b>Independent Technical Expert</b>	means an experienced technical expert with international experience and expertise in the construction and operation of Generating Units or (as the case may be) Electricity Interconnectors, Independent of the relevant Capacity Provider, engaged by that Capacity Provider at its expense to

prepare the technical assessment, report, certificate or commentary required by Rules 6.6, 6.7, 6.10, 8.3 or 12.2 to the Required Technical Standard

**Initial Over-Delivery Volume**

means, in relation to a CMU for any Settlement Period which was a System Stress Event, the amount, being a positive number, by which  $E_{ij}$  exceeds  $ALFCO_{ij}$

**Initial Under-Delivery Volume**

means, in relation to a CMU for any Settlement Period which was a System Stress Event, the amount, being a positive number, by which  $ALFCO_{ij}$  exceeds  $E_{ij}$

**Insolvent**

means, for an Applicant or Capacity Provider, that any of the following occurs or has occurred:

- (a) it is, or is deemed for the purposes of section 123(1)(e) or 123(2) of the Insolvency Act 1986 to be, unable to pay its debts as they fall due (save that the words “proved to the satisfaction of the court” are deemed omitted from such sections);
- (b) it admits its insolvency or its inability to pay its debts as they fall due;
- (c) it suspends making payments on any of its debts or announces an intention to do so;
- (d) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling or restructuring of any of its indebtedness;
- (e) a moratorium is declared in respect of any of its indebtedness;
- (f) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;
- (g) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution, to petition for or to file documents with a court or any registrar for its winding-up, administration or dissolution or any such resolution is passed;
- (h) any person presents a petition, or files documents with a court or any registrar for its winding-up, administration or dissolution or seeking relief under any applicable bankruptcy; insolvency, company or similar law other than any such petition or filing which is frivolous or

vexatious and is discharged, stayed or dismissed within 15 Working Days;

- (i) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any of its assets;
- (j) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer in respect of it or any of its assets; or
- (k) any other analogous step or procedure is taken in any jurisdiction

**Insolvency  
Termination Event**

means, for a Capacity Provider or a Joint Owner:

- (a) a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer has been appointed in respect of the Capacity Provider or a Joint Owner or any of its assets; or
- (b) a court in Great Britain has with respect to the Capacity Provider or a Joint Owner:
  - (i) made a judgment of insolvency or bankruptcy;
  - (ii) entered an order for relief; or
  - (iii) made an order for its winding-up or liquidation; or
- (c) an analogous step has been taken by a court in any other jurisdiction,

and such judgment, order or other analogous step has not been dismissed, stayed, or discharged

**Interconnected  
Capacity**

has the meaning given to that term in Regulation 2

**Interconnection  
Licence**

means a licence for making an Electricity Interconnector available for use for the conveyance of electricity, as modified from time to time, granted pursuant to section 6(1)(e) of EA 1989<sup>3</sup>

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<sup>3</sup> See paragraph (b) of the definition of "participating in the operation of an electricity interconnector" in section 4(3C) EA 1989.

<b>Interconnector CMU</b>	has the meaning given to that term in Regulation 5A
<b>Interconnector Scheduled Transfer</b>	has the meaning given in the BSC
<b>International Accounting Standard 16</b>	means the International Financial Reporting Standard titled “IAS 16 - Property, Plant and Equipment” promulgated by the International Accounting Standards Board (“IASB”), together with the IASB’s pronouncements thereon from time to time
<b>ION</b>	means an interim operational notification, within the meaning given to that term in the Grid Code
<b>IT Auction System</b>	means the IT infrastructure hosting the Capacity Auction
<b>Joint DSR Test</b>	means a test of a number of DSR CMUs carried out pursuant to Rule 13.2B
<b>Joint Owner</b>	<p>means, in relation to an Interconnector CMU, and provided that there is more than one such owner, any legal owner of:</p> <ul style="list-style-type: none"> <li>(a) the Electricity Interconnector comprised in that CMU; or</li> <li>(b) the Non-GB Part</li> </ul>
<b>Joint Owner Declaration</b>	means a declaration in the form set out in Exhibit DA, DB or DC
<b>kW</b>	means kilowatt
<b>kWh</b>	means kilowatt-hour
<b>LCIA</b>	has the meaning given to it in paragraph 3.1 of Schedule 5
<b>Lead Party</b>	has the meaning given to that term in the BSC
<b>Legal Owner Declaration</b>	means a declaration in the form set out in Exhibit G
<b>Legal Owner Transfer Declaration</b>	means a declaration in the form set out in Exhibit I
<b>Legal Right</b>	means, for the purposes of using land, any legal or

beneficial interest in (or right, title or interest in) land upon which a relevant CMU is or will be located (which for the purposes of property located in Scotland means any estate, interest, servitude or other heritable or leasehold right in or over land) including any leasehold interests or other rights to occupy or use and any statutory, contractual or personal rights relating to the occupation, use or acquisition of such land or property (whether or not in Scotland) in connection with the relevant CMU)

**Line Loss Factor** means a multiplier which, when applied to data from a Metering System connected to a Boundary Point on a Distribution Network, converts such data into an equivalent value at the Boundary Point on a Transmission Network and is in accordance with Section K1.7 of the Balancing and Settlement Code

**Long-Stop Date** means:

- (a) for any Refurbishing CMU, the date falling at the start of the CMU's first scheduled Delivery Year;
- (b) for any New Build CMU except where paragraph (c) applies, the date falling 12 months after the start of the CMU's first scheduled Delivery Year; and
- (c) where an SA Agreement has been awarded in respect of a New Build CMU, the start of the relevant Delivery Year

**Low Carbon Exclusion** has the meaning given to that term in Regulation 16

**Low Carbon Grant** means a relevant grant as defined in Regulation 17

**Major Contract** means, for a Prospective CMU, an agreement or agreements for the supply of major components representing, in aggregate, at least 20 per cent of the Total Project Spend for that CMU, (whether or not as part of a wider agreement) and which is consistent with the resolution of the board of directors of the Applicant in respect of that CMU (or the officers, in the case of an Applicant other than a company) to complete the relevant construction, repowering or refurbishment works on or prior to the date falling at the start of the first scheduled Delivery Year for that CMU

**Mandatory CMU** means an Existing Interconnector CMU, or an Existing Generating CMU each Generating Unit of

which is owned by a licensed generator unless all such Generating Units are Exemptable Generating Plant or are in receipt of Low Carbon Exclusion or a Low Carbon Grant

**Market Manipulation**

means:

- (a) the submission of Applicant Confidential Information and/or Bidding in a Capacity Auction, in each case which:
  - (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of a Capacity Agreement;
  - (ii) secures, or attempts to secure, by a person, or persons acting in collaboration, the Clearing Price of a Capacity Agreement at an artificial level; or
  - (iii) employs or attempts to employ a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the Clearing Price obtained in a Capacity Auction; or
- (b) disseminating information through the media which gives, or is likely to give, false or misleading signals as to the supply of, or demand for, or likely Clearing Price of a Capacity Agreement in the Capacity Auction or value of a Capacity Agreement in the Secondary Market where the person doing this knows or ought to have known the information to be false or misleading

**Matched**

means, in relation to a CMVRN, matched by the CM Settlement Body and notified by way of issuance of a notification report in accordance with Rule 10.3.3

**Maximum Export Limits**

means a series of MW figures and associated times, making up a profile of the maximum level at which a BM Unit may be exporting (in MW) to the Transmission Network at the Grid Entry Point or Grid Supply Point, as applicable

**Maximum Obligation Period**

means, in respect of the T-4 Auction:

- (a) fifteen Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU for

which an Applicant has stated:

- (i) pursuant to Rule 3.7.2(a), that to the best of its knowledge and belief the CMU will meet the Extended Years Criteria when completed; and
  - (ii) pursuant to Rule 3.7.2(d), that Qualifying £/kW Capital Expenditure is expected to equal or exceed the Fifteen Year Minimum £/kW Threshold;<sup>4</sup>
- (b) three Delivery Years for a Prospective Generating CMU for which an Applicant has stated pursuant to Rule 3.7.2(d) that Qualifying £/kW Capital Expenditure is expected to equal or exceed the Three Year Minimum £/kW Threshold and to be lower than the Fifteen Year Minimum £/kW Threshold, including the first Delivery Year for which the Capacity Agreement is awarded; and
- (c) for all other CMUs (including Prospective Generating CMUs not included in (a) or (b) above), one Delivery Year,

and, in respect of the T-1 Auction, means one Delivery Year for all CMUs

**Measurement Transformers**

means either a current transformer (CT) or a voltage transformer (VT) or a device carrying out both such functions, whose purpose is to enable the Metering Equipment to operate at more convenient currents and/or voltages (as applicable) than are present on the power system being measured

**Meter**

means a device for measuring Active Energy and/or Active Power

**Meter Point**

means a Metering System connection point between an Interconnector CMU or a Generating Unit and/or DSR Component and:

- (a) for an Interconnector CMU or a Transmission CMU, the Transmission Network;
- (b) for a Distribution CMU, the relevant Distribution Network;
- (c) for a CMU on an Unlicensed Network, the

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<sup>4</sup> In respect of any Capacity Agreement that has been awarded as a result of a Capacity Auction held before xxxx 2015 substitute (a)(i) and (ii) for “(a) fifteen Delivery Years for a Prospective Generating CMU for which an Applicant has stated pursuant to Rule 3.7.2(d) that Qualifying £/kW Capital Expenditure is expected to equal or exceed the Fifteen Year Minimum £/kW Threshold, including the first Delivery Year for which the Capacity Agreement is awarded;”.

relevant Unlicensed Network; or

(d) for a CMU within a Customer site, the connection point to the Customer site behind the existing site Boundary Point

**Meter Point Administration Number** means the unique identification number assigned (and maintained) by a DNO in relation to a Meter Point

**Metered Volume** means for a CMU, DSR CMU Component or Generating Unit and a Settlement Period, the net aggregate volume of Active Energy (for all Meter Points applicable to the CMU), determined at the Boundary Point of the Transmission Network which flowed in that Settlement Period to or from that CMU or DSR CMU Component or Generating Unit, or in the case of an Interconnector CMU through that CMU into the Transmission Network

**Metering Assessment** means a questionnaire relating to the metering arrangements for a CMU, hosted on the EMR Delivery Body Portal

**Metering Configuration Solution** means, as applicable, any one of the following:

- (a) Balancing Services Metering Configuration Solution;
- (b) Bespoke Metering Configuration Solution; or
- (c) Supplier Settlement Metering Configuration Solution

**Metering Equipment** means Meters, Measurement Transformers, metering protection equipment including alarms, circuitry, associated Communications Equipment, Settlement Instations and Outstations and wiring, transducers, supervisory control and data acquisition meters, power line communications, analogue, power and pulsing metering and shall include any customer meter and associated Metering Equipment

**Metering Site** means the location of the Metering Equipment of a Generating Unit, DSR CMU Component or Electricity Interconnector comprised in a CMU

**Metering Statement** means a statement provided by an Applicant which must include, as applicable, the metering information set out in Schedule 6 of the Rules

**Metering System** has the meaning given to that term in the BSC



<b>Metering Test</b>	has the meaning given in Rule 13.3.1
<b>Metering Test Certificate</b>	means, in relation to a CMU, a certificate issued by the CM Settlement Body pursuant to Rule 13.3.6(a)
<b>Minimum Capacity Threshold</b>	subject to Regulation 29A(2)(a), has the meaning given to that term in Regulation 15
<b>Minimum Completion Requirement</b>	has the meaning given in Rule 6.8.3 or (as the case may be) Rule 6.8.3A
<b>MW</b>	means megawatt
<b>MWh</b>	means megawatt hours
<b>NGET</b>	means National Grid Electricity Transmission plc
<b>NGET Transmission Licence</b>	means the Transmission Licence granted to NGET, as modified from time to time
<b>Net Output</b>	in relation to an Interconnector CMU, has the meaning given in Regulation 2
<b>New Build Capacity Provider</b>	means, for any Capacity Committed CMU that is a New Build CMU, the person who was the Applicant for that CMU at Prequalification; or if a transfer under Rule 9.2.4(b), (c) or (d) of the Capacity Agreement relating to that CMU has been registered on the Capacity Market Register, the Transferee
<b>New Build CMU</b>	means a Prospective CMU other than a Refurbishing CMU
<b>Non-completion Fee</b>	has the meaning given to that term in Regulation 43A
<b>Non-completion Notice</b>	has the meaning given in Rule 6.8.2B
<b>Non-CMRS Distribution CMU</b>	means a Generating CMU, each Generating Unit of which, Exports electricity to a Distribution Network that is not a CMRS Distribution CMU
<b>Non-GB Part</b>	means, in relation to an Interconnector CMU, any part of an electric line or other electrical plant that, by virtue of the condition in section 4(3E)(a) EA 1989, does not form part of the Electricity Interconnector comprised in that CMU (but does not include any line or plant landward of the converter station)

<b>Non-Operational Opted-out</b>	means, for an Existing CMU, the statement in its Opt-out Notification that such CMU is Opting-out pursuant to Rule 3.11.2(f)(ii)
<b>Non-Support Confirmation</b>	has the meaning given to that term in Regulation 16
<b>Offshore Area</b>	has the meaning given to that term in Regulation 2
<b>Operating Margin</b>	means Contingency Reserve (as defined in the Grid Code) plus Operating Reserve (as defined in the Grid Code)
<b>Operational</b>	<p>means, for a Generating CMU or its physical capacity and for an Interconnector CMU or its physical capability:</p> <ul style="list-style-type: none"> <li>(a) for a Transmission CMU, the issuance of an ION for that Generating Unit and that physical capacity;</li> <li>(aa) for an Interconnector CMU, the issuance of an ION for that CMU and that physical capability;</li> <li>(b) for a Distribution CMU, an Independent Technical Expert has issued a certificate confirming that all Distribution Network Operator commissioning tests required to commence export have been completed such that that Generating Unit is permitted to despatch that physical capacity into the Distribution Network; and</li> <li>(c) for a Refurbishing CMU, whose Connection Capacity is greater than the Connection Capacity of its equivalent Pre-Refurbishment CMU, an Independent Technical Expert has issued a certificate confirming that the relevant test from “(a), (aa) or (b) above has been met (substituting FON for ION where applicable), and the CMU and supporting infrastructure has been fully commissioned (as defined in the Regulations); and</li> <li>(d) for any Refurbishing CMU, whose Connection Capacity is less or equal to the Connection Capacity of its equivalent Pre-Refurbishment CMU, an Independent Technical Expert has issued a certificate confirming that the CMU and supporting infrastructure has been fully commissioned (as defined in the Regulations)</li> </ul>

<b>Opt-out</b>	means, to state in the Opt-out Notification of an Existing CMU for a Capacity Auction that the CMU is: <ul style="list-style-type: none"> <li>(a) opting out of the Capacity Auction and will be closed down, decommissioned or otherwise non-operational by the commencement of the Delivery Year to which the Capacity Auction relates; or</li> <li>(b) opting out of the Capacity Auction and will be temporarily non-operational for all the Winter of the Delivery Year to which the Capacity Auction relates but will be operational thereafter; or</li> <li>(c) opting out of the Capacity Auction but will remain operational during the Delivery Year to which the Capacity Auction relates,</li> </ul> <p>(and “Opted-out” and “Opting-out” must be construed accordingly)</p>
<b>Opt-out Notification</b>	means a notification under Rule 3.11 by the owner of a Mandatory CMU
<b>Outstation</b>	means equipment which receives and stores data from a Meter(s) for the purpose, inter alia, of the transfer of that data to the CM Settlement Body, and which may perform some processing function before such transfer, and which may be one or more separate units or be integral with the Meter
<b>Own Group Resources</b>	has the meaning given in Rule 6.6.3A
<b>Permitted On-Site Generating Unit</b>	has the meaning given to that term in Regulation 2
<b>Physically Traded Capacity Obligation</b>	has the meaning given in Rule 8.5.3
<b>Physical Notification</b>	has the meaning given in the BSC
<b>Potential Clearing Capacity</b>	means, for any Capacity Auction, the capacity (in MW) at a particular price in that auction as determined by the Demand Curve
<b>Power Transformer Losses</b>	means the losses incurred converting energy from the primary side of the power transformer to the secondary side

<b>Prequalification</b>	means written confirmation by the Delivery Body pursuant to Rule 4.5 or Part 10 of the Regulations that a CMU has prequalified for a Capacity Auction (and “Prequalify” and “Prequalified” must be construed accordingly)
<b>Prequalification Assessment Window</b>	means, for any Capacity Auction, the period from the date on which the Prequalification Window closes until the Prequalification Results Day as set out in the Auction Guidelines
<b>Prequalification Certificate</b>	means: <ul style="list-style-type: none"> <li>(a) subject to paragraph (b), a directors’ certificate in the form set out in Exhibit A; or</li> <li>(b) where the certificate is to be provided by a body other than a company, a certificate by two officers of the body in the form set out in Exhibit A with such modifications as may be necessary</li> </ul>
<b>Prequalification Decision</b>	has the meaning given in Rule 4.4.1
<b>Prequalification Results Day</b>	means, for any Capacity Auction, the Working Day on which the Delivery Body notifies each Applicant of the matters set out in Rule 4.5.1 in accordance with that Rule
<b>Prequalification Window</b>	means, for any Capacity Auction, the period specified in the Auction Guidelines within which applications for prequalification are to be made
<b>Prequalified CMU</b>	means a CMU that has Prequalified for a Capacity Auction
<b>Pre-Refurbishment CMU</b>	means, in relation to a Refurbishing CMU, the Existing CMU that would remain in the absence of any improvement works being carried out
<b>Price Cap</b>	has the meaning given to that term in Regulation 2
<b>Price-Maker</b>	means, for any Capacity Auction, a Prequalified CMU that has been registered as a Price-Maker on the Capacity Market Register following a notification under Rule 4.5.1(b) or Rule 4.8.3
<b>Price-Maker Certificate</b>	means: <ul style="list-style-type: none"> <li>(a) subject to paragraph (b), a directors’ certificate in the form set out in Exhibit B; or</li> <li>(b) where the certificate is to be provided by a body</li> </ul>

other than a company, a certificate by two officers of the body in the form set out in Exhibit B with such modifications as may be necessary

<b>Price-Maker Memorandum</b>	means, for an Applicant and Capacity Auction, a memorandum which includes evidence of:  (a) the decision by the board of directors (or the officers, in the case of an Applicant other than a company) to nominate the Applicant as Price-Maker in that Capacity Auction; and  (b) the reasons for that decision, including any information and analysis which the board or the officers consider key to the decision
<b>Price-Taker</b>	means, for any Capacity Auction, any Prequalified CMU that is not a Price-Maker
<b>Price-Taker Threshold</b>	has the meaning given to that term in Regulation 2
<b>Primary Fuel Type</b>	means the primary fuel for a Generating CMU; and in a case where a Generating CMU comprises Generating Units which will use different primary fuels, means the fuel which will be used by the majority of the Generating Units on a MW basis
<b>Private Network</b>	means a distribution network which is exempt from the requirement to hold a licence under section 4 EA 1989 by virtue of The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001
<b>Prohibited Activities</b>	means the activities prohibited pursuant to Rules 5.12 and 5.13
<b>Prospective CMU</b>	means a Prospective Generating CMU or a Prospective Interconnector CMU
<b>Prospective Generating CMU</b>	means a CMU falling within sub-paragraphs (1)(b) or (1)(d) of the definition of "generating CMU" in Regulation 4
<b>Prospective Generating Plant</b>	means plant at which a Generating Unit which forms part of a Prospective Generating CMU will generate electricity
<b>Prospective Interconnector CMU</b>	means an Interconnector CMU falling within Regulation 5A(1)(b)
<b>Proven DSR</b>	means the capacity (in MW) of a DSR CMU as

<b>Capacity</b>	evidenced by the DSR Test Certificate issued for that DSR CMU
<b>Proven DSR CMU</b>	means a proven demand side response CMU as defined in Regulation 5
<b>Qualifying £/kW Capital Expenditure</b>	<p>means, with respect to a New Build CMU which is a Generating CMU, the Capital Expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Applicant to be incurred (either by the Applicant or another person), between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates, and the commencement of the first Delivery Year to which the Application relates, divided by the De-rated Capacity of the Generating CMU that is expected in the reasonable opinion of the Applicant to result from such Capital Expenditure; or</p> <p>means, with respect to a Refurbishing CMU which is a Generating CMU, the Capital Expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Applicant to be incurred (either by the Applicant or another person), between the date which is the Auction Results Day prior to the commencement of the first Delivery Year to which the Application relates, and the commencement of the first Delivery Year to which the Application relates, divided by the De-rated Capacity of the Generating CMU that is expected in the reasonable opinion of the Applicant to result from such Capital Expenditure</p>
<b>Reconsidered Decision</b>	has the meaning given to that term in Regulation 69
<b>Refurbishing CMU</b>	means an Existing CMU which is the subject of an Application as a Prospective CMU by virtue of an improvements programme that will be completed prior to the commencement of the first relevant Delivery Year
<b>Registered Holder</b>	has the meaning given in Rule 7.4.5(b)
<b>Registration Declaration</b>	means the declaration to be made by an Applicant in a Prequalification Application in accordance with Rule 3.12
<b>Relevant Balancing Service</b>	has the meaning given to that term in Schedule 4

<b>Relevant Exit Bid</b>	<p>means, in relation to a Clearing Round, any Exit Bid submitted:</p> <ul style="list-style-type: none"> <li>(a) prior to the end of the Bidding Window for the Clearing Round (including in any previous Bidding Round);</li> <li>(b) with an Exit Price higher than the Bidding Round Price Floor for the Clearing Round; and</li> <li>(c) with an Exit Price equal to or lower than the Bidding Round Price Cap for the Clearing Round</li> </ul>
<b>Relevant Planning Consent</b>	<p>means, as applicable:</p> <ul style="list-style-type: none"> <li>(a) a section 36 EA 1989 consent;</li> <li>(b) a section 37 EA 1989 consent;</li> <li>(c) an Order under the Transport and Works Act 1992 or the Transport and Works (Scotland) Act 2007;</li> <li>(d) a Town and Country Planning Act 1990 permission or a Town and Country Planning (Scotland) Act 1997 permission and may include one or more of the same;</li> <li>(e) a Development Consent Order under the Planning Act 2008;</li> <li>(f) a deemed planning permission granted under section 90 of the Town and Country Planning Act 1990 or section 57 of the Town and Country Planning (Scotland) Act 1997 in conjunction with the consents listed in (a) to (e) above;</li> <li>(g) a marine licence under the Marine and Coastal Access Act 2009; or</li> <li>(h) in the case of an Interconnector CMU, the corresponding consents under the law of another country or territory required for the construction of the Non-GB Part</li> </ul>
<b>Relevant Settlement Period</b>	has the meaning given to that term in Regulation 2
<b>Relevant STOR Contract</b>	has the meaning given to that term in Regulation 18
<b>Remaining Auction Capacity</b>	<p>means, determined by reference to the end of a Bidding Round:</p> <ul style="list-style-type: none"> <li>(a) the aggregate of the Bidding Capacity of all Bidding CMUs as at the start of the Capacity</li> </ul>

	Auction; less
	(b) the aggregate of the Bidding Capacity of all Bidding CMUs for which an Exit Bid is submitted prior to the end of the Bidding Window for that Bidding Round (including in any previous Bidding Round) with an Exit Price higher than the Bidding Round Price Floor for that Bidding Round
<b>Remaining Over-Delivery Volume</b>	means, in relation to a CMU, at any given time, the amount, being a positive number, by which Adjusted Eij for a Settlement Period which was a System Stress Event exceeds ALFCOij in respect of that Settlement Period
<b>Remaining Under-Delivery Volume</b>	means, in relation to a CMU, at any given time, the amount, being a positive number, by which ALFCOij for a Settlement Period which was a System Stress Event exceeds Adjusted Eij in respect of that Settlement Period
<b>Required Technical Standard</b>	means, with respect to any report or assessment by an Independent Technical Expert that: <ul style="list-style-type: none"> <li>(a) to the best of the Independent Technical Expert's knowledge and belief all information provided in it is accurate, complete and not misleading; and</li> <li>(b) any opinions or forecasts in the assessment have been conservatively prepared on assumptions which it considers to be fair and reasonable</li> </ul>
<b>Retired</b>	means, for an Existing CMU and a Capacity Auction, either: <ul style="list-style-type: none"> <li>(a) a statement in the Opt-out Notification that such CMU is Opting-out pursuant to Rule 3.11.2(f)(i)3.11.2(f)(i); or</li> <li>(b) receipt of a notice from the Delivery Body that it has been identified to be providing electricity during all or part of a Delivery Year for which it has declared itself to be Non-Operational Opted-out pursuant to Rule 3.11.53.11.5</li> </ul>
<b>ROO Conversion Notice</b>	has the meaning given to that term in Regulation 34
<b>SA Agreement</b>	means a Capacity Agreement awarded pursuant to a Supplementary Auction



<b>Satisfactory Performance Day</b>	has the meaning given in Rule 13.4.1
<b>Secondary Trading Entrant</b>	<p>means the Applicant for:</p> <ul style="list-style-type: none"> <li>(a) an Existing Generating CMU comprising biomass plant which is exiting the Low Carbon Exclusion(s) in which it participates;</li> <li>(aa) an Existing Interconnector CMU; or</li> <li>(b) a Proven DSR CMU; or,</li> <li>(c) a CMU: <ul style="list-style-type: none"> <li>(i) which is an Existing CMU;</li> <li>(ii) to which the prohibition in Rule 3.3.3(f) applied at the time of the T-1 Auction for the relevant Delivery Year; and</li> <li>(iii) for which an Application could not be made for that T-1 Auction as an Existing CMU because the CMU was not an Existing CMU,</li> </ul> </li> </ul> <p>wishing to acquire a Capacity Obligation through secondary trading</p>
<b>Second Full Capacity Auction</b>	means the T-4 Auction for the Delivery Year commencing on 1 October 2019 (if any)
<b>Second Transitional Capacity Auction</b>	means the Transitional Capacity Auction held in the Auction Window commencing on 1 September 2016
<b>Security Interest</b>	means a mortgage, standard security, assignation, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
<b>Settlement Period</b>	has the meaning given to that term in Regulation 2
<b>Site Audit</b>	<p>means a visit of the Metering Site by the CM Settlement Body during any Delivery Year to determine whether:</p> <ul style="list-style-type: none"> <li>(a) the metering configuration for any Generating Unit, DSR CMU Component or Electricity Interconnector;</li> <li>(b) meter data in relation to a Generating Unit, DSR CMU Component or Electricity Interconnector; or</li> <li>(c) the metering configuration and meter data in</li> </ul>

relation to a Generating Unit, a DSR CMU Component or an Electricity Interconnector, is compliant with the Rules

<b>Storage Facility</b>	has the meaning given to that term in Regulation 2
<b>Subsidiary</b>	means a subsidiary within the meaning of section 1159 of the Companies Act 2006 (but in relation to any Applicant or Capacity Provider for an Interconnector CMU, or shareholder in such an Applicant, subsection (1)(a) of that section shall apply as if a “majority of the voting rights” included 50% only of those rights)
<b>Substantial Completion Milestone</b>	has the meaning given in Rule 6.7.26.7.2 or Rule 6.7.3, as applicable
<b>Supplementary Auction</b>	has the meaning given to that term in the Regulations
<b>Supplier Meter Registration Service (SMRS)</b>	has the meaning given in the BSC
<b>Supplier Settlement Metering Configuration Solution</b>	means a Metering System that uses a supplier’s Half Hourly Metering System by using Half Hourly Data Aggregators to collect metered data
<b>System Margin</b>	means the margin in any period between: (a) the sum of Maximum Export Limits; and (b) forecast Demand plus the Operating Margin, for that period
<b>System Operator</b>	means NGET or any successor Transmission Licensee with a Transmission Licence pursuant to which Section C of the Transmission Licence standard conditions has effect
<b>System Operator Instigated Demand Control Event</b>	has the meaning given in Rule 8.4.2
<b>System Stress Event</b>	has the meaning given in Rule 8.4.1
<b>TEC Register</b>	means the Transmission Entry Capacity Register and the Interconnector Register maintained by the

	national system operator
<b>Termination Event</b>	means an event referred to in Rule 6.10.1 or Rule 6.10.1A
<b>Termination Fees</b>	means the termination fee calculated with respect to a Capacity Agreement in accordance with Rule 6.10.3
<b>Termination Notice</b>	has the meaning given in Rule 6.10.2
<b>T-1 Auction</b>	has the meaning given to that term in Regulation 2
<b>T-4 Auction</b>	has the meaning given to that term in Regulation 2
<b>Total Project Spend</b>	has the meaning given in Rule 3.7.2(c)
<b>Total System</b>	means the Transmission Network and each Distribution Network
<b>Traded Capacity Market Volume (CMVz<sub>ij</sub>)</b>	means, in relation to any CMU <i>i</i> , for any Settlement Period <i>j</i> , a fixed volume in MWh by which <i>E<sub>ij</sub></i> will be adjusted for each of the CMVR Transferee and the CMVR Transferor to which the associated CMVRN <i>z</i> refers, to generate Adjusted <i>E<sub>ij</sub></i>
<b>Transferee</b>	has the meaning given in Rule 9.3.1
<b>Transfer Period</b>	has the meaning given in Regulation 30A(1)
<b>Transferred Part</b>	has the meaning given in Regulation 30A(3)
<b>Transitional Capacity Auction</b>	has the meaning given in Rule 11.1.2(a)11.1.2(a)
<b>Transition Period</b>	has the meaning given in Rule 11.1.2(a)
<b>Transmission CMU</b>	means a Generating CMU each Generating Unit of which Exports electricity to the Transmission Network where the Metering System for the corresponding BM Unit is registered in the Central Meter Registration Service in accordance with the BSC
<b>Transmission Entry Capacity</b>	has the meaning given to that term in the Grid Code
<b>Transmission Licence</b>	means any licence for electricity transmission, as modified from time to time, granted pursuant to section 6(1)(b) of EA 1989

<b>Transmission Licensee</b>	means any person who is authorised by a Transmission Licence to participate in the transmission of electricity
<b>Transmission Network</b>	means those parts of the GB Transmission System that are owned or operated by a Transmission Licensee within the transmission area specified in its Transmission Licence
<b>Transmission Restriction</b>	means a continuous restriction on a Generating Unit's ability to export on to the GB Transmission System pursuant to the terms of a bilateral agreement between the generator and the System Operator
<b>Unlicensed Network</b>	means a Distribution Network which is exempt from the requirement to hold a licence under section 4 EA 1989 by virtue of The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 and has access to the Total System
<b>Unproven DSR Capacity</b>	means, with respect to an Unproven DSR CMU, the estimated capacity (in MW) that an Applicant or Capacity Provider (as applicable) anticipates (acting in good faith) will be evidenced by a DSR Test for that Unproven DSR CMU
<b>Unproven DSR CMU</b>	means an unproven demand side response CMU as defined in Regulation 5 of the Regulations
<b>Volume</b>	means a volume of electrical generating capacity, Interconnected Capacity or DSR Capacity in a time period, expressed in MWh
<b>Winter</b>	means a period from 1 October to the following 30 April
<b>Withdrawal Confirmation</b>	has the meaning given to that term in Regulation 16
<b>Working Day</b>	has the meaning given to that term in Regulation 2.

### **1.3 Interpretation**

1.3.1 Unless the context otherwise requires, a reference in the Rules and in each Capacity Agreement Notice to a particular code or licence must be construed, at any particular time, as including a reference to any modification (including re-numbering) of that code or licence in force at that time.

1.3.2 A reference in the Rules and in each Capacity Agreement Notice to:

- (a) an agreement is to such agreement as amended, supplemented, novated or replaced from time to time;
- (b) a document is to the version of such document in force for the time being,

unless the context otherwise requires and subject to any express provision to the contrary in the Rules or a Capacity Agreement Notice.

#### **1.3A Sole director companies**

1.3A.1 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.

### **1.4 Times and dates**

1.4.1 Except where otherwise provided:

- (a) where anything is to be done under the Rules or a Capacity Agreement by or not later than a Working Day or any period is to run to a Working Day, such thing may be done or such period must run up to 1700 hours on such Working Day; and
- (b) where anything which is to be done on a Working Day is done:
  - (i) after 1700 hours on a Working Day, or
  - (ii) on a day which is not a Working Day,it is to be treated as having been done on the next following Working Day.

1.4.2 References to times of the day in the Rules or a Capacity Agreement are to London time.

### **1.5 Hierarchy of documents**

1.5.1 In the event of any conflict or inconsistency between the Regulations, the Rules and any Auction Guidelines, the following order of precedence must apply:

- (a) the Regulations prevail over the Rules and any Auction Guidelines; and
- (b) the Rules prevail over any Auction Guidelines.

## **1.6 Notices**

- 1.6.1 All notices, submissions and other communications by, or to, the Delivery Body pursuant to the Regulations or the Rules must be in writing and:
- (a) where pursuant to Rule 5.6 or Rule 5.10, submitted via the IT Auction System; and
  - (b) for all other purposes, submitted via the EMR Delivery Body Portal.
- 1.6.2 All notices, submissions and other communications by, or to, the Auctioneer pursuant to the Regulations or the Rules must be in writing and submitted via the IT Auction System.
- 1.6.3 Neither the Delivery Body nor the Auctioneer has any obligation to respond to, or otherwise act upon, any notice, submission or other communication received by it other than in accordance with Rule 1.6.1 or Rule 1.6.2 (as applicable) which it will be deemed not to have received for any purposes under the Regulations or the Rules.

## **1.7 Waiver**

- 1.7.1 No delay by, or omission of, a person in exercising any right, power, privilege or remedy under the Rules or the Regulations shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

## **1.8 Assignment**

- 1.8.1 The rights and obligations of a person under the Rules and the Regulations are personal to that person and that person must not assign and/or transfer and must not purport to assign or transfer any of those rights or obligations save as provided for in the Rules and/or the Regulations.

## **1.9 Language**

- 1.9.1 Every notice or other communication or document to be given by a person to another under the Rules or the Regulations shall be in the English language.

## CHAPTER 2: AUCTION GUIDELINES AND DE-RATING

### 2. Auction Guidelines and De-rating

#### 2.1 Purpose of this Chapter

- 2.1.1 The Rules describe the process and requirements for publication of the Auction Guidelines and set out the process for determining the de-rating factors by the Delivery Body or, in the case of Interconnector CMUs, the Secretary of State.

#### 2.2 Capacity Auction Timetable and Guidelines

- 2.2.1 The Delivery Body must, prior to the opening of the Prequalification Window, publish auction guidelines that will include further specific details as to the running of each individual Capacity Auction (the "Auction Guidelines").
- 2.2.2 The Auction Guidelines must contain a timetable for the Capacity Auction, including dates for each of the steps in the second column below. The dates for each Capacity Auction other than the First Full Capacity Auction will, unless the Delivery Body or the Secretary of State determines otherwise, be approximately as indicated in the first column.

Date	Activity
T – 22 weeks	Prequalification Window opens
T – 16 weeks	Prequalification Window closes
T – 10 weeks	Prequalification Results Day
T – 3 weeks	Notification of updated Auction Parameters and confirmation of the conditional Prequalified Applicants which have fully Prequalified pursuant to Rule 4.6.3
T – 3 weeks	Notification of Prequalified CMUs pursuant to Rule 5.5.10(b)
T – 3 weeks	In relation to T-1 Auction only, reconfirmation of the capacity contracted in the relevant T-4 Auction announced pursuant to Rule 5.5.10(c)
T – 10 working days	Price-Maker decisions and decisions under Rules 5.5.11 and 5.5.13 to be notified to Auctioneer
T	Time for first Bidding Window to commence and first Bidding Window to close

The timetable included in the Auction Guidelines for the First Full Capacity Auction will be as directed by the Secretary of State.

- 2.2.3 The Auction Guidelines must also provide the following information:

- (a) the Auction Parameters determined by the Secretary of State for the relevant Capacity Auction;
- (b) where to access the relevant forms to be completed by Applicants as part of the Prequalification process and relevant file formats for the Application and Additional Information;
- (c) instructions on using the EMR Delivery Body Portal and the IT Auction System, including how to:
  - (i) register, and complete security and identity checks for, all individuals that require access to such systems (subject, in the case of any Agent, to compliance with Rule 3.3.5);
  - (ii) submit prequalification information (including the required file format for the uploading of any supporting documentation);
  - (iii) participate in the Capacity Auction using the IT Auction System and any backup systems (including how to submit an Exit Bid and a Duration Bid Amendment); and
  - (iv) access the Capacity Market Register and submit notifications to the Delivery Body; and
- (d) any other information which is to be included in the Auction Guidelines from time to time under the Regulations or the Rules including pursuant to Rule 2.3.

2.2.4 If the Secretary of State notifies any adjustments to the Auction Parameters for a Capacity Auction to the Delivery Body pursuant to Regulation 13, the Delivery Body must publish such adjusted Auction Parameters within 5 Working Days of receiving such notification and such adjusted Auction Parameters shall thereafter form part of the Auction Guidelines for the relevant Capacity Auction in substitution for the previous Auction Parameters.

## **2.3 De-rating of CMUs**

2.3.1 The Delivery Body must, for each calendar year, calculate:

- (a) a De-rating Factor for each Generating Technology Class; and
- (b) a De-rating Factor for DSR CMUs.

2.3.1A The Secretary of State must, for each calendar year:

- (a) subject to Rule 2.3.1B, determine a De-rating Factor for each Interconnector CMU; and
- (b) as soon as reasonably practicable give notice of those De-rating Factors to the Delivery Body, for the purpose of their inclusion in the Auction Guidelines.

2.3.1B The Secretary of State is not required to determine a De-rating Factor for an Interconnector CMU unless it is:

- (a) an Existing Interconnector CMU; or



- (b) a Prospective Interconnector CMU, provided that the Electricity Interconnector comprised in the CMU has been included in the most recent report of the Delivery Body under Regulation 7.
- 2.3.2 The Auction Guidelines for a Capacity Auction must include each of the De-rating Factors calculated pursuant to Rule 2.3.1 or 2.3.1A as applicable in the calendar year in which such Auction Guidelines are published.
- 2.3.3 The De-rating Factors published in any Auction Guidelines apply to determine the De-rated Capacity of:
  - (a) any CMU participating in the Capacity Auction to which such Auction Guidelines relate; and
  - (b) any CMU that acquires a Capacity Obligation through secondary trading of Capacity Agreements awarded in the Capacity Auction to which such Auction Guidelines relate.
- 2.3.4 A De-rating Factor is:
  - (a) for CMUs in a Generating Technology Class, the Technology Class Weighted Average Availability (“TCWAA”) of that Generating Technology Class;
  - (b) for DSR CMUs, the Average Availability of Non-BSC Balancing Services (“AABS”); and
  - (c) for an Interconnector CMU, the Equivalent Firm Interconnector Capacity (“**EFIC**”) of that CMU.
- 2.3.5 With respect to the first Delivery Year, TCWAA and AABS are calculated by the Delivery Body as follows:
  - (a) for TCWAA, by:
    - (i) determining the Average Availability (AA) for each BM Unit directly connected to the Transmission Network in the Generating Technology Class over the seven immediately preceding Core Winter Periods. The Average Availability is a mean average equal to:
      - (aa) the sum of each declared Maximum Export Limit of that BM Unit at real time in High Demand Settlement Periods over the seven Core Winter Periods, excluding any declared Maximum Export Limit which exceeds the 95<sup>th</sup> percentile of all declared Maximum Export Limits of that BM Unit in those Core Winter Periods, divided by
      - (bb) the sum of the highest declared Maximum Export Limit figure from each Core Winter Period, excluding any declared Maximum Export Limit which exceeds the 95<sup>th</sup> percentile of the declared Maximum Export Limits of that BM Unit in that Core Winter Period (“BM Unit Max MEL”); and
    - (ii) determining the mean average of AA for all BM Units directly connected to the Transmission Network in that Generating

Technology Class, weighted according to the BM Unit Max MEL of each such BM Unit; and

- (b) for AABS, by determining the mean average of the declared availabilities of all Non-BSC Balancing Services at real time in High Demand Settlement Periods over the three immediately preceding Core Winter Periods, divided by their contracted volumes.

2.3.5A EFIC is determined by the Secretary of State for an Interconnector CMU in accordance with the methodology set out in Schedule 3A.

2.3.6 For the purposes of:

- (a) Rule 2.3.5(a), the Delivery Body must not take account of any data that relates to BM Units that are not, at the time of calculation, governed by the Grid Code or the CUSC; and
- (b) Rule 2.3.5(b), the Delivery Body must not take account of any data that relates to a Non-BSC Balancing Service,

to the extent that such data is subject to confidentiality restrictions that prevent it being made available for these purposes.

2.3.7 For the purposes of this Rule 2.3, a “Non-BSC Balancing Service” is the balancing service of short term operating reserve provided on a committed basis pursuant to the Short Term Operating Reserve Standard Contract Terms.

2.3.8 The Delivery Body:

- (a) must, with respect to the second, third and seventh Delivery Years, in each case after the conclusion of the T-4 Capacity Auction for the preceding Delivery Year;
- (b) must, promptly following the inclusion of any new Generating Technology Class by the Secretary of State pursuant to the Regulations; and
- (c) may, at any other time,

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

2.3.9 The objective referred to in Rule 2.3.8 is of deriving a percentage which most reliably reflects the mean average availability:

- (a) in the case of TCWAA, to generate in the Delivery Year (taking into account all independent technical and commercial factors) of the fleet of CMUs in that Generating Technology Class in Great Britain or the Offshore Area; and
- (b) in the case of AABS, to provide Demand Side Response in the Delivery Year (taking into account all independent technical and commercial factors) of the fleet of non-BSC Balancing Service CMUs in Great Britain or the Offshore Area.

2.3.10 Following any consultation in accordance with Rule 2.3.8, the Delivery Body may propose a revised calculation methodology for the TCWAA or AABS which,

if approved by the Authority as part of its process for modifying these Rules, must be applied for subsequent Delivery Years.

- 2.3.11 If no revised calculation methodology is approved under Rule 2.3.10 following any consultation, the calculation methodology applied for the previous Delivery Year must be applied.

## CHAPTER 3: PREQUALIFICATION INFORMATION

### 3. Application for Prequalification: Process and Information

#### 3.1 Purpose of this Chapter

- 3.1.1 The Rules govern the processes by which:
- (a) an Applicant may apply to the Delivery Body for Prequalification of a CMU to participate in a Capacity Auction for a given Delivery Year (the “Application Process”); and
  - (b) the owner of a Mandatory CMU for which no Application is made must notify the Delivery Body that the CMU is Opting-out of the Capacity Auction, and whether it will remain operational.
- 3.1.2 The purpose of the Application Process is to allow the Delivery Body, pursuant to the Rules set out in Chapter 4, to determine for each CMU which is the subject of an Application, *inter alia*:
- (a) whether the CMU is a Transmission CMU, a CMRS Distribution CMU, a Non-CMRS Distribution CMU, an Interconnector CMU or a DSR CMU;
  - (b) in the case of a Generating CMU or an Interconnector CMU, whether the CMU comprises an Existing CMU, a New Build CMU or a Refurbishing CMU; and
  - (c) whether the CMU should Prequalify.

#### 3.2 Identifying the Applicant for a CMU

- 3.2.1 There must be one Applicant only with respect to any CMU as determined in accordance with this Rule 3.2.
- 3.2.2 The Applicant for a DSR CMU must be the DSR Provider for that CMU.
- 3.2.3 Subject to Rules 3.2.4 to 3.2.7, the Applicant for a Generating CMU must be the person that is, or in the case of a Prospective Generating CMU will be, the legal owner of each Generating Unit comprised in that CMU.
- 3.2.4 Rule 3.2.5 applies where:
- (a) an Existing Generating CMU comprises a Generating Unit or a number of Generating Units;
  - (b) all such Generating Units are within the legal ownership of the same person; and
  - (c) the Despatch Controller with respect to each Generating Unit comprised in that Existing Generating CMU is a person other than the legal owner.
- 3.2.5 Where this Rule 3.2.5 applies, the Despatch Controller may be the Applicant with respect to an Existing Generating CMU provided that an Applicant Declaration is submitted with the relevant Application signed by:
- (a) two directors (or officers, in the case of a body other than a company) of the person having legal ownership of each Generating Unit comprised in that Existing Generating CMU; and

- (b) two directors (or officers, in the case of a body other than a company) of the Despatch Controller of each Generating Unit comprised in that Existing Generating CMU.

3.2.6 Rule 3.2.7 applies where:

- (a) a Generating CMU comprises a number of Generating Units with a Connection Capacity totalling no more than 50 MW;
- (b) legal ownership of such Generating Units is or, in the case of a Prospective CMU, will be vested in more than one person; and
- (c) Despatch Control with respect to each Generating Unit comprised in that Generating CMU rests or, in the case of a Prospective CMU, will rest with a single Despatch Controller (who may also be the legal owner of one or more of the Generating Units comprised in such Generating CMU).

3.2.7 Where this Rule 3.2.7 applies, the Despatch Controller (or, in the case of a Prospective CMU, the person who will be the Despatch Controller) must be the Applicant with respect to a Generating CMU and the following declarations must be submitted with the relevant Application:

- (a) an Aggregator Declaration signed by two directors (or officers, in the case of a body other than a company) of the Despatch Controller of each Generating Unit comprised in that Generating CMU; and
- (b) a Legal Owner Declaration in respect of each Generating Unit comprised in that Generating CMU signed by two directors (or officers, in the case of a body other than a company) of the person having legal ownership of the relevant Generating Unit.

3.2.8 Subject to Rule 3.2.9, the Applicant for an Interconnector CMU must be the person that is, or in the case of a Prospective Interconnector CMU will be, the legal owner of the Electricity Interconnector comprised in that CMU together with the Non-GB Part.

3.2.9 The Applicant may be a Joint Owner in relation to the Interconnector CMU, provided that:

- (a) the Applicant is a legal owner of the Electricity Interconnector and the holder of the Interconnection Licence; and
- (b) a Joint Owner Declaration is submitted with the relevant Application that:
  - (i) identifies which of the Joint Owners is making the Application;
  - (ii) in the case of an Application for an Existing CMU, is in the form set out in and signed in accordance with Exhibit DA or DB; and
  - (iii) In the case of an Application for a Prospective CMU, is in the form set out in and signed in accordance with Exhibit DC.

### **3.3 Submitting an Application for Prequalification**

3.3.1 An Application to Prequalify a CMU for a Capacity Auction must only be made:

- (a) by the Applicant for that CMU (subject to Rule 3.3.5); and

- (b) through the EMR Delivery Body Portal in the form and in the manner prescribed in the Auction Guidelines.
- 3.3.2 Subject to Rule 4.2.3, an Applicant may only make one Application for a CMU for a Capacity Auction.
- 3.3.3 An Application may not be made for a CMU for a Capacity Auction if:
- (a) that CMU, or any Generating Unit or DSR CMU Component comprised in that CMU, currently has a Capacity Agreement, or is part of a CMU which currently has a Capacity Agreement for the Delivery Year for which the Capacity Auction is to be held;
  - (aa) the CMU does not meet the General Eligibility Criteria;
  - (b) the Delivery Body has already received an Opt-out Notification for the CMU pursuant to Rule 3.11.2(f)(i) or (ii) in a previous Prequalification Window in respect to a Capacity Auction for the same Delivery Year;
  - (c) the CMU is a Defaulting CMU or an Excluded CMU (but without prejudice to the requirement to submit an Opt-out Notification in accordance with Rule 3.11);
  - (d) the Application is for a Refurbishing CMU in respect of which:
    - (i) the Pre-Refurbishment CMU was awarded a Capacity Agreement as a Refurbishing CMU in a previous Capacity Auction; and
    - (ii) such Capacity Agreement was reduced pursuant to Rule 6.8.4(a) Rule 8.3.6(b) or (c) at any time during the preceding two years,
 provided that:
    - (aa) this Rule does not prevent an Application in relation to such CMU as an Existing CMU; and
    - (bb) if the CMU previously ceased to be Prequalified as a result of this Rule when read with Rule 4.4.3AB, this Rule does not operate to prevent an Application for the CMU in respect of auctions in more than two consecutive Auction Windows as a result of the same circumstances;
  - (e) the Application is for a Generating CMU or an Interconnector CMU in respect of which a Capacity Agreement has previously been awarded that has been terminated in consequence of a Termination Event within Rule 6.10.1(g), Rule 6.10.1(ga) or Rule 6.10.1A(a)(iii) at any time during the preceding two years provided that if the CMU previously ceased to be Prequalified as a result of this Rule when read with Rule 4.4.3AC, this Rule does not operate to prevent an Application for the CMU in respect of auctions in more than two consecutive Auction Windows as a result of the same termination; or
  - (f) the Application is for a New Build CMU in respect of which, at any time (“t”) during the preceding two years:
    - (i) the Applicant, or a member of the Applicant’s Group, was the New Build Capacity Provider; and

- (ii) a Capacity Agreement awarded in respect of the CMU was terminated at time t and in consequence of a Termination Event within Rule 6.10.1(b), 6.10.1(ba), 6.10.1(c), 6.10.1(e), 6.10.1(ea), or 6.10.1(fa) or a notice was issued under Rule 6.8.2B;

provided that:

- (aa) this Rule does not prevent an Application in relation to such CMU as an Existing CMU; and
- (bb) if the CMU previously ceased to be Prequalified as a result of this Rule when read with Rule 4.4.3AC, this Rule does not operate to prevent an Application for the CMU in respect of auctions in more than two consecutive Auction Windows as a result of the same termination.

3.3.4 An Applicant must make separate Applications for a Capacity Auction with respect to separate CMUs.

3.3.5 An Applicant may nominate an Agent to submit an Application for a CMU on its behalf and to otherwise perform its obligations under the Regulations or the Rules (whether in its capacity as Applicant, Bidder or Capacity Provider) provided that:

- (a) an Agent Nomination Form with respect to such Agent is included in the Application;
- (b) only one Agent is appointed by an Applicant with respect to a CMU at any one time;
- (c) such Agent is not also the Agent for any other Applicant (unless the other Applicant is a member of the same Group);
- (d) if the Applicant wishes to revoke the appointment of an Agent or to appoint a different Agent, the Applicant must submit a new Agent Nomination Form to the Delivery Body; and
- (e) the Agent shall have not authority to sign any Prequalification Certificate, Price-Maker Certificate, Certificate of Conduct or any other directors' or officers' certificate or other formal representation required to be submitted by the Applicant pursuant to the Regulations or the Rules.

3.3.6 For each CMU which an Applicant wishes to Prequalify, and for each Capacity Auction, the Applicant must:

- (a) submit a separate application form and the required Additional Information (together, an "Application") to the Delivery Body;
- (b) comply with the requirements of the Application Process; and
- (c) cooperate with the Delivery Body and other Administrative Parties in the execution of their duties.

3.3.7 An Application will not be considered or accepted unless it is submitted:

- (a) during the Prequalification Window; and
- (b) in accordance with:

- (i) the Regulations and the Rules;
- (ii) the timetable and requirements for submission set out in the Auction Guidelines applicable to the relevant Capacity Auction; and
- (iii) such other requirements as may be specified by the Delivery Body from time to time.

3.3.8 In submitting an Application, an Applicant:

- (a) is bound to comply with the Auction Guidelines applicable to the relevant Capacity Auction; and
- (b) consents to the disclosure of Applicant Confidential Information in accordance with the Regulations or the Rules.

### **3.4 Information to be provided in all Applications**

3.4.1 General details about the Applicant

Each Applicant must provide such details in each Application as are required pursuant to the Regulations, the Rules or the Auction Guidelines or as specified by the Delivery Body under Rule 3.3.7(b)(iii), including:

- (a) the name of the Applicant;
- (b) if relevant, the corporate registration number of the Applicant;
- (c) contact details, including registered address of the Applicant and:
  - (i) name of the authorised contact person at the Applicant or Agent who is responsible for liaising with the Delivery Body in relation to the Application and any resulting Capacity Agreement; and
  - (ii) an email address and telephone number that can be used by a person wishing to discuss secondary trading in relation to the CMU which is the subject of the Application;
- (ca) where the Applicant is a member of a Group, the name of the direct Holding Company for the Applicant;
- (d) Not used
- (e) Not used
- (ea) in the case of an Application in respect of an Interconnector CMU, whether or not the Applicant holds an Interconnection Licence at the time of making the Application;
- (f) in the case of an Application that is submitted by an Agent, an Agent Nomination Form.

3.4.2 Legal status of the Applicant

- (a) Subject to Rule 3.4.2(b), each Applicant must provide in the Application a copy of its certificate of incorporation and other related evidence as required for the relevant type of person under the Auction Guidelines;



- (b) If an Applicant has submitted the information required by Rule 3.4.2(a) with a previous Application and that information remains accurate and up to date, the Applicant may, instead of complying with Rule 3.4.2(a), confirm in the Application that the information previously provided remains accurate and up to date.

#### 3.4.3 Nominations relating to the CMU

Each Applicant must:

- (a) specify in the Application:
  - (i) the CMU to which the Application relates (including a description of, the full postal address with postcode and the two letter prefix and six-figure Ordnance Survey grid reference numbers of, the Generating Unit(s) and for Proven DSR CMUs, their CMU Component(s), or of the Electricity Interconnector);
  - (ii) all relevant Meters and Meter Point Administration Numbers for all the relevant Meter(s), except in respect of Unproven DSR CMUs;
  - (iii) BM Unit Identifiers (as defined in the Balancing and Settlement Code), if applicable; and
  - (iv) in the case of an Interconnector CMU, the relevant interconnector identifier(s) as specified for the purposes of the BSC in file CDCA-I041 of the Central Data Collection Agent (CDCA).
- (b) except in respect of an Unproven DSR CMU, if any Meter Point Administration Number specified in the Application has already been:
  - (i) registered to another CMU which is a Capacity Committed CMU in respect of one or more of the same Delivery Years; or
  - (ii) specified in a prior Application submitted in respect of another CMU in the same Prequalification Window,include in the Application a declaration explaining how the two CMUs relate and how metering will separately identify the output of each of them.

#### 3.4.4 Classification of the CMU

Each Applicant must declare whether the CMU to which the Application relates comprises an Existing CMU, a New Build CMU, a Refurbishing CMU, a Proven DSR CMU or an Unproven DSR CMU and, if the CMU is a Generating CMU, whether or not it comprises of a Storage Facility.

#### 3.4.5 Statement as to Capacity

Each Application must specify:

- (a) the Connection Capacity or DSR Capacity (as applicable) of the CMU for the Delivery Year to which the Capacity Auction relates and, in the case of a Generating CMU or Interconnector CMU, the basis on which the Connection Capacity has been determined pursuant to Rule 3.5 or Rule 3.5A; and

- (b) in the case of a Generating CMU, the Generating Technology Class to which each Generating Unit that comprises such a CMU belongs;

3.4.5A Primary Fuel Type

In the case of a Generating CMU, each Application must state the Primary Fuel Type which it is intended at the time the Application is made will be used for the CMU at the beginning of the Delivery Year.

3.4.6 Not used

3.4.7 Low Carbon Exclusion and Low Carbon Grant status

- (a) Each Applicant must, in the Application:
  - (i) declare that at the time of making the Application the CMU to which the Application relates is neither accredited under, nor the subject of an application for accreditation under, a Low Carbon Exclusion, and will not be benefitting from a Low Carbon Exclusion at the commencement of, or during, the relevant Delivery Year or period of Delivery Years;
  - (ii) if the CMU is currently benefitting from a Low Carbon Exclusion, include a Non-Support Confirmation; or
  - (iii) if an application has been made (and not determined) for a Low Carbon Exclusion in respect of the CMU, include a Withdrawal Confirmation.
- (b) Each Applicant must, in the Application, declare that at the time of making the Application the CMU to which the Application relates has not benefitted and will not benefit from a Low Carbon Grant either during, or in the ten years prior to the commencement of, the relevant Delivery Year.
- (c) Each Applicant must acknowledge that the Low Carbon Exclusion and Low Carbon Grant status of the CMU may be checked by the Authority at any time following submission of the Application.
- (d) Applicants that provide a Non-Support Confirmation under Rule 3.4.7(a)(ii) must, with the Application, provide a copy of the document which sets out the term of their entitlement to benefit from the Low Carbon Exclusion.

3.4.8 STOR status

Each Applicant must declare at the time of making the Application that the CMU to which the Application relates:

- (a) is not the subject of a Relevant STOR Contract and will not be the subject of a Relevant STOR Contract at the commencement of, or during, the relevant Delivery Year; or
- (b) is currently the subject of a Relevant STOR Contract and the Applicant further irrevocably declares that, if it is awarded a Capacity Agreement in the Capacity Auction for that CMU, it will withdraw from, or request that the System Operator terminates, the Relevant STOR Contract with effect

from a date on or before the start of the first Delivery Year to which the Capacity Agreement relates.

3.4.9 Not used

### **3.5 Determining the Connection Capacity of a Generating CMU**

3.5.1 The Connection Capacity of a Generating CMU is the aggregate of the Connection Capacity of each Generating Unit comprised in that Generating CMU as determined pursuant to Rule 3.5.2.

3.5.2 Subject to Rules 3.5.3 or 3.5.5, the Connection Capacity of a Generating Unit must be calculated as follows:

- (a) for a Generating Unit forming part or all of a Transmission CMU, the Connection Entry Capacity stated in the Grid Connection Agreement for that Generating Unit;
- (b) for a Generating Unit forming part or all of an Existing Generating CMU which is a Distribution CMU, the registered capacity (or inverter rating, if applicable) stated in the Distribution Connection Agreement for that Generating Unit or in the written confirmation from the Distribution Network Operator provided pursuant to Rule 3.6.3(c)(ii) (as applicable);
- (ba) for a Generating Unit forming part or all of an Existing Generating CMU which is a Distribution CMU, but where the Distribution Connection Agreement or connection offer does not state its registered capacity (or inverter rating, if applicable):
  - (i) the estimated capacity that the Applicant, with respect to the Generating CMU (that includes that Generating Unit), calculates to be the registered capacity or inverter rating, based on information otherwise contained within the Distribution Connection Agreement or a connection offer; or
  - (ii) the maximum capacity which will be physically capable of being transmitted from the Generating Unit to the Distribution Network, based on information otherwise contained within the Distribution Connection Agreement or a connection offer.
- (c) for a Generating Unit forming part or all of a Prospective Generating CMU which is a Distribution CMU:
  - (i) the registered capacity (or inverter rating, if applicable) for that Generating Unit stated in the Distribution Connection Agreement for that Generating Unit or in the written confirmation from the Distribution Network Operator provided pursuant to Rule 3.7.3(b)(ii) (as applicable); or
  - (ii) where the Generating Unit does not have a Distribution Connection Agreement, the registered capacity (or inverter rating, if applicable) for that Generating Unit stated in the connection offer for that Generating Unit or in the written confirmation from the Distribution Network Operator provided pursuant to Rule 3.7.3(b)(ii) (as applicable); or

- (iii) where the Generating Unit:
  - (aa) has a Distribution Connection Agreement or a connection offer but such agreement or offer does not state its registered capacity or inverter rating, the estimated capacity that the Applicant, with respect to the Generating CMU (that includes that Generating Unit), calculates to be the registered capacity or inverter rating, based on information otherwise contained within the Distribution Connection Agreement or connection offer; or
  - (bb) does not have a Distribution Connection Agreement or a connection offer, or has a Distribution Connection Agreement or a connection offer but such agreement or offer contains no information relevant to the calculation of registered capacity or inverter rating, the estimated capacity that the Applicant, with respect to the Generating CMU (that includes that Generating Unit) anticipates (acting in good faith) to be the maximum capacity which will be physically capable of being transmitted from the Generating Unit to the Distribution Network,

in each case expressed in MW to three decimal places.

- 3.5.3 An Applicant for an Existing Generating CMU may, as an alternative to the determination of Connection Capacity set out in Rule 3.5.2, nominate a Connection Capacity for that Generating Unit equal to the Average Highest Output of that Existing Generating CMU.
- 3.5.4 For the purposes of Rule 3.5.3, the “Average Highest Output” of a Generating Unit is the mean average of the physically generated net outputs, or Metered Volume where applicable in MWh, multiplied by two to convert to MW and stated to three decimal places, of that Generating Unit in the three Settlement Periods identified by the Applicant under Rule 3.6.1(a).
- 3.5.5 An Applicant for a Generating CMU may, as an alternative to the determination of Connection Capacity set out in Rule 3.5.2 or 3.5.3, nominate a Connection Capacity for a Generating Unit comprised in that Generating CMU in accordance with following formula:

$$CC_i = \frac{UCEC_i}{SCEC} \times STEC$$

where:

$CC_i$  is the Connection Capacity of Generating Unit “i”;

STEC is:

- (a) in the case of a Generating Unit which is part of a Transmission CMU, the Transmission Entry Capacity for the power station of which Generating Unit “i” is a component; or

- (b) in the case of a Generating Unit which is part of a Distribution CMU, the Maximum Export Capacity for the power station of which Generating Unit “i” is a component;

SCEC is:

- (a) in the case of a Generating Unit which is part of a Transmission CMU:
  - (i) not in use
  - (ii) the sum of the Connection Entry Capacities stated in that Grid Connection Agreement for each Generating Unit which is a component of that power station;
- (b) in the case of a Generating Unit which is part of a Distribution CMU:
  - (i) Not used;
  - (ii) the sum of the registered capacities (or inverter ratings, if applicable) stated in that Distribution Connection Agreement for each of the generating sets comprised in that power station;

UCEC<sub>i</sub> is:

- (a) in the case of a Generating Unit which is part of a Transmission CMU, the Connection Entry Capacity stated in the Grid Connection Agreement for Generating Unit “i”; or
- (b) in the case of a Generating Unit which is part of a Distribution CMU, the registered capacity (or inverter rating, if applicable) stated in the Distribution Connection Agreement for Generating Unit “i”;

“generating set” has the meaning given to it in the relevant Distribution Connection Agreement;

“Maximum Export Capacity” has the meaning given to it in the Distribution Connection Agreement;

“power station” has the meaning given to it in the relevant Grid Connection Agreement or Distribution Connection Agreement as applicable.

### **3.5A Determining the Connection Capacity of an Interconnector CMU**

- 3.5A.1 The Connection Capacity of an Interconnector CMU is equal to the positive value of Connection Entry Capacity stated in the Grid Connection Agreement.

### **3.5B Clarifications for determining the Connection Capacity of CMUs**

- 3.5B.1 For the purposes of Rules 3.5 and 3.5A, where:
  - (a) reference is made to a Grid Connection Agreement, Distribution Connection Agreement or connection offer for a Generating Unit these refer to the agreement or offer in force at the date on which the Application is made;
  - (b) a Distribution Connection Agreement or connection offer for a Generating Unit states a range of values for the registered capacity or inverter rating of that Generating Unit, the registered capacity or inverter rating of that

Generating Unit will be taken to be the lowest value specified in that range; and

- (c) reference is made to the Connection Entry Capacity, Transmission Entry Capacity, registered capacity or inverter rating, the values of those terms must be specified net of Auxiliary Load.

### **3.6 Additional Information for an Existing Generating CMU**

#### **3.6.1 Previous Settlement Period performance**

- (a) Each Applicant for an Existing Generating CMU must identify in the Application the three Settlement Periods on separate days in:
  - (i) the 24 months prior to the date one month before the start of the Prequalification Window; or
  - (ii) if the CMU has not been operational in the 24 months prior to the date one month before the start of the Prequalification Window:
    - (aa) the most recent 24 months of operation; or
    - (bb) if the CMU has previously been operational for less than 24 months, the most recent period of operation; or,
  - (iii) if the CMU has been subject to a continuous Transmission Restriction for the whole of the 24 months prior to the date one month before the start of the Prequalification Window, the most recent 24 months in which the CMU was not subject to a Transmission Restriction,

in which such Existing Generating CMU delivered its highest physically generated net outputs, or Metered Volume where applicable, and specify such physically generated net outputs or Metered Volume in MWh to three decimal places.

- (aa) Each Applicant for an Existing Generating CMU must also identify in the Application the 24 month period which contains the three Settlement Periods referred to in Rule 3.6.1(a).
- (b) Each Applicant for an Existing Generating CMU that is a Non-CMRS Distribution CMU using the Supplier Settlement Metering Configuration Solution must provide:
  - (i) a letter from the supplier or former supplier to such CMU confirming:
    - (aa) the CMU's physically generated net output, or Metered Volume where applicable, in MWh to three decimal places; and
    - (bb) whether line loss adjustments have been applied; or
  - (ii) where the Applicant cannot meet the requirements of 3.6.1(b)(i), evidence the CMU delivered a Metered Volume (in MWh to three decimal places) in discharge of an obligation to deliver a balancing service confirming the CMU's physically generated net output,

in the three Settlement Periods referred to in Rule 3.6.1(a) for each Generating Unit that comprises that CMU.

- (c) Each Applicant for an Existing Generating CMU that is a Non-CMRS Distribution CMU using the Balancing Services Metering Configuration Solution or Bespoke Metering Configuration Solution must provide:
  - (i) a letter from the supplier or former supplier to such CMU confirming the CMU's physically generated net output in MWh to three decimal places; or
  - (ii) evidence the CMU delivered a Metered Volume (in MWh to three decimal places) in discharge of an obligation to deliver a balancing service confirming the CMU's physically generated net output in MWh to three decimal places;
  - (iii) and if line loss adjustments have been applied, either:
    - (aa) a letter from the Distribution Network Operator confirming the Line Loss Factor values in the three Settlement Periods referred to in Rule 3.6.1(a); or
    - (bb) where applicable, a letter from the owner of the Unlicensed Network confirming the electrical loss factor values in the three Settlement Periods referred to in Rule 3.6.1(a) and the methodology used to calculate such values.

3.6.2 Not used

3.6.3 Connection Arrangements

- (a) Each Applicant for an Existing Generating CMU that is a Transmission CMU must:
  - (i) confirm that one or more Grid Connection Agreements have been entered into which, subject to Rule 3.6.3(b), secure Transmission Entry Capacity for the relevant Delivery Year for the Generating Units comprised in the CMU at least equal, in aggregate, to the Anticipated De-rated Capacity of that CMU and any other CMU to which any such Grid Connection Agreement applies; and
  - (ii) provide a copy of the Grid Connection Agreement for each Generating Unit comprised in the CMU with the Application.
- (b) In the First Full Capacity Auction and the Second Full Capacity Auction only, an Applicant for an Existing Generating CMU that is a Transmission CMU and that is unable to give the confirmation referred to in Rule 3.6.3(a)(i) may instead declare that it will secure the required Transmission Entry Capacity by the date falling 18 months prior to the commencement of the relevant Delivery Year.
- (c) Each Applicant for an Existing Generating CMU that is a Distribution CMU must:
  - (i) confirm that one or more Distribution Connection Agreements have been entered into which permit at least, in aggregate, the Anticipated De-rated Capacity of that CMU and any other CMU to

which any such Distribution Connection Agreement applies to connect to the Distribution Network in the relevant Delivery Years; and

- (ii) provide a copy of the Distribution Connection Agreement for each Generating Unit comprised in the CMU with the Application or, where this is not possible, written confirmation from the Distribution Network Operator that such Distribution Connection Agreement is in effect and confirming:
  - (aa) the registered capacity (or inverter rating, if applicable) of that Generating Unit and where a range of values is specified for the registered capacity (or inverter rating if applicable), the minimum value in that range; and
  - (bb) the capacity that such Generating Unit is permitted to export to the Distribution Network.
- (d) For an Existing Generating CMU that is not directly connected to a Distribution Network the Applicant may, instead of complying with Rule 3.6.3(c), provide a letter from the owner of the Private Network to which the CMU is connected confirming:
  - (i) the full output that CMU is able to Export onto that Private Network; and
  - (ii) that the owner of that Private Network has an agreement with the relevant Distribution Network Operator for the connection of the Private Network to, and use of, a Distribution Network.
- (e) Where reference is made to a Grid Connection Agreement, Distribution Connection Agreement or connection offer for a Generating Unit these refer to the agreement or offer in force at the date on which the Application is made

#### 3.6.4 Metering Arrangements

- (a) Each Applicant for an Existing Generating CMU must, subject to Rule 3.6.4(b):
  - (i) provide 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 that CMU.
- (b) An Applicant may elect to defer the requirements in Rule 3.6.4(a) until after the Capacity Auction to which the application relates, in which case the Applicant must declare that it will provide detailed line diagrams showing electrical configurations and metering sites at which the Generating Units are located and complete a Metering Assessment for that Existing Generating CMU by:
  - (i) no later than the date falling three years prior to the start of the relevant Delivery Year in the case of an Existing Generating CMU that has been awarded a Capacity Agreement in a T-4 Auction; or



- (ii) no later than the date falling eight months prior to the start of the relevant Delivery Year in the case of an Existing Generating CMU that has been awarded a Capacity Agreement in any auction other than a T-4 Auction; or
  - (iii) no later than the date falling one month after the auction where the time period between the Delivery Year and the auction is less than eight months.
- (c) The Delivery Body must send to the CM Settlement Body a copy of any completed Metering Assessment, or other information provided by the applicant under (a) and (b).

### **3.6A Additional information for an Existing Interconnector CMU**

#### **3.6A.1 Previous Settlement Period performance**

Each Applicant for an Existing Interconnector CMU must identify in the Application three Settlement Periods on separate days in the Winter preceding the start of the Prequalification Window in which such Existing Interconnector CMU provided its highest Net Output as recorded for the purposes of the BSC by file CDCA-I041 of the Central Data Collection Agent (CDCA).

#### **3.6A.2 Connection Arrangements**

Each Applicant for an Interconnector CMU must:

- (a) confirm that one or more Grid Connection Agreements have been entered into and are in force which secure Transmission Entry Capacity for the relevant Delivery Year for that CMU at least equal, in aggregate, to the Anticipated De-rated Capacity of the CMU and any other CMUs to which any such Grid Connection Agreement applies; and
- (b) provide a copy of the Grid Connection Agreement with the Application.

#### **3.6A.3 Metering Arrangements**

- (a) Each Applicant for an Existing Interconnector CMU must, subject to Rule 3.6A.3(aa):
  - (i) provide detailed line diagrams showing the location at which the Interconnector CMU is metered; and
  - (ii) complete a Metering Assessment in relation to that CMU.
- (aa) An Applicant may elect to defer the requirements in Rule 3.6A.3(a) until after the Capacity Auction to which the application relates, in which case the Applicant must declare that it will provide detailed line diagrams showing the location at which the Interconnector CMU is metered and complete a Metering Assessment for that Existing Interconnector CMU by:
  - (iii) no later than the date falling three years prior to the start of the relevant Delivery Year in the case of an Existing Interconnector CMU that has been awarded a Capacity Agreement in a T-4 Auction; or

- (iv) no later than the date falling eight months prior to the start of the relevant Delivery Year in the case of an Existing Interconnector CMU that has been awarded a Capacity Agreement in any auction other than a T-4 Auction; or
  - (v) no later than the date falling one month after the auction where the time period between the Delivery Year and the auction is less than eight months.
- (b) The Delivery Body must send to the CM Settlement Body a copy of any completed Metering Assessment or other information provided by an Applicant under (a) and (aa).

**3.6B Additional Information for an Existing or Prospective Interconnector CMU**

3.6B.1 Each Applicant for an Interconnector CMU must declare in the Application:

- (a) the technical specifications of the Electricity Interconnector concerned;
- (b) the country or territory in which the Non-GB Part will be located; and
- (c) the forecasted technical reliability for the relevant Delivery Year.

**3.6C Additional Information for a New Build Interconnector CMU**

3.6C.1 Information on existing Applicant Credit Cover

- (a) This Rule 3.6C.1 applies to an Applicant for a New Build Interconnector CMU for which that Applicant has an existing Capacity Agreement, who:
  - (i) has previously provided Applicant Credit Cover in respect of that Interconnector CMU; and
  - (ii) wishes to be exempt from the requirement to provide further Applicant Credit Cover in accordance with Regulation 59(1B).
- (b) Such an Applicant must include in the Application confirmation:
  - (i) that its Application is for the same New Build Interconnector CMU as the one to which that existing Capacity Agreement relates; and
  - (ii) that the Applicant Credit Cover previously provided has not been drawn down under Regulation 61.

**3.7 Additional Information for a New Build CMU**

3.7.1 Relevant Planning Consents

- (a) Each Applicant for a New Build CMU must declare in the Application:
  - (i) that it will obtain all Relevant Planning Consents and will have the Legal Right to use the land on which the CMU is, or will be, located by no later than the date falling 22 Working Days prior to the commencement of the first Bidding Window in relation to such Capacity Auction; or
  - (ii) otherwise, that it has obtained all Relevant Planning Consents required for the construction and commissioning of the Prospective Generating Plant or Prospective Interconnector CMU (but excluding any ancillary infrastructure associated with, but not

comprised in, the Prospective Generating Plant or Prospective Interconnector CMU) and has the Legal Right to use the land on which the CMU is, or will be, located.

and in the case of 3.7.1 (a)(ii) must provide documentary evidence of Relevant Planning Consents

- (b) Each Applicant, in relation to Rule 3.7.1(a)(ii), for a New Build CMU, must provide in the Application:
  - (i) where the Relevant Planning Consent is time limited, documentary evidence showing that the end date of the Relevant Planning Consent is after the expiry date of the Capacity Agreement; and
  - (ii) where the Relevant Planning Consent states the capacity of the New Build CMU is smaller than the Connection Capacity, technical documentary evidence justifying the difference

### 3.7.2 Construction Plan

Each Applicant for a New Build CMU must state in the Application:

- (a) a description of the nature of the construction, repowering or refurbishment works to be undertaken; and, where the duration of the Capacity Agreement for the CMU is to be greater than three Delivery Years:
  - (i) that, to the best of its knowledge and belief, the CMU will meet the Extended Years Criteria when completed; and
  - (ii) a description of how those criteria are to be met;
- (b) a schedule identifying the earliest and latest dates for achieving the following Construction Milestones:
  - (i) commencement of construction works;
  - (ii) achievement of the Back-feed Milestone; and
  - (iii) achievement of the Substantial Completion Milestone;
  - (iv) Major Contract Date;
  - (v) Completion of Main Foundations;
  - (vi) First Delivery Date (or, in the case of an Interconnector CMU, Commencement of Cable Laying); and
  - (vii) First Firing Date (or, in the case of an Interconnector CMU, First Test Connection Date),

where for that purpose:

**“Major Contract Date”** means the date on which a Major Contract (or, where applicable, Relevant Contract) is to be entered into that will be legal, valid and binding and in full force and effect in accordance with its terms, with counterparties who will be able to perform their obligations under the contract;

**“Completion of Main Foundations”** means the completion of foundations and floor slabs to an extent that will enable the start of structural construction work;

**“First Delivery Date”** means the date that a turbine or generator comprised in the Core Generating Plant is first delivered to the construction site;

**“Commencement of Cable Laying”** means the date on which the first section of cable is laid in its final position;

**“First Firing Date”** means the date that a turbine or generator comprised in the Core Generating Plant is first started during the commissioning of a Generating Unit;

**“First Test Connection Date”** means the date on which electricity is first transmitted over the Electricity Interconnector at the operational voltage.

- (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 (or, in the case of an Interconnector CMU, the CMU together with the Non-GB Part) between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates and the commencement of the first Delivery Year to which the Application relates, such Capital Expenditure not having previously been considered in respect of any application for prequalification by a CMU which subsequently gained a Capacity Agreement (“the **Total Project Spend**”);
- (d) for a Generating CMU, whether the Qualifying £/kW Capital Expenditure is:
  - (i) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
  - (ii) equal to or greater than the Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
  - (iii) less than the Three Year Minimum £/kW Threshold; and
- (e) that the Construction Plan:
  - (i) is, to the best of its knowledge and belief, based on reasonable assumptions;
  - (ii) accurately summarises the planned works; and
  - (iii) is not misleading.

### 3.7.3 Connection Arrangements

- (a) Each Applicant for a New Build CMU that is or will be a Transmission CMU must:
  - (i) confirm that one or more Grid Connection Agreements have been entered into which secure Transmission Entry Capacity for the relevant Delivery Years for the Generating Units comprised in that

- CMU at least equal, in aggregate, to the Anticipated De-rated Capacity of that CMU and any other CMUs to which any such Grid Connection Agreement applies; and
- (ii) provide a copy of the Grid Connection Agreement for each Generating Unit comprised in the CMU with the Application.
- (aa) Each Applicant for a New Build CMU that is or will be an Interconnector CMU must:
- (i) confirm that a Grid Connection Agreement has been entered into which secures Transmission Entry Capacity for the relevant Delivery Year for that CMU at least equal to the Anticipated De-rated Capacity of the CMU and any other CMUs to which any such Grid Connection Agreement applies; and
  - (ii) provide a copy of the Grid Connection Agreement with the Application.
- (b) Subject to Rule 3.7.3(c) below, Applicants for a New Build CMU that is, or will be, directly connected to a Distribution Network must:
- (i) confirm that there are one or more Distribution Connection Agreements or connection offers which permit at least, in aggregate, the Anticipated De-rated Capacity of that CMU and any other CMUs to which the Distribution Connection Agreement applies to connect to the Distribution Network in the relevant Delivery Years, and
  - (ii) provide with the Application a copy of any such Distribution Connection Agreement or connection offer, or where this is not possible, written confirmation from the Distribution Network Operator that such Distribution Connection Agreement or connection offer is in effect and confirming:
    - (aa) the registered capacity (or inverter rating, if applicable) of that Generating Unit and where a range of values is specified for the registered capacity (or inverter rating, if applicable), the minimum value in that range; and
    - (bb) the capacity that such Generating Unit is permitted to export to the Distribution Network.
- (c) Except in the case of an Application to participate in a T-1 Auction, an Applicant which is unable to give the confirmation referred to in Rule 3.7.3(b)(i) may, instead of complying with Rule 3.7.3(b), either
- (i) declare that a Distribution Connection Agreement will be in place by the date 18 months prior to the commencement of the relevant Delivery Year; or
  - (ii) provide a letter from the owner of the Private Network, to which the CMU will be connected, that confirms that the owner of that Private Network will have an agreement with the relevant Distribution Network Operator for the connection of the Private

Network to, and use of, a Distribution Network by the date 18 months prior to the commencement of the relevant Delivery Year.

### **3.8 Additional Information for a Refurbishing CMU**

#### **3.8.1 Refurbishing CMU**

Each Application for a Refurbishing CMU must comply with the requirements of Rule 3.7 to the extent they are applicable as if references therein to “New Build CMU” were to “Refurbishing CMU” provided that:

- (a) if there are no Relevant Planning Consents required in relation to the improvements programme to be carried out for the Refurbishing CMU, the Applicant must make a declaration to this effect in the Application rather than any declaration pursuant to Rule 3.7.1;
- (b) the schedule included in the construction plan pursuant to Rule 3.7.2(b) does not need to include a projected date for achieving the Back-feed Milestone;

And except that:

- (c) References to Capital Expenditure and to Qualifying £/kW Capital Expenditure within Rule 3.7.2 should, for the purposes of this rule, be understood to relate to expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Applicant to be incurred (either by the Applicant or another person), between the date which is the Auction Results Day prior to the commencement of the first Delivery Year to which the Application relates, and the commencement of the first Delivery Year to which the Application relates. 3.8.1A Refurbishing CMU – declaration about refurbishing works

- (a) Paragraph (b) applies where, pursuant to Rule 3.7.2(d)(ii) and Rule 3.8.1, an Application in relation to a Refurbishing CMU states that the Qualifying £/kW Capital Expenditure is equal to or greater than the Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold.
- (b) Where this paragraph applies, the Prequalification Certificate must contain a declaration in the form set out in paragraph (f) of Exhibit A.
- (c) If an Application fails to comply with this Rule 3.8.1A the Delivery Body:
  - (i) must not prequalify the CMU for a Capacity Agreement greater than one year in duration; and
  - (ii) must, if the Application otherwise has been completed and submitted in accordance with the Rules, prequalify the CMU so that the Maximum Obligation Period of a Capacity Agreement that the Applicant may bid for is one year.

#### **3.8.2 Pre-Refurbishment CMU**

Each Application for a Refurbishing CMU must:

- (a) include the declaration required by Rule 3.6.1 to the extent applicable to the Pre-Refurbishment CMU;

- (b) if the Pre-Refurbishment CMU is a Mandatory CMU, comply with the requirements of either Rule 3.6 or Rule 3.6A (as applicable) or Rule 3.11; and
- (c) if the Pre-Refurbishment CMU is not a Mandatory CMU but the Applicant wishes to have the option of continuing to bid in the relevant Capacity Auction as an Existing Generating CMU following the submission of an unsuccessful Exit Bid with respect to the Refurbishing CMU, comply with the requirements of either Rule 3.6 or 3.6A (as applicable) in relation to such Pre-Refurbishment CMU.

### **3.9 Additional Information for a Proven DSR CMU**

#### **3.9.1 DSR Test Certificate**

Each Applicant for a Proven DSR CMU must include in the Application a DSR Test Certificate relating to that DSR CMU.

#### **3.9.2 Permitted On-Site Generating Units**

Each Applicant for a Proven DSR CMU must include in the Application details of all Permitted On-Site Generating Units and electricity connections from or through which electricity is or could be supplied to the site where and/or electrical apparatus through which the DSR will be effected.

#### **3.9.3 Business Model**

- (a) Each Applicant for a Proven DSR CMU must include in the Application a business model for each DSR CMU Component that comprises that DSR CMU setting out the following:
  - (i) the type of DSR effected by the DSR CMU Component;
  - (ii) a summary of the relationship between the DSR Provider and the DSR CMU Component;
  - (iii) to the extent not already provided in order to obtain a DSR Test Certificate, the information referred to in Rule 13.2.5; and
  - (iv) details of the programme or strategy for procuring that the DSR Capacity is available, including:
    - (aa) method(s) of achieving load reduction;
    - (bb) equipment controlled or installed, or to be controlled or installed; and
    - (cc) details of how the DSR Capacity of the DSR CMU has been secured to the DSR Provider.
- (b) Each Applicant for a Proven DSR CMU must declare that the business model:
  - (i) is, to the best of its knowledge and belief, based on reasonable assumptions;
  - (ii) accurately describes the manner in which any DSR Capacity has been secured; and

- (iii) is not misleading.

#### 3.9.4 Metering Arrangements

- (a) Each Applicant for a Proven DSR CMU must, subject to Rule 3.9.4(b):
  - (i) provide detailed line diagrams showing electrical configurations and metering sites at which the DSR CMU Components are located; and
  - (ii) complete a Metering Assessment in relation to that CMU.
- (b) An Applicant may elect to defer the requirements in Rule 3.9.4(a) until after the Capacity Auction to which the Application relates, in which case the Applicant must declare that it will provide detailed line diagrams showing electrical configurations and metering sites at which the Proven DSR CMU Components are located and complete a Metering Assessment for that Proven DSR CMU by:
  - (i) no later than the date falling three years prior to the start of the relevant Delivery Year in the case of a Proven DSR CMU that has been awarded a Capacity Agreement in a T-4 Auction; or
  - (ii) no later than the date falling eight months prior to the start of the relevant Delivery Year in the case of a Proven DSR CMU that has been awarded a Capacity Agreement in any auction other than a T-4 Auction; or
  - (iii) no later than the date falling one month after the auction where the time period between the Delivery Year and the auction is less than eight months.
- (c) The Delivery Body must send to the CM Settlement Body a copy of any completed Metering Assessment, or other information provided by the applicant under (a) and (b).

### **3.10 Additional Information for an Unproven DSR CMU**

#### 3.10.1 Business Plan

- (a) Each Applicant for an Unproven DSR CMU must include in the Application a business plan setting out the following:
  - (i) details of the Unproven DSR CMU proposal including steps already taken to acquire the DSR Capacity and/or Contractual DSR Control;
  - (ii) all the information required for a business model pursuant to Rule 3.9.3 in relation to any DSR CMU Component with which the DSR Provider has already established a relationship;
  - (iii) such information required for a business model pursuant to Rule 3.9.3 as is available to the DSR Provider in relation to any DSR CMU Component with which the DSR Provider intends to establish a relationship; and



- (iv) details of the programme or strategy for procuring any further DSR CMU Components to ensure that the Unproven DSR Capacity is available, including:
  - (aa) method(s) of achieving load reduction;
  - (bb) equipment controlled or installed, or to be controlled or installed;
  - (cc) details of how the DSR Capacity of the DSR CMU has, or will be, secured to the DSR Provider; and
  - (dd) such other requirements as may be specified by the Delivery Body from time to time.
- (b) Each Applicant for an Unproven DSR CMU must declare that the Business Plan:
  - (i) is, to the best of its knowledge and belief, based on reasonable assumptions;
  - (ii) accurately describes the manner in which any DSR Capacity has been, or will be, secured; and
  - (iii) is not misleading.

### 3.10.2 Required Testing

Each Applicant for an Unproven DSR CMU must confirm that it will complete:

- (a) a DSR Test or Joint DSR Test;
- (b) a Metering Assessment (including providing line diagrams as described in Rule 3.9.4(a)(i)); and
- (c) if required, a Metering Test,

in relation to that CMU prior to the date falling one month before the commencement of the Delivery Year to which the Capacity Auction relates.

### 3.10.3 Information on existing Applicant Credit Cover

- (a) This Rule 3.10.3 applies to an Applicant for an Unproven DSR CMU, consisting of the same DSR CMU Components as the Unproven DSR CMU for which it has an existing Capacity Agreement, who:
  - (i) has previously provided Applicant Credit Cover in respect of that Unproven DSR CMU; and
  - (ii) wishes to be exempt from the requirement to provide further Applicant Credit Cover in accordance with Regulation 59(1B).
- (b) Such an Applicant must include in the Application:
  - (i) confirmation that its Application is for the same Unproven DSR CMU as the one to which that existing Capacity Agreement relates;
  - (ii) the unique CMU identifier of that Unproven DSR CMU; and

- (iii) confirmation that the Applicant Credit Cover previously provided has not been drawn down under Regulation 61 or released under Regulation 58(1)(a).

### **3.10A Applications for a Supplementary Auction: Connection Arrangements**

3.10A.1 This Rule 3.10A applies in the case of an Application to participate in a Supplementary Auction.

3.10A.2 An Applicant that is unable to give the confirmation referred to in:

- (a) Rule 3.6.3(a)(i),
- (b) Rule 3.6A.2(a),
- (c) Rule 3.7.3(a)(i), or
- (d) Rule 3.7.3(aa)(i),

as the case may be, may instead of complying with Rule 3.6.3(a), Rule 3.6A.2, Rule 3.7.3(a) or Rule 3.7.3(aa) declare that it will provide the required copy of the Grid Connection Agreement by the date falling 6 months prior to the commencement of the relevant Delivery Year, with such an agreement being in force by that date.

3.10A.3 An Applicant that is unable to:

- (a) give the confirmation referred to in Rule 3.6.3(c)(i),
- (b) provide a letter with the confirmation referred to in Rule 3.6.3(d), or
- (c) give the confirmation referred to in Rule 3.7.3(b)(i),

as the case may be, may instead of complying with Rule 3.6.3(c), Rule 3.6.3(d) or Rule 3.7.3(b) declare that it will provide the required copy of the Distribution Connection Agreement, written confirmation, letter from the Private Network owner or connection offer by the date falling 6 months prior to the commencement of the relevant Delivery Year, with any corresponding Distribution Connection Agreement or agreement with the relevant Distribution Network Operator being in force by that date.

### **3.11 Opt-out Notifications**

3.11.1 For each Capacity Auction, if no Application is made in relation to a Mandatory CMU, the person who is the legal owner of that Mandatory CMU must, during the Prequalification Window, submit an Opt-out Notification to the Delivery Body.

3.11.2 An Opt-out Notification must state:

- (a) the name of the CMU owner submitting the notification;
- (b) if relevant, the corporate registration number of the CMU owner;
- (c) contact details, including registered address of the CMU owner and name of authorised contact person at the CMU owner who is responsible for liaising with the Delivery Body in relation to the Opt-out Notification;
- (d) the CMU to which the Opt-out Notification relates including a description of, and the full postal address with postcode and the two letter prefix and

six-figure Ordnance Survey grid reference numbers of, the Electricity Interconnector or the Generating Unit(s) and/or DSR CMU Component(s) and Meter Point Administration Numbers for all the relevant Meter(s);

- (e) the Connection Capacity of the CMU for the Delivery Year to which the Capacity Auction relates;
- (f) whether the CMU:
  - (i) will be closed down, decommissioned or otherwise non-operational by the commencement of the Delivery Year to which the Capacity Auction relates;
  - (ii) will be temporarily non-operational for all the Winter of the Delivery Year to which the Capacity Auction relates but will be operational thereafter; or
  - (iii) will remain operational during the Delivery Year to which the Capacity Auction relates,

in each case providing a summary of the reasons for that statement.

3.11.3 The Delivery Body must notify the CM Settlement Body of any Opt-out Notification with respect to a CMU that makes a statement pursuant to Rule 3.11.2(f)(ii) and the CM Settlement Body must notify the Delivery Body if any such CMU provides electricity during the relevant Winter.

3.11.4 If a person submits an Opt-out Notification that makes a statement pursuant to Rule 3.11.2(f)(ii) and in fact provides electricity from that CMU during the Winter then, on becoming aware of such facts or being so notified by the CM Settlement Body, the Delivery Body must serve notice on that person that the Applicant will be treated as though it had made the statement in Rule 3.11.2(f)(i) above and Rule 6.10.1(j) applies.

3.11.5 The person submitting an Opt-out Notification must make a declaration of the matters set out in Exhibit C as at the date of the Opt-out Notification.

3.11.6 For the purposes of Rule 3.11.5, Exhibit C is to be read as if references to the Applicant or to Applicant-related Parties were references to the person submitting the Opt-out Notification.

### **3.12 Declaration to be made when submitting an Application**

3.12.1 A person submitting an Application or an Opt-out Notification must ensure and confirm in the Application or the Opt-out Notification that:

- (a) in all material respects, the Application or Opt-out Notification and, in the case of an Application, all Additional Information submitted by the Applicant; and
- (b) in all respects, each of the specific declarations referred to in Rules 3.4 to 3.11 (where relevant),

is true and correct (or, to the extent that the Additional Information is a copy document, that it is a true and correct copy) and that the Application and Additional Information has been authorised by the board of directors of the Applicant or the person submitting the Opt-out Notification (as applicable).

- 3.12.2 Each person submitting an Application must ensure that copies of the papers prepared to inform:
- (a) such of the specific declarations referred to in Rules 3.4 to 3.11 as are relevant); and
  - (b) the issuance of a Prequalification Certificate,
- are retained for a period up to and including the tenth anniversary of the end of the relevant Delivery Year.
- 3.12.3 Each Application must be accompanied by a Prequalification Certificate signed by two directors of the Applicant.
- 3.12.4 Each Application and each Opt-out Notification must be accompanied by a Certificate of Conduct signed by two directors of the Applicant or the person submitting the Opt-out Notification (as applicable).
- 3.12.5 Not used.
- 3.12.6 In relation to an Applicant or a person submitting an Opt-out Notification which is not a company, references in this Rule to “directors” or the “board of directors” are to be read as references to the officers of that person.

**3.13 Application process for Secondary Trading Entrants**

- 3.13.1 A Secondary Trading Entrant may submit an Application at any time from the Auction Results Day for the relevant T-1 Auction up to the end of the relevant Delivery Year, other than during the Prequalification Assessment Window for any Capacity Auction.
- 3.13.2 An Application submitted in accordance with Rule 3.13.1 must comply with Chapter 3, except to the extent that this Chapter 3 requires the submission of the Application during the Prequalification Window.

**3.14 Retention of Applications and Opt-out Notifications by the Delivery Body**

- 3.14.1 Subject to Rule 3.14.2, the Delivery Body must retain all Applications and Opt-out Notifications (including the Additional Information and any evidence submitted with the Application or Opt-out Notification) for a period of ten years from the end of the relevant Delivery Year.
- 3.14.2 The Delivery Body must retain all Applications which as at the end of the period referred to in Rule 3.14.1 are the subject of a review or appeal brought in accordance with the Rules or the Regulations until such review or appeal has been determined and no further review or appeal may be brought.

## CHAPTER 4: DETERMINATION OF ELIGIBILITY

### 4. Determination of eligibility

#### 4.1 Purpose of this Chapter

- 4.1.1 The Rules govern the process by which the Delivery Body determines whether to prequalify a CMU on the basis of an Application received pursuant to the Rules in Chapter 3.

#### 4.2 Delivery Body to assess the completeness of an Application

- 4.2.1 Following receipt of an Application in accordance with Chapter 3, the Delivery Body must check that:
- (a) the Application has been completed and submitted in accordance with the Regulations and the Rules; and
  - (b) the required Additional Information appears to have been included.
- 4.2.2 The Delivery Body has no obligation to consider and check an Application prior to the closing of the Prequalification Window.
- 4.2.3 If an Application and Opt-out Notification, or more than one Application or Opt-out Notification is received with respect to a CMU during a Prequalification Window, the most recent in time to be submitted will prevail and any earlier Application or Opt-out Notification will be deemed not to have been submitted.
- 4.2.4 Any evidence which does not meet the requirements of the Regulations, the Rules or the Auction Guidelines or such other requirements as specified by the Delivery Body under Rule 3.3.7(b)(iii) may be rejected by the Delivery Body. However, failure by the Delivery Body to reject evidence does not constitute, and must not be taken as constituting, a representation that such evidence satisfies the aforementioned requirements.

#### 4.3 Delivery Body to review complete Applications

- 4.3.1 For each Application submitted in accordance with the Regulations and the Rules, the Delivery Body must:
- (a) review the Additional Information submitted with the Application; and
  - (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 or an Interconnector CMU, satisfy itself that the CMU is not an Excluded CMU for that Capacity Auction.
- 4.3.2 Save where Rule 3.6.1(b) applies, the Delivery Body must verify the data submitted by the Applicant with regard to the physically generated net output of an Existing Generating CMU pursuant to Rule 3.6.1 or the Net Output of an Existing Interconnector CMU pursuant to Rule 3.6A.1.
- 4.3.3 If:
- (a) an Applicant nominated the Connection Capacity of a Generating Unit comprised in an Existing Generating CMU pursuant to Rule 3.5.3; and

- (b) the Delivery Body determines that the physically generated net output of the Generating Unit in any Settlement Period specified by the Applicant pursuant to Rule 3.6.1 was different to that which was submitted by the Applicant,

the Delivery Body must recalculate the Connection Capacity of the CMU based on its determination of such output.

#### **4.4 Decisions to be made by the Delivery Body**

- 4.4.1 The Delivery Body must, for each CMU for which an Application has been received, determine whether the CMU has prequalified for the Capacity Auction (the “Prequalification Decision”).
- 4.4.2 Subject to Rule 3.8.1A(c)(ii), the Delivery Body must not Prequalify a CMU where:
  - (a) it is aware that the Application has not been completed or submitted in accordance with the Rules;
  - (aa) it reasonably believes that any information or declaration submitted in or with an Application does not comply with the requirements in Rule 3.12.1;
  - (b) the required Additional Information is missing;
  - (c) any Meter Point Administration Number specified in relation to the CMU pursuant to Rule 3.4.3(a)(ii) has already been registered to another CMU in respect of which a person either:
    - (i) has a Capacity Agreement in relation to one or more of the same Delivery Years; or
    - (ii) has submitted a prior Application in the same Prequalification Window,unless the Application includes a declaration under Rule 3.4.3(b); or
  - (d) any Generating Unit comprised in a CMU which is also a BM Unit has already been registered to another CMU in respect of which a person either:
    - (i) has a Capacity Agreement in relation to one or more of the same Delivery Years; or
    - (ii) has submitted a prior Application in the same Prequalification Window;
  - (e) the Delivery Body is unable to obtain any data with respect to the physically generated net output for a Generating Unit comprised in an Existing Generating CMU in any Settlement Period nominated by the Applicant pursuant to Rule 3.6.1;
  - (f) the physically generated net outputs, or Metered Volumes where applicable, of an Existing Generating CMU in the Settlement Periods nominated by the Applicant pursuant to Rule 3.6.1 are not each greater than the Anticipated De-rated Capacity;

- (g) the Delivery Body is unable to obtain any data with respect to the Net Output of an Existing Interconnector CMU in any Settlement Period nominated by the Applicant pursuant to Rule 3.6A.1; or
  - (h) the Net Outputs of an Existing Interconnector CMU in the Settlement Periods nominated by the Applicant pursuant to Rule 3.6A.1, as recorded for the purposes of the BSC by file CDCA-I041 of the Central Data Collection Agent (CDCA), are not each greater than zero.
- 4.4.3 Subject to Rule 4.4.3A, Rule 4.4.3AB and Rule 4.4.3AC, save as may be amended following any dispute resolution or appeals process or a failure to provide Applicant Credit Cover as required by Rule 4.6, the Prequalification Decision will be final and binding on the Applicant and all other persons who participate in the relevant Capacity Auction.
- 4.4.3A Following the Prequalification Results Day but prior to the commencement of the first Bidding Window for the relevant Capacity Auction, where the Delivery Body becomes aware or reasonably believes that any information or declaration submitted in or with an Application in respect of a Prequalified CMU did not comply with the requirements in Rule 3.12.1 or that any declaration submitted under Rule 4.7 is false or misleading, the Delivery Body must:
- (a) notify the relevant Applicant as soon as reasonably practicable that the CMU is no longer Prequalified; and
  - (b) send a copy of that notice to the Authority.
- 4.4.3AB Following the Prequalification Results Day but prior to the commencement of the first Bidding Window for the relevant Capacity Auction, where the Delivery Body becomes aware that an Application in respect of a Prequalified CMU would be rejected on the grounds that it did not comply with Rule 3.3.3(d) if the Application was being considered afresh, the Delivery Body must:
- (a) notify the relevant Applicant as soon as reasonably practicable that:
    - (i) the CMU is no longer Prequalified; or
    - (ii) if the Application complied with Rule 3.6 or 3.6A, the CMU is now Prequalified as the Existing CMU that will remain in the absence of any improvement works being carried out; and
  - (b) send a copy of that notice to the Authority.
- 4.4.3AC Following the Prequalification Results Day but prior to the commencement of the first Bidding Window for the relevant Capacity Auction, where the Delivery Body becomes aware that an Application in respect of a Prequalified CMU would be rejected on the grounds that it did not comply with Rule 3.3.3(e) or Rule 3.3.3(f) if the Application was being considered afresh, the Delivery Body must:
- (a) notify the relevant Applicant as soon as reasonably practicable that the CMU is no longer Prequalified; and
  - (b) send a copy of that notice to the Authority.
- 4.4.3B Notwithstanding Rule 7.3, where the Delivery Body notifies an applicant under Rule 4.4.3A, Rule 4.4.3AB or Rule 4.4.3AC that a CMU is no longer

Prequalified or that a CMU is now Prequalified as an Existing CMU under Rule 4.4.3AB, the Prequalification status of that CMU is confirmed at the point at which the Delivery Body makes such notification.

- 4.4.3C Part 10 of the Regulations shall apply to a decision by the Delivery Body to notify an Applicant under Rule 4.4.3A Rule 4.4.3AB or Rule 4.4.3AC that a CMU is no longer Prequalified, or a decision by the Delivery Body to notify an Applicant under Rule 4.4.3AB that a CMU is now Prequalified as an Existing CMU under Rule 4.4.3AB, as it applies to a “prequalification decision” within the meaning of Regulation 2.
- 4.4.4 The configuration of Generating Units or DSR CMU Components (as applicable) that comprise a CMU must not be changed once that CMU has Prequalified.

#### **4.5 Notification of Prequalification decision to Applicants**

- 4.5.1 On the Prequalification Results Day, the Delivery Body will notify each Applicant other than a Secondary Trading Entrant, the Secretary of State, the CM Settlement Body and the Authority of the following information:
- (a) the Prequalification Decision for each CMU for which it has made an Application;
  - (b) where the Prequalification Decision is that the CMU has Prequalified:
    - (i) the De-rated Capacity of the CMU;
    - (ii) if the CMU is a New Build CMU which has not yet satisfied its Financial Commitment Milestone or an Unproven DSR CMU and unless the Applicant is a person to whom Rule 3.6C.1 or 3.10.3 applies who has complied with the requirements of Rule 3.6C.1(b) or 3.10.3(b), that its Prequalification is conditional upon the Applicant satisfying the requirement in Rule 4.6 and the amount of Applicant Credit Cover to be provided;
    - (iii) if the CMU is a New Build CMU which is a Distribution CMU and has made a declaration or provided a letter pursuant to Rule 3.7.3(c), that its Prequalification is conditional upon the Applicant satisfying the requirement in Rule 4.6 and the amount of Applicant Credit Cover to be provided;
    - (iv) in relation to the First Full Capacity Auction and the Second Full Capacity Auction only, if the CMU is an Existing Generating CMU that is a Transmission CMU and the Applicant made a declaration pursuant to Rule 3.6.3(b), that its Prequalification is conditional upon the Applicant satisfying the requirement in Rule 4.6 and the amount of Applicant Credit Cover to be provided;
    - (v) in relation to a Supplementary Auction only, if the Applicant has made a declaration pursuant to Rule 3.10A.2 or 3.10A.3, that its Prequalification is conditional upon the Applicant satisfying the requirement in Rule 4.6 and the amount of Applicant Credit Cover to be provided;



- (vi) if the CMU is a Prospective Generating CMU and the Applicant made a declaration pursuant to Rule 3.7.1(a)(i), that its Prequalification is conditional upon the Applicant satisfying the planning consents requirement in Rule 4.7;
- (vii) if the CMU is a Prospective Generating CMU or a DSR CMU, that it is a Price-Maker (which status, in the case of a Refurbishing CMU, does not automatically extend to the Pre-Refurbishment CMU);
- (viii) where the CMU is an Existing Generating CMU, that it is a Price-Taker unless it complies with Rule 4.8;
- (viiia) where the CMU is an Interconnector CMU, that it is a Price-Taker;
- (ix) the Maximum Obligation Period of the Capacity Agreement that the Applicant may bid for in the Capacity Auction for that CMU;
- (x) the status of the CMU as a Transmission CMU, a CMRS Distribution CMU, a Non-CMRS Distribution CMU, an Interconnector CMU or a DSR CMU; and
- (xi) in the case of a Generating CMU or an Interconnector CMU, whether it is an Existing CMU, a New Build CMU or a Refurbishing CMU.

4.5.1A The Delivery Body must make an entry on the Capacity Market Register for each of the items in Rule 4.5.1 on the day on which the Secretary of State is given the notification required by Regulation 23(1), and in accordance with the Rules set out in Chapter 7.

4.5.2 The Delivery Body must notify all Applicants no later than 15 Working Days prior to the commencement of the Capacity Auction of the list of Applicants with fully Prequalified CMUs (excluding any Applicant to whom Rule 4.6.4 applies) and Conditionally Prequalified CMUs (as defined in Rule 4.6.1A) as at that date.

4.5.3 The Delivery Body must issue authenticated communication codes/instructions through the EMR Delivery Body Portal, no later than 10 Working Days prior to the commencement of the first Bidding Round in the relevant Capacity Auction, to:

- (a) all Applicants with fully Prequalified CMUs; and
- (b) any Applicant permitted to bid into that Capacity Auction pursuant to Regulation 73(4).

#### **4.5A New Build Interconnector CMU and Unproven DSR CMU: Applicant Credit Cover**

4.5A.1 For the purpose of Regulation 59(1B), an Applicant for an Unproven DSR CMU to whom Rule 3.10.3 applies or an Applicant for a New Build Interconnector CMU to whom Rule 3.6C.1 applies must provide further Applicant Credit Cover if Rule 4.5A.2 applies.

4.5A.2 This Rule 4.5A.2 applies where the CM Settlement Body has drawn down the Applicant Credit Cover previously provided under Regulation 61 or (in the case

of an Unproven DSR CMU) released it under Regulation 58(1)(a), and has given notice accordingly under Rule 4.5C.

4.5A.3 Where Rule 4.5A.2 applies, the Delivery Body must:

- (a) notify the Applicant that it must, within ~~five~~ fifteen Working Days of such notification, provide further Applicant Credit Cover to the CM Settlement Body in accordance with Part 7 of the Regulations; and
- (b) provide a copy of that notice to the CM Settlement Body.

4.5A.4 A notice served by the Delivery Body on the Applicant under Rule 4.5A.3 shall be deemed to be a conditional prequalification notice for the purposes of Part 7 of the Regulations.

4.5A.5 If the CM Settlement Body gives notice to the Applicant that it has approved that further Applicant Credit Cover, the Applicant must within five Working Days provide the Delivery Body with a copy of that notice.

4.5A.6 Within five Working Days of receiving a copy of a notice in accordance with Rule 4.5A.5, the Delivery Body must notify the Applicant that it is fully Prequalified.

4.5A.7 If the Delivery Body has not received a copy of a notice in accordance with Rule 4.5A.5 within 32 Working Days of providing notice under Rule 4.5A.3, the Delivery Body must notify the Applicant that it has not Prequalified.

#### **4.5B New Build Interconnector CMU and Unproven DSR CMU: provision of Applicant Credit Cover by Capacity Provider**

4.5B.1 For the purpose of Regulation 59(1B), a Capacity Provider who:

- (a) applied for Prequalification in a Capacity Auction in which it was awarded a Capacity Agreement; and
- (b) in relation to that Capacity Auction was an Applicant is a person to whom Rule 3.6C.1 or 3.10.3 applied who complied with the requirements of Rule 3.6C.1(b) or 3.10.3(b),, where Rule 4.5A.2 did not apply,

must provide further Applicant Credit Cover if Rule 4.5B.2 applies.

4.5B.2 This Rule 4.5B.2 applies where the CM Settlement Body has drawn down the Applicant Credit Cover previously provided under Regulation 61 or (in the case of an Unproven DSR CMU) released it under Regulation 58(1)(a), and given notice accordingly under Rule 4.5C.

4.5B.3 Where Rule 4.5B2 applies, the Delivery Body must:

- (a) notify the Capacity Provider that it must, within fifteen Working Days of such notification, provide further Applicant Credit Cover to the CM Settlement Body in accordance with Part 7 of the Regulations; and
- (b) provide a copy of that notice to the CM Settlement Body.

4.5B.4 Where a Capacity Provider has been notified by the Delivery Body under Rule 4.5B.3(a), Part 7 of the Regulations shall apply as if references in it to a person who has applied to prequalify and to a person who is required to provide credit cover included references to that Capacity Provider.

- 4.5B.5 If the CM Settlement Body gives notice to the Capacity Provider that it has approved the further Applicant Credit Cover provided by the Capacity Provider, the Capacity Provider must within five Working Days provide the Delivery Body with a copy of that notice.
- 4.5B.6 Within five Working Days of a copy of a notice in accordance with Rule 4.5B.5, the Delivery Body must notify the Applicant that it has successfully lodged the further Applicant Credit Cover.
- 4.5B.7 If the Delivery Body has not received a copy of a notice in accordance with Rule 4.5B.5 within 32 Working Days of providing notice under Rule 4.5B.3, Rule 6.10.1(m) applies with respect to the Capacity Agreement.

**4.5C Applicant Credit Cover: notices to Delivery Body**

Where, in respect of an Unproven DSR CMU or a New Build Interconnector CMU, the CM Settlement Body has drawn down Applicant Credit Cover in accordance with Regulation 61 or (in the case of an Unproven DSR CMU) released Applicant Credit Cover in accordance with Regulation 58(1)(a), it must notify the Delivery Body accordingly.

**4.6 Conditional Prequalification – Applicant Credit Cover**

- 4.6.1 An Applicant that, in relation to a CMU, receives notice from the Delivery Body under Regulation 73(2)(b) or Rule 4.5.1(b)(ii), (iii), (iv) or (iva) of its conditional Prequalification must, within fifteen Working Days of such notification, provide Applicant Credit Cover to the CM Settlement Body in accordance with the Regulations.
- 4.6.1A Where a CMU is registered on the Capacity Market Register pursuant to Regulation 73(2)(a) as a Prequalified CMU subject to the provision of Applicant Credit Cover (“Conditionally Prequalified CMU”):
  - (a) the notice served by the Delivery Body on the Applicant pursuant to Regulation 73(2)(b) shall be deemed to be a conditional prequalification notice for the purposes of Part 7 of the Regulations; and
  - (b) the Delivery Body must provide the CM Settlement Body with a copy of such notice.
- 4.6.2 If the CM Settlement Body gives notice to an Applicant that it has approved the Applicant Credit Cover provided by the Applicant, it must on the same day provide the Delivery Body with a copy of such notice.
- 4.6.3 Except where Rule 4.6.3A applies, within five Working Days of receiving from the CM Settlement Body a copy of a notice in accordance with Rule 4.6.2, the Delivery Body must notify that Applicant that it is fully Prequalified.
- 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 CM Settlement Body provides the copy of the notice in accordance with Rule 4.6.2.
- 4.6.4 If the Delivery Body has not received a copy of a notice in accordance with Rule 4.6.2 within 32 Working Days of providing notice under Rule 4.5.1(b) (ii), (iii) or (iv) (as applicable), the Delivery Body must within five Working Days notify that Applicant that it has not Prequalified.

4.6.4A If the Delivery Body has not received a copy of a notice in accordance with Rule 4.6.2 within 32 Working Days of it providing notice under Rule 4.6.1A:

- (a) where the CMU was registered on the Capacity Market Register as a Conditionally Prequalified CMU not less than 11 Working Days before the start of the relevant Capacity Auction, and a Capacity Agreement is awarded to the Applicant pursuant to that Capacity Auction; or
- (b) where the CMU was registered on the Capacity Market Register as a Conditionally Prequalified CMU after, or less than 11 Working Days before, the start of the relevant Capacity Auction and a Capacity Agreement has been offered to the Applicant pursuant to Regulation 73(5),

then Rule 6.10.1(k) shall apply.

#### **4.7 Conditional Prequalification – Planning Consents**

4.7.1 An Applicant for a Prospective Generating CMU that has submitted a declaration pursuant to Rule 3.7.1(a)(i) must submit to the Delivery Body by no later than the date falling 22 Working Days prior to the commencement of the first Bidding Window for such Capacity Auction:

- (a) a declaration that it has obtained all Relevant Planning Consents for the CMU and has the Legal Right to use the land on which the CMU is or will be located;
- (b) a director's certificate (or certificate by two officers, in the case of an Applicant other than a company) confirming that the Applicant can correctly make such declaration; and
- (c) the Relevant Planning Consents and where the Relevant Planning Consents:
  - (i) are time limited, submit documentary evidence showing that the end date of the Relevant Planning Consents is after the expiry date of the Capacity Agreement; and
  - (ii) state the capacity of the New Build CMU is smaller than the Connection Capacity, technical documentary evidence justifying the difference.

4.7.2 On the date falling 16 Working Days prior to the commencement of the first Bidding Window the Delivery Body must notify the Applicant in relation to each CMU to which this Rule 4.7 applies whether or not it has Prequalified, based solely on whether or not the Delivery Body has received the documentation referred to in Rule 4.7.1.

#### **4.8 Provision of a Price-Maker Memorandum and Certificate by Applicants**

4.8.1 Each Applicant for an Existing Generating CMU which receives a notice from the Delivery Body under Rule 4.5.1(b)(vii) and which wishes to be a Price-Maker must:

- (a) lodge a Price-Maker Memorandum with the Authority in accordance with any guidance published by the Authority; and

- (b) no later than 10 Working Days prior to the commencement of the first Bidding Round of the relevant Capacity Auction:
  - (i) provide the Authority's receipt for the same to the Delivery Body; and
  - (ii) submit a Price-Maker Certificate to the Delivery Body.

4.8.2 The Authority must, when an Applicant lodges a Price-Maker Memorandum with it, provide a receipt to the Applicant.

4.8.3 Within two Working Days of receiving a receipt and Price-Maker Certificate pursuant to Rule 4.8.1, the Delivery Body must notify the Applicant that it is a Price-Maker.

4.8.4 The Authority will be required to retain each Price-Maker Memorandum for a period of ten years from the date on which it is lodged pursuant to Rule 4.8.1(a).

#### **4.9 Notification of Prequalification decision to Secondary Trading Entrants**

4.9.1 Upon receiving an Application for a CMU from a Secondary Trading Entrant pursuant to Rule 3.13.1, the Delivery Body must notify the Secondary Trading Entrant within three months:

- (a) of the Prequalification Decision for the CMU; and
- (b) where the Prequalification Decision for the CMU is that the CMU has Prequalified, that the Secondary Trading Entrant is an Eligible Secondary Trading Entrant for the purposes of Rule 9.2.6(d).

#### **4.10 Disputes relating to Prequalification**

4.10.1 Applicants that wish to dispute the relevant Prequalification Decision may do so in accordance with the process set out in Part 10 of the Regulations.

#### **4.11 Changes to the Auction Parameters**

4.11.1 If the Delivery Body publishes adjusted Auction Parameters for a Capacity Auction after the Prequalification Window for that Capacity Auction has closed, an Applicant with respect to a Prequalified Existing CMU may submit a notice to the Delivery Body withdrawing from the Auction at any time up to (but not including) the date falling 17 Working Days prior to the commencement of the first Bidding Window for that Capacity Auction.

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.

4.11.2 With effect from the date of a notice pursuant to Rule 4.11.1, the relevant Existing CMU shall no longer be Prequalified.

4.11.3 If the Delivery Body publishes adjusted Auction Parameters for a Capacity Auction that include a change to the 15 Year Minimum £/kW Threshold or the 3

Year Minimum £/kW Threshold, the Delivery Body will notify each Applicant that the Maximum Obligation Period for each CMU has been updated accordingly on the Capacity Market Register.

## CHAPTER 5: CAPACITY AUCTIONS

### 5. Capacity Auction

#### 5.1 Purpose of this Chapter

- 5.1.1 The Rules describe the process and requirements for a Capacity Auction, set out the duties of the Auctioneer with respect to Capacity Auctions and set out the rules for Capacity Auction participants.

#### 5.2 The role of the Auctioneer

- 5.2.1 The Delivery Body may, in consultation with the Secretary of State, appoint a third party to operate the Capacity Auction (including to set up the IT Auction System). In such circumstances, the third party must perform the functions of the Auctioneer as set out in the Rules and the Delivery Body must remain responsible for the discharge of such functions by the Auctioneer in accordance with the Rules.

#### 5.3 Qualification to bid in the Capacity Auction

- 5.3.1 A Bidder must not participate in a Capacity Auction with respect to any CMU that is:
- (a) not a Prequalified CMU; or
  - (b) a Defaulting CMU; or
  - (c) an Excluded CMU in relation to that Capacity Auction; or
  - (d) a Mandatory CMU that has Opted-out in relation to that Capacity Auction.
- 5.3.2 A Bidder must not participate in a Capacity Auction with respect to any CMU unless the Bidder has complied with:
- (a) the necessary formalities to obtain authentication codes to be able to submit, modify or withdraw Bids in the IT Auction System; and
  - (b) the terms of any continuing Capacity Agreement in relation to any CMU.
- 5.3.3 If the Auctioneer becomes aware that a CMU is disqualified from a Capacity Auction pursuant to this Rule 5.3, the Auctioneer must:
- (a) disregard any Continuing Bid made (or deemed to have been made) by that CMU in that Capacity Auction after it becomes aware of such disqualification;
  - (b) treat that CMU as having submitted an Exit Bid at the Bidding Round Price Cap in the next Bidding Round in that Capacity Auction to occur after it becomes aware of such disqualification (or the current Bidding Round if the announcement specified in Rule 5.5.18 has not been made for the next Bidding Round); and
  - (c) not award a Capacity Agreement to that CMU in that Capacity Auction.

#### 5.4 Disqualification from future bid submission

- 5.4.1 If a CMU is withdrawn from a Capacity Auction pursuant to Rule 5.3.3 as a consequence of a breach of Rule 5.3.1 or Rule 5.3.2(b), no Generating Unit or

DSR CMU Component forming part of that CMU may form part of any CMU that participates in any other Capacity Auction relating to the same Delivery Year or either of the two subsequent Delivery Years.

## **5.5 Capacity Auction format**

- 5.5.1 The Delivery Body must, subject to Rule 5.11, hold a Capacity Auction on the date specified in the Auction Guidelines.
- 5.5.2 The Auctioneer must conduct the Capacity Auction in accordance with:
  - (a) the Capacity Market Rules;
  - (b) the Auction Guidelines for the Capacity Auction; and
  - (c) the instructions given to the Auctioneer by the Secretary of State pursuant to Rule 5.5.8.
- 5.5.3 The Auctioneer must use its reasonable efforts to conduct the Capacity Auction in an efficient manner consistent with any guidance from the Secretary of State so as to minimise the Capacity Auction duration.
- 5.5.4 The Auctioneer must notify and seek advice from the Secretary of State if it considers that the Capacity Auction will not or is likely not to be concluded within 5 Working Days of the beginning of the first Bidding Window.
- 5.5.5 The Capacity Auction must be run as a series of price spread bidding rounds (each a “Bidding Round”) on a descending clock basis.
- 5.5.6 The price spread for a Bidding Round (the “Bidding Round Price Spread”) must be expressed as a range from a highest price (the “Bidding Round Price Cap”) to a lowest price (the “Bidding Round Price Floor”).
- 5.5.7 The Bidding Round Price Cap in the first Bidding Round must be the Price Cap. In each subsequent Bidding Round, the Bidding Round Price Cap must be equal to the Bidding Round Price Floor in the previous Bidding Round.
- 5.5.8 The Secretary of State must issue instructions to the Auctioneer as to the process for determining the size of the decrement to be represented in each Bidding Round Price Spread. The Auctioneer must set the Bidding Round Price Spread for each Bidding Round in accordance with such instructions.
- 5.5.9 Bidding Rounds will continue until the Capacity Auction clears in accordance with Rule 5.9.
- 5.5.10 No later than 15 Working Days prior to the commencement of the first Bidding Round for a Capacity Auction, the Delivery Body must publish:
  - (a) the date and time on which the Capacity Auction will start;
  - (b) the identity of the Prequalified CMUs for the Capacity Auction and their aggregate De-rated Capacity as at that date, reflecting the outcome of any determinations following dispute resolution or appeals which have concluded by the start of the Working Day which precedes the date of the announcement;
  - (c) in the case of a T-1 Auction, the aggregate Contracted Capacity in the relevant T-4 Auction adjusted for any cancellation or termination of



Capacity Agreements and/or delays in the commissioning of Prospective Generating CMUs; and

(d) the identity of the Auction Monitor for the relevant Capacity Auction.

5.5.11 By no later than the date falling 10 Working Days prior to the commencement of the first Bidding Window, an Applicant for a Prequalified DSR CMU may issue a notification to the Delivery Body nominating the capacity (in MW) that it wishes to bid into the Capacity Auction with respect to that DSR CMU provided that such capacity is no greater than the De-rated Capacity of such DSR CMU.

5.5.12 In the absence of any notification pursuant to Rule 5.5.11, the DSR Bidding Capacity of a DSR CMU must be equal to the De-rated Capacity of that DSR CMU.

5.5.13 Subject to Rule 5.5.13A where an Applicant for an Unproven DSR CMU nominates a DSR Bidding Capacity which is lower than the De-rated Capacity of that Unproven DSR CMU, that Applicant may submit a request to the CM Settlement Body for a portion of its Applicant Credit Cover to be released in accordance with the Regulations.

5.5.13A Where an Applicant provides confirmation in accordance with Rule 3.10.3(a), Rule 5.5.13 does not apply.

5.5.14 Between the dates falling 15 Working Days and 10 Working Days prior to the commencement of the first Bidding Window, the Applicant for each Prequalified New Build CMU, Refurbishing CMU and DSR CMU that wishes to participate in a Capacity Auction must, subject to Rule 5.5.17, submit a notice to the Delivery Body which:

(a) confirms that it will participate as a Bidder with respect to that CMU in the Capacity Auction; and

(b) in the case of a New Build CMU or a Refurbishing CMU, other than an Interconnector CMU, specifies the duration of Capacity Agreement in whole Delivery Years (not being greater than the Maximum Obligation Period for that CMU) that it requires at the Price Cap.

5.5.15 An Applicant for a Refurbishing CMU must specify in any confirmation pursuant to Rule 5.5.14 whether or not it also wishes to participate in the Capacity Auction with respect to the associated Pre-Refurbishment CMU.

5.5.16 Subject to Rule 5.5.16A, failure to submit a confirmation in accordance with Rule 5.5.14 with respect to any Prequalified New Build CMU, Refurbishing CMU or DSR CMU will result in:

(a) the Applicant for that Prequalified New Build CMU, Refurbishing CMU or DSR CMU not being permitted to participate as a Bidder for that CMU in the relevant Capacity Auction; and

(b) the release of any Applicant Credit Cover relating to that Prequalified New Build CMU, Refurbishing CMU or DSR CMU in accordance with the Regulations.

5.5.16A Where an Applicant provides confirmation in accordance with Rule 3.10.3(b), Rule 5.5.16(b) does not apply.

- 5.5.17 An Applicant for a Prequalified CMU will not be permitted to participate as a Bidder for that CMU in a Capacity Auction if that CMU is:
- (a) a Defaulting CMU;
  - (b) an Excluded CMU in relation to that Capacity Auction; or
  - (c) an Existing CMU that has Opted-out in relation to that Capacity Auction,
- and an Applicant must not submit a confirmation in accordance with Rule 5.5.14 with respect to any such CMU.
- 5.5.18 Prior to the start of each Bidding Round the Auctioneer must announce and publish:
- (a) the Bidding Round Price Spread for that Bidding Round;
  - (b) the Potential Clearing Capacity at the Bidding Round Price Floor for that Bidding Round; and
  - (c) except in relation to the first Bidding Round, the Excess Capacity as at the start of the Bidding Round, which when announced must be
    - (i) for the case of T-4 Auction or a Supplementary Auction rounded to the nearest 1 GW ;
    - (ii) for the case of a T-1 Auction (other than a Supplementary Auction) rounded to the nearest 100MW ;
    - (iii) for the case of a T-4 Auction or a Supplementary Auction if the Excess Capacity is below 1GW, 'below 1GW'; and
    - (iv) for the case of a T-1 Auction (other than a Supplementary Auction) if the Excess Capacity is below 100MW, 'below 100MW',

where Excess Capacity means the Remaining Auction Capacity at the end of the previous Bidding Round minus the Potential Clearing Capacity at the Bidding Round Price Floor for that previous Bidding Round.
- 5.5.19 The Auctioneer must specify in advance the times when the Bidding Round will begin and end (the "Bidding Window").
- 5.5.20 If a Bidder is unable to submit a Duration Bid Amendment or Exit Bid through the IT Auction System due to a technical fault, it must submit such Duration Bid Amendment or Exit Bid (as applicable) via the Delivery Body in accordance with the backup systems set out in the Auction Guidelines.

## **5.6 Duration Bids in a Capacity Auction**

- 5.6.1 A Duration Bid in relation to a Bidding CMU in a Capacity Auction specifies the duration of Capacity Agreement in whole Delivery Years that the Bidder requires at any particular price.
- 5.6.2 In the first Bidding Round, each Bidder is deemed to have submitted a Duration Bid with respect to a Bidding CMU that:
- (a) is valid for all prices up to and including the Price Cap; and

- (b) specifies a duration of Capacity Agreement equal to the duration specified with respect to that CMU in the notice submitted (or deemed to have been submitted) pursuant to Rule 5.5.14(b).
- 5.6.3 A Bidder with respect to a Bidding CMU that is an Existing CMU or a DSR CMU shall not be permitted to amend its Duration Bid during a Capacity Auction.
- 5.6.4 A Bidder with respect to a Bidding CMU that is a Prospective Generating CMU may amend its Duration Bid at any time during a Capacity Auction by submitting a notice to the Auctioneer (a “Duration Bid Amendment”).
- 5.6.5 A Duration Bid Amendment must:
- (a) specify the minimum price at which the Bidder would be willing to commit the Bidding Capacity for that Bidding CMU at the current duration;
  - (b) specify that the duration of Capacity Agreement that the Bidder requires with respect to that Bidding CMU in the event that the Clearing Price is lower than that price is one Delivery Year;
  - (c) be submitted through the IT Auction System in accordance with the Auction Guidelines.
- 5.6.6 A Duration Bid Amendment which:
- (a) relates to a Refurbishing CMU; and
  - (b) specifies a duration of Capacity Agreement of one Delivery Year,
- may also specify that the CMU participating in the Capacity Auction in the event that the Clearing Price is lower than the price specified in the Duration Bid Amendment is the Pre-Refurbishment CMU and not the Refurbishing CMU.
- 5.6.7 A Duration Bid Amendment has the effect of amending the Duration Bid for the relevant Bidding CMU for all prices lower than the price specified in the Duration Bid Amendment and will supersede any previous Duration Bid Amendment to the extent relating to any overlapping prices.
- 5.6.8 A Bidder may submit multiple Duration Bid Amendments in relation to a Bidding CMU provided that no more than fifteen Duration Bid Amendments may be submitted in any Bidding Round.

## **5.7 Continuing Bids in a Capacity Auction**

- 5.7.1 A Bidder will be deemed to have made a bid in accordance with this Rule 5.7 with respect to a Bidding CMU in a Bidding Round (a “Continuing Bid”) unless that Bidding CMU is the subject of an Exit Bid:
- (a) submitted prior to the end of the Bidding Window for that Bidding Round (including in any previous Bidding Window); and
  - (b) with an Exit Price higher than the Bidding Round Price Floor for that Bidding Round.
- 5.7.2 A Continuing Bid in a Bidding Round with respect to a Bidding CMU is deemed to confirm that:
- (a) the Bidder is willing to commit the Bidding Capacity for that Bidding CMU at the Bidding Round Floor Price; and

- (b) the duration of Capacity Agreement in whole Delivery Years that the Bidder would require at the Bidding Round Floor Price is the duration set out in the Duration Bid for that Bidding CMU at the Bidding Round Floor Price.

## **5.8 Exit Bids in a Capacity Auction**

- 5.8.1 A Bidder may submit a notice to the Auctioneer with respect to a Bidding CMU (an “Exit Bid”) in accordance with this Rule 5.8 at any time during a Capacity Auction.
- 5.8.2 An Exit Bid must, with respect to a Bidding CMU:
  - (a) identify the Bidding CMU for which the Exit Bid is made;
  - (b) specify the minimum price at which the Bidder would be willing to commit the Bidding Capacity for that Bidding CMU (the “Exit Price”) in accordance with Rule 5.8.3; and
  - (c) be submitted through the IT Auction System in accordance with the Auction Guidelines.
- 5.8.3 An Exit Price must not:
  - (a) be higher than the Bidding Round Price Cap for the Bidding Round in which the Exit Bid is submitted; or
  - (b) in the case of a Bidding CMU which is a Price-Taker, be higher than the Price-Taker Threshold.
- 5.8.4 A Bidder shall not be deemed to have made a Continuing Bid with respect to a Bidding CMU in any Bidding Round for which the Bidding Round Price Floor is lower than the Exit Price specified in its Exit Bid.

## **5.9 Capacity Auction clearing**

- 5.9.1 The methodology for determining whether the Capacity Auction clears must be as set out in this Rule 5.9.
- 5.9.2 The Capacity Auction clears in the first Bidding Round for which the Remaining Auction Capacity at the end of that Bidding Round is less than or equal to the Potential Clearing Capacity for the Bidding Round Floor Price in that Bidding Round (the “Clearing Round”).
- 5.9.3 There must be no further Bidding Rounds after the Clearing Round.
- 5.9.4 The Clearing Price for the Capacity Auction is the price determined by the Auctioneer by:
  - (a) ranking the Relevant Exit Bids in accordance with Rule 5.9.5 (the “Exit Ranking”); and
  - (b) determining if the Potential Clearing Capacity can be equalled exactly by cumulatively adding the Bidding Capacity of Relevant Exit Bids in the order of their Exit Ranking to the aggregate Bidding Capacity of all Continuing Bids, in which case the Clearing Price is the Exit Price of the Relevant Exit Bid that, when added, causes the Potential Clearing Capacity to be met exactly; and

- (c) in the event that the process in Rule 5.9.4(b) above does not result in a Clearing Price being determined then:
  - (i) where the calculation in Rule 5.9.6 results in a positive number, the Clearing Price must be  $P_h$  (as defined in Rule 5.9.6); and
  - (ii) where the calculation in Rule 5.9.6 results in a negative number or zero, the Clearing Price must be  $P_l$  (as defined in Rule 5.9.6).

5.9.5 The Auctioneer must rank the Relevant Exit Bids in a Clearing Round as follows:

- (a) the Relevant Exit Bids must first be ranked according to their respective Exit Prices, with the Relevant Exit Bid having the lowest Exit Price given the highest ranking;
- (b) if more than one Relevant Exit Bid has the same Exit Price, such Relevant Exit Bids must be ranked between themselves according to their respective Bidding Capacities, with the Relevant Exit Bid having the highest Bidding Capacity given the highest ranking;
- (c) if more than one Relevant Exit Bid has the same Exit Price and the same Bidding Capacity, such Relevant Exit Bids must be ranked between themselves according to the duration of Capacity Agreement specified in the Duration Bid for the applicable Bidding CMU at the Exit Price, with the shortest duration of Capacity Agreement given the highest ranking;
- (d) if more than one Relevant Exit Bid has the same Exit Price, the same Bidding Capacity and the same duration of Capacity Agreement specified in the Duration Bid for the applicable Bidding CMU at the Exit Price, such Exit Bids must be ranked between themselves by random number allocation, with the Relevant Exit Bid allocated the lowest number given the highest ranking.

5.9.6 For the purposes of Rule 5.9.4(c) the Auctioneer must calculate the integral

$$\int_{Q_l}^{Q_h} P(Q)dQ$$

and subtract the product of

$$(P_h Q_h - Q_l P_l)$$

Where:

$P$  is the price;

$Q$  is the Bidding Capacity;

$P(Q)$  represents the Demand Curve (price as a function of quantity);

$Q_h$  is:

- (a) the sum of the aggregate of the Bidding Capacity of:
  - (i) all Continuing Bids; and

- (ii) all Relevant Exit Bids in the order of their Exit Ranking, up to and including the first Relevant Exit Bid where the Potential Clearing Capacity was exceeded; or
- (b) if there is no Relevant Exit Bid in the clearing round where Potential Clearing Capacity was exceeded, the capacity supplied at the Bidding Round Price Cap;

QI is the sum of the aggregate of the Bidding Capacity of:

- (a) all Continuing Bids; and
- (b) all Relevant Exit Bids in the order of their Exit Ranking, up to and including any Exit Bid where the Potential Clearing Capacity was not exceeded;

Ph is the Exit Price of the Relevant Exit Bid where the Potential Clearing Capacity was exceeded provided that, if there is no Relevant Exit Bid where the Potential Clearing Capacity was exceeded, Ph must be the Bidding Round Price Cap for the Clearing Round; and

PI is:

- (a) the Exit Price of the lowest ranking Relevant Exit Bid where the Potential Clearing Capacity was not exceeded; or
- (b) if there is no Relevant Exit Bid where the Potential Clearing Capacity was not exceeded, the Bidding Round Price Floor for the Clearing Round.

5.9.7 The following Bidding CMUs must be awarded a Capacity Agreement pursuant to a Capacity Auction:

- (a) each Bidding CMU that made a Continuing Bid in the Clearing Round; and
- (b) where Rule 5.9.4(b) applies, the Bidding CMU that was the subject of the Relevant Exit Bid that caused the Clearing Capacity to be met exactly according to the Exit Ranking and each Bidding CMU with a higher ranking in the Exit Ranking; and
- (c) where Rule 5.9.4(b) does not apply and the calculation in Rule 5.9.6 results in a positive number, the Bidding CMU that was the subject of the Relevant Exit Bid where the Clearing Capacity was exceeded according to the Exit Ranking and each Bidding CMU with a higher ranking in the Exit Ranking; and
- (d) where Rule 5.9.4(b) does not apply and the calculation in Rule 5.9.6 results in a negative number or zero, each Bidding CMU that was the subject of a Relevant Exit Bid with a higher ranking than the Relevant Exit Bid that caused the Clearing Capacity to be exceeded according to the Exit Ranking.

5.9.8 In relation to a Refurbishing CMU that has been the subject of a Duration Bid Amendment which specifies the price below which such Refurbishing CMU will participate in the Capacity Auction as a Pre-Refurbishment CMU (the "Trigger Price") pursuant to Rule 5.6.7, the Auctioneer must:

- (a) when applying the calculation in Rule 5.9.6, decrease the Bidding Capacity attributable to that CMU to the Bidding Capacity applicable to it as a Pre-Refurbishment CMU when the price being applied for the purposes of performing the calculation (or relevant part thereof) falls below the Trigger Price;
- (b) when deciding whether the auction Bidding Round is also the Clearing Round, take away the reductions in Bidding Capacity between Refurbishment CMUs and the Pre-Refurbishment CMUs from the Remaining Auction Capacity when the price being applied for the purposes of performing the calculation falls below the Trigger Price for the relevant CMUs; and
- (c) for the purpose of applying Exit Rankings to Relevant Exit Bids in Rule 5.9.4, treat the CMU to which the Duration Bid Amendment applies as having submitted an Exit Bid with Bidding Capacity equal to the difference between the Bidding Capacities of the Refurbishment CMU and Pre-Refurbishment CMU.

#### **5.10 Capacity Auction results**

- 5.10.1 The Delivery Body must within 24 hours of the Capacity Auction clearing notify Bidders whether, based on the provisional results, they have been successful in a Capacity Agreement with respect to a Bidding CMU. Such notification is provisional only and does not constitute notification of a Capacity Agreement.
- 5.10.1A The Delivery Body must within 24 hours of the Capacity Auction clearing publish the following provisional results:
  - (a) the Clearing Price; and
  - (b) the aggregate Bidding Capacity of Capacity Agreements awarded.
- 5.10.2 The Delivery Body must notify the Secretary of State of the provisional results of the Capacity Auction (including the information provided to Bidders in Rule 5.10.1 above) as soon as reasonably practicable following the conclusion of the Capacity Auction.
- 5.10.3 The notification pursuant to Rule 5.10.2 must also specify if a Bidding CMU that was disqualified pursuant to Rule 5.3.3 after the start of the Capacity Auction would have received a Capacity Agreement pursuant to Rule 5.9.7 were it not for Rule 5.3.3(c) and another Bidding CMU that was not disqualified pursuant to Rule 5.3.3 was denied a Capacity Agreement as a consequence of the inclusion of that disqualified CMU in the Exit Ranking.
- 5.10.4 The Secretary of State may, upon receipt of a notice pursuant to Rule 5.10.3, instruct the Delivery Body within 2 working days to award a Capacity Agreement to any Bidding CMU that did not receive a Capacity Agreement as a result of the circumstances described in Rule 5.10.3.
- 5.10.5 The Auction Monitor must report to the Secretary of State, with a copy to the Authority, within 2 Working Days of the conclusion of the Capacity Auction on whether the procedures in the Rules and Auction Guidelines have been properly followed in the conduct of the Capacity Auction.

- 5.10.6 Unless instructed to the contrary pursuant to the Regulations, the Delivery Body must publish the following results of the Capacity Auction to Bidders, the Auction Monitor and the other Administrative Parties within 8 Working Days of the Capacity Auction concluding (the “Auction Results Day”):
- (a) the Clearing Price;
  - (b) the aggregate Bidding Capacity of Capacity Agreements awarded;
  - (c) the total forecast cost of the Capacity Obligations (being the product of the Clearing Price and the aggregate Bidding Capacity of Capacity Agreements awarded);
  - (d) the CMUs to which a Capacity Agreement was awarded; and
  - (e) the duration of the Capacity Agreement awarded to each CMU,
- and include such results on the Capacity Market Register. The results of the Capacity Auction must be notified by the Delivery Body to other Applicants and made publicly available at the same time.
- 5.10.7 The result of a Capacity Auction is final when it is entered in the Capacity Market Register in accordance with Rule 7.4.3 and Capacity Agreements come into force from this time.

#### **5.11 Capacity Auction suspension or cancellation**

- 5.11.1 The Delivery Body may recommend to the Secretary of State the suspension and/or cancellation of a Capacity Auction where it has identified potential evidence of non-compliance with Chapter 5 of the Rules.
- 5.11.2 The Auctioneer may postpone or stop a Capacity Auction if, in the Auctioneer’s opinion, the Capacity Auction cannot be conducted fairly and in accordance with Rule 5.5.2 because of a failure of the IT Auction System or any other exceptional circumstances.
- 5.11.3 The Delivery Body must suspend or cancel a Capacity Auction by issuing a notice to all Bidders on the written instruction of the Secretary of State to do so.
- 5.11.4 Upon:
- (a) the written instruction of the Secretary of State to suspend a Capacity Auction pursuant to Rule 5.11.3; or
  - (b) a Capacity Auction being postponed or stopped by the Auctioneer pursuant to Rule 5.11.2,
- the Auctioneer must give Bidders for the relevant Capacity Auction a minimum of 10 Working Days’ notice of the resumption of any Capacity Auction suspended under this Rule 5.11 and must notify Bidders whether the Bidding Round Price Cap for the first Bidding Round when the Capacity Auction restarts will be the Price Cap or the Bidding Round Price Cap for the Bidding Round that was current at the time that the Capacity Auction was suspended.
- 5.11.5 If a Capacity Auction is cancelled pursuant to Rule 5.11.3:
- (a) any Prequalification Decision with respect to any CMU in relation to that Capacity Auction; and



- (b) any Opt-out Notification submitted with respect to any Mandatory CMU in relation to that Capacity Auction,

shall be void.

- 5.11.6 The cancellation of one or more Capacity Auctions with respect to a given Delivery Year does not affect the validity of a Capacity Agreement that has already been awarded with respect to that Delivery Year.

## **5.12 Prohibition on Market Manipulation**

- 5.12.1 All Applicant-related Parties must not engage in Market Manipulation.

## **5.13 Prohibition on other unreasonable business methods**

- 5.13.1 The following activities are prohibited in relation to the Capacity Auction:

- (a) doing anything which would constitute a breach of any law intended to prohibit or restrict anti-competitive practices relevant to participation in the Capacity Auction;
- (b) submitting to the Delivery Body or the Authority any information in connection with the Capacity Auction which is false or misleading;
- (c) doing anything which would constitute a breach of the Bribery Act 2010 as amended from time to time with a view to influencing the outcome of a Capacity Auction;
- (d) offering to pay or give any sum of money, inducement or valuable consideration directly or indirectly to any officer of an Administrative Party;
- (e) disclosing, or attempting to disclose, or inciting another person to disclose, any information relating to any Continuing Bid or Exit Bid made by an Applicant with regard to a Bidding CMU, whether directly or indirectly, to any person, except where the disclosure is:
  - (i) in accordance with any requirement under:
    - (aa) an enactment;
    - (bb) a licence under section 6(1) of EA 1989 (where the Applicant is the holder of such a licence); or
    - (cc) a document maintained under such a licence;
  - (ii) to the Delivery Body;
  - (iii) to a member of that Applicant's Group;
  - (iv) to any Agent nominated by or on behalf of the Applicant to conduct its Application and Bidding provided that such Agent is not also the Agent of any other Applicant (unless such other Applicant is a member of the Applicant's group);
  - (v) to the legal owner of the Bidding CMU;
  - (va) where the Application is for an Interconnector CMU, to any person who is a Joint Owner in relation to that Interconnector CMU;

- (vi) to any potential purchaser of the Bidding CMU;
- (vii) where the Applicant is the legal owner of the Bidding CMU, to any third party having Despatch Control with respect to that Bidding CMU;
- (viii) to any provider of finance with respect to the Bidding CMU;
- (ix) to any shareholder in the Applicant;
- (x) to the professional advisers of:
  - (aa) the Applicant;
  - (bb) any member of the Applicant's Group;
  - (cc) any shareholder in the Applicant or, where such a shareholder is a company and a member of a Group, of any other company which is a member of that Group; or
  - (dd) any potential purchaser of the CMU; or
- (xi) in respect of information that was already public; and/or
- (f) obtaining or attempting to obtain information relating to a Continuing Bid or Exit Bid made by any other Applicant save where such disclosure to the Applicant would be permitted under Rules 5.13.1(e)(ii) to 5.13.1(e)(x).

#### **5.14 Auction Monitor and Audit of Capacity Auctions**

##### **5.14.1 Appointment of Auction Monitor**

- (a) The Delivery Body must appoint a third party to monitor the conduct of each Capacity Auction (an "Auction Monitor").
- (b) The duration of the appointment of the Auction Monitor must be determined by the Delivery Body and the cost of such appointment must be for the Delivery Body's account.
- (c) All Capacity Auctions falling within the duration of the appointment of an Auction Monitor must be monitored by that Auction Monitor.

##### **5.14.2 Monitoring during a Capacity Auction**

- (a) The Auction Monitor must have full read-only access to the electronic platform provided by the Auctioneer for the purpose of the Capacity Auction including the ability to view all Bids as they occur and all communication during the Capacity Auction between the Auctioneer and the Bidders.
- (b) Each of the Delivery Body and the Auction Monitor must notify the other if it becomes aware of a potential breach or suspected breach of the Regulations or the Rules by the Delivery Body or the Auctioneer or any other potential irregularity or suspected irregularity in the conduct of a Capacity Auction by the Delivery Body or the Auctioneer.
- (c) The Delivery Body may request that the Auction Monitor give its view, and the Auction Monitor must do so if requested, as to the most appropriate course of action regarding any potential breach of the

Regulations or the Rules or other potential irregularity with respect to the conduct of a Capacity Auction.

5.14.3 Reporting by the Auction Monitor following a Capacity Auction

- (a) Within two Working Days after the Delivery Body has notified Bidders of the provisional results of a Capacity Auction pursuant to Rule 5.10.1, the Auction Monitor must provide a report to the Secretary of State (with a copy to the Authority) that:
  - (i) confirms the list of Bidders that have been awarded a Capacity Agreement;
  - (ii) sets out whether or not the Auction Monitor considers that the Delivery Body and/or the Auctioneer conducted the Capacity Auction in accordance with the Regulations and the Rules; and
  - (iii) where 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 Delivery Body and/or the Auctioneer together with an audit of the calculations made and the Auction Monitor's assessment as to the likely consequences of such actual or potential breach or irregularity.
- (b) The Auction Monitor must, upon request by the Delivery Body, or the Secretary of State, report from time to time on any specific issue related to the functioning of any Capacity Auction process.

## CHAPTER 6: CAPACITY AGREEMENTS

### 6. Capacity Agreements

#### 6.1 Purpose of this Chapter

6.1.1 The Rules govern:

- (a) the issue of Capacity Agreement Notices;
- (b) the express terms that each Capacity Agreement Notice must contain; and
- (c) the provisions that apply to each Capacity Agreement in relation to termination, and in relation to the payment of a Non-completion Fee in certain circumstances.

#### 6.2 Nature of Capacity Agreement Notices and Capacity Agreements

6.2.1 A capacity agreement comprises the rights and obligations accruing to a Capacity Provider under or by virtue of the Regulations and the Rules in relation to a particular Capacity Committed CMU and one or more Delivery Years ("Capacity Agreement").

6.2.2 A Capacity Agreement Notice records for convenience certain details of the Capacity Agreement applying to a Capacity Provider in relation to a Capacity Committed CMU including:

- (a) the Capacity Provider's right under the Capacity Agreement to receive Capacity Payments; and
- (b) the Capacity Obligation of the Capacity Committed CMU.

6.2.3 Neither:

- (a) the registration of a Capacity Committed CMU (or its Capacity Provider) in the Capacity Market Register; nor
- (b) the issuance of a Capacity Agreement Notice; nor
- (c) the existence of a Capacity Agreement,

is intended to create contractual relations between, nor does any of them give rise to contractual rights for the benefit of, a Capacity Provider or an Administrative Party.

6.2.4 Where there is an inconsistency between a Capacity Agreement Notice and the terms of the Capacity Market Register, the terms of the Capacity Market Register prevail.

#### 6.3 Issuing Capacity Agreement Notices

6.3.1 The Delivery Body must issue a Capacity Agreement Notice in the form set out in Schedule 1 for each CMU that is awarded a Capacity Agreement by no later than 20 Working Days after the Auction Results Day for that Capacity Auction. Information contained in a Capacity Agreement Notice must reflect the equivalent information recorded in the Capacity Market Register, and record the terms of the relevant Capacity Agreement.

- 6.3.2 If a person is the Capacity Provider with respect to more than one CMU that is successful in a Capacity Auction, a separate Capacity Agreement Notice will be issued for each such CMU. Capacity Agreement Notices will be issued based on the specific CMU, including the precise aggregation of Generating Units and/or DSR CMU Components, nominated in the relevant Application.
- 6.3.3 A Capacity Provider may comment in writing to the Delivery Body on the factual accuracy of a Capacity Agreement Notice issued to it within 10 Working Days of the date on which the Capacity Agreement Notice is issued by the Delivery Body.
- 6.3.4 If no comments are received by the Delivery Body within 10 Working Days after the date on which a Capacity Agreement Notice was issued to a Capacity Provider, the Capacity Agreement Notice will be deemed to be a factually accurate record of the Capacity Agreement.
- 6.3.5 Subject to Rule 6.3.7, if the Delivery Body receives comments from a Capacity Provider with regard to the factual accuracy of a Capacity Agreement Notice and agrees with such comments, the Delivery Body must re-issue that Capacity Agreement Notice to the Capacity Provider with such amendments as are necessary to correct such factual inaccuracy. The Delivery Body must not consider comments other than as to factual accuracy.
- 6.3.6 Subject to Rule 6.3.7, if the Delivery Body receives comments from a Capacity Provider with regard to the factual accuracy of a Capacity Agreement Notice and does not agree with such comments, the Capacity Provider and the Delivery Body must discuss the alleged factual inaccuracy to establish whether any amendments to the Capacity Agreement Notice are necessary.
- 6.3.7 If the Capacity Provider and the Delivery Body are unable to agree whether any amendments to a Capacity Agreement Notice are necessary in respect of comments received from the Capacity Provider pursuant to Rule 6.3.6 (including as to whether any comment relates to factual accuracy or not) within 20 Working Days after the Delivery Body received such comments, the Capacity Provider may, within a further 5 Working Days, refer the determination for dispute resolution in accordance with the process set out in the Regulations, failing which the Capacity Agreement Notice will be deemed to be factually accurate.
- 6.3.8 If a Capacity Provider of a CMU that has been notified of provisional success in a Capacity Auction in accordance with Rule 5.10.1 does not receive a Capacity Agreement Notice from the Delivery Body within 20 Working Days after the relevant Auction Results Day, it may request in writing that the Delivery Body issue a Capacity Agreement Notice.
- 6.3.9 If the Delivery Body receives a request from a Capacity Provider pursuant to Rule 6.3.8 and agrees that a Capacity Agreement Notice should have been issued, the Delivery Body must issue that Capacity Agreement Notice to the Capacity Provider.
- 6.3.10 If the Delivery Body receives a request from a Capacity Provider pursuant to Rule 6.3.8 and does not agree that a Capacity Agreement Notice should have been issued, the Capacity Provider and the Delivery Body must discuss the

alleged failure by the Delivery Body to establish whether a Capacity Agreement Notice should be issued.

6.3.11 [Omitted.]

6.3.12 Rule 6.3.3 applies to any Capacity Agreement Notice issued under Rule 6.3.5 or 6.3.9.

#### **6.4 Indexation**

6.4.1 Capacity Payments in relation to Capacity Agreements issued following a T-4 auction are to be adjusted with effect from the commencement of each Delivery Year, by the application of the CPI adjustment prescribed in paragraph 3(5) of Schedule 1 to the Regulations.

#### **6.5 Survival**

6.5.1 Rights and obligations which accrue prior to the date of expiry or earlier termination of a Capacity Agreement survive such expiry or termination.

#### **6.6 Achieving the Financial Commitment Milestone**

6.6.1 A Capacity Provider of a Prospective CMU will be considered to have met its Financial Commitment Milestone obligation if, by no later than 16 months after the Auction Results Day for the Capacity Auction in respect of which the Capacity Agreement was awarded (or, in the case of an SA Agreement, 3 months),, the Delivery Body has acknowledged receipt of a report prepared by an Independent Technical Expert at the Capacity Provider's cost confirming that the Independent Technical Expert (either directly or indirectly) is satisfied as to both of the matters set out in Rule 6.6.2.

6.6.2 The matters referred to in Rule 6.6.1 are that:

- (a) Capital Expenditure has been incurred and paid in an amount at least equal to 10 per cent of the Total Project Spend for that CMU (and, where relevant, Non-GB Part); and
- (a) at least two directors of the Capacity Provider (or officers, in the case of a Capacity Provider other than a company) have certified that:
  - (i) a Final Investment Decision has been taken for the full value of the Total Project Spend; and
  - (ii) where financed from sources other than Own Group Resources, that Financial Close has also occurred,
- (b) (such certificate to be annexed to the report).

6.6.3A For the purposes of Rules 6.6.2:

**"Financial Close"** means the legal, valid and binding decision point to progress with the project, achieved where all relevant project and financing documentation has been signed and all conditions precedent contained within them have been satisfied;

**"Final Investment Decision"** means a decision by the board of directors (or equivalent body in the case other than a company) of the Capacity Provider, and (where relevant) of each other Joint Owner, to fully proceed with the

investment for the project, including the decision that sufficient financial resources are available to meet the Total Project Spend;

**“Own Group Resources”** means the existing assets and reserves of the Applicant or of any member of the Applicant’s Group.

- 6.6.3 For the purposes of Rule 6.6.3, **“Relevant Contract”** means, for a Prospective Interconnector CMU, an agreement or agreements for the supply of major components representing a portion of the Total Project Spend for that CMU and Non-GB Part (whether or not as part of a wider agreement) and which is consistent with the resolution of the board of directors of the Joint Owner in respect of that CMU (or the officers, in the case of a Joint Owner other than a company) to complete the relevant construction, repowering or refurbishment works for which that Joint Owner is responsible on or prior to the date falling at the start of the first scheduled Delivery Year for that CMU.

#### **6.6A Achieving the Financial Commitment Milestone: New Build CMUs**

- 6.6A.1 Other than in the case of a SA Agreement, Rule 6.6A.2 applies where in respect of a New Build Capacity Provider (“P”) the Delivery Body has not, by 11 months after the Auction Results Day (“the 11-month period”), received the Independent Technical Expert’s report referred to in Rule 6.6.1.
- 6.6A.2 Where this Rule 6.6A.2 applies, the Delivery Body must notify P and the Settlement Body that P must provide an increased amount of Applicant Credit Cover in accordance with Regulation 59(4) and (5).
- 6.6A.3 The notices under Rule 6.6A.2 must be given within 10 Working Days after the end of the 11-month period.

#### **6.7 Achieving the Substantial Completion Milestone**

- 6.7.1 A Capacity Provider is not liable for, or entitled to, any payments in respect of a particular CMU if the relevant System Stress Event precedes the date on which the Substantial Completion Milestone for such CMU is reached.
- 6.7.2 In the case of a Generating CMU, a New Build CMU or a Refurbishing CMU will have met its Substantial Completion Milestone obligation if:
- (a) the corresponding Generating Unit(s) is/are Operational with an aggregate physical generating capacity (in MW) which, after being multiplied by its De-rating Factor, equals or exceeds 90 per cent of its Capacity Obligation; and
  - (b) the Capacity Provider has provided detailed line diagrams and completed a Metering Assessment as required by Rule 8.3.3(ba).
- 6.7.3 In the case of an Interconnector CMU, a New Build CMU or a Refurbishing CMU will have met its Substantial Completion Milestone obligation if:
- (a) the corresponding Electricity Interconnector is Operational with the physical capability of transmitting a Net Output which, after being multiplied by its De-rating Factor, equals or exceeds 90 per cent of its Capacity Obligation; and
  - (b) the Capacity Provider has provided detailed line diagrams and completed a Metering Assessment as required by Rule 8.3.3(ba).

- 6.7.4 (a) Where the Substantial Completion Milestone is achieved in respect of a Prospective CMU:
- (i) on or prior to the start of the first Delivery Year of the Capacity Agreement or the Delivery Year of an SA Agreement, the Capacity Agreement will take effect on the first day of such Delivery Year; or
  - (ii) in the case of a New Build CMU only (other than in the case of an SA Agreement), after the start of the first Delivery Year of the Capacity Agreement but before the applicable Long Stop Date, the Capacity Agreement will take effect on the date that the Substantial Completion Milestone is achieved,
- (but otherwise such Capacity Agreement will only take effect if Rule 6.8.5 applies).
- (b) If the physical generating capacity (or, in the case of an Interconnector CMU the physical capability of transmitting a Net Output) of the relevant CMU which is Operational when the Capacity Agreement takes effect is not, after being multiplied by its De-rating Factor, sufficient to deliver 100 per cent of its Capacity Obligation, the Capacity Agreement will take effect with respect to that proportion of the De-rated Capacity which is operational only.
- 6.7.5 The Capacity Provider must notify the Delivery Body when an ION is issued, or where no relevant ION is issued when a FON is issued (or, in the case of a Generating Unit connected to a Distribution Network, when it passes the relevant tests) for a Generating Unit forming part of a Prospective Generating CMU which is the subject of a Capacity Agreement.
- 6.7.6 At any time up to eighteen months after the start of the first Delivery Year of the Capacity Agreement, a Capacity Provider may notify the Delivery Body that a Generating Unit forming part of a Prospective Generating CMU has increased its Operational physical capacity such that it is now sufficient to deliver a higher proportion (up to but not exceeding 100 per cent) of its Capacity Obligation, and the Capacity Agreement will take effect from such date with respect to that increased proportion.
- 6.7.6A At any time during the Delivery Year of the Capacity Agreement, a Capacity Provider may notify the Delivery Body that a Prospective Interconnector CMU has increased its Operational physical capability of transmitting a Net Output such that it is now sufficient to deliver a higher proportion (up to but not exceeding 100 per cent) of its Capacity Obligation, and the Capacity Agreement will take effect from such date with respect to that increased proportion.
- 6.7.7 The relevant Long Stop Date must, at the request of the relevant Capacity Provider, be extended day for day for any delay in achieving the Substantial Completion Milestone that results solely from a failure of a Transmission Licensee or the relevant Distribution Network Operator to provide an active connection point when required to do so in accordance with a valid Grid Connection Agreement or Distribution Connection Agreement, including as a result of the failure of their subcontractors (provided that such subcontractor is not the Capacity Provider or in the same Group). To secure such extension, the



relevant Capacity Provider must apply to the Delivery Body and provide a report of an Independent Technical Expert substantiating its claim and identifying the relevant number of days of delay.

- 6.7.8 Save as provided in Rule 6.7.7, the relevant Long Stop Date must not be extended by virtue of any delay by a Prospective CMU in achieving the Substantial Completion Milestone, howsoever caused.
- 6.7.9 The relevant Long Stop Date must not be extended under Rule 6.7.7 where the relevant Capacity Provider has released the Transmission Licensee or the relevant Distribution Network Operator from its obligation to provide an active connection point under a Grid Connection Agreement or Distribution Connection Agreement, or where the relevant Capacity Provider has agreed to an extension to the date by which an active connection point must be provided.

## **6.8 Sanctions for Delay in Achieving Milestones**

- 6.8.1 The Delivery Body must notify the Secretary of State and the Capacity Provider if it becomes aware of any Prospective CMU which fails to reach:
  - (a) in the case of a New Build CMU, its Financial Commitment Milestone in accordance with Rule 6.6 and Rule 6.10.1(b) shall apply;
  - (aa) in the case of a Refurbishing CMU, its Financial Commitment Milestone in accordance with Rule 6.6 and Rule 6.8.4 shall apply; or
  - (b) in the case of a Refurbishing CMU, its Substantial Completion Milestone by the Long Stop Date in accordance with Rule 6.7 and Rule 6.8.4 shall apply.
- 6.8.2 Subject to Rules 6.8.2A to 6.8.2F, if the Delivery Body becomes aware of any New Build CMU that has failed to reach its Minimum Completion Requirement by the Long Stop Date, the Delivery Body must issue a written notice to the Capacity Provider, the Secretary of State, the CM Settlement Body and the Authority (a "Notice of Intention to Terminate") stating that, unless the Minimum Completion Requirement is achieved (as determined in accordance with Rule 6.8.3 or 6.8.3A) within 120 Working Days from the date of the Notice of Intention to Terminate, a Termination Notice will be issued in accordance with Rule 6.10.2(a).
- 6.8.2A Rule 6.8.2B applies where:
  - (a) the New Build CMU referred to in Rule 6.8.2 is an Interconnector CMU in respect of which a Capacity Agreement has been awarded for a Delivery Year ("Y");
  - (b) a Capacity Agreement has not been awarded in respect of that CMU for the Capacity Year immediately following Delivery Year Y; and
  - (c) the Delivery Body becomes aware that the CMU has failed to reach its Minimum Completion Requirement by the end of Delivery Year Y.
- 6.8.2B Where this Rule 6.8.2B applies the Delivery Body must, instead of the notice referred to in Rule 6.8.2, issue a written notice to the Capacity Provider, the Secretary of State, the CM Settlement Body and the Authority (a "**Non-completion Notice**") stating that the Capacity Provider is liable to pay a Non-

completion Fee by the end of the last day of the period of 60 Working Days beginning with the date of the notice.

- 6.8.2C Rule 6.8.2D applies where:
- (a) the New Build CMU referred to in Rule 6.8.2 is an Interconnector CMU in respect of which a Capacity Agreement has been awarded for a Delivery Year (“Z”); and
  - (b) a Capacity Agreement has been awarded in respect of that CMU for a Delivery Year immediately following Delivery Year Z.
- 6.8.2D Where this Rule 6.8.2D applies, the notice issued in accordance with Rule 6.10.2(a) shall be treated, for the purposes of this Chapter 6, as a Termination Notice issued in respect of each of the following Capacity Agreements (but without making the Capacity Provider liable to pay more than one termination fee in respect of them):
- (a) the Capacity Agreement in respect of that New Build CMU that is in force at the time of the expiry of the notice period or extension period referred to in Rule 6.10.2(e); and
  - (b) any other Capacity Agreement awarded in respect of that New Build CMU for a Delivery Year subsequent to Delivery Year Z.
- 6.8.2E Rule 6.8.2F applies where:
- (a) a New Build CMU has been awarded an SA Agreement; and
  - (b) the Delivery Body becomes aware that the CMU has failed to reach its Minimum Completion Requirement in respect of that SA Agreement by the Long Stop Date.
- 6.8.2F Where this Rule 6.8.2F applies, the Notice of Intention to Terminate issued in respect of that SA Agreement must state that, unless the Minimum Completion Requirement is achieved (as determined in accordance with Rule 6.8.3 or 6.8.3A) within 20 Working Days from the date of that notice, a Termination Notice will be issued in accordance with Rule 6.10.2(a).
- 6.8.3 A Prospective Generating CMU has reached its Minimum Completion Requirement if:
- (a) the corresponding Generating Unit(s) is/are Operational with an aggregate physical generating capacity which, after being multiplied by its De-rating Factor, exceeds 50 per cent of its Capacity Obligation; and
  - (b) the Capacity Provider has provided detailed line diagrams and completed a Metering Assessment as required by Rule 8.3.3(ba).
- 6.8.3A A Prospective Interconnector CMU has reached its Minimum Completion Requirement if:
- (a) the CMU is Operational with a Connection Capacity which, after being multiplied by its De-rating Factor, exceeds 50 per cent of its Capacity Obligation; and
  - (b) the Capacity Provider has provided detailed line diagrams and completed a Metering Assessment as required by Rule 8.3.3(ba).

- 6.8.4 Where the Delivery Body has given notice under Rule 6.8.1 for a CMU which was, in the Capacity Auction pursuant to which the Capacity Agreement was awarded, a Refurbishing CMU for which the Bidder was obliged to participate with respect to the Pre-Refurbishment CMU (either because the Pre-Refurbishment CMU was a Mandatory CMU or because the Bidder issued a confirmation for such Pre-Refurbishment CMU pursuant to Rule 5.5.14):
- (a) the Capacity Agreement is reduced to a one year duration; and
  - (b) the Capacity Obligation of the CMU will be re-set by reference to the De-rated Capacity of the Pre-Refurbishment CMU (i.e. the applicable De-rating Factor multiplied by the Connection Capacity of the Pre-Refurbishment CMU).
- 6.8.5 Where a New Build CMU that did not achieve the Substantial Completion Milestone by the start of the first Delivery Year of the Capacity Agreement, or of the Delivery Year of an SA Agreement, has achieved the Minimum Completion Requirement by the Long Stop Date then the Capacity Agreement will take effect at the Long Stop Date with respect to that proportion of the De-rated Capacity of the CMU that has achieved Operational status only.

## **6.9 Exclusion of Force Majeure**

- 6.9.1 The obligations set out in the Rules and Regulations and forming the Capacity Agreement are not excused by events outside of the control of the Capacity Provider and apply regardless of any assertion of force majeure, frustration or equivalent legal doctrine.

## **6.10 Termination**

### **6.10.1 Termination Events**

Each of the following events is a Termination Event with respect to a Capacity Agreement (other than a Capacity Agreement that has been transferred under Rule 9.2.4(a)), and the Capacity Provider must notify the Delivery Body if any of the following events has occurred and is continuing:

- (a) an Insolvency Termination Event affecting the Capacity Provider or, in relation to an Interconnector CMU, any Joint Owner;
- (b) where the Capacity Agreement is in respect of a New Build CMU, a failure by the Capacity Provider to achieve its Financial Commitment Milestone for that New Build CMU as determined in accordance with Rule 6.6;
- (ba) where the Capacity Agreement is in respect of a New Build CMU and
  - (i) Rule 6.6A.2 applies, and the New Build Capacity Provider has failed to lodge credit cover in accordance with Regulation 59(4) and (5); or
  - (ii) the New Build Capacity Provider has lodged that credit cover, but failed to maintain it in accordance with Regulation 60(1);
- (c) except where Rule 6.8.2B applies, where the Capacity Agreement is in respect of a New Build CMU, a failure by the Capacity Provider to achieve its Minimum Completion Requirement for that New Build CMU

as determined in accordance with Rule 6.8.3 or 6.8.3A within the period specified in a Notice of Intention to Terminate issued by the Delivery Body to that Capacity Provider in accordance with Rule 6.8.2 or Rule 6.8.2F;

- (d) without prejudice to the operation of any Regulations which render the Capacity Agreement null and void, the Capacity Committed CMU to which the Capacity Agreement relates no longer satisfies the General Eligibility Criteria set out in the Regulations;
- (e) the Capacity Provider has made a declaration or provided a letter in its Application in accordance with Rule 3.7.3(c) for a CMU but has not provided a copy of its connection offer to the Delivery Body for that CMU as required by Rule 8.3.1(a);
- (ea) the Capacity Provider has made a declaration in its Application in accordance with Rule 3.10A.3 for a CMU but has not complied with the terms of that declaration as required by Rule 8.3.1(c);
- (f) the Capacity Provider has made a declaration in its Application in accordance with Rule 3.6.3(b) for a CMU but has not provided a copy of its Grid Connection Agreement evidencing the matters specified in Rule 8.3.1(b) as required by that Rule;
- (fa) the Capacity Provider has made a declaration in its Application in accordance with Rule 3.10A.2 for a CMU but has not provided a copy of its Grid Connection Agreement evidencing the matters specified in Rule 8.3.1(d) as required by that Rule;
- (g) where the Capacity Agreement relates to a Generating CMU or an Interconnector CMU, the Capacity Provider ceases to have a Grid Connection Agreement that secures Transmission Entry Capacity for each relevant Delivery Year at least equal to the De-rated Capacity of the Capacity Committed CMU and any other CMUs to which the Grid Connection Agreement applies;
- (ga) where the Capacity Agreement relates to a Generating CMU or an Interconnector CMU, the Capacity Provider reduces the Transmission Entry Capacity secured by its Grid Connection Agreement for a relevant Delivery Year so that it is no longer at least equal to the aggregate of all Capacity Obligations applying at any time in that Delivery Year in respect of:
  - (i) the CMU to which the Capacity Agreement applies, and
  - (ii) any other CMUs to which the Grid Connection Agreement applies;
- (h) where the Capacity Agreement relates to an Existing CMU, a Proven DSR CMU or an Unproven DSR CMU which, in any such case, is subject to a Metering Test pursuant to Rule 4.5.1(b)(xi) or Rule 8.3.3(c) (as applicable), the Capacity Provider has failed to comply with Rule 8.3.3(d);
- (i) where the Capacity Agreement relates to an Unproven DSR CMU, the Capacity Provider has failed to comply with Rule 8.3.2(a);

- (j) a notice has been served on the Capacity Provider by the Delivery Body under Rule 3.11.4 for the Capacity Committed CMU to which the Capacity Agreement relates;
- (k) where the Delivery Body has not received a copy of a notice in accordance with Rule 4.6.2 and Rule 4.6.4A applies;
- (l) where the Capacity Agreement relates to a Generating CMU with a multi-year Capacity Obligation and the CM Settlement Body determines that the Capacity Provider has on three separate occasions invalidated the Metering Test Certificate relating to that Generating CMU;
- (m) where the Capacity Agreement relates to an Unproven DSR CMU, Rule 4.5B.2 applies and the Capacity Provider has failed to lodge credit cover in accordance with Rule 4.5B.7; or
- (n) a Capacity Provider makes a transfer, sale or disposal of a Generating Unit contrary to Rule 9.2.10 without complying with the conditions in 9.2.10A(a); or
- (o) where any information or declaration submitted in or with an Application relating to the Capacity Agreement did not comply with the requirements in Rule 3.12.1.

6.10.1A Termination Events: Transfers under Rule 9.2.4(a)

- (a) Each of the events specified in the following paragraphs of Rule 6.10.1 is a Termination Event with respect to a Capacity Agreement that has been transferred in its entirety under Rule 9.2.4(a), or with respect to a Transferred Part:
  - (i) paragraph (a) (insolvency);
  - (ii) paragraph (d) (General Eligibility Criteria);
  - (iii) paragraph (ga) (Transmission Entry Capacity);
  - (iv) paragraph (j) (providing electricity after an Opt-out Notification); and
  - (v) paragraph (n) (transfer etc. of a Generating Unit);

and for that purpose, any reference to a “Capacity Agreement” in those paragraphs shall be construed as including a reference to a Transferred Part, and any reference to a “Capacity Provider” shall be construed as a reference to the Transferee.
- (b) Each of the following events is a Termination Event with respect to a Capacity Agreement that has been transferred in its entirety under Rule 9.2.4(a) or with respect to a Transferred Part:
  - (i) where the CMU Transferee is a Generating CMU or an Interconnector CMU, immediately following the transfer the Transferee does not have a Grid Connection Agreement which secures Transmission Entry Capacity at least equal to the aggregate of the Capacity Obligations applying to:
    - (aa) that CMU Transferee, and

- (bb) any other CMUs to which the Grid Connection Agreement applies;
- (ii) the event specified in 6.10.1(o) in so far as it applies in respect of any Capacity Agreement that has been awarded in relation to the CMU Transferee.
- (c) The Capacity Provider must notify the Delivery Body if an event mentioned in paragraph (a) or (b) occurs and is continuing during the period in which the transferred Capacity Obligation applies to the CMU Transferee.

6.10.2 Procedure for automatic termination

- (a) Where the Delivery Body:
  - (i) has been notified by another Administrative Party or a Capacity Provider of, or otherwise becomes aware of the occurrence of, any of the circumstances referred to in Rule 6.10.1 or as the case may be Rule 6.10.1A, or
  - (ii) receives a direction from the Secretary of State or the Authority to terminate the Capacity Agreement for an actual or suspected engagement in one or more of the Prohibited Activities by an Applicant-related Party or any member of the Applicant's Group;

it must issue a written notice to the Capacity Provider, the Secretary of State, the CM Settlement Body and the Authority (a "Termination Notice") stating that the Capacity Agreement of the relevant CMU (or, in the case of the circumstances in Rule 6.10.1(a) or Rule 6.10.2(a)(ii), all CMUs for which it is the Capacity Provider) will terminate in 60 Working Days and specifying which of the grounds in Rule 6.10.1(a) to (n) or Rule 6.10.2(a)(ii) applies.

- (b) Within 20 Working Days of receipt of a Termination Notice under Rule 6.10.2(a) (other than one which identifies the grounds set out in Rule 6.10.1(j) or Rule 6.10.1(k)), a Capacity Provider may submit a written request to the Secretary of State:
  - (i) applying to have that Termination Notice extended by up to 60 Working Days (or, in the case of a Termination Notice given in respect of an SA Agreement, 20 Working Days);
  - (ii) specifying the reasons for requesting the extension of the notice; and
  - (iii) specifying a cure plan demonstrating that the Capacity Provider will address the grounds for termination specified in the Termination Notice for any relevant CMUs within the requested extension period.
- (c) Within 20 Working Days of receipt of a Termination Notice under Rule 6.10.2(a), a Capacity Provider may make written representations to the Secretary of State in accordance with Regulation 33(4):
  - (i) applying to have that Termination Notice withdrawn;

- (ii) specifying the reasons for requesting the withdrawal of the notice; and
- (iii) specifying a cure plan specifying how the Capacity Provider will address the grounds for termination specified in the Termination Notice for any relevant CMUs,

subject always to Regulation 33(7).

(d) The Delivery Body:

- (i) may withdraw or extend a Termination Notice (in whole or in part) in accordance with a Reconsidered Decision pursuant to Part 10 of the Regulations; and
- (ii) must immediately withdraw or extend a Termination Notice on the instruction of:
  - (aa) the Secretary of State in accordance with Regulation 33(2);
  - (bb) the Authority in accordance with Regulation 71;
  - (cc) a court of competent jurisdiction in accordance with Regulation 72; or
  - (dd) the Secretary of State following an application under Rule 6.10.2(b) or 6.10.2(c),

in each case by issuing a written notice to the Capacity Provider, the Secretary of State, the CM Settlement Body and the Authority (a “Withdrawal Notice” or an “Extension Notice”, as the case may be), such notice to include the period of the extension, if any.

- (e) At the expiry of the notice period referred to in Rule 6.10.2(a) or, where applicable, any extension period referred to in Rule 6.10.2(d), the Capacity Agreement for each relevant CMU is automatically terminated unless the Termination Notice has been withdrawn.
- (f) Where a Capacity Agreement is terminated, the Delivery Body must:
  - (i) update the Capacity Register to reflect the termination of the Capacity Agreement; and
  - (ii) notify the CM Settlement Body and the Authority of the termination of the Capacity Agreement, and the grounds for its termination.
- (g) Paragraph (f) applies notwithstanding that the period mentioned in paragraph (e) expires after the expiry of the Capacity Agreement.

6.10.2A Termination procedure: Transferred Part

The provisions of Rule 6.10.2 apply to the termination of a Transferred Part as they apply to the termination of a Capacity Agreement, but with the following modifications:

- (a) in paragraph (a):
  - (i) in sub-paragraph (i), for “Rule 6.10.1” substitute “Rule 6.10.1A;

- (ii) for the words from “Capacity Agreement of the relevant CMU” to the end substitute “Transferred Part applying in respect of the relevant CMU will terminate in 60 Working Days and specifying which of the grounds referred to in Rule 6.10.1A will apply”;
- (b) in paragraph (b), omit “or Rule 6.10.1(k)”;
- (c) in paragraphs (e) and (f), for each occurrence of “Capacity Agreement” substitute “Transferred Part”; and
- (d) in paragraph (g), for “Capacity Agreement” substitute “Transfer Period”.

### 6.10.3 Termination Fees

- (a) Where a Capacity Agreement awarded as a result of a Capacity Auction held before the coming into force of the Capacity Market (Amendment) Rules 2016 is terminated on one of the grounds specified in paragraph (b), (c), (e), (f), (g), (h) or (n) of Rule 6.10.1, the Capacity Provider is liable to pay a termination fee in accordance with Regulation 43.
- (b) The amount of the termination fee payable under Rule 6.10.3(a) is:
  - (i) TF1, as determined in accordance with Regulation 43(3), where the Capacity Agreement is terminated on one of the grounds specified in Rule 6.10.1(b), 6.10.1(e), 6.10.1(f), 6.10.1(h) or 6.10.1(n); and
  - (ii) TF2, as determined in accordance with Regulation 43(4), where the Capacity Agreement is terminated on one of the grounds specified in Rule 6.10.1(c) or 6.10.1(g).
- (c) Where a Capacity Agreement awarded as a result of a Capacity Auction held after the coming into force of the Capacity Market (Amendment) Rules 2016, or a Transferred Part in respect of such a Capacity Agreement, is terminated on one of the grounds specified in paragraph (b), (ba), (c), (e), (ea), (f), (fa), (g), (ga), (h), (l) or (n) of Rule 6.10.1 or Rule 6.10.1A(b)(i), the Capacity Provider is liable to pay a termination fee in accordance with Regulation 43.
- (d) The amount of a termination fee payable under Rule 6.10.3(c) is:
  - (i) TF3, as determined in accordance with Regulation 43(3), where the Capacity Agreement or Transferred Part is terminated on one of the grounds specified in Rule 6.10.1(ba)(i), 6.10.1(h), 6.10.1(l) or 6.10.1(n);
  - (ii) TF4, as determined in accordance with Regulation 43(3), where the Capacity Agreement is terminated on one of the grounds specified in Rule 6.10.1(b), 6.10.1(ba)(ii) or 6.10.1(e); and
  - (iii) TF5, as determined in accordance with Regulation 43(3), where the Capacity Agreement or Transferred Part is terminated on one of the grounds specified in Rule 6.10.1(c), 6.10.1(ea), 6.10.1(fa), 6.10.1(g), 6.10.1(ga), or Rule 6.10.1A(b)(i).



- (e) Where a Capacity Agreement has been awarded as a result of a Capacity Auction held before the coming into force of the Capacity Market (Amendment) Rules 2016 and:
  - (i) either:
    - (aa) that Capacity Agreement is transferred in its entirety under Rule 9.2.4(a) after those Rules came into force; or
    - (bb) a Transferred Part is created from that Capacity Agreement after those Rules came into force; and
  - (ii) the Capacity Agreement or Transferred Part is terminated on one of the grounds specified in paragraph (ga) or (n) of Rule 6.10.1 or Rule 6.10.1A(b)(i),

the Capacity Provider is liable to pay a termination fee in accordance with Regulation 43.
- (f) The amount of the termination fee payable under Rule 6.10.3(e) is:
  - (i) TF1, as determined in accordance with Regulation 43(3), where the Capacity Agreement or Transferred Part is terminated on the grounds specified in Rule 6.10.1(n); and
  - (ii) TF2, as determined in accordance with Regulation 43(4), where the Capacity Agreement or Transferred Part is terminated on one of the grounds specified in Rule 6.10.1(ga) or Rule 6.10.1A(b)(i).

#### 6.10.3A Repayment of Capacity Payments

- (a) Where a Capacity Agreement or Transferred Part is terminated on one of the grounds specified in paragraphs (a), (d), (g), (h) (in respect of a Capacity Provider failing to provide a Metering Test Certificate in accordance with Rule 8.3.3(e)(i) or Rule 8.3.3(e)(iii)), (i), (k), (l) or (n) of Rule 6.10.1 or following a direction made under Rule 6.10.2(a)(ii), the Capacity Provider is liable to repay Capacity Payments in accordance with Regulation 43B.
- (aa) Where a Capacity Agreement has been awarded as a result of a Capacity Auction held after the coming into force of the Capacity Market (Amendment) Rules 2016, or a Transferred Part in respect of such a Capacity Agreement, is terminated on one of the grounds specified in Rule 6.10.1(o) or in Rule 6.10.1A(b)(ii) or following a direction made under Rule 6.10.2(a)(ii), the Capacity Provider is liable to repay Capacity Payments in accordance with Regulation 43B.
- (ab) Where a Capacity Agreement awarded as a result of a Capacity Auction held before the coming into force of the Capacity Market (Amendment) Rules 2016 and:
  - (i) either:
    - (aa) that Capacity Agreement is transferred in its entirety under Rule 9.2.4(a) after those Rules came into force; or

- (bb) a Transferred Part is created from that Capacity Agreement after those Rules came into force; and
- (ii) the Capacity Agreement or Transferred Part is terminated on one of the grounds specified in Rule 6.10.1(ga) or Rule 6.10.1A(b)(i), the Capacity Provider is liable to repay Capacity Payments in accordance with Regulation 43B.
- (b) Capacity Payments are repayable in respect of the period TP1, as defined in Regulation 43B(3)(a), where the Capacity Agreement or Transferred Part is terminated on the grounds specified in paragraphs (a), (d), (k) or (n) of Rule 6.10.1 or following a direction made under Rule 6.10.2(a)(ii).
- (c) Capacity Payments are repayable in respect of the period TP2, as defined in Regulation 43B(3)(b), where the Capacity Agreement or Transferred Part is terminated on the grounds specified in paragraphs (g), (ga) or (l) of Rule 6.10.1 or Rule 6.10.1A(b)(i)..
- (ca) Capacity Payments are repayable in respect of the period TP3, as defined in Regulation 43B(3)(c), where the Capacity Agreement or Transferred Part is terminated on the grounds specified in paragraphs (h) (in respect of a Capacity Provider failing to provide a Metering Test Certificate in accordance with Rule 8.3.3(e)(i) or Rule 8.3.3(e)(iii)), (i) or (o) of Rule 6.10.1 or Rule 6.10.1A(b)(ii).
- (d) Where a Capacity Agreement or Transferred Part is terminated on the grounds specified in Rule 6.10.1(g), Rule 6.10.1(ga) or Rule 6.10.1A(b)(i), the Delivery Body must notify the CM Settlement Body of the date on which the Termination Event occurred.

#### 6.10.4 Voluntary termination for Generating CMUs transferring to CFD or RO

- (a) A Capacity Provider of a Generating CMU may voluntarily request termination of a Capacity Agreement in order to become eligible to participate in a Low Carbon Exclusion.
- (b) In order to have a Capacity Agreement terminated in accordance with Rule 6.10.4(a), the Capacity Provider must send a CFD Transfer Notice or a ROO Conversion Notice (as applicable) to the Delivery Body requesting termination of the Capacity Agreement by no later than 16 months before the commencement of the relevant Delivery Year.
- (c) Upon receiving a request from a Capacity Provider in accordance with Rule 6.10.4(b), the Delivery Body must, prior to the Prequalification Results Day for the T-1 Auction in respect of the relevant Delivery Year, notify the Capacity Provider, the Secretary of State, the Authority and the CM Settlement Body that the Capacity Agreement is terminated with immediate effect.

### 6.11 Non-completion Fee

- 6.11.1 Part 10 of the Regulations, and Regulation 33 (other than Regulation 33(2)(b), (3) and (5)(b)), shall apply to a Non-completion Notice as they apply to a Termination Notice.

- 6.11.2 Within 20 Working Days of receipt of a Non-completion Notice under Rule 6.8.2B, a Capacity Provider may make written representations to the Secretary of State in accordance with Regulation 33(4) as applied by Rule 6.11.1:
- (a) applying to have that Non-completion Notice withdrawn; and
  - (b) specifying the reasons for requesting the withdrawal of the notice.
- 6.11.3 The Delivery Body:
- (a) may withdraw a Non-completion Notice in accordance with a Reconsidered Decision pursuant to Part 10 of the Regulations as applied by Rule 6.11.1; and
  - (b) must immediately withdraw a Non-completion Notice on the instruction of:
    - (i) the Secretary of State in accordance with regulation 33(2) as applied by Rule 6.11.1;
    - (ii) the Authority in accordance with Regulation 71 as so applied; or
    - (iii) a court of competent jurisdiction in accordance with Regulation 72 as so applied.
- 6.11.4 Where a Non-completion Notice has not been withdrawn in accordance with Rule 6.11.3, the Capacity Provider is liable to pay a Non-completion Fee:
- (a) if no request or appeal has been made under Part 10 of the Regulations as applied by Rule 6.11.1, by the end of the period stated in the notice;
  - (b) otherwise, if such a request or appeal is unsuccessful or is withdrawn, within five Working Days of the final determination or withdrawal of the request or appeal, with payment due no later than the end of the 5th such day.
- 6.11.5 The amount of the Non-completion Fee payable is TF4, as determined in accordance with Regulation 43(3), unless the Non-Completion Fee relates to a Capacity Agreement awarded as a result of a Capacity Auction held before the coming into force of the Capacity Market (Amendment) Rules 2016, in which case the amount is TF1 as determined in accordance with Regulation 43(3).<sup>5</sup>

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<sup>5</sup> Regulation 43(3) to (5) applies to the determination of the amount of a Non-completion Fee by virtue of Regulation 43A(4), inserted by the Electricity Capacity (Amendment) Regulations 2015.

## CHAPTER 7: CAPACITY MARKET REGISTER

### 7. Capacity Market Register

#### 7.1 Purpose of this Chapter

- 7.1.1 The Rules govern the establishment and maintenance by the Delivery Body of the Capacity Market Register.

#### 7.2 Establishment, form and maintenance of the Capacity Market Register

- 7.2.1 The Delivery Body must establish and maintain a Capacity Market Register in accordance with the Regulations and the Rules.
- 7.2.2 The Capacity Market Register may be in electronic form.
- 7.2.3 The Capacity Market Register must be established by the time the Prequalification Window for the first Capacity Auction closes.
- 7.2.4 The Delivery Body and the CM Settlement Body will make arrangements for such data transmission facilities as are necessary to give the CM Settlement Body secure access to the Capacity Market Register.
- 7.2.5 The Delivery Body shall retain all data submitted to or stored on the Capacity Market Register (but not the Capacity Market Register itself) for a period of:
- (a) 5 years from the date on which it is received by the Delivery Body, in the case of data referred to in Rule 7.4.1 to Rule 7.4.4; and
  - (b) 5 years from the date of the expiry or earlier termination of the Capacity Agreement, in the case of data referred to in Rule 7.4.5.

#### 7.3 Effect of registration determinative

For the purpose of the Regulations and the Rules, and subject to Rule 4.4.3B and Rule 7.5:

- (a) the Prequalification status and De-rated Capacity of a CMU; and
- (b) the existence and terms of the Capacity Agreement relating to a Capacity Committed CMU and related right to a Capacity Payment,

is confirmed at the point at which the particulars of the Prequalification Decision or Capacity Agreement (as relevant) are entered in the Capacity Market Register by the Delivery Body.

#### 7.4 Contents of the Capacity Market Register

With respect to each Capacity Auction, the Delivery Body must ensure that the following entries are made on the Capacity Market Register:

- 7.4.1 On the day on which the Secretary of State is given the notification required by Regulation 23(1):
- (a) in relation to each Mandatory CMU and any CMU that is the subject of an Application:
    - (i) the name of the Applicant;

- (ia) an email address and telephone number that can be used by a person wishing to discuss secondary trading in relation to the CMU;
  - (ib) where the Applicant is a member of a Group, the name of the direct Holding Company for the Applicant;
  - (ii) a description of the CMU including (where applicable) each Generating Unit or DSR CMU Component comprising such CMU and in the case of a Generating CMU, the Primary Fuel Type for the CMU;
  - (iii) the full postal address with postcode and the two letter prefix and six-figure Ordnance Survey grid reference numbers of the CMU;
  - (iv) the Meter Point Administration Numbers for the relevant Meters relating to the CMU;
  - (v) the Connection Capacity or DSR Capacity (as applicable) of the CMU; and
  - (vi) Not used
  - (vii) the responses submitted in the Metering Assessment (if completed).
- (b) in relation to any Mandatory CMU that has submitted an Opt-out Notification, the basis of the Opt-out pursuant to Rule 3.11.2(f);
  - (c) in relation to any CMU that is the subject of an Application, the Prequalification Decision for that CMU;
  - (d) in relation to any Prequalified CMU:
    - (i) whether the CMU is a Transmission CMU, a CMRS Distribution CMU, a Non-CMRS Distribution CMU, an Interconnector CMU or a DSR CMU;
    - (ii) where the CMU is a Generating CMU or an Interconnector CMU, whether the CMU comprises an Existing CMU, a New Build CMU or a Refurbishing CMU;
    - (iii) whether the CMU has Prequalified to participate in the Capacity Auction or to participate as a Secondary Trading Entrant;
    - (iv) where the CMU is a DSR CMU, whether it is a Proven DSR CMU or an Unproven DSR CMU and, in each case, its DSR Bidding Capacity;
    - (v) where the CMU is a Proven DSR CMU, the Proven DSR Capacity of the CMU;
    - (vi) where the CMU is a Refurbishing CMU, whether the Pre-Refurbishment CMU has also Prequalified as an Existing CMU;
    - (vii) whether Prequalification is conditional on the provision of Applicant Credit Cover in accordance with Rule 4.6 and, if so, whether Applicant Credit Cover is required because the CMU is:

- (aa) a New Build CMU which has not yet satisfied its Financial Commitment Milestone;
  - (bb) an Unproven DSR CMU;
  - (cc) a New Build CMU that is a Distribution CMU which will be directly connected to a Distribution Network and in respect of which the Applicant has made a declaration or provided a letter under Rule 3.7.3(c);
  - (dd) in relation to the First Full Capacity Auction and the Second Full Capacity Auction only, an Existing Generating CMU that is a Transmission CMU and in respect of which the Applicant has made a declaration under Rule 3.6.3(b);
  - (ee) in relation to a Supplementary Auction only, a CMU that is a Transmission CMU or an Interconnector CMU and in respect of which the Applicant has made a declaration under Rule 3.10A.2; or
  - (ff) in relation to a Supplementary Auction only, a CMU that is a Distribution CMU in respect of which the Applicant has made a declaration under Rule 3.10A.3;
- (viii) Not used
  - (ix) the De-rated Capacity of the CMU;
  - (x) the status of the Applicant as Price-Maker or Price-Taker with respect to the CMU;
  - (xi) the results of the Metering Assessment for the CMU;
  - (xii) whether the CMU is, or includes, a Storage Facility;
  - (xiii) the Maximum Obligation Period of the Capacity Agreement that the Applicant may bid for in the Capacity Auction for that CMU;
  - (xiv) whether Prequalification is conditional upon the Applicant satisfying the planning consents required in Rule 4.7,

provided that the information set out in (iv) to (vii) is not required in relation to a Secondary Trading Entrant.

7.4.2 By no later than 5 Working Days prior to the commencement of the first Bidding Window for a Capacity Auction, whether or not the Applicant with respect to a Prequalified CMU has submitted (or is deemed to have submitted) a notice to the Delivery Body pursuant to Rule 5.5.14 such that the Prequalified CMU is a Bidding CMU and, if so:

- (a) the duration of Capacity Agreement specified for such Bidding CMU at the Price Cap; and
- (b) if such Bidding CMU is a Refurbishing CMU, whether or not the Bidder wishes to participate in the Capacity Auction with the associated Pre-Refurbishment CMU.

- 7.4.3 By no later than 8 Working Days after the Auction Results Day, in relation to each Bidding CMU, whether or not that CMU has been awarded a Capacity Agreement.
- 7.4.4 By no later than 14 Working Days after the Auction Results Day, a record of any Exit Bid made with respect to a CMU not awarded a Capacity Agreement in the Capacity Auction.
- 7.4.5 By no later than 5 Working Days after the date of issue of a Capacity Agreement Notice for a Capacity Committed CMU:
- (a) the unique identification number given to the Capacity Agreement Notice by the Delivery Body;
  - (b) the name of the Capacity Provider (the “Registered Holder”), being the name of the person to whom the Delivery Body awarded the Capacity Agreement, or, where there has been a subsequent transfer of all or part of that Capacity Agreement, the name of the Transferee;
  - (c) BM Unit ID and other identification codes for the relevant Meters (as applicable);
  - (d) the date of issue of the Capacity Agreement Notice;
  - (e) the term of the Capacity Agreement and the Delivery Year(s) for which it is issued;
  - (f) the Auction Acquired Capacity Obligation;
  - (g) the Clearing Price;
  - (h) the Base Period for the Capacity Auction to which the Capacity Agreement relates;
  - (i) Not used
  - (j) in relation to each Capacity Committed CMU which is a Prospective CMU:
    - (i) whether the Capacity Provider is subject to a requirement to meet a Financial Commitment Milestone in accordance with Rule 6.6 and, if so, the date by which the Financial Commitment Milestone must be met;
    - (ii) whether the Capacity Provider is subject to a requirement to provide a copy of its connection agreement to the Delivery Body in accordance with Rule 8.3.1(a) and, if so, the date by which it must be provided; and
    - (iii) whether the Capacity Provider is subject to a Minimum Completion Requirement and, if so, the Long-Stop Date in respect of that Minimum Completion Requirement;
  - (k) in relation to each Capacity Committed CMU which is an Existing Generating CMU and which has been awarded a Capacity Agreement in the first full capacity auction whether the Capacity Provider is subject to a requirement to provide a copy of its Grid Connection Agreement in

accordance with Rule 8.3.1(b) and, if so, the date by which it must be provided;

- (ka) in relation to each Capacity Committed CMU which has been awarded a Capacity Agreement in a Supplementary Auction:
  - (i) whether the Capacity Provider is subject to a requirement to comply with the terms of its declaration under Rule 3.10A.3 in accordance with Rule 8.3.1(c) and, if so, the date by which it must so comply; or
  - (ii) as the case may be, whether the Capacity Provider is subject to a requirement to provide a copy of its Grid Connection Agreement in accordance with Rule 8.3.1(d) and, if so, the date by which it must be provided;
- (l) in relation to each Capacity Committed CMU which is an Existing CMU or a Proven DSR CMU or an Unproven DSR CMU whether the Capacity Provider is subject to a requirement to complete a Metering Assessment and, if so, the date by which it must be completed;
- (m) for each value of x from x = 1 to x = 5, the  $TF_{x_{rate}}$  that will apply in the event that any Termination Fee or Non-completion Fee becomes payable;
- (n) not used
- (o) the annual penalty cap and monthly penalty cap applicable in accordance with the Regulations in force at the date of issue of the Capacity Agreement, expressed respectively as percentages of the annual capacity payment and the monthly capacity payments payable under the Capacity Agreement;
- (p) where applicable, the full legal name of any person who has submitted particulars to the Delivery Body of a Security Interest it may have over the rights of a Capacity Committed CMU under a Capacity Agreement, and of the nature of that Security Interest.

## **7.5 Delivery Body amendments to the Capacity Market Register**

7.5.1 The Delivery Body must update the Capacity Market Register:

- (a) to record any change to the Maximum Obligation Period for a CMU, within five Working Days of receiving notice from the Secretary of State pursuant to Rule 2.2.4 of any adjustment to the 15 Year Minimum £/kW Threshold or the 3 Year Minimum £/kW Threshold;
- (b) to reflect an Applicant's Price-Maker status, within two Working Days of receiving a receipt for the Price-Maker Memorandum and a Price-Maker Certificate pursuant to Rule 4.8.1;
- (c) as soon as reasonably practicable, following the re-issuing of a Capacity Agreement Notice under Rule 6.3.5 or the issuing of a Capacity Agreement Notice under Rule 6.3.9;



- (d) to record any reduction under Rule 6.7.4(b) in the Capacity Obligation for which a Capacity Agreement takes effect, within 5 Working Days of the Delivery Body receiving notification under Rule 6.7.5;
- (e) to record any increase in the Operational capacity of a CMU under Rule 6.7.6 or any extension under Rule 6.7.7, within five Working Days of being notified of such increase or extension;
- (f) to record a change in the duration of a Capacity Agreement and in De-rated Capacity in accordance with Rule 6.8.4, within five Working Days of the Delivery Body providing the notification in Rule 6.8.1;
- (g) to record any reduction under Rule 6.8.5 in the Capacity Obligation for which a Capacity Agreement takes effect, within five Working Days after the Long Stop Date;
- (h) to record termination of a Capacity Agreement in accordance with Rule 6.10.4(c), prior to the Prequalification Results Day for the T-1 Auction in respect of the relevant Delivery Year;
- (i) where a Capacity Agreement is terminated prior to expiry, to record such termination, not later than five Working Days after the Delivery Body receives notice of the termination;
- (j) to record the issue of a DSR Test Certificate together with the Proven DSR Capacity evidenced by the DSR Test Certificate and the baseline methodology used to carry out the DSR Test or Joint DSR Test, within five Working Days of receipt of the DSR Test Certificate;
- (k) to record the responses to, and result of, any Metering Assessment within five Working Days of the assessment;
- (l) to record the issue of a Metering Test Certificate for a DSR CMU, within five Working Days of receipt of the Metering Test Certificate;
- (m) to record the reduced Capacity Obligation of a Capacity Committed CMU under Rule 8.3.2(c), within five Working Days of the DSR Test Certificate being provided;
- (n) in the circumstances described in Rule 8.3.6(b) and 8.3.6(c), within five Working Days of receipt of the certificate from an Independent Technical Expert described in Rule 8.3.6(a);
- (o) with the value of  $\beta$  as described in Rule 8.5.2 for each CMU for each Settlement Period which is a System Stress Event, within five Working Days of the occurrence of the System Stress Event;
- (p) where the Delivery Body has received valid requests from both the Registered Holder (“the Transferor”) and the Transferee in accordance with Rule 9.3, to amend the particulars of the Capacity Agreement recorded in the Capacity Market Register, within five Working Days, to show:
  - (i) the Transferee as the new Registered Holder of the Capacity Agreement or the transferred part of the Capacity Obligation thereof;

- (ii) the CMU which has become subject to a Capacity Obligation as a result of the transfer;
- (iii) in the case of a transfer under Rule 9.2.4(a), the Physically Traded Capacity Obligation (within the meaning given in Rule 8.5.3) of each CMU for the period of the transfer;
- (iv) in the case of a transfer under Rule 9.2.4(a) for a period less than the remaining duration of the Capacity Agreement:
  - (aa) the period for which the Transferee is the new Registered Holder of the Capacity Agreement, or (as the case may be) the transferred part of the Capacity Obligation; and
  - (bb) the period for which the Transferor remains the Registered Holder of the Capacity Agreement or (as the case may be) the transferred part of the Capacity Obligation;
- (q) to record any suspension or repayment of Capacity Payments with regard to a Capacity Committed CMU pursuant to Rule 13.4.1, not later than five Working Days after 1 May in that Delivery Year;
- (r) in respect of a New Build CMU or a DSR CMU, where a Capacity Provider notifies the Delivery Body that the location of a Generating Unit(s) and/or DSR CMU Component(s), or of an Interconnector CMU, is or will be different from the location described in the Application, within ten Working Days of receiving such notification;
- (ra) to record any change in the Primary Fuel Type for a Generating CMU notified to the Delivery Body;
- (s) within five Working Days of receiving from a Capacity Provider an Agent Nomination Form;
- (t) where the Authority notifies the Delivery Body that it has made an enforcement decision against a person and that as a consequence an entry on the Capacity Market Register should be corrected, within five Working Days of receiving such notification;
- (ta) within 5 Working Days following a notification by the Delivery Body under Rule 4.4.3A, Rule 4.4.3AB or Rule 4.4.3AC that a CMU is no longer Prequalified or a notification by the Delivery Body under Rule 4.4.3AB that a CMU is now Prequalified as an Existing CMU;
- (u) where the Delivery Body is required by Regulation 73 to amend the Capacity Market Register to give effect to:
  - (i) a decision of the Authority or the court on review or appeal under the Rules or the Regulations; or
  - (ii) a redetermination by the Delivery Body pursuant to a direction by the Authority or the court,
 within five Working Days of receipt of the decision or instruction amend the Capacity Market Register as required by that decision or instruction;

- (v) to record the reduced Capacity Obligation of a Capacity Committed CMU under Rule 13A.8.8, within five Working Days of the DSR Test Certificate being provided; and.
- (w) in a case where the Capacity Provider is the person who was the Applicant for that CMU at Prequalification:
  - (i) to record any change notified to the Delivery Body in the information recorded on the Capacity Market Register pursuant to Rule 7.4.1(a)(ia) as a result of a change in the legal ownership of the Capacity Provider;
  - (ii) to record, where applicable, any change notified to the Delivery Body in the name of the direct Holding Company for the Capacity Provider; and
  - (iii) to record a company becoming the direct Holding Company for the Capacity Provider where that is notified to the Delivery Body". Amendments of Chapter 8.

7.5.2 Not used

7.5.3 The Capacity Market Register must only be amended in relation to the registration of a Security Interest upon receipt of notice from both the Registered Holder and the beneficiary of the Security Interest and such amendments must be made within five Working Days of receipt and must be notified to the Registered Holder and the beneficiary of the Security Interest.

## **7.6 Capacity Market Register to be publicly available**

7.6.1 Subject to Rule 7.6.3, the contents of the Capacity Market Register must be available for inspection by the public on request at reasonable notice during the Delivery Body's working hours or on-line.

7.6.2 Subject to Rule 7.6.3, at the request of any person the Delivery Body must provide a written statement of any entry on the Capacity Market Register within five Working Days.

7.6.3 Rules 7.6.1 and 7.6.2 do not apply to entries on the Capacity Market Register made pursuant to Rules 7.4.1(d)(viii) and (x) and 7.4.4.

## **7.7 Applications for rectification of the Capacity Market Register and Appeals**

7.7.1 Where any person considers that an entry maintained in respect of it or any Capacity Committed CMU for which they are the Capacity Provider under this Chapter 7 is factually inaccurate, they may request to the Delivery Body that the entry be amended or deleted.

7.7.2 If the Delivery Body accepts a request received under Rule 7.7.1, the Delivery Body must within five Working Days of receiving the request:

- (a) rectify the relevant entry in the Capacity Market Register as set out in the request; and
- (b) notify the person who made the request for rectification of the Capacity Market Register that it has been rectified.

- 7.7.3 If the Delivery Body refuses a request for rectification received under Rule 7.7.1, the Delivery Body must within five Working Days notify the person who made the request that the Delivery Body has refused the request and may provide reasons for that decision.
- 7.7.4 A person who receives a notice under Rule 7.7.3 may dispute the decision and request that the Delivery Body reconsider its decisions to refuse the request for rectification of the Capacity Market Register in accordance with Regulation 69.

**7.8 Replacement Capacity Agreement Notice**

- 7.8.1 Following any new or amended entry on the Capacity Market Register which affects information contained in a Capacity Agreement Notice for a Capacity Committed CMU pursuant to this Chapter 7, the Delivery Body must issue a Capacity Agreement Notice to the relevant Capacity Provider recording the new or amended details of the Capacity Agreement for that Capacity Committed CMU.
- 7.8.2 Rules 6.3.3 to 6.3.7 apply in relation to a replacement Capacity Agreement Notice issued to a Capacity Provider under Rule 7.8.1, provided that the Capacity Provider may only comment in writing to the Delivery Body under Rule 6.3.3 on the factual accuracy of details in the replacement Capacity Agreement Notice which are new or amended.

## CHAPTER 8: OBLIGATIONS OF CAPACITY PROVIDERS AND SYSTEM STRESS EVENTS

### 8. Obligations of Capacity Providers

#### 8.1 Purpose of this Chapter

- 8.1.1 The Rules describe the specific obligations to be met by a Capacity Provider, including where a System Stress Event occurs, and the procedures for determining when a System Stress Event has occurred and for issuing a Capacity Market Warning.

#### 8.2 General obligation to maintain eligibility

- 8.2.1 A Capacity Provider must promptly notify the Delivery Body if:
- (a) the relevant CMU ceases to meet the General Eligibility Criteria; or
  - (b) the Capacity Provider reasonably expects the CMU to fail to meet the General Eligibility Criteria at any time prior to the expiry of the Capacity Agreement.

#### 8.3 Specific obligations and consequences

##### 8.3.1 Connection Arrangements

- (a) Where the Capacity Provider has made a declaration or provided a letter in its Application in accordance with Rule 3.7.3(c)
  - (i) the Capacity Provider must provide a copy of its connection offer to the Delivery Body by no later than the date falling eighteen months prior to the commencement of the first Delivery Year; and
  - (ii) if it does not comply with Rule 8.3.1(a)(i) then Rule 6.10.1(e) applies.
- (b) Where the Capacity Provider has made a declaration in its Application in accordance with Rule 3.6.3(b):
  - (i) the Capacity Provider must, by no later than the date falling eighteen months prior to the commencement of the relevant first Delivery Year, provide to the Delivery Body a copy of its Grid Connection Agreement evidencing that it has secured Transmission Entry Capacity for all relevant Delivery Years for the Generating Units comprised in the CMU at least equal to the De-rated Capacity of that CMU and any other CMUs to which the Grid Connection Agreement applies; and
  - (ii) if it does not comply with Rule 8.3.1(b) then Rule 6.10.1(f) applies.
- (c) Where the Capacity Provider has made a declaration in accordance with Rule 3.10A.3:
  - (i) the Capacity Provider must comply with the terms of that declaration by no later than the date falling six months prior to the commencement of the relevant Delivery Year; and

- (ii) if it does not comply with Rule 8.3.1(c)(i) then Rule 6.10.1(ea) applies.
- (d) Where the Capacity Provider has made a declaration in its Application in accordance with Rule 3.10A.2:
  - (i) the Capacity Provider must, by no later than the date falling six months prior to the commencement of the relevant Delivery Year, provide to the Delivery Body a copy of its Grid Connection Agreement evidencing that it has secured Transmission Entry Capacity for the relevant Delivery Year for the Generating Units comprised in the CMU (or the Electricity Interconnector comprised in the Interconnector CMU); and
  - (ii) if it does not comply with Rule 8.3.1(d)(i) then Rule 6.10.1(fa) applies.

### 8.3.2 DSR Tests

If an Unproven DSR CMU is awarded a Capacity Agreement:

- (a) the Capacity Provider must provide a DSR Test Certificate evidencing a Proven DSR Capacity greater than 2MW by no later than one month prior to the start of the first Delivery Year;
- (b) if the Capacity Provider does not comply with Rule 8.3.2(a), then Rule 6.10.1(i) applies; and
- (c) if the Capacity Provider provides a DSR Test Certificate which evidences a Proven DSR Capacity in an amount less than its Unproven DSR Capacity and greater than 2MW:
  - (i) the Capacity Obligation; and
  - (ii) all payments (whether Capacity Payments or penalties),
 with respect to that CMU will be reduced by the proportion which the Proven DSR Capacity bears to the Unproven DSR Capacity.

### 8.3.3 Metering

- (a) If an Existing Generating CMU, Existing Interconnector CMU, or a Proven DSR CMU is awarded a Capacity Agreement then, where the Capacity Provider made a declaration in the Application for that CMU in accordance with Rule 3.6.4(b), 3.6A.3(aa) or Rule 3.9.4(b) (as applicable), the Capacity Provider must provide detailed line diagrams showing electrical configurations and metering sites at which the Generating Units or DSR CMU Components (as applicable) are located (or in the case of an Existing Interconnector CMU provide detailed line diagrams showing the location at which the Interconnector CMU is metered) and complete a Metering Assessment with respect to that CMU by:
  - (i) no later than the date falling three years prior to the commencement of the Delivery Year in the case of an Existing CMU or a Proven DSR CMU that has been awarded a Capacity Agreement in a T-4 Auction; or

- (ii) no later than the date falling eight months prior to the commencement of the Delivery Year in the case of an Existing CMU or a Proven DSR CMU that has been awarded a Capacity Agreement in any auction other than a T-4 Auction; or
  - (iii) no later than the date falling one month after the auction in the case of the time period between the Delivery Year and the auction is less than eight months.
- (b) If an Unproven DSR CMU is awarded a Capacity Agreement then the Capacity Provider must complete a Metering Assessment with respect to that CMU.
- (ba) If a Prospective 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 or the location at which the Interconnector CMU is metered; and
  - (ii) complete a Metering Assessment in relation to the CMU.
- (c) Following the completion of a Metering Assessment pursuant to Rule 8.3.3(a), (b) or (ba) the Delivery Body must:
  - (i) notify the relevant Capacity Provider whether or not, based on such Metering Assessment, the metering arrangements for such CMU will be subject to a Metering Test
  - (ii) send a copy of any completed Metering Assessment to the CM Settlement Body.
- (d) If:
  - (i) a Prospective CMU or an Unproven DSR CMU has been awarded a Capacity Agreement and the Delivery Body notifies the relevant Capacity Provider, pursuant to Rule 8.3.3(c)(i), that such CMU is subject to a Metering Test; or
  - (ii) an Existing CMU or a Proven DSR CMU has been awarded a Capacity Agreement and the Delivery Body notifies the relevant Capacity Provider, pursuant to Rule 8.3.3(c)(i), that such CMU is subject to a Metering Test

the Capacity Provider must provide a Metering Test Certificate with respect to that CMU by no later than the relevant date specified in Rule 8.3.3(e).
- (e) The date by which a Capacity Provider must provide a Metering Test Certificate where required to do so under Rule 8.3.3(d) is:
  - (i) in the case of a Unproven DSR CMU, the date falling 1 month prior to the start of the relevant Delivery Year;

- (ii) in the case of an Existing CMU or a Proven DSR CMU that has been awarded a Capacity Agreement in a T-4 Auction, the date falling 18 months prior to the start of the first Delivery Year;
  - (iii) in the case of an Existing CMU or a Proven DSR CMU that has been awarded a Capacity Agreement in a T-1 Auction, the date falling 1 month prior to the start of the first Delivery Year; or
  - (iv) in the case of a Prospective 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.
- (ea) In relation to any CMU for which a Capacity Provider has received a Capacity Agreement and has not made a declaration in accordance with Rule 3.6.4(b), 3.6A.3(aa) or Rule 3.9.4(b), the Capacity Provider must, for each Generating Unit or DSR CMU Component comprised in a CMU, or the Electricity Interconnector comprised in an Interconnector CMU, confirm to the Delivery Body that:
- (i) it complies with the Metering Configuration Solution requirements set out in the applicable Governing Documents; and
  - (ii) if applicable, the metering arrangements have not changed since the Metering Test was carried out by the CM Settlement Body.
- (f) A Capacity Provider or CMVR Registered Participant must:
- (i) ensure the accurate submission of information to the Delivery Body and the CM Settlement Body in meeting the requirements under Rule 3.6.4(a), Rule 3.6A.3(a) and Rule 13.3.2 as applicable;
  - (ii) notify the Delivery Body and the CM Settlement Body in advance of any proposed change to:
    - (aa) the metering configuration for any Generating Unit or DSR CMU Component, or any Interconnector CMU;
    - (bb) the arrangements specified in the information provided pursuant to Rule 3.4.3; or
    - (cc) the arrangements specified in the information provided pursuant to Rule 8.3.3(ea).
  - (iii) obtain the prior confirmation of the CM Settlement Body that such proposed changes:
    - (aa) will meet the standards required at Prequalification; and
    - (bb) in the case of a DSR CMU or a DSR CMU Component, will not affect its ability to determine the Baseline Demand with accuracy on a Settlement Period basis;
  - (iv) in the case of a proposed change pursuant to paragraph (ii)(aa) above, obtain a Metering Test Certificate for the DSR CMU with the new metering configuration after the change has taken effect;



- (v) if notified by a third party that the Metering Equipment is faulty and/or the Meter is recording inaccurate data, notify the CM Settlement Body within two Working Days of being notified by the third party and within five Working Days either:
  - (aa) correct the fault; or
  - (bb) submit a rectification plan to the CM Settlement Body setting out how and when the fault will be corrected;
- (vi) ensure that all replacement Metering Equipment is installed and tested in accordance with the relevant Governing Documents;
- (vii) ensure that all replacement Metering Equipment complies with the change procedures set out in the relevant Governing Documents and in the event the Delivery Body no longer operates a Relevant Balancing Service, the Capacity Provider or CMVR Registered Participant must amend the metering configuration to one of the other Metering Configuration Solutions; and
- (viii) ensure the Metering Configuration Solution for each Generating Unit or DSR CMU Component, or for the Interconnector CMU, complies with any changes to the process for submitting meter data as requested by the CM Settlement Body.
- (g) In respect of a CMU that is a subset of a BM Unit, the Capacity Provider must:
  - (i) divide the BM Unit into further BM Units that represent the output of the CMU; or
  - (ii) when confirming the Metering Configuration Solution under Rule 8.3.3(ea)(i) select the Bespoke Metering Configuration Solution to identify the output of the CMU.

For the purposes of the definition of the Bespoke Metering Configuration Solution, Schedule 7 has effect.

#### 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 8.3.3A(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 full postal address with postcode and the two letter prefix and six-figure Ordnance Survey grid reference numbers 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 8.3.3A(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, or a Joint DSR Test under Rule 13.2B.5.
- (c) Where a Capacity Agreement has been awarded to an Unproven DSR CMU:
  - (i) where the Agreement has been awarded in a Capacity Auction held in the 2014/15 or 2015/16 Auction Windows, that Unproven DSR CMU must not include any DSR CMU Component which is or has been part of a CMU in respect of which a Capacity Agreement has been awarded in a Transitional Capacity Auction; and
  - (ii) where the Agreement has been awarded in a Capacity Auction held in the 2016/17 Auction Window, that Unproven DSR CMU must not include any DSR CMU Component which is or has been part of a CMU in respect of which a Capacity Agreement has been awarded in a Transitional Capacity Auction held in the same Auction Window.

#### 8.3.4 Changing DSR Components

- (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.
- (b) A Capacity Provider may notify the Delivery Body and the CM Settlement Body that it wishes to remove a DSR CMU Component from a DSR CMU that is a Capacity Committed CMU.
- (c) With effect from the date falling five Working Days after receipt by the CM Settlement Body of a notice pursuant to Rule 8.3.4(b):
  - (i) the Baseline Demand; and
  - (ii) the Metered Volume in MWh to three decimal places,
 of the DSR CMU Component referred to in the notice, must not be included in any determination of the DSR Volume of the DSR CMU in which the DSR CMU Component was comprised.
- (d) A DSR CMU Component that is the subject of a notice pursuant to Rule 8.3.4(b) cannot be reinstated as part of a DSR CMU

#### 8.3.4A Primary Fuel Type

A Capacity Provider must notify the Delivery Body of a change in the Primary Fuel Type for a Generating CMU.

#### 8.3.5 Solvency

If an Administrative Party becomes aware that a Capacity Provider has become Insolvent, it must promptly notify the other Administrative Parties.

### 8.3.6 Evidence of Total Project Spend

Where a Prospective Generating CMU has been awarded a Capacity Agreement with a duration exceeding one Delivery Year:

- (a) the relevant Capacity Provider must provide the Delivery Body, no later than three months after the start of the first Delivery Year, with a certificate from an Independent Technical Expert confirming that it is satisfied, on the basis of evidence reviewed, that the Total Project Spend incurred divided by the De-Rated Capacity of the CMU is:
  - (i) less than the Three Year Minimum £/kW Threshold; or
  - (ii) equal to or greater than Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
  - (iii) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
- (aa) the relevant Capacity Provider must provide the Delivery Body, no later than three months after the start of the first Delivery Year, with a certificate from an Independent Technical Expert confirming that it is satisfied, on the basis of evidence reviewed, that the Total Project Spend incurred has not previously been considered in respect of any application for prequalification by a Prospective CMU which subsequently gained a Capacity Agreement;
- (b) if the Maximum Obligation Period consistent with the amount of Total Project Spend so certified is shorter than the duration of the Capacity Agreement specified in the Capacity Market Register, the Delivery Body must update the Capacity Market Register so that the duration of the Capacity Agreement is equal to the Maximum Obligation Period for such Total Project Spend; and
- (c) if the relevant Capacity Provider fails to provide the Delivery Body with a certificate in accordance with Rule 8.3.6(a), the duration of the Capacity Agreement will be reduced to one Delivery Year and the Delivery Body must update the Capacity Market Register accordingly.

### 8.3.6A Meeting the Extended Years Criteria

- (a) This Rule 8.3.6A applies where a Prospective Generating CMU has been awarded a Capacity Agreement with a duration of more than three Delivery Years.
- (b) Unless the requirements of paragraph (c) are satisfied, at the start of the first Delivery Year the relevant Capacity Provider must provide to the Delivery Body a certificate from an Independent Technical Expert, confirming that the Independent Technical Expert is satisfied that the CMU meets the Extended Years Criteria.
- (c) The requirements of this paragraph are that:
  - (i) at any time prior to the start of the first Delivery Year the relevant Capacity Provider provides to the Delivery Body a certificate from an Independent Technical Expert, confirming that the Independent

Technical Expert is satisfied that the CMU meets the Extended Years Criteria, or that they will be met if certain conditions are fulfilled;

- (ii) at the start of the first Delivery Year (or on the date that the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii) or Rule 6.8.5), that Capacity Provider provides to the Delivery Body a certificate from an Independent Technical Expert, confirming that the Independent Technical Expert is satisfied that, for the purposes of those criteria, there have been no material changes since the certificate provided under sub-paragraph (i) and that any conditions specified in the certificate have been fulfilled; and
  - (iii) the certificates provided under sub-paragraphs (i) and (ii) are so far as possible issued by the same Independent Technical Expert or, if not, by a member of the same firm (where that firm is still providing services).
- (d) If the requirements of paragraph (b) or (c) are satisfied, but Rule 8.3.6(b) or (c) applies, the duration of the Capacity Agreement is reduced and the Capacity Market Register must be updated in accordance with Rule 8.3.6(b) or (c) as applicable.
- (e) If the requirements of neither paragraph (b) nor paragraph (c) are satisfied, the duration of the Capacity Agreement is reduced to:
- (i) three years, where a certificate is provided which satisfies Rule 8.3.6(a)(ii) or (iii); or
  - (ii) one year, where a certificate is provided which satisfies Rule 8.3.6(a)(i) or Rule 8.3.6(c) applies.
- (f) If paragraph (e) applies, the Delivery Body must update as applicable the duration of the Capacity Agreement in the Capacity Market Register.<sup>6</sup>

#### 8.3.6B Definition of Extended Years Criteria

**“Extended Years Criteria”** means the requirements, in respect of a Prospective Generating CMU, that:

- (a) for each Generating Unit of the CMU, the Core Generating Plant consists of:
  - (i) new Apparatus;
  - (ii) both new and rebuilt Apparatus, where at least one complete generator or turbine is new; or
  - (iii) rebuilt and/or previously used Apparatus, provided that the Generating Unit:

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<sup>6</sup> Rule 8.3.6A does not apply in respect of any Capacity Agreement that has been awarded as a result of a Capacity Auction held before 3 June 2015.

- (aa) has not been used, or been available for use, for the generation and Export of electricity in Great Britain at any time in the three years preceding the Application; and
  - (bb) forms part of a CMU which is installed on a site that has not previously been used for that CMU and benefits from a new Grid or Distribution Connection Agreement;
- (b) each Generating Unit of the CMU can, with routine maintenance, be expected to remain capable of operation for at least fifteen years beginning with the first Delivery Year for which the Capacity Agreement is awarded;
  - (c) where the CMU is a combustion installation covered by the BREF, the introductory note to a permit issued in respect of that CMU by the Environment Agency, Natural Resources Wales or the Scottish Environment Protection Agency includes the statement prescribed by Rule 8.3.6C(b); and
  - (d) if paragraph (c) does not apply, and the Core Generating Plant of any Generating Unit of the CMU does not comprise all new Apparatus:
    - (i) where the CMU is a combustion installation that is not covered by the BREF, the CMU meets the emissions and energy efficiency standards that could be expected of a new plant of the same type, size and energy source installed in Great Britain; or
    - (ii) where the CMU is not a combustion installation, the CMU meets the energy efficiency standards that could be expected of a new plant of the same type, size and energy source installed at that location.<sup>7</sup>

#### 8.3.6C Definition of Extended Years Criteria: supplementary

For the purposes of Rule 8.3.6B:

- (a) “BREF” means the document of the European Commission “Integrated Pollution Prevention and Control, Reference Document on Best Available Techniques for Large Combustion Plants” dated July 2006, or as revised or reissued from time to time; and
- (b) the statement referred to in Rule 8.3.6B(c) is a statement to the effect that the CMU will comply with those best available techniques levels, in relation to emissions and energy efficiency, that are:
  - (i) applicable to a new combustion installation of the same type, size and energy source; and
  - (ii) defined by the version of the BREF that has effect at the time of issue of the permit.<sup>8</sup>

#### 8.3.7 Notifying change of address

<sup>7</sup> Rule 8.3.6B does not apply in respect of any Capacity Agreement that has been awarded as a result of a Capacity Auction held before 3 June 2015.

<sup>8</sup> Rule 8.3.6C does not apply in respect of any Capacity Agreement that has been awarded as a result of a Capacity Auction held before 3 June 2015.

A New Build CMU or DSR CMU notifying the Delivery Body pursuant to Rule 7.5.1(r) that the location of a Generating Unit(s) and/or DSR CMU Component(s) is or will be different from the location described in the Application must provide the Delivery Body with the following as applicable:

- (a) Relevant Planning Consents as required by Rule 3.7.1;
- (b) Connection Arrangements as required by Rule 3.7.3;
- (c) A report confirming they have met the Financial Commitment Milestone;
- (d) An updated Metering Assessment, details of the Metering Configuration Solution and/or new Metering Test Certificate and any Detailed Line Diagrams;
- (e) Confirmation from the CM Settlement Body confirming the change to the Metering Configuration, as set out in Rule 8.3.3;
- (f) Confirmation of the new location and new Ordnance Survey grid reference;
- (g) STOR status as set out in Rule 3.4.8;
- (h) Low Carbon Exclusion and Low Carbon Grant status as set out in Rule 3.4.7;
- (i) Meter Point Administration Numbers of the relevant Meter(s) at the new location and, where a MPAN is already in use by another CMU, a declaration that explaining the relationship between these CMUs and the metering solutions necessary to identify their individual outputs.

#### **8.4 Triggering a Capacity Obligation and System Stress Events**

##### **8.4.1 Definition of a System Stress Event**

“System Stress Event” means a Settlement Period in which a System Operator Instigated Demand Control Event occurs where such event lasts at least 15 continuous minutes (whether the event falls within one Settlement Period or across more than one consecutive Settlement Periods, and where the event falls across multiple consecutive Settlement Periods, each of those Settlement Periods will be a “System Stress Event”).

##### **8.4.2 Definition of a System Operator Instigated Demand Control Event**

“System Operator Instigated Demand Control Event” means where:

- (a) the System Operator gives a Demand Reduction Instruction and/or an Emergency Manual Disconnection Instruction to one or more DNOs; and/or
- (b) an Automatic Low Frequency Demand Disconnection takes place, except where either:
  - (i) such action results from one or more faults in the GB Transmission System or a Distribution Network; or
  - (ii) the System Operator issues a Bid-Offer Acceptance(s) to reduce output or an Emergency Instruction(s) to reduce output to the

extent that the Volume of that Bid-Offer Acceptance(s) or that Emergency Instruction(s) exceeds the Volume of the Demand Reduction Instruction and/or an Emergency Manual Disconnection Instruction issued or the Automatic Low Frequency Demand Disconnection that took place.

#### 8.4.3 Duration of a System Operator Instigated Demand Control Event

A System Operator Instigated Demand Control Event:

- (a) commences at the earlier of the time at which:
  - (i) the Demand Reduction Instruction and/or an Emergency Manual Disconnection Instruction is given by the System Operator; or
  - (ii) the Automatic Low Frequency Demand Disconnection takes place; and
- (b) ends at the time at which the System Operator instructs the last outstanding DNO to:
  - (i) restore Demand in accordance with OC6.5 of the Grid Code; or
  - (ii) reconnect in accordance with OC6.6 of the Grid Code.

#### 8.4.4 Determination of a System Stress Event

- (a) As soon as reasonably practicable after the System Operator:
  - (i) gives a Demand Reduction Instruction to one or more DNOs; or
  - (ii) becomes aware that an Automatic Low Frequency Demand Disconnection has taken place,

the System Operator must:

- (aa) undertake a root cause analysis to determine whether or not a relevant System Operator Instigated Demand Control Event has occurred; and
  - (bb) if it determines under Rule 8.4.4(a)(ii)(aa) that a relevant System Operator Instigated Demand Control Event has occurred, determine whether the System Operator Instigated Demand Control Event lasted at least 15 continuous minutes and hence whether a System Stress Event has occurred.
- (b) A determination by the System Operator that a System Stress Event or a System Operator Instigated Demand Control Event has occurred may be made in its sole discretion and will be final and binding on all Administrative Parties and Capacity Providers for the purposes of the Rules and the Regulations.

#### 8.4.5 Notification of a System Stress Event

As soon as reasonably practicable after determining that a System Stress Event has occurred, the System Operator must:

- (a) notify the CM Settlement Body, and

- (b) publish details on the website specified by the System Operator from time to time,

of the Settlement Period that has been classified as a System Stress Event, or the Settlement Periods that have been classified as System Stress Events.

#### 8.4.6 Capacity Market Warning

- (a) With effect from the beginning of the Delivery Year commencing on 1st October 2018, the System Operator must publish a Capacity Market Warning in accordance with Rule 8.4.6(b) at times when either:
  - (i) the System Operator gives a Demand Reduction Instruction and/or an Emergency Manual Disconnection Instruction to one or more Distribution Network Operators;
  - (ii) an Inadequate System Margin, as determined under Rule 8.4.7, is anticipated to occur in a Settlement Period falling at least 4 hours after the expiry of the current Settlement Period or
  - (iii) an Automatic Low Frequency Demand Disconnection takes place, for which a Capacity Market Warning is not already in force.
- (b) A Capacity Market Warning must be published by the System Operator on the website specified by the System Operator from time to time and may be issued by such data transmission facilities for written communications as are in place between the System Operator and the Delivery Body, the CM Settlement Body and Capacity Providers respectively.
- (c) A Capacity Market Warning must contain the following information:
  - (i) the commencement time of the warning;
  - (ii) information about the circumstances that have triggered the warning; and
  - (iii) for information purposes only, the System Operator's expectations as to:
    - (aa) Demand; and
    - (bb) the aggregate capacity that BM Units (whether or not Capacity Committed CMUs) are expected to deliver (based on BSC information previously provided); and
    - (cc) any additional capacity that the System Operator expects to be delivered, based on information then available to it,for the Settlement Period(s) for which the warning is applicable.
- (d) A Capacity Market Warning will remain in force from the stated time of commencement until such time as an Inadequate System Margin is no longer forecast to arise, as determined under Rule 8.4.7, at any time within the next four hours.
- (e) The System Operator will give notice of the expiry of a Capacity Market Warning by publishing notice of such expiry on the website specified by



the System Operator from time to time and may circulate the notice by such data transmission facilities for written communications as are in place between the System Operator and the Delivery Body, the CM Settlement Body and Capacity Providers respectively.

#### 8.4.7 Inadequate System Margin

- (a) The System Operator will monitor the total of the Maximum Export Limits received against forecast Demand and the Operating Margin.
- (b) Taking into account the matters described in Rule 8.4.7(a) above, together with the Dynamic Parameters, the System Operator will calculate whether the anticipated level of System Margin for any Settlement Period is less than 500 MW (an "Inadequate System Margin").

### 8.5 Discharging a Capacity Obligation

#### 8.5.1 Response to a Capacity Market Warning

During a System Stress Event, a Capacity Provider must deliver the Adjusted Load Following Capacity Obligation of its Capacity Committed CMU, provided that a Capacity Provider has no obligation, pursuant to this Rule 8.5.1:

- (a) unless a Capacity Market Warning has been issued with respect to the System Stress Event and the System Stress Event falls four or more hours after the expiry of the Settlement Period in which the Capacity Market Warning is published on the website of the System Operator;
- (b) in any Settlement Period during which the Capacity Committed CMU is affected by a suspension under section G (Contingencies) of the Balancing and Settlement Code; or
- (ba) where the Capacity Committed CMU is an Interconnector CMU, in any Settlement Period during which the CMU is affected by a measure taken by the System Operator which has the effect of reducing the Net Output of that CMU to an amount lower than the Interconnector Scheduled Transfer; or
- (c) in any Settlement Period during which the Capacity Committed CMU is affected by a "relevant interruption" pursuant to section 5.10 of the CUSC and in each of the eight Settlement Periods falling after the Settlement Period in which the relevant interruption ceases to affect the Capacity Committed CMU; or
- (d) in any Settlement Period during which the Capacity Committed CMU is bound to comply with a direction issued by the Secretary of State pursuant to section 34 of EA 1989 and in each of the eight Settlement Periods falling after the Settlement Period in which the direction ceases to affect the Capacity Committed CMU.

#### 8.5.2 Adjusted Load Following Capacity Obligation (ALFCO)

The Adjusted Load Following Capacity Obligation of a Capacity Committed CMU "i" in Settlement Period "j" is a Volume in MWh calculated as follows:

- (a) for a Generating CMU comprised of BM Units:

$$ALFCO_{ij} = LFCO_{ij} + (1 - \beta)QBOA_{ij} + (1 - \beta)\min(QAS_{ij}, 0) - \beta(QBSCCC_{ij})$$

where:

LFCO<sub>ij</sub> has the meaning given in Rule 8.5.3 below;

QBOA<sub>ij</sub> has the meaning given in Rule 8.5.4(a) below;

QAS<sub>ij</sub> has the meaning given in Rule 8.5.4(b) below;

$\beta = 1$  where a Relevant Balancing Service is provided in Settlement Period j by any Generating Unit i comprised in the CMU and 0 otherwise; and

$$QBSCCC_{ij} = \max(0, MEL_{ij} - QME_{ij})$$

where:

MEL<sub>ij</sub> is the aggregate of the Maximum Export Limit for each BM Unit "i" comprised in the CMU which is providing a Relevant Balancing Service in Settlement Period "j" (expressed in MWh); and

QME<sub>ij</sub> is the aggregate of the "Period Expected Metered Volume" (as defined in in the BSC) for each BM Unit "i" comprised in the CMU which is providing a Relevant Balancing Service in Settlement Period "j";

- (b) for a CMU which is a DSR CMU or a Generating CMU that is not comprised of BM Units:

$$ALFCO_{ij} = LFCO_{ij} - \beta(QBSCCC_{ij})$$

where:

$\beta = 1$  where a Relevant Balancing Service is provided in Settlement Period j by any Generating Unit or DSR CMU Component i comprised in the CMU and 0 otherwise;

QBSCCC<sub>ij</sub> is the aggregate of ((Declared\_Availability<sub>ij</sub>) – (Contracted\_Output<sub>ij</sub>)) for each Generating Unit or DSR CMU Component "i" comprised in the CMU which is providing a Relevant Balancing Service in Settlement Period "j"; and

"Declared\_Availability" and "Contracted\_Output" have the meaning given to them in Schedule 4;

- (c) in the case of Rule 8.5.2(a) and (b), QBSCCC<sub>ij</sub> must be set to 0 where Rule 8.5.4(c) applies.

### 8.5.3 Load Following Capacity Obligation (LFCO)

The Load Following Capacity Obligation of a Capacity Committed CMU "i" in Settlement Period "j" ("LFCO<sub>ij</sub>") is a Volume in MWh calculated as follows:

$$LFCO_{ij} = \frac{AACO_{ij} + PTCO_{ij} - SCO_{ij}}{2} \times \min\left(\frac{([2 \times \sum_i E_{ij}] + [2 \times ILR_j] + RfR)}{\sum_i [AACO_{ij} - SCO_{ij}]}, 1\right)$$

where:

$AACO_{ij}$  is the Auction Acquired Capacity Obligation of that Capacity Committed CMU for Settlement Period “j”, being the value in MW of the Capacity Obligation taken on by that Capacity Committed CMU for the Delivery Year in which Settlement Period “j” falls but not including any changes in that Capacity Obligation effected by way of a transfer under Rule 9.2.4(a), as set out in the Capacity Market Register for that Capacity Committed CMU;

$PTCO_{ij}$  is the Physically Traded Capacity Obligation of that Capacity Committed CMU, being the aggregate value in MW (positive or negative) of any changes in the Capacity Obligation of that Capacity Committed CMU effected by way of a transfer under Rule 9.2.4(a) for the Delivery Year (or part Delivery Year) in which Settlement Period “j” falls, as set out in the Capacity Market Register for that Capacity Committed CMU;

$SCO_{ij}$  is the Suspended Capacity Obligation of that Capacity Committed CMU for Settlement Period “j”, being the aggregate value in MW of any Capacity Obligations in respect of which Capacity Payments have been suspended pursuant to Rule 13.4.1(b) during that Settlement Period as determined by the CM Settlement Body on the basis of data provided to it by the Delivery Body pursuant to Rule 13.4.7;

$\sum_i$  is the sum over all Capacity Committed CMUs together with any CMU in respect of which an Acceptable Transferee is a CMVR Registered Participant;

$E_{ij}$  has the meaning given in Rule 8.6;

$ILR_j$  is the Involuntary Load Reduction, being the aggregate volume, in Settlement Period “j”, of load shed by Distribution Network Operators in order to meet any Demand Reduction Instruction and/or Emergency Manual Disconnection Instruction, and also load shed as a result of any Automatic Low Frequency Demand Disconnection, as determined by the Delivery Body on the basis of data provided by the Distribution Network Operators; and

$RfR$  is the reserve for response amount (in MW) published in the most recent electricity capacity report prior to the T-4 Auction for the relevant Delivery Year.

#### 8.5.4 Adjustments to LFCO to account for Balancing Services

The Load Following Capacity Obligation of that Capacity Committed CMU in a Settlement Period must be reduced to account for the aggregate provision and successful delivery by each Generating Unit (in its capacity as a BM Unit) of Balancing Services to the System Operator as follows:

##### (a) Reduced output pursuant to Negative Bid-Offer Acceptances (QBOA)

A Generating Unit “i” that is operating at reduced output during Settlement Period “j” because it has, in its capacity as a BM Unit, been instructed to operate at such output by the System Operator through a Bid-Offer Acceptance in the Balancing Mechanism must be accounted for by use of the factor  $QBOA_{ij}$  which is calculated as follows:

$$QBOA_{ij} = \sum_{n < 0} (QAO_{ij}^n + QAB_{ij}^n)$$

where:

n has the meaning given to “Bid-Offer Pair Number” in Annex X-2 of the BSC;

$QAO_{ij}^n$  has the meaning given to “Period BM Unit Total Accepted Offer Volume” in Annex X-2 of the BSC; and

$QAB_{ij}^n$  has the meaning given to “Period BM Unit Total Accepted Bid Volume” in Annex X-2 of the BSC.

(b) Reduced output pursuant to the delivery of a Balancing Service (QAS)

A Generating Unit “i” that is operating at reduced output during Settlement Period “j” because it has, in its capacity as a BM Unit, delivered energy reductions through the provision of Balancing Services must be accounted for by the factor  $QAS_{ij}$  which has the meaning given to “BM Unit Applicable Balancing Services Volume” in Annex X-2 of the BSC.

(c) Sterilised capacity pursuant to a Balancing Services agreement (QBSCCC)

If:

- (i) the Capacity Provider has not notified the System Operator at the time of entering into such balancing services contract (or, if later, on Prequalification) that a Generating Unit is participating in the Capacity Market; or
- (ii) the Lead Party of the BM Unit which corresponds to a Generating Unit has given the System Operator notice in accordance with paragraph 6.4.5 of section Q of the Balancing and Settlement Code that it does not wish any volumes of Active Energy to be submitted for the BM Unit (pursuant to paragraph 6.4.5 of Section Q of the Balancing and Settlement Code),

$QBSCCC_{ij}$  for Capacity Committed CMU “i” must be set to zero.

#### 8.5.5 Shortfalls and Excess Volumes

- (a) If a Capacity Committed CMU fails to deliver its Adjusted Load Following Capacity Obligation in any Settlement Period where it is required to do so in accordance with Rule 8.5.1, capacity provider penalty charges will be applied in accordance with Regulation 41.
- (b) If a Capacity Committed CMU delivers more than its Adjusted Load Following Capacity Obligation in any Settlement Period where it is required to deliver such Adjusted Load Following Capacity Obligation in accordance with Rule 8.5.1, the relevant Capacity Provider will be paid for this over-delivery in accordance with Regulation 42.

## **8.6 Determining the output of a Capacity Committed CMU or CMVR Registered CMU ( $E_{ij}$ )**

The capacity delivered by a Capacity Committed CMU (or CMVR Registered CMU) “ $i$ ” during the occurrence of a Stress Event in Settlement Period “ $j$ ” is:

- 8.6.1 in the case of a Generating CMU other than a Generating CMU that constitutes a Storage Facility:
- (a) the aggregate Metered Volume in MWh to three decimal places of each Generating Unit comprised in that Generating CMU; or
  - (b) if the Generating CMU is connected to the GB Transmission System, the lower of:
    - (i) the aggregate Metered Volume in MWh to three decimal places of each Generating Unit comprised in that Generating CMU; and
    - (ii) the aggregate of  $QME_{ij}$  (as defined in Rule 8.5.2(a)) for each Generating Unit comprised in that Generating CMU;
- 8.6.2 in the case of a Generating CMU that constitutes a Storage Facility, the sum of  $A + B - C$  where:
- A is the electricity generated by the Generating CMU as determined in accordance with Rule 8.6.1(a) and 8.6.1(b) above;
- B is the aggregate, for all Generating Units comprised in the Generating CMU, of the mean average metered Consumption (in MWh) of each such Generating Unit in the two Settlement Periods prior to the Settlement Period in which the Capacity Market Warning with respect to the Stress Event was published provided, if any such Generating Unit was generating electricity during any such Settlement Period, its Demand during that Settlement Period is deemed to be zero; and
- C is the aggregate of the metered Consumption (in MWh) of each Generating Unit comprised in the Generating CMU in Settlement Period “ $j$ ”;
- 8.6.2A in the case of an Interconnector CMU, the Interconnector Scheduled Transfer; and
- 8.6.3 in the case of a DSR CMU, the DSR Volume of that DSR CMU; (herein, “ $E_{ij}$ ”).
- 8.6.4 Where the Metered Volumes provided to the CM Settlement Body have not been adjusted to the Boundary Point on the Transmission Network, the CM Settlement Body will apply appropriate Line Loss Factor values in order to so adjust them. The Line Loss Factor values shall be made in accordance with Section K1.7 of the BSC.

## **8.7 Requirement to provide general assistance**

- 8.7.1 A Capacity Provider must provide such other information and assistance as an Administrative Party reasonably requires to determine whether the Capacity Provider is complying with the terms of its Capacity Agreements, the Regulations and the Rules.

## CHAPTER 9: TRANSFER OF CAPACITY OBLIGATIONS

### 9. Transfer of Capacity Obligations

#### 9.1 Purpose of this Chapter

9.1.1 This Chapter sets out the eligibility requirements for transferring Capacity Obligations. In conjunction with Chapters 5 and 6 it sets out some of the procedures for effecting, and consequences, of such transfers.

#### 9.2 Restrictions on transfer and eligibility to trade

9.2.1 No Capacity Obligation may be transferred other than by way of the transfer, under Regulation 30A and in accordance with this Chapter, of:

- (a) a Capacity Agreement; or
- (b) a Transferred Part.

9.2.2 Rule 9.2.3 applies where a Termination Notice has been issued by the Delivery Body under Rule 6.10.2(a) with respect to the Capacity Agreement or Transferred Part in which the Capacity Obligation to be transferred is comprised.

9.2.3 Where this Rule 9.2.3 applies:

- (a) if the request under Rule 9.3.1(a) has been submitted before the Termination Notice is received by the Registered Holder or the Transferee, and the Transfer Period commences before the expiry of the period specified in Rule 6.10.2(e) (“the relevant period”), the transfer shall have effect for a period ending with the expiry of the relevant period (or if sooner, the Transfer Period);
- (b) if the request under Rule 9.3.1(a) has been submitted before the Termination Notice is received by the Registered Holder or the Transferee, but the period for which the Capacity Obligation is to be transferred commences after the expiry of the relevant period, the transfer shall not have effect; and
- (c) if the request under Rule 9.3.1(a) is submitted after the Termination Notice is received by the Registered Holder or the Transferee, the transfer shall not have effect.

9.2.4 A Capacity Provider may transfer a Capacity Agreement by:

- (a) transferring all or part of its Capacity Obligation in respect of a Capacity Committed CMU (the “CMU Transferor”) for all or a specified number of calendar days in a Delivery Year to an Acceptable Transferee in respect of another CMU (the “CMU Transferee”) provided that:
  - (i) the Acceptable Transferee nominates a CMU Transferee to perform the Capacity Obligation;
  - (ii) the Capacity Obligation transferred is at least equal to the Minimum Capacity Threshold; and

- (iii) following the transfer, the aggregate Capacity Obligation of each of the CMU Transferor and the CMU Transferee is at least equal to the Minimum Capacity Threshold unless the CMU Transferor has transferred all of its Capacity Obligation.
- (b) with respect to a Capacity Committed CMU which is a Generating CMU where the Capacity Provider is the legal owner of each Generating Unit comprised in such CMU, transferring all Capacity Agreements relating to that CMU outright to:
  - (i) a person acquiring all such Generating Units (or, if it is a Prospective Generating CMU, all the contractual and other rights and assets then owned by the Capacity Provider and necessary to achieve the Substantial Completion Milestone with respect to such CMU); or
  - (ii) a person that is the Despatch Controller with respect to all such Generating Units,
 provided in each case that such person is an Acceptable Transferee; or
- (c) with respect to a Capacity Committed CMU which is a Generating CMU where the Capacity Provider is the Despatch Controller with respect to each Generating Unit comprised in such CMU, transferring all Capacity Agreements relating to that CMU outright to a person that is the legal owner with respect to all such Generating Units provided that such person is an Acceptable Transferee; or
- (d) with respect to a Capacity Committed CMU which is an Interconnector CMU, transferring all Capacity Agreements relating to that CMU outright to a person acquiring that Electricity Interconnector (or, if it is a Prospective Interconnector CMU, all the contractual and other rights and assets then owned by the Capacity Provider and necessary to achieve the Substantial Completion Milestone with respect to such CMU) provided that such person is an Acceptable Transferee,

in each case such transfer of the Capacity Agreement to be in accordance with the Regulations and the Rules (including the requirements relating to the updating of the Capacity Market Register). An individual transfer under Rule 9.2.4(a) may not relate to more than one Delivery Year.

#### 9.2.5 Transfers of a Capacity Agreement:

- (a) under Rule 9.2.4(a) can only be effected on the Capacity Market Register after the T-1 Auction for the relevant Delivery Year has concluded and provided that, in the case of a Prospective Generating CMU and its second or third Delivery Year, it has achieved the Substantial Completion Milestone no later than 10 concluded (or, in the case of an SA Agreement, after 30th May 2017) and provided that:
  - (i) in the case of a Prospective Generating CMU and its second or third Delivery Year, it has achieved the Substantial Completion Milestone by the Prequalification Results Day for the T-1 Auction for that Delivery Year; and

- (ii) in the case of a Prospective Interconnector CMU in relation to which a Capacity Agreement has been awarded for a Delivery Year (“Y”) as well as for either or both of the two immediately following Delivery Years Y+1 and Y+2, and in respect of either of the latter two Capacity Agreements, it has achieved the Substantial Completion Milestone by the Prequalification Results Day for the T-1 Auction for Delivery Year Y+1 or Y+2 as the case may be;
- (b) under Rule 9.2.4(a) can only be effected in respect of a CMU Transferor and CMU Transferee:
  - (i) for which no amount payable under the Regulations is due and unpaid;
  - (ii) for which no suspension of capacity payments as described in Rule 13.4.1(b) is in effect for failure to demonstrate satisfactory performance days;
  - (iii) in respect of which there is not a breach of Rule 8.3.3(f) (metering changes); and
  - (iv) in respect of which there is not a breach of Rule 14.5.7;
- (c) under Rule 9.2.4(b) and 9.2.4(c), 9.2.4(c) and 9.2.4(d) can be effected on the Capacity Market Register at any time.

9.2.6 An Acceptable Transferee in relation to Rule 9.2.4(a), for any Delivery Year, is any of the following:

- (a) a Bidder in a Capacity Auction for that Delivery Year (which may include a Bidder in relation to a CMU which Opted-out under Rule 3.11.2(f)(iii) at the T-4 Auction if, and only if, such CMU has since Prequalified in the T-1 Auction) in relation to a Prequalified CMU that does not have a Capacity Agreement for that Delivery Year;
- (b) a Capacity Provider in relation to the De-rated Capacity of a Prequalified Prospective CMU that has achieved the Substantial Completion Milestone prior to the Delivery Year in which its Capacity Obligation commences (provided that the transfer relates only to the period prior to such Delivery Year);
- (c) a Capacity Provider of a CMU that Prequalified for that Delivery Year and that does not have a Capacity Agreement for that Delivery Year equal to the De-rated Capacity of that Prequalified CMU;
- (d) an Eligible Secondary Trading Entrant;

provided that:

- (i) the Capacity Obligation transferred, when aggregated with all other Capacity Obligations in respect of the CMU Transferee for that Delivery Year, will not at any time exceed:
  - (aa) the aggregate De-rated Capacity of the CMU Transferee (as recorded on the Capacity Market Register); or



- (bb) where there is a Grid Connection Agreement relating to the CMU Transferee, the Transmission Entry Capacity recorded on the TEC Register in respect of that CMU Transferee;
- (ii) the CMU Transferee:
  - (aa) satisfies the criteria set out in Rule 9.2.5(b); and
  - (bb) has delivered a capacity at least equal to its De-rated Capacity or DSR Bidding Capacity in any settlement period falling within the six months prior to the first date in the relevant Delivery Year on which a request was submitted to the Delivery Body under Rule 9.3.1;
- (iii) any such person is not also a Bidder or Capacity Provider of a Defaulting CMU in that Delivery Year; ~~and~~
- (iv) a Capacity Provider for an Existing Interconnector CMU is not an Acceptable Transferee in relation to a Capacity Obligation for a Delivery Year commencing before 2019 (or any part of such a Delivery Year).
- (v) if the CMU Transferee is a New Build CMU in relation to which the Applicant made a declaration or provided a letter in accordance with Rule 3.7.3(c), a person ("P") is not an Acceptable Transferee in respect of that CMU for the purposes of paragraph (a) or (b) of this Rule 9.2.6 unless P has provided to the Delivery Body a copy of its Distribution Connection Agreement or connection offer;
- (vi) if the CMU Transferee is a CMU in relation to which the Applicant made a declaration in accordance with Rule 3.10A.2 or 3.10A.3, a person ("Q") is not an Acceptable Transferee in respect of that CMU for the purposes of this Rule 9.2.6 unless Q has provided to the Delivery Body a copy of its Grid Connection Agreement, Distribution Connection Agreement, written confirmation, letter from the Private Network Owner or connection offer;
- (vii) if the CMU Transferee is a Prospective CMU, a person is not an Acceptable Transferee in respect of that CMU for the purposes of paragraph (a) unless that CMU has met its Substantial Completion Milestone;
- (viii) if the CMU Transferee is a DSR CMU, a person ("R") is not an Acceptable Transferee in respect of that CMU for the purposes of paragraph (a) unless:
  - (aa) a DSR Test Certificate has been issued in relation to that CMU; and
  - (bb) that certificate evidences a Proven DSR Capacity at least equal to the Capacity Obligation that is to be transferred to R, aggregated with all other Capacity Obligations in respect of that CMU that apply on any day to which the transfer relates"; and

- (ix) the CMU Transferee is not a CMU in respect of which a Capacity Agreement or Transferred Part has been previously terminated in consequence of a Termination Event within Rule 6.10.1(g), Rule 6.10.1(ga) or Rule 6.10.1A(a)(iii) at any time during the preceding two years.
- 9.2.7 An Acceptable Transferee for the purposes of Rule 9.2.4(b), Rule 9.2.4(c) or Rule 9.2.4(d) may be the same entity as the Capacity Provider transferring its Capacity Obligation to such Acceptable Transferee.
- 9.2.8 An Acceptable Transferee for the purposes of Rule 9.2.4(b), Rule 9.2.4(c) or Rule 9.2.4(d) is a person who has obtained written confirmation from the Delivery Body that it:
  - (a) has provided a Prequalification Certificate and a Certificate of Conduct,
  - (b) has provided the information and made the statements described in Rules 3.4.1 and 3.4.2;
  - (c) is not also a Capacity Provider of a Defaulting CMU in that Delivery Year; and
  - (d) will comply with any requirement to provide or maintain Applicant Credit Cover that may be applicable.
- 9.2.9 A Capacity Provider must not transfer, sell or otherwise dispose of any interest in a Capacity Committed CMU such that it ceases to satisfy the necessary Prequalification requirements to be the Applicant of that CMU, unless it transfers the CMU to an Acceptable Transferee that has satisfied the requirements of Rule 9.2.8, and the Capacity Agreement of the CMU must only transfer once these requirements are met.
- 9.2.10 Subject to Rule 9.2.10A, a Generating Unit comprised in a Generating CMU may not be transferred, sold or otherwise disposed of in whole or material part other than together with all other Generating Units comprised in such Generating CMU and, where applicable, together with the Capacity Agreement as contemplated in Rule 9.2.4(b)(i).
- 9.2.10A (a) Rule 9.2.10 does not prevent the transfer, sale or disposal of a Generating Unit comprised in a Generating CMU where a Capacity Agreement has been issued in respect of that Generating CMU following the submission of an Application by a Despatch Controller under Rule 3.2.7, provided that:
  - (i) Despatch Control over the whole of the Generating CMU is retained by the Capacity Provider following such transfer, sale or disposal; and
  - (ii) the Capacity Provider submits an Aggregator Transfer Declaration and a Legal Owner Transfer Declaration, in each case signed by two directors (or officers, in the case of a body other than a company), to the Delivery Body as soon as reasonably practicable following the completion of such transfer, sale or disposal.

- (b) If a Capacity Provider makes such a transfer, sale or disposal without complying with the conditions in paragraph (a), then Rule 6.10.1(n) applies.

9.2.11 The restrictions in Rules 9.2.5 and 9.2.10 do not prevent the grant or enforcement of Security over the Capacity Committed CMU and/or the Capacity Agreement for the purpose of securing the payment of any indebtedness to any lender or group of lenders (and whether or not acting through a trustee) provided that such Security is registered on the Capacity Market Register and any transfer, sale, entry into possession or other disposal that may occur on the enforcement of the Security may only be effected so that both the Capacity Committed CMU and the Capacity Agreement are transferred to the same person, who is an Acceptable Transferee.

### **9.3 Registration of transfers**

9.3.1 Where a Capacity Agreement or Transferred Part is to be transferred in whole or in part from the Registered Holder to another person (the "Transferee") in accordance with Rule 9.2.4:

- (a) the Registered Holder and the Transferee must each submit to the Delivery Body in writing requests which are:

- (i) in the form prescribed by the Delivery Body; and
- (ii) identical in all material respects;

at least five Working Days before the first calendar day to which a Capacity Obligation subject to the transfer relates;

- (b) the Delivery Body must inform both the Registered Holder and the Transferee that the requests have been received and, in the event that the requests are not in the prescribed form and/or identical in all material respects, must draw this to their attention and give them the opportunity to correct the requests;

- (c) the Delivery Body may refuse to accept an incorrect, ambiguous or incomplete request.

9.3.2 The Delivery Body must notify the Transferee, the previous Registered Holder and the CM Settlement Body once the Capacity Market Register has been amended in accordance with Rule 7.5.1(p).

9.3.3 The Transferee is not the Registered Holder until such time as the particulars of the Capacity Agreement or Transferred Part recorded in the Capacity Market Register identify the Transferee as such.

9.3.4 A transfer of a Capacity Agreement or Transferred Part has effect when it is entered in the Capacity Market Register in accordance with Rule 7.5.1(p).

### **9.4 Effect of transfer**

9.4.1 Any transfer of a Capacity Agreement pursuant to Rule 9.2.4(a) results in the transfer of any obligation to pay penalties and any right to receive payments provided for in the Regulations or the Rules that attaches to the performance or failure to perform the transferred Capacity Obligation from the date of transfer

to, in the case of a transfer pursuant to Rule 9.2.4(a), the end of the period of transfer.

- 9.4.2 To the extent that there are any outstanding amounts accrued or payable to or by the transferor due to its rights or obligations under the Capacity Agreement, the Regulations or the Rules at the date of transfer pursuant to Rule 9.2.4(a), those rights and obligations survive and the amounts are, or will when due be, payable to or by the transferor.
- 9.4.3 Any transfer of a Capacity Agreement together with the relevant CMU pursuant to Rule 9.2.4(b) transfers all rights and obligations, (including for the period prior to the date of transfer) to the transferee (and such rights and obligations survive).
- 9.4.4 Where a transfer of a CMU for which the Transferor is Insolvent has been effected under Rule 9.2.4(b), the Delivery Body must notify the CM Settlement Body and update the Capacity Market Register accordingly.

## **9.5 Transfers and testing**

- 9.5.1 A Capacity Committed CMU which has not delivered the requisite capacity on the requisite number of Satisfactory Performance Days during Winter must satisfy the requirements of (and will be subject to the consequences set out in) Rules 13.4.1(a), 13.4.1(b) (if applicable) and 13.4.1(c) irrespective of whether some or all of the Capacity Obligations to which the testing requirements related have since been transferred pursuant to this Chapter 9.

## CHAPTER 10: VOLUME REALLOCATION

### 10. Volume Reallocation

#### 10.1 Purpose of this Chapter and Interpretation

- 10.1.1 This Chapter sets out the basis on which Capacity Providers or CMVR Registered Participants may allocate Traded Capacity Market Volume from one CMU to another CMU by submitting CMVRNs to the CM Settlement Body.
- 10.1.2 In this Chapter, “WD” followed by a number means:
- (a) in relation to a calendar month, the Working Day falling that number of Working Days after the end of the calendar month; and
  - (b) in relation to a CMVRN, the Working Day falling that number of Working Days after the end of the calendar month in which the Settlement Period to which the CMVRN relates occurred.
- 10.1.3 In this Chapter a “Contract Trading Party” is a Capacity Provider or CMVR Registered Participant who participates in volume reallocation under this Chapter.

#### 10.1A CMVR Registered Participant

- 10.1A.1 A person (“P”) who is an Acceptable Transferee in respect of a CMU within the meaning of Rule 9.2.6, 9.2.7 or 9.2.8 may apply to be registered as a “CMVR Registered Participant” for a Delivery Year or, if it has commenced, so much of the Delivery Year that remains, by giving notice to the Delivery Body:
- (a) stating that P wishes to participate in volume reallocation under this Chapter;
  - (b) specifying the Delivery Year for which P wishes to be so registered; and
  - (c) specifying the CMU in respect of which the application is made.
- 10.1A.2 If the Delivery Body is satisfied that the application satisfies the conditions in Rule 10.1A.1:
- (a) P’s registration as a CMVR Registered Participant is to take effect five Working Days after the notice under Rule 10.1A.1 is given to the Delivery Body; and

- (b) the Delivery Body must as soon as possible and in any event no later than 9 working days after the end of the month in which the application was made:
  - (i) notify the Settlement Body of the application; and
  - (ii) publish the following information:
    - (aa) that P is a CMVR Registered Participant for the Delivery Year specified in the application,
    - (bb) the effective date of P's registration; and
    - (cc) details of the CMU in respect of which P is so registered (the "CMVR Registered CMU").

## **10.2 Capacity Market Volume Reallocation Notification**

- 10.2.1 Subject to the provisions of this Chapter, a Capacity Provider or CMVR Registered Participant may, in respect of a CMU ("the CMVR Transferor"), allocate any or all of the Volume Eij of that CMU to another CMU (the "CMVR Transferee") by way of a CMVRN.
- 10.2.2 A CMVRN may only be submitted by a Capacity Provider or CMVR Registered Participant, or its Agent, in accordance with this Chapter 10.
- 10.2.3 A CMVRN must specify:
  - (a) The Capacity Provider, or CMVR Registered Participant, and its CMVR Transferor to which the CMVRN relates;
  - (b) the Capacity Provider, or CMVR Registered Participant, and its CMVR Transferee to which the CMVRN relates;
  - (c) one or more Settlement Period to which the CMVRN relates;
  - (d) the Traded Capacity Market Volume in accordance with Rule 10.4.1; and
  - (e) a CMVRN identifier provided by the Contract Trading Party in accordance with guidance to be produced by the CM Settlement Body from time to time.
- 10.2.4 A CMVRN is valid if and only if:
  - (a) it is submitted on a Working Day which falls on or between WD11 and WD19;
  - (b) the Settlement Period or Periods specified in accordance with Rule 10.2.3(c) was or were a System Stress Event;
  - (c) the Traded Capacity Market Volume specified in the CMVRN is not in breach of Rule 10.4.1; and
  - (d) it is made in accordance with Rules 10.2.5 and 10.2.6.
- 10.2.5 A CMVRN must be submitted by:
  - (a) the Capacity Provider which is party to the Capacity Agreement relating to that CMU, or the Agent of such Capacity Provider;

- (b) the the CMVR Registered Participant who is an Acceptable Transferee within the meaning of Rule 9.2.6, 9.2.7 or 9.2.8 in respect of that CMU or the Agent of such CMVR Registered Participant.

10.2.6 A CMVRN must:

- (a) be submitted in the form prescribed by the CM Settlement Body set out in guidance to be produced by the CM Settlement Body from time to time; and
- (b) be duly completed and contain all information requested on the form, including the information described at Rule 10.2.3.

10.2.7 A valid CMVRN received in accordance with this Chapter 10 comes into force when it is Matched.

10.2.8 The CM Settlement Body must:

- (a) validate (as to compliance with the requirements in Rule 10.2.4) each CMVRN submitted to it); and
- (b) match Settlement Periods where the requirements of Rule 10.3 are met.

10.2.9 The CM Settlement Body must inform the person (being an Agent or Contract Trading Party) who submitted a CMVRN if it does not validate a CMVRN submitted to it pursuant to Rule 10.2.8.

### **10.3 Matching**

10.3.1 For the purposes of this Rule 10.3:

- (a) in relation to a CMVRN, the “corresponding” CMVRN is the CMVRN submitted by the other Contract Trading Party relating to the same CMUs and using the same CMVRN identifier; and
- (b) a “matched” Settlement Period is a Settlement Period in relation to which the requirements of Rule 10.3.2 are satisfied.

10.3.2 In relation to a CMVRN, a Settlement Period will be matched if and only if:

- (a) the CMVRN is valid;
- (b) the corresponding CMVRN is valid; and
- (c) the Traded Capacity Market Volume for the Settlement Period specified in the CMVRN and the corresponding CMVRN are the same.

10.3.3 The CM Settlement Body must issue a notification report for a Matched CMVRN to the person who submitted that CMVRN as soon as practicable after it is Matched.

### **10.4 Traded Capacity Market Volume**

10.4.1 A CMVRN must specify, for each Settlement Period, a MWh value which:

- (a) in the case of the CMVR Transferee, is a positive number and in the case of a CMVR Transferor, is a negative number;
- (b) in the case of a CMVR Transferor in respect of which there was an Initial Under-Delivery Volume, when reflected in Adjusted  $E_{ij}$  of the CMVR

Transferor in respect of the Settlement Period to which that CMVRN relates at the time that the CMVRN becomes effective, does not result in:

- (i) a Remaining Under-Delivery Volume which exceeds the Initial Under-Delivery Volume of that CMVR Transferor; and
  - (ii) a Remaining Over-Delivery Volume;
- (c) in the case of a CMVR Transferor in respect of which there was an Initial Over-Delivery Volume, when reflected in Adjusted  $E_{ij}$  of the CMVR Transferor in respect of the Settlement Period to which that CMVRN relates at the time that the CMVRN becomes effective, does not result in:
- (i) a Remaining Over-Delivery Volume which exceeds the Initial Over-Delivery Volume of that CMVR Transferor; or
  - (ii) a Remaining Under-Delivery Volume;
- (d) in the case of a CMVR Transferee in respect of which there was an initial Over-Delivery Volume, when reflected in Adjusted  $E_{ij}$  of the CMVR Transferee in respect of the Settlement Period to which that CMVRN relates at the time that the CMVRN becomes effective, does not result in:
- (i) a Remaining Over-Delivery Volume which exceeds the Initial Over-Delivery Volume of that CMVR Transferee;
- (e) in the case of a CMVR Transferee in respect of which there was an initial Under-Delivery Volume, when reflected in Adjusted  $E_{ij}$  of the CMVR Transferee in respect of the Settlement Period to which that CMVRN relates at the time that the CMVRN becomes effective, does not result in:
- (i) a Remaining Over-Delivery Volume.

10.4.2 For each CMU  $i$ , and Settlement Period  $j$ , the Aggregate Traded Capacity Market Volume ( $ACMV_{ij}$ ) from time to time will be determined as follows:

$$ACMV_{ij} = \sum_z CMV_{zij}$$

where the summation on  $z$  extends to all CMVRNs in force at that time.

## 10.5 Information

10.5.1 By 5pm on WD10, the CM Settlement Body must publish on the Capacity Volume Register, for each Settlement Period in the previous calendar month which was a System Stress Event and in respect of each CMU, using the most recent data provided to it under Regulation 35:

- (a)  $E_{ij}$ ;
- (b) the ALFCO;
- (c) (if any) the Initial Over-Delivery Volume; and
- (d) (if any) the Initial Under-Delivery Volume.

10.5.2 The CM Settlement Body must determine the Aggregate Traded Capacity Market Volume and Adjusted  $E_{ij}$  for each CMU and submit this data to the Capacity Volume Register no later than 5pm on each Settlement Day from WD11 to WD19 inclusive.



- 10.5.3 If the CM Settlement Body receives updated data for  $E_{ij}$  during the period from WD11 to WD19 inclusive under Regulation 35, it must take account of this updated data in determining the Aggregated Trading Capacity Market Volume and Adjusted  $E_{ij}$  for each CMU under Rule 10.5.2.

## **10.6 Failures of the CM Settlement Body System**

- 10.6.1 For the purposes of this Rule 10.6, a “CM Settlement Body System Failure” means a failure or breakdown of the system used by the CM Settlement Body to receive and process CMVRNs and update the Capacity Volume Register which has the effect that the CM Settlement Body is unable to receive CMVRNs submitted to it by all or any Capacity Providers and/or (as the case may be) to send the notification report in Rule 10.3.3 within 24 hours after a CMVRN is Matched or to update the Capacity Volume Register in accordance with Rule 10.5.2.
- 10.6.2 Where a CM Settlement Body System Failure occurs the CM Settlement Body must each use all reasonable efforts as soon as practicable to notify all Agents and all Capacity Providers that have no Agent:
- (a) of the failure and the time at which it started; and
  - (b) after the end of the CM Settlement Body System Failure, that the failure has ended.
- 10.6.3 The CM Settlement Body must resume its functions under this Chapter 10 as soon as practicable after the end of a CM Settlement Body System Failure.

## CHAPTER 11: TRANSITIONAL ARRANGEMENTS

### 11. Transitional Arrangements

#### 11.1 Purpose of this Chapter

- 11.1.1 The Rules govern the arrangements to be put in place to progressively facilitate the delivery of DSR CMUs and smaller Non-CMRS Distribution CMUs during Delivery Years prior to the Delivery Year for the First Full Capacity Auction.
- 11.1.2 The arrangements referred to in Rule 11.1.1 include:
- (a) Subject to Rule 11.3.2A, Capacity Auctions under Regulation 29 allowing bidders of DSR CMUs and smaller Non-CMRS Distribution CMUs to participate in Capacity Auctions in respect of the Delivery Years commencing on 1 October 2016 and 1 October 2017 (such Delivery Years being together, for the purpose of this Chapter the “Transition Period” and such Capacity Auctions being the “Transitional Capacity Auctions”);
  - (b) for Transitional Capacity Auctions, an additional time banded product available, focusing on certain peak hours during winter only to encourage participation;
  - (c) the possibility of extending the Transition Period in respect of certain transitional arrangements; and
  - (d) final transition to the full enduring regime as governed by the Regulations and the Rules (other than this Chapter 11).

#### 11.2 Application of the Rules to transitional arrangements

- 11.2.1 Save as expressly amended pursuant to this Chapter 11, the Rules apply to each Transitional Capacity Auction as if it were a T-1 Auction.

#### 11.3 Transitional Capacity Auctions

##### 11.3.1 Capacity Products

Transitional Capacity Auctions will be open to Bidders interested in providing either of the following capacity products:

- (a) a full capacity product equivalent to that which would be auctioned in a full Capacity Auction and based on the delivery of an Adjusted Load Following Capacity Obligation; and
- (b) a time banded capacity product based on the delivery of capacity during the peak hours of 9am-11am and 4pm -8pm on Working Days in Winter.

##### 11.3.2 Prequalification and Eligibility

The following CMUs must be prohibited from participating in a Transitional Capacity Auction (and an Applicant must not submit an Application for a Transitional Capacity Auction in relation to any such CMU):

- (a) any CMRS CMU;

- (b) any Non-CMRS Distribution CMU or DSR CMU that includes any Generating Unit or DSR CMU Component that forms part of a CMU that has been awarded a Capacity Agreement in a Capacity Auction (other than a Transitional Capacity Auction);
- (c) any Non-CMRS Distribution CMU with a De-rated Capacity of 50MW or higher; and
- (d) any Interconnector CMU.

#### 11.3.2A Prequalification and eligibility for the Second Transitional Capacity Auction

In the Second Transitional Capacity Auction:

- (a) the following CMUs must also be prohibited (and an Applicant must not submit an Application for the Second Transitional Capacity Auction in relation to any such CMU):
  - (i) any Non-CMRS Distribution CMU with a De-rated Capacity of 50MW or less; and
  - (ii) any DSR CMU that provides DSR Capacity by using a Generating Unit;
- (b) any reference in the Rules to “2MW” should be read as “500kW”;
- (c) each Applicant for a Proven DSR CMU must include in the Application with the business model for each DSR CMU Component in accordance with Rule 3.9.3, a declaration that none of the DSR Capacity is achieved by using a Generating Unit; and
- (d) each Applicant for an Unproven DSR CMU must include in the Application with the business plan in accordance with Rule 3.10.1, a declaration that none of the DSR Capacity will be achieved by using a Generating Unit.

#### 11.3.2B Notifying DSR Components: Second Transitional Capacity Auction

In respect of the Second Transitional Capacity Auction, a Capacity Provider in respect of an Unproven DSR CMU must, when giving a notice to the Delivery Body in accordance with Rule 8.3.3A(a), also confirm that none of the DSR Capacity for each DSR CMU Component specified under Rule 8.3.3A(a)(i) will be achieved by using a Generating Unit.

#### 11.3.2C Eligibility for the Second Transitional Capacity Auction following award of a SA Agreement

If an Application for the Second Transitional Capacity Auction has been submitted in relation to a CMU, and a SA Agreement has been awarded in respect of that CMU, the CMU must be prohibited from participating in that Transitional Capacity Auction.

#### 11.3.3 Awarding a Capacity Agreement

- (a) Each Bidder acting in the Transitional Capacity Auctions must notify the Delivery Body of their default choice for which capacity product they intend to provide pursuant to Rule 11.3.1 ten Working Days prior to the start of the first Bidding Window.

- (b) If no default choice is made pursuant to Rule 11.3.3(a) the Delivery Body will assign a default choice to receive a full capacity product equivalent, as detailed in 11.3.1(a)(i), to the relevant Bidder.
- (c) Any Bidder that is provisionally notified that it has been awarded a Capacity Agreement pursuant to Rule 5.10.1 may choose to amend the default choice made or assigned pursuant to Rule 11.3.3(a) or (b) before the end of the Working Day following the date on which the Clearing Round occurs.
- (d) If a Bidder has not made an amendment pursuant to 11.3.3(c) before the end of the Working Day following the date on which the Clearing Round occurs, the default choice made by the relevant Bidder, or assigned by the Delivery Body, pursuant to 11.3.3(a) or (b) will take effect in the relevant Capacity Agreement
- (e) If a Bidder notifies the Delivery Body that it wishes to provide the time banded capacity product, the Capacity Payment with respect to the Capacity Obligation awarded to that Bidder will be reduced by such percentage as is set out in or determined in accordance with the Regulations.

11.3.4 Delivery Obligations of Capacity Providers of Capacity Committed CMUs awarded Capacity Agreements pursuant to this Chapter 11

- (a) The Capacity Obligation of a Capacity Provider of a Capacity Committed CMU arising from a Transitional Capacity Auction must be determined in accordance with Rule 8.5.1, save that any Capacity Provider of a Capacity Committed CMU with a Capacity Agreement for the time banded capacity product referred to in Rule 11.3.1(a)(ii) will have no Capacity Obligation for any System Stress Event occurring during a Settlement Period falling outside of the periods referred to in Rule 11.3.1(a)(ii).
- (b) For any Capacity Provider of a Capacity Committed CMU with a Capacity Agreement to deliver time banded capacity, the obligation to demonstrate three Satisfactory Performance Days in Winter pursuant to Rule 13.4.1 must be discharged during the period from 1st October to 28th February in the relevant Delivery Year. If such a Capacity Committed CMU fails to demonstrate such Satisfactory Performance Days, its obligation to demonstrate a further three Satisfactory Performance Days pursuant to Rule 13.4.1(a) must be discharged during the period after 1st March and suspension of Capacity Payments pursuant to Rule 13.4.1(b) will be effective from 1st March.

11.3.5 System Stress Events and Capacity Market Warnings

During the Transition Period:

- (a) Rule 8.4.6(a) to (c) will not apply;
- (b) the System Operator must publish a notice at times when either:
  - (i) a System Operator Instigated Demand Control Event occurs; or

- (ii) an Inadequate System Margin, as determined under Rule 8.4.7, is anticipated to occur in a Settlement Period falling at least 4 hours after the expiry of the current Settlement Period,

for which it has not issued a previous notice which remains in force;

- (c) the notice referred to in Rule 11.3.5(b) must be published on the website specified by the System Operator from time to time and must contain the following information:
  - (i) the commencement time of the notice;
  - (ii) information about the circumstances that have triggered the notice; and
  - (iii) details specifying where Capacity Providers can find, or how Capacity Providers can determine, the information set out in Rule 8.4.6(c)(iii);
- (d) the System Operator must inform the Settlement Body of the contents of any notice published under Rule 11.3.5(b); and
- (e) any reference in the Rules to a "Capacity Market Warning" shall be construed as a reference to the notice referred to in Rule 11.3.5(b).

#### 11.3.5A Restrictions on transfer and eligibility to trade

A Capacity Provider may not transfer a Capacity Agreement awarded in a Transitional Capacity Auction by the method provided for in Rule 9.2.4(a).

#### 11.3.5B CMVR Registered Participant

A person may not apply to be registered as a CMVR Registered Participant in respect of the Transition Period.

#### 11.3.5C Volume reallocation

A Capacity Provider awarded a Capacity Agreement in a Transitional Capacity Auction may not submit a CMVRN in respect of a Settlement Period in the Transition Period.

#### 11.3.5D Metering Test

Where a Capacity Committed CMU arising from a Transitional Capacity Auction is subject to a Metering Test, the CM Settlement Body may conduct the Metering Test on a sample of the Generating Units or DSR CMU Components comprised in the CMU and where it does so:

- (a) Rule 13.3.6 does not apply;
- (b) following the completion of the Metering Test the CM Settlement Body must either:
  - (i) issue a Metering Test Certificate to the relevant Capacity Provider with respect to that CMU:
    - (aa) confirming that the Metering Test has been conducted on a sample basis;

- (bb) detailing the metering configuration for each Generating Unit or DSR CMU Component comprised in the sample;
- (cc) confirming that the metering arrangements for each Generating Unit or DSR CMU Component comprised in the sample constitutes an Approved Metering Solution; and
- (dd) listing the remaining Generating Units or DSR CMU Components comprised in the CMU and confirming that those Generating Units or DSR CMU Components have not been subject to a Metering Test; or
- (ii) notify the Capacity Provider that one or more Generating Units or DSR CMU Components comprised in the sample has failed a Metering Test;
- (c) where a notice is given pursuant to paragraph (b)(ii):
  - (i) it is to be treated as if it were a notice given under Rule 13.3.6(b); and
  - (ii) when the CM Settlement Body conducts a further Metering Test pursuant to Rule 13.3.8, that test may cover additional Generating Units or DSR CMU Components; and
- (d) the Capacity Provider must comply with Rule 13.2.5(b)(ii) in relation to any DSR CMU Components listed under Rule 11.3.5D(b)(i)(dd).

#### 11.3.6 Submission of meter data

- (a) During the Transition Period, a Capacity Provider using either:
  - (i) the Balancing Services Metering Configuration Solution; or
  - (ii) the Bespoke Metering Configuration Solution,
 is permitted to either:
  - (aa) submit meter data directly to the CM Settlement Body; or
  - (bb) arrange for the data to be collected and submitted to the CM Settlement Body.
- (b) Data submitted using either of the methods set out at paragraphs (aa) and (bb) must be submitted via secure file transfer protocol in a comma separated value format.

## CHAPTER 12: MONITORING

### 12. Monitoring

#### 12.1 Purposes of this Chapter

- 12.1.1 The Rules govern the provision of information to and monitoring of Capacity Providers by the Delivery Body and the Administrative Parties.

#### 12.2 Monitoring of construction progress of Prospective CMUs

- 12.2.1 The Capacity Provider of any Prospective CMU must, no less frequently than every six months from the date of the Capacity Auction until such time as the Substantial Completion Milestone is achieved, or the Capacity Agreement terminates or a Non-completion Notice is issued, deliver to the Delivery Body a progress report specifying, for each Generating Unit or Electricity Interconnector comprising such CMU:

- (a) a schedule identifying the earliest and latest dates on which each of the Construction Milestones are then expected to be achieved and in each case the most likely date within the specified range, with an explanation of any material change in such dates since the last report (where for that purpose a change in date is “material” when the new date is at least two months earlier or later than the date stated under Rule 3.7.2(b), and an explanation which gives more than one reason for the change must include an estimate of how much of the change is attributable to each reason);
- (aa) an overarching non-technical summary of progress in relation to each such Generating Unit or Electricity Interconnector; and
- (b) any material changes to the works described in the Construction Plan, accompanied by:
- (c) an assessment from an Independent Technical Expert which includes the matters specified in Rule 12.2.1A; and
- (d) a certificate from two directors of the Capacity Provider (or two officers, in the case of a Capacity Provider other than a company) stating that they believe the report to give a fair view of the matters described above.

- 12.2.1A The matters specified in this Rule 12.2.1A are the following:

- (a) details of the scope of the work done by the Independent Technical Expert in making the assessment;
- (b) a description of the experience (both national and international) and technical expertise of all individuals involved in preparing or approving the assessment, including any relevant qualifications obtained by those individuals and their membership of any relevant professional bodies; and
- (c) a declaration that the Independent Technical Expert satisfies the requirements contained in the definition of that term in Rule 1.2.

- 12.2.1B A report under Rule 12.2.1 must also be delivered 3 months and 9 months after the date of the Capacity Auction; but in relation to those additional reports there shall be no requirement for:
- (a) an assessment under Rule 12.2.1(c); or
  - (b) a remedial plan under Rule 12.2.4.
- 12.2.1C The Delivery Body must provide a copy of each report under Rule 12.2.1 to the Secretary of State and the Authority within 5 Working Days of its receipt.
- 12.2.2 The Delivery Body must monitor the construction of Prospective CMUs by reviewing the progress reports provided to the Delivery Body under Rule 12.2.1.
- 12.2.3 The Delivery Body may seek further information from a Capacity Provider with respect to any of the matters described in a progress report provided under Rule 12.2.1 or any other matter relating to the construction or refurbishment of each of the Generating Units, or the Electricity Interconnector, comprising such Prospective CMU, and the Capacity Provider must give the Delivery Body such further information as soon as reasonably practicable.
- 12.2.4 Where it is apparent from a progress report that the latest date on which a Prospective CMU is expecting to achieve the Substantial Completion Milestone is later than the first day of the relevant Delivery Year, the Delivery Body must request the Capacity Provider to provide it with a remedial plan which demonstrates that steps can and will be taken to accelerate the programme such that the latest date on which the Substantial Completion Milestone is expected to be reached is the first day of the relevant Delivery Year. The relevant Capacity Provider must use all reasonable endeavours to provide a remedial plan meeting such requirements and the remedial plan must be accompanied by:
- (a) a commentary from an Independent Technical Expert addressing whether the remedial plan is achievable; and
  - (b) a certificate from two directors of the Capacity Provider (or officers, in the case of a Capacity Provider other than a company) stating that they believe the remedial plan is fair and achievable.
- 12.2.5 A Capacity Provider must provide a remedial plan where requested by the Delivery Body as soon as reasonably practicable and in any event within no more than 120 days. Where a Capacity Provider fails to provide a remedial plan meeting the requirements of Rule 12.2.4 (or the accompanying commentary and certificate), the Delivery Body must notify the Secretary of State and the Authority.
- 12.2.6 A Capacity Provider must afford an Independent Technical Expert providing an assessment for any purposes under the Rules with reasonable access to the books and records of the Capacity Provider and to the Site of the Generating Unit, or Electricity Interconnector, as and when reasonably requested by the Independent Technical Expert, but subject to such reasonable conditions as to access time and supervision as the Capacity Provider may impose.



### **12.3 Monitoring of Capacity Providers**

- 12.3.1 A Capacity Provider must permit the Delivery Body or any of its officers, agents or representatives (and any Independent Technical Expert appointed for the purposes of this Chapter 12), at reasonable times and intervals and upon reasonable notice to:
- (a) inspect and photocopy extracts from any books and records held by the Capacity Provider which are relevant to the delivery of Capacity Obligations by its Capacity Committed CMUs;
  - (b) to meet with the Capacity Provider's officers and auditors for the purpose of discussing its obligations under the Regulations and the Rules; and
  - (c) visit any of its offices for the purposes of facilitating the matters referred to in (a) and (b) above.
- 12.3.2 A Capacity Provider must bear any costs it incurs as a result of the Capacity Provider taking any of the steps referred to in Rule 12.3.1.
- 12.3.3 Where a Capacity Provider is required to provide information to the Delivery Body in accordance with Chapter 8, the Delivery Body may request the Capacity Provider to provide further information for the purposes of verifying that the information required to be provided is in accordance with the obligations imposed upon the Capacity Provider by Rule 8.3, and the Capacity Provider must do so.

### **12.4 Further monitoring obligations**

- 12.4.1 Further monitoring obligations may be specified in the Auction Guidelines.

### **12.5 Provision of information for monitoring purposes**

- 12.5.1 Upon request, an Applicant, Bidder or Capacity Provider must provide such information and assistance as an Administrative Party reasonably requires in order to enable it to discharge the monitoring obligations imposed on that Administrative Party by the Regulations, the Rules or the Auction Guidelines.

## CHAPTER 13: TESTING REGIME

### 13. Testing Regime

#### 13.1 Purpose of this Chapter

The Rules prescribe the procedures for:

- 13.1.1 the DSR Test and Joint DSR Test;
- 13.1.2 the Metering Test;
- 13.1.3 the demonstration of satisfactory performance by Capacity Committed CMUs; and
- 13.1.4 the Site Audit.

#### 13.2 DSR Test

- 13.2.1 Each DSR CMU must carry out either a:
  - (a) DSR Test in accordance with this Rule 13.2; or
  - (b) Joint DSR Test in accordance with Rule 13.2B.
- 13.2.2 A DSR CMU can participate in a DSR Test either:
  - (a) prior to the commencement of the Prequalification Window for a Capacity Auction (in which case the DSR CMU may submit an Application for Prequalification as a Proven DSR CMU); or
  - (b) after the award of a Capacity Agreement but by no later than one month prior to the commencement of the Delivery Year for that Capacity Agreement (in which case the DSR CMU must submit an Application for Prequalification as an Unproven DSR CMU).
- 13.2.3 No DSR Test may take place during the Prequalification Assessment Window for any Capacity Auction.
- 13.2.4 A DSR Test is the same regardless of whether it is carried out pursuant to Rule 13.2.2(a) or 13.2.2(b).
- 13.2.5 In order to carry out a DSR Test with respect to a DSR CMU, an Applicant or Capacity Provider (as applicable) must provide the Delivery Body with:
  - (a) the Meter Point Administration Number(s) of the meters for that site and/or connection point, and details of any other meters necessary to identify and monitor the DSR from any DSR CMU Component in relation to the DSR CMU; and
  - (b) either:
    - (i) the Metering Test Certificate for the DSR CMU, in which case each DSR CMU Component comprised in the DSR CMU will be measured against the metering configuration specified for that DSR CMU Component in the Metering Test Certificate; or
    - (ii) where no Metering Test Certificate has been issued for the DSR CMU, confirmation of the Approved Metering Solution that each DSR CMU Component is to be measured against.

13.2.6 Following the submission of the information referred to in Rule 13.2.5 above, the Applicant or Capacity Provider (as applicable) must for each DSR CMU either:

- (a) prior to Prequalification only, provide
  - (i) historic information to the Delivery Body that identifies three separate Settlement Periods or DSR Alternative Delivery Periods within the 2 years prior to the start of the Prequalification Window in which:
    - (aa) a Baseline Demand can be calculated for each DSR CMU Component of the DSR CMU; and
    - (bb) the DSR CMU delivered a positive DSR Volume (net of any related imports) in discharge of an obligation to deliver a balancing service;
  - (ii) a calculation of the DSR Volume of the DSR CMU which is thereby evidenced in each such Settlement Period or DSR Alternative Delivery Period, including the adjustment for Line Loss Factors, the lowest of which will be doubled to determine the Proven DSR Capacity of the DSR CMU; and
  - (iii) a letter from the Distribution Network Operator confirming the Line Loss Factor methodology statement and calculated values in the three periods identified pursuant to Rule 13.2.6(a), and, where applicable, a letter from the owner of the Unlicensed Network confirming the electrical loss factor methodology statement and calculated values in the three periods identified pursuant to Rule 13.2.6(a); or
- (b) give the Delivery Body no less than 2 Working Days' notice of its intention to test activate the DSR CMU and of the Settlement Period in which such activation will be carried out.

13.2.6A For the purposes of Rule 13.2.6(a):

- (a) a DSR Alternative Delivery Period may be identified by a CMU only where:
  - (i) that CMU is metered using a higher time sampling frequency than half-hourly; and
  - (ii) the metered data is available both to the Applicant or Capacity Provider and to the Delivery Body.
- (b) the calculation of DSR Volume may, where applicable, be made by substituting Settlement Period with DSR Alternative Delivery Period where that term is specified under Rule 1.2

13.2.7 The Delivery Body may:

- (a) at any time up to 4 hours prior to the relevant Settlement Period, instruct the Applicant or Capacity Provider (with a copy to the CM Settlement Body) not to activate the DSR CMU in that Settlement Period for any reason, provided that no more than two instructions may be submitted by

the Delivery Body to an Applicant or Capacity Provider under this Rule 13.2.7(a) for any proposed DSR Test; and

- (b) at any time, instruct the Applicant or Capacity Provider (with a copy to the CM Settlement Body) not to activate the DSR CMU in that Settlement Period if the System Operator has issued an Emergency Instruction in respect of that Settlement Period;

and, on receipt of such instruction, the Applicant or Capacity Provider:

- (i) if received no later than 4 hours prior to the Settlement Period, must not activate, and otherwise must seek to not activate or deactivate (as applicable), the DSR CMU; and
- (ii) may submit a new notice under Rule 13.2.6(a) above, taking into consideration any reasons given by the Delivery Body in a notice issued under (a) or (b) above.

13.2.8 The Delivery Body's rights to give any instruction under Rule 13.2.7 apply notwithstanding that the effect may be to prevent a DSR Test Certificate from being issued prior to any deadline applicable to the Applicant or Capacity Provider under the Regulations or the Rules.

13.2.9 Within 5 Working Days of:

- (a) receipt of historic information under Rule 13.2.6(a) above; or
- (b) receipt of data from the Settlement Body regarding Metered Volumes at the relevant meters during the Settlement Periods referred to in Rule 13.2.6(b),

the Delivery Body must, for each of the relevant Settlement Periods or DSR Alternative Delivery Periods in the case of Rule 13.2.6(a) above and for the activation Settlement Period in the case of Rule 13.2.6(b), notify the Applicant or Capacity Provider of its verified calculations of:

- (i) Baseline Demand;
- (ii) the DSR evidenced (which can be zero); and
- (iii) the Proven DSR Capacity calculated by multiplying the DSR by two (and in the case of Rule 13.2.6(a) using the Settlement Period or DSR Alternative Delivery Periods which evidenced the lowest DSR).

13.2.10 The Applicant or Capacity Provider (as applicable) may, within 2 Working Days of receiving a notice from the Delivery Body pursuant to Rule 13.2.9, issue a notice under Rule 13.2.6(b) above, in which case Rules 13.2.7 to 13.2.9 above once again apply provided that the Applicant or Capacity Provider (as applicable) may only exercise the right to require a retest pursuant to this Rule on one occasion. To the extent such right is exercised, the outcome of the second DSR Test will be conclusive as to the Proven DSR Capacity of the relevant DSR CMU even if such outcome demonstrates a lower Proven DSR Capacity than the first DSR Test.

13.2.11 Within five Working Days of receipt of the notice under Rule 13.2.9, and provided that no notice has been issued under Rule 13.2.10, if applicable, the

Delivery Body must issue a DSR Test Certificate to the Applicant or Capacity Provider (as applicable):

- (a) confirming that the DSR Test has occurred;
- (b) setting out the Proven DSR Capacity of the DSR CMU, which must be that notified by the Delivery Body pursuant to Rule 13.2.9; and
- (c) detailing the metering configuration for each DSR CMU Component comprised in the DSR CMU.

13.2.12 A DSR Test Certificate issued pursuant to this Rule 13.2 will only be valid for the DSR CMU for so long as the details relating to the configuration of such DSR CMU as detailed pursuant to Rule 13.2.5 remain valid (provided that the addition of new DSR CMU Components will not be deemed to change such configuration). In the event that the DSR CMU configuration changes, such DSR CMU will be deemed to be an Unproven DSR CMU until such time as a new DSR Test Certificate has been issued.

13.2.12A Subject to Rule 13.2.12 and 13.2.14, a DSR Test Certificate issued pursuant to this Rule 13.2 will remain valid if the Applicant in respect of a DSR CMU submits an Application for the same resource in a subsequent Capacity Auction and provides confirmation in accordance with Rule 3.10.3.

13.2.13 The Delivery Body shall notify the CM Settlement Body of the outcome of any DSR Test carried out pursuant to this Rule 13.2.

13.2.14 A DSR Test Certificate will be invalidated if the Metering Test Certificate for a DSR CMU specifies a different metering configuration for any DSR CMU Component comprised in the DSR CMU than that specified in the DSR Test Certificate.

### **13.2A New DSR Test**

13.2A.1 Rule 13.3A.2 applies where a Capacity Provider has a DSR Test Certificate and the CM Settlement Body has notified the Delivery Body under Rule 13A.2.4(c), 13A.2.7(c), 13A.3.4(d), 13A.3.7(c), 13A.4.5(d), 13A.4.8(c), 13A.5.4(c) or Rule 13A.5.7(c) that the Metering Test Certificate is invalid and that a new DSR Test is required.

13.2A.2 Where this Rule 13.2A.2 applies, the Delivery Body must notify the Capacity Provider that a new DSR Test must be carried out.

13.2A.3 To enable the Delivery Body to carry out a new DSR Test with respect to the relevant DSR CMU, the Capacity Provider must provide the Delivery Body with the information set out in Rule 13.2.5, except for the information required by Rule 13.2.5(b)(ii).

13.2A.4 Following the submission of the information referred to in Rule 13.2A.3, the Capacity Provider must for each DSR CMU comply with Rule 13.2.6(b).

13.2A.5 If the Capacity Provider complies with Rule 13.2.6(b), Rules 13.2.7 and 13.2.8 apply.

13.2A.6 The Delivery Body must for the activation Settlement Period in the case of Rule 13.2.6(b), notify the Capacity Provider of its verified calculations of:

- (a) Baseline Demand;
  - (b) the DSR evidenced (which can be zero); and
  - (c) the Proven DSR Capacity calculated by multiplying the DSR by two.
- 13.2A.7 The Delivery Body must comply with the requirement in Rule 13.2A.6 within 5 Working Days of receipt of data from the CM Settlement Body regarding Metered Volumes at the relevant meters during the Settlement Period referred to in Rule 13.2.6(b).
- 13.2A.8 The Capacity Provider may, within 2 Working Days of receiving a notice from the Delivery Body pursuant to Rule 13.2A.6, issue a notice under Rule 13.2.6(b).
- 13.2A.9 If a Capacity Provider issues a notice under Rule 13.2A.8, Rules 13.2.6(b), 13.2.7 and 13.2A.6 apply provided that the Capacity Provider may only exercise the right to require a retest pursuant to this Rule on one occasion.
- 13.2A.10 Where a Capacity Provider exercises the right to require a re-test pursuant to Rule 13.2A.9, the outcome of the second DSR Test will be conclusive as to the Proven DSR Capacity of the relevant DSR CMU even if such outcome demonstrates a lower Proven DSR Capacity than the first DSR Test.
- 13.2A.11 Within five Working Days of receipt of the notice under 13.2A.6, and provided that no notice has been issued under Rule 13.2A.8, the Delivery Body must issue a new DSR Test Certificate to the Capacity Provider:
- (a) confirming that a new DSR Test has occurred;
  - (b) setting out the new Proven DSR Capacity of the DSR CMU, which must be that notified by the Delivery Body pursuant to Rule 13.2A.6; and
  - (c) detailing the metering configuration for each DSR CMU Component comprised in the DSR CMU.
- 13.2A.12 The Delivery Body shall:
- (a) notify the CM Settlement Body of the outcome of any new DSR Test carried out pursuant to this Rule 13.2A; and
  - (b) update the Capacity Market Register in accordance with Rules 7.5.1(j) and (v).

### **13.2B Joint DSR Test**

- 13.2B.1 An Applicant or Capacity Provider may, by notification to the Delivery Body, nominate more than one DSR CMU for a Joint DSR Test, provided the relevant DSR CMUs are Unproven DSR CMUs and have the same Applicant or Capacity Provider.
- 13.2B.2 A DSR CMU can participate in a Joint DSR Test either:
- (a) prior to the commencement of the Prequalification Window for a Capacity Auction (in which case each DSR CMU may submit an Application for Prequalification as a Proven DSR CMU); or
  - (b) after the award of a Capacity Agreement but by no later than one month prior to the commencement of the Delivery Year for that Capacity

Agreement (in which case each DSR CMU must submit an Application for Prequalification as an Unproven DSR CMU).

- 13.2B.3 No Joint DSR Test may take place during the Prequalification Assessment Window for any Capacity Auction.
- 13.2B.4 A Joint DSR Test is the same regardless of whether it is carried out pursuant to Rule 13.2B.2(a) or 13.2B.2(b).
- 13.2B.5 In order to carry out a Joint DSR Test with respect to a group of DSR CMUs, an Applicant or Capacity Provider (as applicable) must provide the Delivery Body with:
- (a) the Meter Point Administration Number(s) of the meters for that site and/or connection point, and details of any other meters necessary to identify and monitor the DSR from any DSR CMU Component in relation to each DSR CMU participating in the Joint DSR Test; and
  - (b) either:
    - (i) the Metering Test Certificate for each DSR CMU, in which case any DSR CMU Component comprised in the DSR CMU will be measured against the metering configuration specified for that DSR CMU Component in the Metering Test Certificate; or
    - (ii) where no Metering Test Certificate has been issued for one or more DSR CMU, confirmation of the Approved Metering Solution that each DSR CMU Component is to be measured against.
- 13.2B.6 Following the submission of the information referred to in Rule 13.2B.5 above, the Applicant or Capacity Provider (as applicable) must:
- (a) for each DSR CMU nominated for the Joint DSR Test, and prior to Prequalification only, provide
    - (i) historic information to the Delivery Body that identifies the same three separate Settlement Periods or DSR Alternative Delivery Periods within the 2 years prior to the start of the Prequalification Window in which:
      - (aa) a Baseline Demand can be calculated for each DSR CMU Component of the relevant DSR CMU; and
      - (bb) the DSR CMU delivered a positive DSR Volume (net of any related imports) in discharge of an obligation to deliver a balancing service;
    - (ii) a calculation of the DSR Volume of the DSR CMU which is thereby evidenced in each such Settlement Period or DSR Alternative Delivery Period, including the adjustment for Line Loss Factors, the lowest of which will be doubled to determine the Proven DSR Capacity of the relevant DSR CMU; and
    - (iii) a letter from the Distribution Network Operator confirming the Line Loss Factor methodology statement and calculated values in the three periods identified pursuant to Rule 13.2B.6(a), and, where applicable, a letter from the owner of the Unlicensed Network

confirming the electrical loss factor methodology statement and calculated values in the three periods identified pursuant to Rule 13.2B.6(a); or

- (b) give the Delivery Body no less than two Working Days' notice of its intention to test activate the relevant DSR CMUs and of the Settlement Period(s) in which such activation will be carried out; and
- (c) give the relevant DNO(s) no less than two Working Days' notice of its intention to test activate the relevant DSR CMUs and of the Settlement Period(s) in which such activation will be carried out.

13.2B.6A For the purposes of Rule 13.2B.6(a):

- (a) a DSR Alternative Delivery Period may be identified by a CMU only where:
  - (i) that CMU is metered using a higher time sampling frequency than half-hourly; and
  - (ii) the metered data is available both to the Applicant or Capacity Provider and to the Delivery Body.
- (b) the calculation of DSR Volume may, where applicable, be made by substituting Settlement Period with DSR Alternative Delivery Period where that term is specified under Rule 1.2.

13.2B.7 The Delivery Body may:

- (a) at any time up to 4 hours prior to the relevant Settlement Period, instruct the Applicant or Capacity Provider (with a copy to the CM Settlement Body) not to activate any relevant DSR CMU in that Settlement Period for any reason, provided that no more than two instructions may be submitted by the Delivery Body to an Applicant or Capacity Provider under this Rule 13.2B.7(a) for any proposed Joint DSR Test; and
- (b) at any time, instruct the Applicant or Capacity Provider (with a copy to the CM Settlement Body) not to activate any relevant DSR CMU in that Settlement Period if the System Operator has issued an Emergency Instruction in respect of that Settlement Period;

and, on receipt of such instruction, the Applicant or Capacity Provider:

- (i) if received no later than 4 hours prior to the Settlement Period, must not activate, and otherwise must seek to not activate or deactivate (as applicable), the relevant DSR CMU; and
- (ii) may submit a new notice under Rule 13.2B.6(a) above, taking into consideration any reasons given by the Delivery Body in a notice issued under (a) or (b) above.

13.2B.8 The Delivery Body's rights to give any instruction under Rule 13.2B.7 apply notwithstanding that the effect may be to prevent a DSR Test Certificate from being issued prior to any deadline applicable to the Applicant or Capacity Provider under the Regulations or the Rules.

13.2B.9 Within five Working Days of:



- (a) receipt of historic information under Rule 13.2B.6(a) above; or
- (b) receipt of data from the Settlement Body regarding Metered Volumes at the relevant meters during the Settlement Periods referred to in Rule 13.2B.6(b),

the Delivery Body must, for each of the relevant Settlement Periods or DSR Alternative Delivery Periods in the case of Rule 13.2B.6(a) above and for the activation Settlement Period in the case of Rule 13.2B.6(b), notify the Applicant or Capacity Provider of, for each DSR CMU nominated for the Joint DSR Test, its verified calculations of:

- (i) Baseline Demand; and
- (ii) the DSR evidenced (which can be zero); and
- (iii) a value, calculated by multiplying the DSR by two (and in the case of Rule 13.2B.6(a) using the Settlement Period or DSR Alternative Delivery Periods which evidenced the lowest DSR), which is equivalent to the calculation for Proven DSR Capacity of a DSR CMU in the case of a DSR Test under Rule 13.2; and
- (iv) the Proven DSR Capacity of each DSR CMU nominated as part of the Joint DSR Test, calculated in accordance with 13.2B.13.

13.2B.10 The Applicant or Capacity Provider (as applicable) may, within two Working Days of receiving a notice from the Delivery Body pursuant to Rule 13.2B.9, issue a notice under Rule 13.2B.6(b) above, in which case Rules 13.2B.7 to 13.2B.9 above once again apply provided that the Applicant or Capacity Provider (as applicable) may only exercise the right to require a retest pursuant to this Rule on one occasion. To the extent such right is exercised, the outcome of the second Joint DSR Test will be conclusive as to the Proven DSR Capacity of the relevant DSR CMUs even if such outcome demonstrates a lower Proven DSR Capacity than the first DSR Test.

13.2B.11 Prior to the issuing of a DSR Test Certificate, the Delivery Body must calculate:

- (a) the aggregate Unproven DSR Capacity for those DSR CMUs nominated for the Joint DSR Test, by summing the Unproven DSR Capacity of each DSR CMU; and
- (b) the aggregate Proven DSR Capacity for those DSR CMUs by summing the value for each DSR CMU calculated in accordance with 13.2B.9(iii).

13.2B.12 If the aggregate Proven DSR Capacity for those DSR CMUs is at least as great as their aggregate Unproven DSR Capacity, and provided that no notice has been issued under Rule 13.2B.10, if applicable, then within five Working Days of receipt of the notice under Rule 13.2B.9 the Delivery Body must issue a DSR Test Certificate to the Applicant or Capacity Provider (as applicable) for each DSR CMU:

- (a) confirming the Joint DSR Test has occurred;
- (b) setting out the final Proven DSR Capacity for the DSR CMU, as per 13.2B.9(iv);

- (c) detailing the metering configuration for each DSR CMU Component comprised in the relevant DSR CMU; and
  - (d) recording on the certificate that the relevant DSR CMU has been part of a successful Joint DSR Test.
- 13.2B.13 Subject to Rule 13.2B.14, upon the issuance of a DSR Certificate, the Proven DSR Capacity for each relevant DSR CMU nominated for the Joint DSR Test will be equal to its Unproven DSR Capacity divided by the value in Rule 13.2B.11(a), multiplied by the value in 13.2B.11(b).
- 13.2B.14 Where the Proven DSR Capacity calculated pursuant to 13.2B.13 exceeds a value of 50MW, the Proven DSR Capacity for the relevant DSR CMU should be reduced to equal 50MW in accordance with the Regulations.
- 13.2B.15 In the event that a DSR CMU, which has been issued a DSR Test Certificate, undergoes another DSR Test or Joint DSR Test, the Delivery Body must notify the Capacity Provider or Applicant that the DSR Test Certificates are retracted for each of the DSR CMUs that undertook the same Joint DSR Test as the relevant DSR CMU.
- 13.2B.16 Upon the issuance of a notice under Rule 13.2B.15, the Proven DSR Capacity of a DSR CMU will be equal to the value specified in the new DSR Test Certificate, as determined under Rule 13.2.11(b), Rule 13.2A.11(b) or Rule 13.2B.12(b).
- 13.2B.17 The Delivery Body shall notify the CM Settlement Body upon the issuance of a DSR Test Certificate under Rule 13.2B.12 or notice under Rule 13.2B.15.
- 13.2B.18 For DSR CMUs that have undertaken a Joint DSR Test, the DSR Test Certificates issued pursuant to this Rule 13.2B will only be valid for so long as the details relating to the configuration of each DSR CMU, as detailed pursuant to Rule 13.2B.5, remain valid (provided that the addition of new DSR CMU Components will not be deemed to change such configuration). In the event that a relevant DSR CMU configuration changes, each DSR CMU involved in the relevant Joint DSR Test will be deemed to be an Unproven DSR CMU until such time as a new DSR Test Certificate has been issued.
- 13.2B.18A Subject to Rule 13.2B.12 and 13.2B.15, a DSR Test Certificate issued pursuant to this Rule 13.2B will remain valid if the Applicant in respect of a DSR CMU submits an Application for the same DSR CMU Components in a subsequent Capacity Auction and provides confirmation in accordance with Rule 3.10.3 for each of the DSR CMUs that were nominated for this Joint DSR Test.
- 13.2B.19 The Delivery Body shall notify the CM Settlement Body of the outcome of any Joint DSR Test carried out pursuant to this Rule 13.2B.

### **13.2C New Joint DSR Test**

- 13.2C.1 Rule 13.2C.2 applies where a Capacity Provider has completed a Joint DSR Test and holds a DSR Test Certificate and the CM Settlement Body has notified the Delivery Body under Rule 13A.2.4(c), 13A.2.7(c), 13A.3.4(d), 13A.3.7(c), 13A.4.5(d), 13A.4.8(c), 13A.5.4(c) or Rule 13A.5.7(c) that the Metering Test Certificate is invalid and that a new Joint DSR Test is required.

- 13.2C.2 Where this Rule 13.2C.2 applies, the Delivery Body must notify the Capacity Provider that a new Joint DSR Test must be carried out.
- 13.2C.3 To enable the Delivery Body to carry out a new Joint DSR Test with respect to the relevant DSR CMUs, the Capacity Provider must provide the Delivery Body with the information set out in Rule 13.2B.5, except for the information required by Rule 13.2B.5(b)(ii).
- 13.2C.4 Following the submission of the information referred to in Rule 13.2C.3, the Capacity Provider must for each DSR CMU comply with Rule 13.2B.6.
- 13.2C.5 If the Capacity Provider complies with Rule 13.2B.6, Rules 13.2B.7 and 13.2B.8 apply.
- 13.2C.6 The Delivery Body must for the activation Settlement Period in the case of Rule 13.2B.6(b), notify the Capacity Provider of its verified calculations of:
- (a) Baseline Demand; and
  - (b) the DSR evidenced (which can be zero); and
  - (c) a value, calculated by multiplying the DSR by two (and in the case of Rule 13.2B.6(a) using the Settlement Period or DSR Alternative Delivery Periods which evidenced the lowest DSR), which is equivalent to the calculation for Proven DSR Capacity of a DSR CMU in the case of a DSR Test under Rule 13.2); and
  - (d) the Proven DSR Capacity of each DSR CMU nominated as part of the New Joint DSR Test, calculated in accordance with 13.2B.13.
- 13.2C.7 The Delivery Body must comply with the requirements in Rule 13.2C.6 within 5 Working Days of receipt of data from the CM Settlement Body regarding Metered Volumes at the relevant meters during the Settlement Period referred to in Rule 13.2B.6(b).
- 13.2C.8 The Capacity Provider may, within two Working Days of receiving a notice from the Delivery Body pursuant to Rule 13.2C.6, issue a notice under Rule 13.2B.10.
- 13.2C.9 If a Capacity Provider issues a notice under Rule 13.2C.8, Rules 13.2B.6(b), 13.2B.7 and 13.2C.6 apply provided that the Capacity Provider may only exercise the right to require a retest pursuant to this Rule on one occasion.
- 13.2C.10 Where a Capacity Provider exercises the right to require a re-test pursuant to Rule 13.2C.9, the outcome of the second Joint DSR Test will be conclusive as to the Proven DSR Capacity of the relevant DSR CMUs even if such outcome demonstrates a lower Proven DSR Capacity than the first Joint DSR Test.
- 13.2C.11 Within five Working Days of receipt of the notice under 13.2C.6, and provided that no notice has been issued under Rule 13.2C.8, the Delivery Body must issue a new DSR Test Certificate to the Capacity Provider:
- (a) confirming that a new Joint DSR Test has occurred;
  - (b) setting out the final Proven DSR Capacity for each DSR CMU, as per 13.2B.9(iv);

- (c) detailing the metering configuration for each DSR CMU Component comprised in the relevant DSR CMU; and
- (d) recording on the certificate that the relevant DSR CMUs have been part of a successful Joint DSR Test.

13.2C.12 The Delivery Body shall:

- (a) notify the CM Settlement Body of the outcome of any new DSR Test carried out pursuant to this Rule 13.2C; and
- (b) update the Capacity Market Register in accordance with Rules 7.5.1(j) and (v).

### **13.3 Metering Test**

13.3.1 A Metering Test is a test conducted by the CM Settlement Body to determine whether or not the metering arrangements for each Generating Unit or DSR CMU Component comprised in a CMU, or the Electricity Interconnector comprised in an Interconnector CMU, constitutes an Approved Metering Solution.

13.3.2 A Capacity Provider for a CMU that is subject to a Metering Test must:

- (a) notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU; and
- (b) submit a Metering Statement setting out the Metering Configuration Solution that each Generating Unit or DSR CMU Component comprised in the CMU, or the Electricity Interconnector comprised in the Interconnector CMU, is to be tested against.

13.3.3 The CM Settlement Body must notify the Capacity Provider if it requires access to any Generating Unit, DSR CMU Component, Electricity Interconnector, Meter, Meter Point or any other facility, plant, property or assets relating to a CMU for the purposes of conducting a Metering Test.

13.3.4 Following issue of a notice pursuant to Rule 13.3.3, the Capacity Provider and the CM Settlement Body must liaise to determine the nature of the access required to enable the CM Settlement Body to conduct the Metering Test and the times when such access shall be granted to the CM Settlement Body (the "Access Right").

13.3.5 The Capacity Provider must grant (or, if the Capacity Provider is not the owner of the relevant property or asset, shall procure that the owner grants) the Access Right to the CM Settlement Body and any suitably-qualified persons nominated by the CM Settlement Body.

13.3.6 Following the completion of a Metering Test in relation to each Generating Unit or DSR CMU Component, or Electricity Interconnector, comprised in a CMU, the CM Settlement Body must either:

- (a) issue a Metering Test Certificate to the relevant Capacity Provider with respect to that CMU:
  - (i) confirming that the Metering Test has occurred;

- (ii) detailing the metering configuration for each Generating Unit or DSR CMU Component, or Electricity Interconnector, comprised in the CMU; and
    - (iii) confirming that the metering arrangements for each Generating Unit or DSR CMU Component, or Electricity Interconnector, comprised in a CMU constitutes an Approved Metering Solution; or
  - (b) notify the Capacity Provider that one or more Generating Units or DSR CMU, Components comprised in the CMU, or the Electricity Interconnector comprised in the Interconnector CMU, has failed a Metering Test.
- 13.3.7 If the CM Settlement Body gives notice to a Capacity Provider pursuant to Rule 13.3.6(b), the Capacity Provider must, within 5 Working Days of receipt of such notice, notify the CM Settlement Body specifying whether or not the Capacity Provider accepts the decision of the CM Settlement Body.
- 13.3.8 If the Capacity Provider accepts a decision of the CM Settlement Body pursuant to Rule 13.3.7, the Capacity Provider must:
- (a) submit to the CM Settlement Body a rectification plan with respect to the relevant Metering Test failure(s) within 15 Working Days of receipt of the notice pursuant to Rule 13.3.6(b);
  - (b) implement the rectification plan by no later than the date falling 40 Working Days after receipt of the notice pursuant to Rule 13.3.6(b); and
  - (c) notify the CM Settlement Body within 5 Working Days after completion of all steps identified in the rectification plan,
- and, thereafter, the CM Settlement Body must conduct a further Metering Test with respect to the relevant Generating Units, DSR CMU Components or Electricity Interconnector and Rules 13.3.3 to 13.3.6 shall apply.
- 13.3.9 If the Capacity Provider does not accept a decision of the CM Settlement Body pursuant to Rule 13.3.6(b):
- (a) the Capacity Provider must submit to the CM Settlement Body within 15 Working Days of receipt of the notice pursuant to Rule 13.3.6(b) written representations setting out the reasons why the Capacity Provider believes that a Metering Test Certificate should have been issued together with supporting information from an independent metering specialist;
  - (b) within 5 Working Days of receiving the submissions referred to in Rule 13.3.9(a), the CM Settlement Body will convene a meeting with the Capacity Provider and the independent metering specialist to seek a resolution to the dispute;
  - (c) if a resolution is agreed pursuant to Rule 13.3.9(b), either the CM Settlement Body will issue a Metering Test Certificate or Rule 13.3.8 will apply as applicable;

- (d) if no resolution is agreed pursuant to Rule 13.3.9(b), the dispute shall be submitted to an expert for determination in accordance with the Expert Determination Procedure; and
  - (e) following the determination by the expert in accordance with the Expert Determination Procedure, either the CM Settlement Body will issue a Metering Test Certificate or Rule 13.3.8 will apply as applicable.
- 13.3.10 The CM Settlement Body shall notify the Delivery Body of the outcome of any Metering Test carried out pursuant to this Rule 13.3.
- 13.3.11 A Metering Test Certificate issued pursuant to Rule 13.3.6 will only be valid for the Generating Unit or DSR CMU Component to which it relates for so long as the details relating to the configuration of the CMU and/or the Metering Configuration Solution as detailed pursuant to Rule 8.3.3(ea)(i) remain unchanged. In the event that the configuration of the CMU and/or the Metering Configuration Solution changes, the Capacity Provider must obtain a new Metering Test Certificate.

#### **13.4 Demonstrating satisfactory performance**

- 13.4.1 Subject to Rule 13.4.1A and Rule 13.4.1B, if a Capacity Committed CMU has not demonstrated to the Delivery Body (in accordance with Rule 13.4.2 capacity at a level equal to or greater than its Capacity Obligation or aggregate Capacity Obligations for at least one Settlement Period (which Settlement Periods may fall within a System Stress Event) on three separate days (each a “Satisfactory Performance Day”) during the Winter of the relevant Delivery Year:
- (a) the Capacity Committed CMU must demonstrate three additional Satisfactory Performance Days after 1 May in that Delivery Year or at any time in any subsequent Delivery Year;
  - (b) the Capacity Committed CMU’s entitlement to Capacity Payments will be suspended in accordance with the Regulations from 1 May in that Delivery Year until the later of 1 June in that Delivery Year and the day on which the third Satisfactory Performance Day is demonstrated pursuant to Rule 13.4.1(a) above; and
  - (c) if the Capacity Committed CMU fails to satisfy the requirements of Rule 13.4.1(a) by the end of the relevant Delivery Year then, without prejudice to the ongoing suspension of Capacity Payment pursuant to Rule 13.4.1(b), the Capacity Provider with respect to such Capacity Committed CMU must repay all Capacity Payments received (net of any Settlement Period Penalties paid capacity provider penalty charges paid under Regulation 41) in that Delivery Year in accordance with the Regulations.
- 13.4.1A For the purposes of the definition of “Satisfactory Performance Day” in Rule 13.4.1, in the case of an Interconnector CMU, the demonstration that is to be made is of Net Output at a level greater than zero as recorded for the purposes of the BSC by file CDCA-I041 of the Central Data Collection Agent (CDCA).
- 13.4.1B Subject to Rule 13.4.1C and for the purposes of the definition of “Satisfactory Performance Day” in Rule 13.4.1, in the case of a group of Capacity Committed

CMUs with the same Capacity Provider (a “CMU Portfolio”), where those CMUs are either:

- (a) DSR CMUs which consist of DSR CMU components on two or more different sites; or
- (b) Non-CMRS Distribution CMUs, where, for each such CMU the aggregate connection capacity of all generating units is no greater than 50MW.

the demonstration that can be made instead of Rule 13.4.1 is capacity delivered in aggregate by the CMU Portfolio at a level equal to or greater than their combined Capacity Obligations (subject to Rule 9.5.1) for at least one Settlement Period (which Settlement Periods may fall within a System Stress Event) during the Winter of a relevant Delivery Year.

- 13.4.1C DSR CMUs or Non-CMRS Distribution CMUs demonstrating Satisfactory Performance Days in accordance with 13.4.1B, must for the purposes of Rule 13.4.1 demonstrate Satisfactory Performance Days using the same CMU Portfolio.
- 13.4.1D Where a CMU has, either individually or as part of a CMU Portfolio, demonstrated the requisite number of Satisfactory Performance Days in a relevant Delivery Year, that CMU must not form part of any other CMU Portfolio as defined in Rule 13.4.1B.
- 13.4.2 The Capacity Provider of a Generating CMU, a DSR CMU or an Interconnector CMU must notify the Delivery Body of the occurrence of the requisite number of Satisfactory Performance Days by the end of Winter and where the Satisfactory Performance Days have been demonstrated in accordance with 13.4.1B, must specify in the notification that this is the case and the DSR CMUs and Non-CMRS Distribution CMUs to which this applies.
- 13.4.2 The Delivery Body must notify the Capacity Provider if it is aware that any Satisfactory Performance Day notified in accordance with Rule 13.4.2 is not a Satisfactory Performance Day properly notified in accordance with this Rule 13.
- 13.4.3 Any Satisfactory Performance Day demonstrated on a Winter day during a Delivery Year may be counted towards the obligation in Rule 13.4.1 with respect to that Delivery Year and towards the obligation in Rule 13.4.1(a) with respect to a previous Delivery Year.
- 13.4.4 If, in two or more months in which System Stress Events occur in a Delivery Year, a Capacity Committed CMU fails to achieve a calculation of  $E_{ij}$  of 1kWh in relation to at least one System Stress Event in each such month, then each obligation pursuant to Rule 13.4.1 that requires the demonstration of three Satisfactory Performance Days during a period shall instead be a requirement to demonstrate six Satisfactory Performance Days in the same such period.
- 13.4.5 The Delivery Body must notify the CM Settlement Body of:
  - (a) any failure by a Capacity Committed CMU to demonstrate three Satisfactory Performance Days during Winter pursuant to Rule 13.4.1;
  - (b) any failure by a Capacity Committed CMU to satisfy its obligations (where applicable) pursuant to Rule 13.4.1(a) by the end of the relevant Delivery Year; and

- (c) the date on which a Capacity Committed CMU satisfies its obligations pursuant to Rule 13.4.1(a).

### **13.5 Site Audit**

- 13.5.1 A Site Audit may be carried out if:
  - (a) non-compliance is suspected by the CM Settlement Body;
  - (b) a change to a Capacity Provider's metering configuration has occurred further to Rule 8.3.3(f)(ii)(aa);
  - (c) a Capacity Provider submits meter data directly to the CM Settlement Body; or
  - (d) an on-site check has not been conducted by the CM Settlement Body to confirm the metering configuration used by the Capacity Provider.
- 13.5.2 A Site Audit must involve verification that the Metering System accords with any Metering Statement submitted by the Capacity Provider in accordance with Rule 13.3.2 and where applicable may include a comparison with the settlement meter data submitted to the CM Settlement Body in order to detect errors.
- 13.5.3 Where a Site Audit is to take place, the CM Settlement Body must:
  - (a) notify the Capacity Provider that a Site Audit will take place;
  - (b) propose a date (the "proposed date") for the Site Audit to take place (a minimum of 2 months' notice required);
  - (c) set out the nature of access required for the purposes of conducting the Site Audit;
  - (d) if applicable, notify the Capacity Provider if it requires further information to be submitted about the Metering System in advance of the Site Audit; and
  - (e) if applicable, notify the Capacity Provider that if it has not been subject to a Metering Test and has not provided a Metering Statement it must provide a Metering Statement.
- 13.5.4 The CM Settlement Body shall (and shall procure that any suitably-qualified persons nominated by the CM Settlement Body) take or refrain from taking all such action as may be reasonably required by the Capacity Provider in order to comply with applicable health and safety rules in relation to the Metering Site which is the subject of the Site Audit.
- 13.5.5 Following receipt of a notice issued pursuant to Rule 13.5.3, the Capacity Provider must within 5 Working Days:
  - (a) acknowledge receipt of the notice;
  - (b) confirm the proposed date for the Site Audit is suitable and if unsuitable liaise with the CM Settlement Body and agree a suitable date for the Site Audit to take place within one month of the proposed date (the "agreed date");



- (c) liaise with the CM Settlement Body to determine the nature of the access required to enable the CM Settlement Body to conduct the Site Audit and the times when such access shall be granted to the CM Settlement Body (“the Entry Right”); and
  - (d) notify the CM Settlement Body of any changes to the Metering System since the Metering Statement was provided.
- 13.5.6 If Rule 13.5.3(d) or (e) apply, the Capacity Provider must provide the requested information and/or Metering Statement as applicable to the CM Settlement Body, within 21 Working Days prior to the agreed date of the Site Audit.
- 13.5.7 The Capacity Provider must obtain (or, if the Capacity Provider is not the owner of the relevant property or asset, shall procure that the owner obtains) each authorisation, licence, accreditation, permit, consent, certificate, resolution, clearance, exemption, order confirmation, permission or other approval for it to be able to grant the Entry Right to the CM Settlement Body and any suitably-qualified persons nominated by the CM Settlement Body.
- 13.5.8 Following completion of a Site Audit, the CM Settlement Body must within 5 Working Days either:
  - (a) issue a notice of compliance to the Capacity Provider; or
  - (b) issue a notice of non-compliance to the Capacity Provider and provide details of the non-compliance.
- 13.5.9 If the CM Settlement Body:
  - (a) gives notice to a Capacity Provider pursuant to Rule 13.5.8(b); and
  - (b) the Site Audit identifies that the Capacity Provider was in breach of the requirements under Rule 8.3.3(f) and/or Rule 14.5.7, Rule 13A.6.1 applies.
- 13.5.10 If the CM Settlement Body gives notice to a Capacity Provider pursuant to Rule 13.5.8(b), the Capacity Provider must within 5 Working Days of receipt of such notice, notify the CM Settlement Body specifying whether or not the Capacity Provider accepts the decision of the CM Settlement Body.
- 13.5.11 If the Capacity Provider accepts a decision of the CM Settlement Body pursuant to Rule 13.5.10, the Capacity Provider must respond to the applicable Metering Recovery Payment Notice in accordance with Rule 13A.6.1, and, thereafter, if the CM Settlement Body is satisfied that the Capacity Provider has complied with the above requirements, issue a notice of compliance to the Capacity Provider.
- 13.5.12 If the Capacity Provider does not accept the decision of the CM Settlement Body pursuant to Rule 13.5.10:
  - (a) the Capacity Provider must submit to the CM Settlement Body within 5 Working Days of receipt of the notice pursuant to Rule 13.5.8(b) written representations setting out the reasons why the Capacity Provider believes that a non-compliance notice should not have been issued together with supporting information from an independent metering specialist;

- (b) within 5 Working Days of receiving the submissions referred to in Rule 13.5.12(a), the CM Settlement Body will convene a meeting with the Capacity Provider and the independent metering specialist to seek a resolution to the dispute;
  - (c) if a resolution is agreed pursuant to Rule 13.5.12(b), either the CM Settlement Body will issue a compliance notice or Rule 13.5.11 will apply as applicable;
  - (d) if no resolution is agreed pursuant to Rule 13.5.12(b), the dispute shall be submitted to an expert for determination in accordance with the Expert Determination Procedure; and
  - (e) following the determination by the expert in accordance with the Expert Determination Procedure, either the CM Settlement Body will issue a compliance notice or Rule 13.5.11 will apply as applicable.
- 13.5.13 For the purposes of Rule 13.5.12(d) references there to “Expert Determination Procedure” mean the procedure set out in Schedule 5 with the following modifications:
- (a) all references to Rule 13.3.6(b) should be read as 13.5.8(b);
  - (b) all references to Rule 13.3.9(b) should be read as 13.5.12(b); and
  - (c) all references to Rule 13.3.9(d) should be read as Rule 13.5.12(d).
- 13.5.14 The CM Settlement Body shall notify the Delivery Body of the outcome of any Site Audit carried out pursuant to this Rule 13.5.

## CHAPTER 13A: METERING RECOVERY FAULTS AND REPAYMENT OF CAPACITY PAYMENTS

### 13A. Metering Recovery Faults and Payments

#### 13A.1 Purpose of this Chapter

13A.1.1 The Rules describe the circumstances in which:

- (a) a Metering Test Certificate or DSR Test Certificate is invalidated; and
- (b) a capacity payment is repayable as a result of such an invalidity.

#### 13A.2 Failure to notify a change to the metering configuration

13A.2.1 If the CM Settlement Body becomes aware that a Capacity Provider has failed to notify it of a change to the metering configuration in accordance with Rule 8.3.3(f)(ii) the CM Settlement Body must issue, as soon as reasonably practicable, a Metering Recovery Payment Notice to the Capacity Provider.

13A.2.2 Within five Working Days of receipt of a Metering Recovery Payment Notice, the Capacity Provider must:

- (a) confirm to the CM Settlement Body whether a change to the metering configuration occurred;
- (b) confirm, if applicable, the date the change first occurred (the “invalidation date”); and
- (c) provide evidence to prove the invalidation date.

13A.2.3 If a Capacity Provider:

- (a) fails to comply with Rule 13A.2.2, then Rule 13A.2.4 and 13A.2.5 apply;
- (b) complies with Rule 13A.2.2 and the CM Settlement Body determines that the Capacity Provider has failed to meet the requirement in Rule 8.3.3(f)(ii), Rule 13A.2.7 and 13A.2.8 apply.

13A.2.4 Where this Rule applies:

- (a) a Capacity Provider’s Metering Test Certificate is invalidated;
- (b) the CM Settlement Body must notify a Capacity Provider that its Metering Test Certificate has been invalidated and that the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.4;
- (c) if a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
  - (i) (notify the Delivery Body as soon as reasonably practicable that the Capacity Provider’s Metering Test Certificate has been invalidated; and
  - (ii) (notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or Rule 13.2C respectively; and

- (d) unless a new DSR Test or new Joint DSR Test under paragraph (c)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.
- 13A.2.5 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.
- 13A.2.6 Where a new Metering Test is required under Rule 13A.2.5 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.
- 13A.2.7 Where this Rule applies:
  - (a) a Capacity Provider's Metering Test Certificate is invalidated;
  - (b) the CM Settlement Body must notify a Capacity Provider that its Metering Test Certificate has been invalidated and that the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.2;
  - (c) if a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
    - (i) (notify the Delivery Body as soon as reasonably practicable that the Capacity Provider's Metering Test Certificate has been invalidated; and
    - (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or Rule 13.2C respectively; and
  - (d) unless a new DSR Test under paragraph (c)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.
- 13A.2.8 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.
- 13A.2.9 Where a new Metering Test is required under Rule 13A.2.8 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.
- 13A.2.10 If a Capacity Provider is required to undertake a new DSR Test and the new DSR Test demonstrates a lower output than the Capacity Provider's Capacity Obligation, the Capacity Provider must have its Capacity Obligation reduced to its new Proven DSR Capacity and Rule 13A.8.6 applies. Where the new Proven DSR Capacity is less than 2MW, Rule 6.10.1(d) applies.
- 13A.2.11 If a Capacity Provider undertakes a new Joint DSR Test and the new Joint DSR Test demonstrates a lower aggregate output than the sum of the Capacity Provider's Capacity Obligations, for each DSR CMUs undertaking the relevant Joint DSR Test, the Capacity Provider must have its Capacity Obligations reduced such that the Proven DSR Capacity of each DSR CMU is equal to the new aggregate Proven DSR Capacity, divided by the number of DSR CMUs

undertaking the Joint DSR Test. Where the Proven DSR Capacity of one or more DSR CMU is less than 2MW, Rule 6.10.1(d) applies.

### **13A.3 Errors with the submission of data**

- 13A.3.1 If the CM Settlement Body becomes aware that a Capacity Provider has failed to notify it in accordance with Rule 14.5.7 of an error with any data submitted, the CM Settlement Body must issue, as soon as reasonably practicable, a Metering Recovery Payment Notice to the Capacity Provider.
- 13A.3.2 Within five Working Days of receipt of a Metering Recovery Payment Notice, the Capacity Provider must provide to the CM Settlement Body details of the date when errors in any data submitted first occurred (the “invalidation date”) and either:
- (a) correct the fault; or
  - (b) submit to the CM Settlement Body a rectification plan setting out how and when the fault will be corrected.
- 13A.3.3 If a Capacity Provider:
- (a) fails to comply with Rule 13A.3.2, then Rule 13A.3.4 and 13A.3.5 apply;
  - (b) complies with Rule 13A.3.2 and the CM Settlement Body determines that the Capacity Provider has breached Rule 14.5.7, Rule 13A.3.7 and 13A.3.8 apply.
- 13A.3.4 Where this Rule applies:
- (a) a Capacity Provider’s Metering Test Certificate is invalidated;
  - (b) the CM Settlement Body must notify a Capacity Provider that its Metering Test Certificate has been invalidated and that the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.4;
  - (c) if a rectification plan was submitted under Rule 13A.3.2(b), the Capacity Provider must:
    - (i) undertake any repairs to the Metering Equipment in accordance with that plan; or
    - (ii) notify the CM Settlement Body that the repairs have been completed within five Working Days of completion;
  - (d) if a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
    - (i) notify the Delivery Body as soon as reasonably practicable that the Capacity Provider’s Metering Test Certificate has been invalidated; and
    - (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or 13.2C respectively; and

- (e) unless a new DSR Test or Joint DSR Test under paragraph (d)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.
- 13A.3.5 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.
- 13A.3.6 Where a new Metering Test is required under Rule 13A.3.5 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.
- 13A.3.7 Where this Rule applies:
- (a) a Capacity Provider's Metering Test Certificate is invalidated;
  - (b) the CM Settlement Body must notify a Capacity Provider that its Metering Test Certificate has been invalidated and:
    - (i) if the fault is corrected by the Capacity Provider in accordance with Rule 13A.3.2(a), the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.2; or
    - (ii) if repairs are required under a rectification plan submitted under Rule 13A.3.2(b) the Capacity Provider must:
      - (aa) undertake any repairs to the Metering Equipment in accordance with the rectification plan submitted;
      - (bb) notify the CM Settlement Body that the repairs have been completed within five Working Days of completion (the "completion notice"); and
      - (cc) repay the capacity payments it has received in accordance with Rule 13A.8.3;
  - (c) where a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
    - (i) notify the Delivery Body as soon as reasonably practicable that the Capacity Provider's Metering Test Certificate has been invalidated; and
    - (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or 13.2C respectively.
- 13A.3.8 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.
- 13A.3.9 Where a new Metering Test is required under Rule 13A.3.8 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.
- 13A.3.10 If a Capacity Provider is required to undertake a new DSR Test and the DSR Test demonstrates a lower output than the Capacity Provider's Capacity Obligation, the Capacity Provider must have its Capacity Obligation reduced to

its new Proven DSR Capacity and Rule 13A.8.6 applies. Where the new Proven DSR Capacity is less than 2MW Rule 6.10.1(d) applies.

- 13A.3.11 If a Capacity Provider undertakes a new Joint DSR Test and the new Joint DSR Test demonstrates a lower aggregate output than the sum of the Capacity Provider's Capacity Obligations, for each DSR CMUs undertaking the relevant Joint DSR Test, the Capacity Provider must have its Capacity Obligations reduced such that the Proven DSR Capacity of each DSR CMU is equal to the new aggregate Proven DSR Capacity, divided by the number of DSR CMUs undertaking the Joint DSR Test. Where the Proven DSR Capacity of one or more DSR CMU is less than 2MW, Rule 6.10.1(d) applies.

#### **13A.4 Faulty Metering Equipment**

- 13A.4.1 If a Capacity Provider fails to notify the CM Settlement Body of any faulty Metering Equipment that is, or has been, inaccurately recording data in breach of Rule 8.3.3(f)(v) the CM Settlement Body must, as soon as reasonably practicable, issue a Metering Recovery Payment Notice to the Capacity Provider.
- 13A.4.2 The obligation on the CM Settlement Body in Rule 13A.4.1 only arises if the CM Settlement Body becomes aware of the faulty Metering Equipment through a third party or a Site Audit.
- 13A.4.3 Within five Working Days of receipt of a Metering Recovery Payment Notice, the Capacity Provider must provide to the CM Settlement Body details of when the fault was first discovered (the "invalidation date"), evidence of the fault and either:
- (a) correct the fault; or
  - (b) submit a rectification plan to the CM Settlement Body setting out how and when the fault will be corrected.
- 13A.4.4 If a Capacity Provider:
- (a) fails to comply with Rule 13A.4.3, then Rule 13A.4.5 and 13A.4.6 apply;
  - (b) complies with Rule 13A.4.3 and the CM Settlement Body determines that the Capacity Provider has failed to meet the requirement in Rule 8.3.3(f)(v) then Rule 13A.4.8 and 13A.4.9 apply.
- 13A.4.5 Where this Rule applies:
- (a) a Capacity Provider's Metering Test Certificate is invalidated;
  - (b) the CM Settlement Body must notify a Capacity Provider that its Metering Test Certificate has been invalidated and that the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.4;
  - (c) if a rectification plan was submitted under Rule 13A.4.3(b) required, the Capacity Provider must:
    - (i) undertake any repairs to the Metering Equipment in accordance with that plan; or

- (ii) notify the CM Settlement Body that the repairs have been completed within five Working Days of completion;
  - (d) where a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
    - (i) notify the Delivery Body as soon as reasonably practicable that the Capacity Provider's Metering Test Certificate has been invalidated; and
    - (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or Rule 13.2C respectively; and
  - (e) unless a new DSR Test or new Joint DSR Test under paragraph (d)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.
- 13A.4.6 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.
- 13A.4.7 Where a new Metering Test is required under Rule 13A.4.6 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.
- 13A.4.8 Where this Rule applies:
- (a) a Capacity Provider's Metering Test Certificate is invalidated;
  - (b) the CM Settlement Body must notify a Capacity Provider that its Metering Test Certificate has been invalidated and:
    - (i) if the fault is corrected by the Capacity Provider in accordance with Rule 13A.4.3(a), the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.2; or
    - (ii) if repairs are required under a rectification plan submitted under Rule 13A.4.3(b) the Capacity Provider must:
      - (aa) undertake any repairs to the Metering Equipment in accordance with the rectification plan submitted;
      - (bb) notify the CM Settlement Body that the repairs have been completed within five Working Days of completion (the "completion notice"); and
      - (cc) repay the capacity payments it has received in accordance with Rule 13A.8.3;
  - (c) where a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
    - (i) notify the Delivery Body as soon as reasonably practicable that the Capacity Provider's Metering Test Certificate has been invalidated; and



- (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or Rule 13.2C respectively; and
  - (d) unless a new DSR Test or new Joint DSR Test under paragraph (c)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.
- 13A.4.9 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.
- 13A.4.10 Where a new Metering Test is required under Rule 13A.4.9 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.
- 13A.4.11 If a Capacity Provider is required to undertake a new DSR Test and that DSR Test demonstrates a lower output than the Capacity Provider's Capacity Obligation, the Capacity Provider must have its Capacity Obligation reduced to its new Proven DSR Capacity and Rule 13A.8.6 applies. Where the new Proven DSR Capacity is less than 2MW Rule 6.10.1(d) applies.
- 13A.4.12 If a Capacity Provider undertakes a new Joint DSR Test and the new Joint DSR Test demonstrates a lower aggregate output than the sum of the Capacity Provider's Capacity Obligations, for each DSR CMUs undertaking the relevant Joint DSR Test, the Capacity Provider must have its Capacity Obligations reduced such that the Proven DSR Capacity of each DSR CMU is equal to the new aggregate Proven DSR Capacity, divided by the number of DSR CMUs undertaking the Joint DSR Test. Where the Proven DSR Capacity of one or more DSR CMU is less than 2MW, Rule 6.10.1(d) applies.

### **13A.5 Submission of incorrect information**

- 13A.5.1 If the CM Settlement Body becomes aware that a Capacity Provider has submitted incorrect information to the Delivery Body or CM Settlement Body regarding a CMU, Generating Unit or DSR component in purported compliance with Rule 8.3.3(f)(i), the CM Settlement Body must, as soon as reasonably practicable, issue a Metering Recovery Payment Notice to the Capacity Provider.
- 13A.5.2 Within five Working Days of receipt of a Metering Recovery Payment Notice, the Capacity Provider must:
- (a) provide the CM Settlement Body with details of the date when the incorrect information was first submitted (the "invalidation date"); and
  - (b) explain to the CM Settlement Body why the line diagrams provided in accordance with, as applicable, Rule 3.6.4(a)(i), Rule 3.9.4(a)(i) or Rule 8.3.3(ba), and/or the Metering Statement provided in accordance with Rule 13.3.2, differ from the metering configuration.
- 13A.5.3 If a Capacity Provider:
- (a) fails to comply with Rule 13A.5.2, then Rule 13A.5.4 and 13A.5.5 apply;

- (b) complies with Rule 13A.5.2 and the CM Settlement Body determines that the Capacity Provider has breached the requirement in Rule 8.3.3(f)(i) then Rule 13A.5.7 and 13A.5.8 apply.

13A.5.4 Where this Rule 13A.5.4 applies:

- (a) a Capacity Provider's Metering Test Certificate is invalidated;
- (b) the CM Settlement Body must notify the Capacity Provider that its Metering Test Certificate has been invalidated and that the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.4;
- (c) if a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
  - (i) notify the Delivery Body as soon as reasonably practicable that the Capacity Provider's Metering Test Certificate has been invalidated; and
  - (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or 13.2C respectively; and
- (d) unless a new DSR Test or new Joint DSR Test under paragraph (c)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.

13A.5.5 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.

13A.5.6 Where a new Metering Test is required under Rule 13A.5.5 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.

13A.5.7 Where this Rule 13A.5.7 applies:

- (a) a Capacity Provider's Metering Test Certificate is invalidated;
- (b) the CM Settlement Body must notify the Capacity Provider that its Metering Test Certificate has been invalidated and that the Capacity Provider must repay the capacity payments it has received in accordance with Rule 13A.8.2;
- (c) if a Capacity Provider also has a DSR Test Certificate, the CM Settlement Body must:
  - (i) notify the Delivery Body as soon as reasonably practicable that the Capacity Provider's Metering Test Certificate has been invalidated; and
  - (ii) notify the Delivery Body that a new DSR Test or new Joint DSR Test is required in accordance with Rule 13.2A or 13.2C respectively; and

(d) unless a new DSR Test or new Joint DSR Test under paragraph (c)(ii) confirms the accuracy of the existing DSR Test Certificate the Capacity Provider's existing DSR Test Certificate is invalidated.

13A.5.8 The CM Settlement Body must notify the Capacity Provider that it is required to undertake a new Metering Test in accordance with Rule 13.3.

13A.5.9 Where a new Metering Test is required under Rule 13A.5.8 the requirement in Rule 13.3.2 that the Capacity Provider must notify the CM Settlement Body that it requires a Metering Test to be carried out with respect to that CMU does not apply.

13A.5.10 If a Capacity Provider is required to undertake a new DSR Test and that DSR Test demonstrates a lower output than the Capacity Provider's Capacity Obligation, the Capacity Provider must have its Capacity Obligation reduced to its new Proven DSR Capacity and Rule 13A.8.6 applies. Where the new Proven DSR Capacity is less than 2MW, Rule 6.10.1(d) applies.

13A.5.11 If a Capacity Provider undertakes a new Joint DSR Test and the new Joint DSR Test demonstrates a lower aggregate output than the sum of the Capacity Provider's Capacity Obligations, for each DSR CMUs undertaking the relevant Joint DSR Test, the Capacity Provider must have its Capacity Obligations reduced such that the Proven DSR Capacity of each DSR CMU is equal to the new aggregate Proven DSR Capacity, divided by the number of DSR CMUs undertaking the Joint DSR Test. Where the Proven DSR Capacity of one or more DSR CMU is less than 2MW, Rule 6.10.1(d) applies.

#### **13A.6 Metering concerns following Site Audit**

13A.6.1 If, following a Site Audit, the CM Settlement Body determines that a breach of Rule 8.3.3(f) or Rule 14.5.7 has occurred; the CM Settlement Body must issue a Metering Recovery Payment Notice in accordance with, as applicable, Rule 13A.2.1, 13A.3.1, 13A.4.1 or 13A.5.1.

#### **13A.7 Determining the repayment periods**

13A.7.1 For the purposes of this Chapter, "Metering Recovery Payment Notice" has the meaning given, as applicable, in Rule 13A.2.1, 13A.3.1, 13A.4.1 or 13A.5.1.

13A.7.2 For the purposes of this Chapter, "completion notice" has the meaning given, as applicable, in Rule 13A.3.7(b)(ii)(bb) or 13A.4.8(b)(ii)(bb).

13A.7.3 For the purposes of this Chapter, "invalidation date" has the meaning given, as applicable, in Rule 13A.2.2(b), 13A.3.2, 13A.4.3 or 13A.5.2(a).

#### **13A.8 Repayment of capacity payments for a metering fault**

13A.8.1 Where a Metering Test Certificate or DSR Test Certificate is held to be invalid on one of the grounds specified in Rule 13A.2.4, 13A.2.7, 13A.3.4, 13A.3.7, 13A.4.5, 13A.4.8, 13A.5.4 and 13A.5.7 the Capacity Provider must repay Capacity Payments in accordance with the provisions of this Rule.

13A.8.2 Subject to Rule 13A.8.5, Capacity Payments are repayable in respect of the period MP1, as defined in Regulation 43C(4)(a), where the Metering Test Certificate or DSR Test Certificate is held to be invalid on any of the grounds specified in Rule 13A.2.7(b), 13A.3.7(b)(i), 13A.4.8(b)(i) and 13A.5.7(b).

- 13A.8.3 Subject to Rule 13A.8.5, Capacity Payments are repayable in respect of the period MP2, as defined in Regulation 43C(4)(b), where the Metering Test Certificate or DSR Test Certificate is held to be invalid on any of the grounds specified in Rule 13A.3.7(b)(ii)(cc) and 13A.4.8(b)(ii)(cc).
- 13A.8.4 Subject to Rule 13A.8.5, Capacity Payments are repayable in respect of the period MP3, as defined in Regulation 43C(4)(c), where the Capacity Provider fails to comply with any of the grounds specified in Rules 13A.2.4(b), 13A.3.4(b), 13A.4.5(b) and 13A.5.4(b).
- 13A.8.5 Capacity Providers with a capacity agreement relating to a Generating CMU with a multi-year Capacity Obligation are not required to repay Capacity Payments for a metering fault on the third occasion of invalidating their Metering Test Certificate. Capacity Payments are repayable in the event of the relevant Capacity Agreement being terminated under Rule 6.10.1(l) in accordance with Rule 6.10.3A.
- 13A.8.6 Rule 13A.8.8 applies if a Capacity Provider:
- (a) is required to undertake a new DSR Test or new Joint DSR Test in accordance with any of the provisions specified in Rule 13A.8.7; and
  - (b) that test evidences a Proven DSR Capacity in an amount less than its Capacity Obligation and greater than 2MW.
- 13A.8.7 The provisions specified in Rule 13A.8.6(a) are:
- (a) Rule 13A.2.4(c)(ii);
  - (b) Rule 13A.2.7(c)(ii);
  - (c) Rule 13A.3.4(c)(ii);
  - (d) Rule 13A.3.7(c)(ii);
  - (e) Rule 13A.4.5(d)(ii);
  - (f) Rule 13A.4.8(c)(ii);
  - (g) Rule 13A.5.4(c)(ii); or
  - (h) Rule 13A.5.7(c)(ii).
- 13A.8.8 Where this Rule 13A.8.8 applies:
- (a) the Capacity Obligation; and
  - (b) all payments (whether Capacity Payments or penalties),
- with respect to a CMU in relation to which:
- (i) a DSR Test was undertaken under Rule 13A.8.6, must be reduced by the proportion which the Proven DSR Capacity bears to the Unproven DSR Capacity; and
  - (ii) a Joint DSR Test was undertaken under Rule 13A.8.6, must be reduced by the proportion which the aggregate Proven DSR Capacity bears to the aggregate Unproven DSR Capacity.

## CHAPTER 14: DATA PROVISION

### 14. Data provision

#### 14.1 Purpose of this Chapter

- 14.1.1 These Rules govern the requirements for the provision of data to the CM Settlement Body.

#### 14.2 General

- 14.2.1 The requirements to provide data set out in Rules 14.3 to 14.5 apply as follows:
- (a) all requirements, except for the requirement in Rule 14.3.1(b), apply in respect of each Delivery Year; and
  - (b) the requirement in Rule 14.3.1(b) applies from the date on which these Rules come into force.
- 14.2.2 A person (“P”) who is required to provide data to the CM Settlement Body under this Chapter must comply with any directions by the CM Settlement Body as to the format in which the data is to be provided.
- 14.2.3 Where P:
- (a) has provided data in respect of a matter under this Chapter and revised data becomes available to P in respect of that matter; or
  - (b) has not provided data by the date required by this Chapter but is able to provide the missing data after that date,
- subject to Rule 14.2.4, P must provide the revised or missing data to the CM Settlement Body as soon as reasonably practicable.
- 14.2.4 P is not required to provide any revised or missing data to the CM Settlement Body after the expiry of 28 months from the date on which data in respect of that matter was first required (other than under Rule 14.2.3) to be provided under this Chapter.
- 14.2.5 Where this Chapter requires P to provide any data to the CM Settlement Body:
- (a) the CM Settlement Body may direct P to provide that data to a settlement services provider, either instead of or in addition to providing it to the CM Settlement Body;
  - (b) P must comply with the direction; and
  - (c) if P does so, P is to be treated as having complied with the requirements of this Chapter.
- 14.2.6 In Rule 14.2.5, “settlement services provider” means a person providing services to the CM Settlement Body in connection with the performance of its functions under the Regulations or these Rules.

#### 14.3 BSCCo: Data provision

- 14.3.1 The BSCCo must provide to the CM Settlement Body:

- (a) the data described in Rule 14.3.2 for each Capacity Committed CMU which is a Generating CMU or Interconnector CMU comprised of BM Units, in respect of:
  - (i) each Settlement Period in which a System Stress Event occurs; and
  - (ii) any other Settlement Periods for which the CM Settlement Body requests the data; and
- (b) in respect of each Settlement Period, the BM Unit Metered Volume in MWh to three decimal places for:
  - (i) each Capacity Committed CMU which is a Generating CMU or Interconnector CMU comprised of BM Units; and
  - (ii) each electricity supplier.

14.3.1A The obligation of the BSCCo under Rule 14.3.1 applies in relation to a CMVR Registered CMU as it applies in relation to a Capacity Committed CMU, provided that the Settlement Body has received notification under Rule 10.1A.2(a) within the timescale referred to in Rule 14.3.3.

14.3.2 The data referred to in Rule 14.3.1 means:

- (a) the following as defined in the BSC:
  - (i) BM Unit Applicable Balancing Services Volume;
  - (ii) Period Accepted Bid Volumes;
  - (iii) Period Accepted Offer Volumes; and
- (b) the following as defined in Rule 8.5.2(a):
  - (i)  $MEL_{ij}$ ;
  - (ii)  $QME_{ij}$ .

14.3.3 BSCCo must provide the data to which Rule 14.3.1(a) or (b)(i) applies:

- (a) by no later than 9 Working Days after the end of the month in which the Settlement Period occurs; and
- (b) where, after the provision of the data under Rule 14.3.3(a), BSCCo revises that data, as soon as practicable after the revision.

14.3.4 BSCCo must provide the data to which Rule 14.3.1(b)(ii) applies as soon as reasonably practicable.

#### **14.4 System Operator and Delivery Body: Data provision**

14.4.1 The System Operator must notify the CM Settlement Body and the Delivery Body after it:

- (a) gives a Demand Reduction Instruction and/or Emergency Manual Disconnection Instruction to one or more DNOs; or
- (b) becomes aware that an Automatic Low Frequency Demand Disconnection has taken place.

- 14.4.2 The System Operator must provide to the CM Settlement Body in respect of each Settlement Period in which a System Stress Event occurs, for each Capacity Committed CMU which is a Generating CMU not comprised of BM Units:
- (a) details of whether the CMU was providing a Relevant Balancing Service in that Settlement Period and, if so, which Relevant Balancing Service;
  - (b) values for “Declared\_Availability” and “Contracted\_Output” in accordance with Schedule 4; and
  - (c) any other values, except those referred to in Rule 14.4.1(a) and Rule 14.4.2(c), required for the calculation of ALFCO for that CMU.
- 14.4.2A The System Operator must provide to the CM Settlement Body in respect of each Settlement Period in which a System Stress Event occurs, for each Capacity Committed CMU which is an Interconnector CMU, details of any reduction of Net Output falling within Rule 8.5.1(ba).
- 14.4.2B The System Operator must provide to the CM Settlement Body in respect of each Settlement Period in which a System Stress Event occurs, for each Capacity Committed CMU which is an Interconnector CMU, the Interconnector Schedule Transfer.
- 14.4.3 The Delivery Body must provide to the CM Settlement Body the following data:
- (a) the times (if any) given by the Delivery Body of the:
    - (i) issue and expiry of a Capacity Market Warning;
    - (ii) commencement and completion of a System Stress Event;
  - (b) not used
  - (c) each of the values of ILR<sub>j</sub>, RfR and SCO<sub>j</sub> required for the calculation of ALFCO;
  - (d) the identity of any Capacity Provider who is:
    - (i) ineligible to receive a capacity payment (in whole or part) by reason of the termination of their Capacity Agreement or suspension of Capacity Payments in accordance with the provisions of these Rules; or
    - (ii) liable to have Applicant Credit Cover drawn down (in whole or part) under Regulation 59;
  - (e) details of any notice given by the Delivery Body to an Applicant that Applicant Credit Cover must be lodged with the CM Settlement Body;
  - (f) details of any Termination Notice given by the Delivery Body to a Capacity Provider, including whether a Termination Fee is payable; and
  - (g) notice of any event entitling the Capacity Provider to the release of Applicant Credit Cover.
- 14.4.4 The details provided under Rule 14.4.3(e) or (f) must include, in particular:
- (a) the amount of the payment or credit required;

- (b) the date on or by which it is due; and
- (c) identification of the CMU to which the requirement relates.

- 14.4.5 The data described in Rules 14.4.1, 14.4.2 and 14.4.3 must be provided as soon as practicable and, in the case of the data described in Rules 14.4.1, 14.4.2 and 14.4.3(a), (c) and (d)(i) no later than 5 Working Days after the end of the month to which the data relates.
- 14.4.6 The System Operator must provide to the CM Settlement Body outturn electrical demand in MWh in respect of each month which is part of the calculation period for calculating the weighting factor for that Delivery Year under paragraph 2 of Schedule 1 of the Regulations.
- 14.4.7 The Delivery Body must by the date 5 Working Days after the end of Winter in a Delivery Year give a notice to the CM Settlement Body (a “payment suspension notice”) in respect of a Capacity Committed CMU if satisfactory performance days have not been demonstrated for the CMU as required by these Rules.
- 14.4.8 Where the Delivery Body has given a payment suspension notice in respect of a Capacity Committed CMU, it must give a further notice to the CM Settlement Body (a “payment resumption notice”) if Additional Satisfactory Performance Days are subsequently demonstrated for the CMU as required by these Rules.
- 14.4.9 A payment resumption notice must:
  - (a) be given within 5 Working Days after the Delivery Body is satisfied that the requirement referred to in Rule 14.4.8 has been met; and
  - (b) state the date on which the requirement was complied with.

#### **14.5 Capacity providers: data provision**

- 14.5.1 Rule 14.5.2 applies to a Capacity Provider (“C”) in relation to each Capacity Committed CMU in respect of which C is the Capacity Provider, except for any such CMU which is a Generating CMU comprised of BM Units.
- 14.5.2 Where this Rule 14.5.2 applies, C must provide to the CM Settlement Body the following data for each Capacity Committed CMU referred to in Rule 14.5.1:
  - (a) for each Generating CMU, the Metered Volume of electricity produced measured in MWh to three decimal places in respect of each Relevant Settlement Period;
  - (b) for each DSR CMU, the metered demand value measured in MWh in respect of:
    - (i) each relevant Settlement Period, and the Settlement Period immediately before and immediately after each relevant Settlement Period;
    - (ii) each Settlement Period which is used for baselining or capability testing, and the Settlement Period immediately before and immediately after each such Settlement Period or which is used for de-rating;



- (iii) such other Settlement Periods as the CM Settlement Body may request.

14.5.3 Rule 14.5.4 applies where:

- (a) a Capacity Provider is a party to the BSC and compliance with that code does not require the Capacity Provider to provide data to BSCCo in relation to the compilation of the data described in Rule 14.3.2 which other Capacity Providers are required to provide (“the missing data”); and
- (b) BSCCo has not provided one or more of the items of data described in Rule 14.3.2.

14.5.4 Where this Rule 14.5.4 applies, the Capacity Provider must provide to the CM Settlement Body data which is equivalent to the missing data.

14.5.5 A Capacity Provider to whom Rule 14.5.2 or Rule 14.5.4 applies must provide the data specified in that Rule:

- (a) as soon as practicable and no later than 9 Working Days after the end of the month in which the Settlement Period occurs; and
- (b) where after the provision of any data under Rule 14.5.5(a) the data is revised, as soon as practicable after the revision.

14.5.6 Rule 14.5.7 applies to a Capacity Provider (“C”) in relation to each Capacity Committed CMU in respect of which C is the Capacity Provider, including any such CMU which is a Generating CMU comprised of BM Units.

14.5.7 Where this Rule 14.5.7 applies, C must notify the CM Settlement Body if it identifies there is an error with the data submitted in accordance with Rule 14.5 within two Working Days of discovering the fault and within five Working Days either:

- (a) correct the fault; or
- (b) submit a rectification plan to the CM Settlement Body setting out how and when the fault will be corrected.

14.5.8 This Rule 14.5 applies to a CMVR Registered Participant as it applies to a Capacity Provider, and for that purpose any reference to “Capacity Committed CMU” is to be construed as reference to a CMVR Registered CMU.

## CHAPTER 15: REVIEW OF THE RULES

### 15. Review of the Rules

#### 15.1 Review by the Secretary of State

- 15.1.1 The Secretary of State must from time to time:
- (a) carry out a review of the following provisions of the Rules, namely:
    - (i) any rules that confer functions on the Secretary of State or the Authority; and
    - (ii) any rules made or amended by the Secretary of State after 30 June 2015; and
  - (b) publish a report setting out the conclusions of the review.
- 15.1.2 The report must in particular:
- (a) set out the objectives intended to be achieved by the rules reviewed under this Rule 15.1;
  - (b) assess the extent to which those objectives are achieved; and
  - (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved in a less burdensome way.
- 15.1.3 The first report under this Rule 15.1 must be published with the report by the Secretary of State under Regulation 81.
- 15.1.4 Reports under this Rule 15.1 are, after the first report, to be published at intervals not exceeding five years.

#### 15.2 Review by the Authority

- 15.2.1 The Authority must from time to time:
- (a) carry out a review of the Rules; and
  - (b) publish a report setting out the conclusions of the review.
- 15.2.2 The report must in particular:
- (a) set out the objectives:
    - (i) intended to be achieved by the Rules, or
    - (ii) in the case of rules that are not made by the Authority, understood by the Authority to be intended to be achieved;
  - (b) assess the extent to which those objectives are achieved; and
  - (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved in a less burdensome way.
- 15.2.3 The first report under this Rule 15.2 must be published before 1 August 2019.
- 15.2.4 Reports under this Rule 15.2 are, after the first report, to be published at intervals not exceeding five years.



## SCHEDULE 1: TEMPLATE CAPACITY AGREEMENT NOTICE

### CAPACITY AGREEMENT NOTICE

*This Capacity Agreement Notice is issued pursuant to the Capacity Market Rules (the “Rules”). Terms have the meaning prescribed to them in the Rules unless otherwise indicated.*

*The Registered Holder of the Capacity Agreement to which this Capacity Agreement Notice relates has the rights and obligations of a Capacity Provider pursuant to the Regulations and the Rules.*

*Neither the registration of a Capacity Committed CMU (or its Capacity Provider) nor the issuance of a Capacity Agreement Notice is intended to create contractual relations and does not give rise to contractual rights for the benefit of a Capacity Provider or any Administrative Party. Where there is an inconsistency between a Capacity Agreement or a Capacity Agreement Notice and the terms of the Capacity Market Register, the terms of the Capacity Market Register prevail.*

#### Part A: Capacity Obligation

##### Capacity Obligation

In accordance with Rule 8.5, the Registered Holder must deliver electrical energy or reduce demand at the Capacity Committed CMU to which this Capacity Agreement Notice relates in accordance with Rule 8.5.1.

##### Capacity Payment

The Registered Holder is entitled to a Capacity Payment for the Capacity Committed CMU to which this Capacity Agreement relates in accordance with the Regulations.

#### Part B: Capacity Agreement Details

(i)	Identification number	
(ii)	Relevant Delivery Year(s)	
(iii)	Auction (T-4 or T-1)	
(iv)	Date of Auction Results Day	
(v)	Clearing Price to be used to determine Capacity Payment	
(vi)	the Auction Acquired Capacity Obligation	
(vii)	Base period for indexation (if applicable)	
(viii)	Date(s) of amendment to or transfer of Capacity Agreement (if any) and details	

### Part C: Capacity Provider Details

(i)	Registered Holder	
(ii)	Corporate registration number (if applicable)	
(iii)	Registered address	
(iv)	Name and contact details of authorised contact person or any Agent appointed	
(v)	Not used	
(vi)	Names of previous Registered Holders, if any, and dates of transfer	

### Part D: CMU Details

(i)	Description and the full postal address with postcode and the two letter prefix and six-figure Ordnance Survey grid reference numbers of Generating Unit(s) and/or DSR CMU Component(s) or the Electricity Interconnector	
(ii)	Meter Point Administration Numbers for relevant Meter(s) or details of metering and communications arrangements	
(iii)	BM Unit ID (if applicable)	
(iv)	Type of CMU (Transmission, CMRS Distribution, Non-CMRS Distribution or DSR, Interconnector)	
(v)	Classification (for Generating or Interconnector CMUs only – Existing, Prospective and, if applicable Refurbishing)	
(vi)	Construction Milestone Dates (for Prospective CMUs only)	

(vii)	Longstop Date ( <i>for Prospective CMUs only</i> )	
(viii)	De-rated Capacity	
(ix)	Applicable Termination Fees	
(x)	Applicable annual liability cap	
(xi)	Applicable monthly liability cap	

#### Part F: Transferability

The Capacity Agreement to which this Capacity Agreement Notice relates may be amended, transferred or terminated only in accordance with the Regulations and the Rules.

## **SCHEDULE 2: BASELINE METHODOLOGY**

- 1** Purpose of the methodology
  - 1.1** The purpose of this methodology is to establish the baseline Demand (in MW) for a DSR CMU Component. This baseline can be compared against actual demand during a System Stress Event in order to determine the volume of capacity generated through DSR at that DSR CMU Component.
  - 1.2** The baseline Demand will be determined for each Settlement Period or DSR Alternative Delivery Period based on the relevant data points for that period. For the purposes of this methodology a DSR Alternative Delivery Period may be identified by a CMU only where:
    - 1.2.1** that CMU is metered using a higher time sampling frequency than half-hourly; and
    - 1.2.2** the metered data is available both to the Applicant or Capacity Provider and to the Delivery Body.
- 2** Relevant baseline data points
  - 2.1** The relevant data points for determining the baseline Demand for a DSR CMU Component with respect to a Settlement Period or DSR Alternative Delivery Period must be the Demand at that DSR CMU Component in the equivalent Settlement Period or DSR Alternative Delivery Period, as appropriate:
    - 2.1.1** in the same day of the week for each of the last 6 weeks (provided that where the period for which the baseline is being calculated is on a Working Day and the same day of the week in the last 6 weeks is a non-Working Day that these equivalent periods are disregarded); and
    - 2.1.2** where the Settlement Period or DSR Alternative Delivery Period for which the baseline is being calculated is on a Working Day, on the last 10 Working Days; and
    - 2.1.3** where the Settlement Period or DSR Alternative Delivery Period for which the baseline is being calculated is not on a Working Day, on the last ten days that are not a Working Day,  
as evidenced to the CM Settlement Body and ignoring:
      - 2.1.4** any such equivalent Settlement Period or DSR Alternative Delivery Period for which there is no data available; and
      - 2.1.5** any such Settlement Period or DSR Alternative Delivery Period which falls while a Capacity Market Warning is in force;(each such data point in a Settlement Period or DSR Alternative Delivery Period being a "Demand Sample").
- 3** Baseline calculation
  - 3.1** Each Demand Sample must be amended by:
    - 3.1.1** adding any energy being provided by the reduction of consumption or increase in generation; and
    - 3.1.2** subtracting any energy being consumed or generation not being provided,

in each case for the purposes of a balancing service defined as such pursuant to Standard Condition C16 of the Transmission Licence and provided by the DSR CMU Component during the period to which it relates (each an “Adjusted Demand Sample”).

- 3.2** The mean average of the Adjusted Demand Samples for a DSR CMU Component in a Settlement Period or DSR Alternative Delivery Period will be the Provisional Baseline Demand for that DSR CMU Component during that period.
- 3.3** In the event of a Capacity Market Warning, the Provisional Baseline Demand for a DSR CMU Component must be determined for each of the 6 Settlement Periods or DSR Alternative Delivery Periods where applicable, prior to the Settlement Period in which the Capacity Market Warning is issued and compared to the actual Demand of such DSR CMU Component in each such period with excess actual Demand over Provisional Baseline Demand being expressed as a positive number and excess Provisional Baseline Demand over actual Demand being expressed as a negative number (each such comparison determination being a “Pre-CMW Adjustment”).
- 3.4** The Baseline Demand for a DSR CMU Component during any Settlement Period or DSR Alternative Delivery Period to which a Capacity Market Warning relates will be the Provisional Baseline Demand for that DSR CMU Component during such Settlement Period or DSR Alternative Delivery Period, as appropriate, adjusted by the average of the Pre-CMW Adjustments relating to that Capacity Market Warning.

#### **4** Monitoring

- 4.1** The CM Settlement Body must monitor for any manipulation of Demand at any DSR CMU Component intended to give a false indication of the baseline Demand at such DSR CMU Component (“Baseline Manipulation”). Such monitoring may include (without limitation):
  - 4.1.1** checking Demand in periods other than the Demand Samples; and
  - 4.1.2** examining any data available from meters other than the meter through which DSR with respect to the DSR CMU Component is being measured to determine whether a genuine DSR has been delivered.
- 4.2** If the CM Settlement Body suspects any Baseline Manipulation, it must notify the Authority providing details of its suspicions.



### SCHEDULE 3: GENERATING TECHNOLOGY CLASSES

1.1 The Generating Technology Classes for the purposes of these Rules are the classes specified in the first column of the following table. The second column of the table contains further details about plant types included in each such class.

Generating Technology Class	Plant Types Included
Oil-fired steam generators	<ul style="list-style-type: none"> <li>• Conventional steam generators using fuel oil</li> </ul>
OCGT and reciprocating engines (non-autogeneration)	<ul style="list-style-type: none"> <li>• Gas turbines running in open cycle fired mode</li> <li>• reciprocating engines not used for autogeneration</li> </ul>
Nuclear	<ul style="list-style-type: none"> <li>• Nuclear plants generating electricity</li> </ul>
Hydro	<ul style="list-style-type: none"> <li>• Generating Units driven by water, other than such units:               <ul style="list-style-type: none"> <li>(a) driven by tidal flows, waves, ocean currents or geothermal sources; or</li> <li>(b) which form part of a Storage Facility</li> </ul> </li> </ul>
Storage	<ul style="list-style-type: none"> <li>• Conversion of imported electricity into a form of energy which can be stored, the storing the energy which has been so converted and the re-conversion of the stored energy into electrical energy</li> <li>• Includes hydro Generating Units which form part of a Storage Facility (pumped storage hydro stations).</li> </ul>
CCGT	<ul style="list-style-type: none"> <li>• Combined Cycle Gas Turbine plants</li> </ul>
CHP and autogeneration	<ul style="list-style-type: none"> <li>• Combined Heat and Power plants (large and small-scale)</li> <li>• Autogeneration – including reciprocating engines burning oil or gas</li> </ul>
Coal/biomass	<ul style="list-style-type: none"> <li>• Conventional steam generators using coal or biomass</li> </ul>

1.2 In the above table:

“autogeneration” means the generation of electricity by a person whose main business is not electricity generation, the electricity being produced mainly for that person’s own use;

“Combined Heat and Power plants” means turbines or engines which generate heat and power, including electricity, simultaneously in a single process; and

a “reciprocating engine” means an engine in which one or more pistons move up and down in cylinders.

## **SCHEDULE 3A: METHODOLOGY FOR DETERMINING THE DE-RATING FACTOR FOR AN INTERCONNECTOR CMU**

This Schedule 3A sets out the methodology for the determination of the Equivalent Firm Interconnector Capacity (“EFIC”) of an Interconnector CMU for the purpose of Rule 2.3.4(c).

The EFIC of an Interconnector CMU for a calendar year (“Year Y”) will be the greater of:

- (1) the Historical De-rating Factor of that CMU for Year Y, and
- (2) the Forecasted De-rating Factor of that CMU for Year Y,

unless there are publically reported concerns about the supply of electricity for Year Y in the country or territory in which the Non-GB Part will be located (“the Interconnected Country”), in which case the Secretary of State may decide on a value for EFIC that is less than the Historical De-rating Factor.

### **Historical De-rating Factor**

The Historical De-rating Factor is to be determined by the Secretary of State as follows:

For each Financial Year (“Year A”) in the period of seven Financial Years ending with 31 March in the year preceding the calendar year in which the determination is made (or of six Financial Years if the determination is made in 2015) (“the Relevant Period”), take all those hourly periods which show the highest 50% of peak demand in Core Winter Periods during Working Days between 7am and 7pm (“Periods of Highest Demand”). From those periods, take the subset of periods in which the day-ahead wholesale price for electricity in Great Britain is greater than the day-ahead wholesale price in the Interconnected Country (“the Positive Price-differential Periods”).

For this purpose “Financial Year” means a period of one year commencing with 1 April.

#### **Case 1**

If an Electricity Interconnector has been in place throughout the Relevant Period for the purpose of transmitting electricity between the Interconnected Country and the GB Transmission system, and a complete set of data is available showing the amounts of electricity transmitted through that Electricity Interconnector during the Relevant Period (even in the instance of prolonged maintenance periods), take the subset of all those Positive Price-differential Periods in which there has been such a transmission into the GB Transmission System. Divide the number of periods in that subset by the total number of Periods of Highest Demand to give a de-rating factor for Year A (“DF<sub>A</sub>”).

The Historical De-rating Factor for Year Y is then the average of DF<sub>A</sub> for each Year A.

#### **Case 2**

Where Case 1 does not apply, divide the number of Positive Price-differential Periods by the total number of Periods of Highest Demand, and then make a downward adjustment of the resulting figure based on factors such as technical availability, ramp rates and transmission losses to give a de-rating factor for Year A (“DF<sub>A</sub>”).

The Historical De-rating Factor for Year Y is then the average of DF<sub>A</sub> for each Year A.

### **Forecasted De-Rating Factor**

The Forecasted De-rating Factor is to be determined by the Secretary of State as follows:

The Forecasted De-Rating Factor is to be based on a set of de-rating factors for Electricity Interconnectors produced by the Delivery Body using stochastic modelling methodology.

The Delivery Body must provide those de-rating factors to the Secretary of State, together with the scenarios on which they are based.

The Secretary of State will make a determination of the Forecasted De-Rating Factor for Year Y, taking those de-rating factors into consideration and after consulting such persons of proven technical expertise as the Secretary of State considers appropriate.

## SCHEDULE 4: RELEVANT BALANCING SERVICES

This Schedule 4:

- (a) defines which services are Relevant Balancing Services and thus are eligible for a  $\beta$  adjustment (Part 1); and
- (b) sets out the terms “Declared\_Availability” and “Contracted\_Output” for a CMU that is not also a BM Unit, depending on which balancing service the CMU is providing (Part 2).

### Part 1: Relevant Balancing Services

- (i) A balancing service entered into by National Grid pursuant to the licence condition C16 of its transmission licence must be classified as a “Relevant Balancing Service” for the purposes of the Rules if and only if it is included in paragraph (ii) below.
- (ii) Relevant Balancing Services are:
  - “Short Term Operating Reserve”
  - “Fast Reserve”
  - “Firm Frequency Response”
  - “Constraint Management Service”
  - “Frequency Control by Demand Management”

$\beta = 1$  in any Settlement Period where any of the above services are being provided by a CMU.

### Part 2: Non-Balancing Mechanism Adjustment Formulae

For the purpose of the formulae in Rule 8.5.2(b) the variables “Declared\_Availability<sub>ij</sub>” and “Contracted\_Output<sub>ij</sub>” will be defined as follows:

#### Short Term Operating Reserve

“Declared_Availability <sub>ij</sub> ”	“Declared_Availability <sub>ij</sub> ” will be equal to “ $0.5 \times CM_{sj} \times FF_{sj} \times FM_{sj}$ ” in all Settlement Periods $j$ that are in “Contracted Availability Windows”, “Pre-Window Instruction Periods”, “Post-Window Ramping Periods” and (where relevant) “Contracted Optional Windows” where the terms “ $CM_{sj}$ ”, “ $FF_{sj}$ ”, “ $FM_{sj}$ ”, “Contracted Availability Windows”, “Pre-Window Instruction Periods”, “Post-Window Ramping Periods” and “Contracted Optional Windows” are as defined in Annexure 1 to Section 3 of the Short Term Operating Reserve Standard Contract Terms - Issue 8, 23 November 2013; and, STOR Site “s” is equivalent to CM Unit “i”
“Contracted_Output <sub>ij</sub> ”	“Contracted_Output <sub>ij</sub> ” will be equal to “ $R_{sj}$ ” where “ $R_{sj}$ ” is as defined in Annexure 1 to Section 3 of the Short Term Operating Reserve Standard Contract Terms - Issue 8, 23 November 2013.

Firm Frequency Response (Non-Dynamic Providers)

<p><i>“Declared_Availability<sub>ij</sub>”</i></p>	<p><i>“Declared_Availability<sub>ij</sub>”</i> will be equal to the “Maximum Available Output” or the “Maximum Available Demand” (as applicable) in each case multiplied by 0.5 and as defined in the provider’s Firm Frequency Response Agreement.</p>
<p><i>“Contracted_Output<sub>ij</sub>”</i></p>	<p><i>“Contracted_Output<sub>ij</sub>”</i> will be equal to the “Automatic Response Energy Deliverable” for unit “i” in settlement period “j” where such amount is calculated in accordance with the “Firm Frequency Response Standard Contract Terms Issue 5 – 23 December 2011”.</p>

Firm Frequency Response (Dynamic Providers)

The parameters *“Declared\_Availability<sub>ij</sub>”* and *“Contracted\_Output<sub>ij</sub>”* will be:

<p><i>“Declared_Availability<sub>ij</sub>”</i></p>	<p><i>“Declared_Availability<sub>ij</sub>”</i> will be equal to  <math>\text{Max}(\text{FRP}, \text{FRS}) + \text{FRH}</math>                  Where FRP is equal to the maximum volume of primary response that may be delivered as set out in the relevant “FFR Capability Data Tables” and                  FRS is equal to the maximum volume of secondary response that may be delivered as set out in the relevant “FFR Capability Data Tables” and                  FRH is equal to the maximum volume of high frequency response that may be delivered as set out in the relevant “FFR Capability Data Tables”.</p>
<p><i>“Contracted Output<sub>ij</sub>”</i></p>	<p><i>“Contracted_Output<sub>ij</sub>”</i> will be equal to  <math>\text{RE}_{ij} - \text{DRE}_{ij}</math>                  where “RE<sub>ij</sub>” is as defined in the Connection and Use of System Code and “DRE<sub>ij</sub>” is the response energy actually delivered by the balancing services unit “j” in the relevant settlement period “i”.</p>

## **SCHEDULE 5: EXPERT DETERMINATION PROCEDURE**

### **1 Purpose of expert determination procedure**

If a Capacity Provider does not accept a decision of the CM Settlement Body pursuant to Rule 13.3.6(b) and no resolution is agreed pursuant to Rule 13.3.9(b), the Capacity Provider may submit the dispute to expert determination in accordance with Rule 13.3.9(d) and the procedure set out in this Schedule 5 (the “Expert Determination Procedure”).

### **2 Submission of dispute to expert determination**

#### **2.1** In order to submit the dispute to expert determination in accordance with Rule 13.3.9(d), the Capacity Provider must give a notice (an “Expert Determination Notice”) to the CM Settlement Body, no later than 10 Working Days after the meeting held under Rule 13.3.9(b), which includes:

**2.1.1** a statement that the Capacity Provider considers that the dispute should be referred for expert determination in accordance with Rule 13.3.9(d) and the Expert Determination Procedure;

**2.1.2** a description of the subject matter of the dispute and the issues to be resolved;

**2.1.3** where the Capacity Provider considers it appropriate, copies of any supporting information on which the Capacity Provider intends to rely; and

**2.1.4** a proposal as to the identity, and terms of reference, of the person to be appointed in accordance with the Expert Determination Procedure to determine the dispute (“Expert”) and the relevant expertise that the Capacity Provider considers qualifies the Expert to determine the relevant matter.

#### **2.2** Any Expert appointed to determine a dispute in accordance with this procedure shall be required to have an appropriate level of experience in relation to matters of the same general description as the matter in dispute.

#### **2.3** The CM Settlement Body must, within 10 Working Days of service of the Expert Determination Notice, give notice to the Capacity Provider which specifies whether or not the CM Settlement Body accepts:

**2.3.1** the Expert proposed by the Capacity Provider (and, if the CM Settlement Body does not accept the Expert proposed by the Capacity Provider, it shall specify an alternative Expert for consideration by the Capacity Provider); and

**2.3.2** the terms of reference for the Expert proposed by the Capacity Provider (and, if the CM Settlement Body does not accept the terms of reference for the Expert proposed by the Capacity Provider, it shall propose alternative terms of reference for the Expert for consideration by the Capacity Provider).

### **3 Appointment of Expert**

#### **3.1** If the Capacity Provider and CM Settlement Body fail to agree on the identity of the Expert within 20 Working Days of the date of service of the Expert Determination Notice, either the Capacity Provider or the CM Settlement Body may request that the Expert be nominated by the London Court of International Arbitration (“LCIA”), which shall be requested to choose a suitably qualified and experienced Expert for the dispute in question. The LCIA’s nomination

shall, subject to paragraph 3.2.1(i), be binding on the Capacity Provider and CM Settlement Body.

**3.2** The Capacity Provider and the CM Settlement Body must:

**3.2.1** use reasonable endeavours to procure that within 10 Working Days of them agreeing the identity of the Expert to be appointed (or the LCIA having nominated an Expert in accordance with paragraph 3.1):

- (i) the Expert confirms in writing to the Capacity Provider and CM Settlement Body that:
  - (a) he is willing and available to act in relation to the dispute; and
  - (b) he has no conflict of interest which prevents him from determining the dispute;
- (ii) (subject to the confirmation referred to in paragraph (i) having been given) the terms of appointment and the terms of reference of the Expert are agreed between the Capacity Provider, CM Settlement Body and the Expert (and an appointment letter entered into among them), such terms:
  - (a) to include an undertaking that the Expert shall not disclose to any person any supporting information disclosed or delivered by the Capacity Provider or CM Settlement Body to the Expert in consequence of, or in respect of, his appointment as the Expert; and
  - (b) to exempt the Expert (and any employee, agent or adviser of or to the Expert) from liability for anything done or omitted in the discharge or purported discharge of the Expert's functions, unless such act or omission is fraudulent or in bad faith;

**3.2.2** instruct the Expert:

- (i) to act fairly and impartially;
- (ii) to take the initiative in ascertaining the facts and the law, including by:
  - (a) considering any supporting information submitted to him by the Capacity Provider or CM Settlement Body;
  - (b) instructing an expert and/or taking Counsel's opinion as to any matter raised in connection with the dispute, provided that the Expert shall not be entitled to delegate any decision to such expert or Counsel;
  - (c) requiring the Capacity Provider and CM Settlement Body to produce any supporting information (excluding any of the foregoing which would be privileged from production in court proceedings); and
- (iii) if requested by either the Capacity Provider or the CM Settlement Body in writing, to provide reasons for his decision, which shall be communicated to the Capacity Provider and CM Settlement Body;

**3.2.3** afford the Expert the discretion to establish the procedure (including the timetable) for the determination of the dispute, it being agreed by the Capacity Provider and CM Settlement Body that:

- (i) the Expert shall be requested to confirm to the Capacity Provider and CM Settlement Body the proposed procedure for the relevant dispute as soon as reasonably practicable after the appointment of the Expert and, in any event, within 10 Working Days of such appointment and, in so doing, the Capacity Provider and CM Settlement Body agree that:
    - (a) the Expert shall be requested to afford the Capacity Provider and CM Settlement Body the opportunity to address him in a meeting at which both the Capacity Provider and CM Settlement Body shall have the right to be present, where either the Capacity Provider or CM Settlement Body requests such a meeting in writing or the Expert otherwise considers it to be necessary or desirable to reach a determination in respect of the relevant dispute, with the format and procedure applicable to any such meeting being a matter for the Expert to decide in his sole and absolute discretion; and
    - (b) the Expert may (without limitation) modify the time periods provided for in paragraph 3.3 and otherwise modify the procedure contemplated by that paragraph;
  - (ii) all submissions made to the Expert (including all supporting information provided to him) shall, contemporaneously with such submissions being made to the Expert, be provided to the Capacity Provider or the CM Settlement Body, as applicable; and
  - (iii) the Capacity Provider and CM Settlement Body shall (without prejudice to paragraph 3.2.3(i)) request the Expert to determine the dispute within the earlier of:
    - (a) 30 Working Days following the date on which a reply to the First Submission has been provided by each of the Capacity Provider or the CM Settlement Body; and
    - (b) 60 Working Days after the deadline specified in paragraph 3.3.2 for the First Submission; and
- 3.2.4** afford the Expert all supporting information and assistance which the Expert requires to determine the dispute (and, if either the Capacity Provider or the CM Settlement Body fails to produce any such supporting information or assistance, the Expert may continue the determination process without that supporting information or assistance).

**3.3** Subject to paragraph 3.2.3:

- 3.3.1** the Capacity Provider shall provide the Expert with a copy of the Expert Determination Notice no later than 10 Working Days after the appointment of the Expert;
- 3.3.2** each of the Capacity Provider or the CM Settlement Body may, but is not obliged to, provide a written statement of its case, together with any supporting information, to the Expert (the "First Submission") within 20 Working Days of the Expert receiving the Expert Determination Notice and, without limitation, the First Submission may cover any of the matters required to be contained in the Expert Determination Notice pursuant to paragraphs 2.1.2 to 2.1.4 (inclusive) and a copy of such First Submission shall be provided to the other at the same time as it is provided to the Expert; and



- 3.3.3** each of the Capacity Provider or the CM Settlement Body may submit a reply, together with any supporting information, to the other's First Submission within 30 Working Days of receipt of the First Submission.
- 3.4** The Arbitration Act 1996 and the law relating to arbitrators and arbitrations shall not apply to the Expert or his determination or the procedure by which he reaches his determination.
- 3.5** If the Expert is at any time unable or unwilling to act, either the Capacity Provider or the CM Settlement Body may proceed to seek the appointment of a replacement Expert as if the Expert Determination Notice had just been served. The provisions of the Expert Determination Procedure shall apply, mutatis mutandis, to any replacement Expert and the replacement Expert shall be authorised to determine any dispute which was submitted to his predecessor but which his predecessor had not determined at the time when his predecessor became unable or unwilling to act.
- 3.6** The Expert's determination shall be final and binding upon the Capacity Provider and CM Settlement Body, except in the event of fraud or manifest error.
- 3.7** The Expert may, in his determination, provide that one or other or both of the Capacity Provider and CM Settlement Body pay the Expert's fees and expenses and each other's costs (including the fees and expenses of external advisers and consultants) in such proportions as he may specify on the general principle that the allocation of costs should reflect the relative success of the Capacity Provider and CM Settlement Body and failure in the Expert Determination Procedure. Without such a direction, each of the Capacity Provider and CM Settlement Body shall bear its own costs and the fees and expenses of the Expert shall be paid in equal shares by the Capacity Provider and CM Settlement Body.

## **SCHEDULE 6: METERING STATEMENT**

A Capacity Provider must provide a detailed description for each CMU, Generating Unit or DSR CMU Component which must include, as applicable, the following information:

- (a) **Single Line Diagram** – to determine that the Metering System is at the Meter Point and to measure the Metered Volume of the CMU. The single line diagram must show all CMU components and all connections to the Total System, as applicable.
- (b) **CMU Metering Site details** (to include the following):
  - (i) CMU ID;
  - (ii) Circuit name (if applicable);
  - (iii) Confirmation that the CMU is either a Generating CMU or a Demand Side Response CMU;
  - (iv) Type of site;
  - (v) Site address;
  - (vi) Site contact details; and
  - (vii) Arrangements for Site Audit
- (c) **Metering Technical details** (to include the following):
  - (i) Meter Point Administration Numbers or Metering System Identifier(s);
  - (ii) Meter serial numbers;
  - (iii) Outstation ID;
  - (iv) number of channels;
  - (v) measurement quantity ID;
  - (vi) Meter and pulse multipliers;
  - (viii) Current and voltage transformer ratios applied;
  - (ix) Communications numbers and confirm method for remote communication;
  - (x) Metering dispensations for the Metering Site (if applicable);
  - (xi) Complex Site Supplementary Form (if applicable). In respect of an SMRS registered CMU: the D0268, in respect of a CMRS CMU: the BSCP20/4.3a, b and c forms and in respect of a Metering Site using the Bespoke Metering Configuration Solution the Key Meter Technical Details form; and
  - (xii) If the CMU is identical to the BM Unit, the completed Aggregation Rule Form BSCP75/4.2. If the CMU is different from the BM Unit, the Capacity Provider must provide details of the metered data values to be aggregated to the appropriate Metered Volume for the CMU.
- (d) In respect of a CMU not using a Meter that measures on a half hourly basis, the Capacity Provider must provide the following metering information:
  - (i) Technical specification of the device providing instantaneous metering values;
  - (ii) A calibration test certificate for the device listed in paragraph (d)(i) above;

- (iii) Ratios of any connected instrument transformers;
- (iv) Details of the Settlement Instation; and
- (v) Confirmation of the method used of converting to half hourly data to submit to the CM Settlement Body.

(e) **Data Provision**

A Capacity Provider must confirm:

- (i) the method it proposes to use to submit data to the CM Settlement Body; and
- (ii) if applicable, the contact details of the relevant Half Hourly Data Aggregators or Half Hourly Data Collectors to enable the CM Settlement Body to confirm the Metering Technical details provided by the Capacity Provider at paragraph (c) above, match those held by the Half Hourly Data Aggregators or Half Hourly Data Collectors.

(f) **Time Synchronisation**

For Capacity Providers using Meters which are not communicated to on a daily basis by a Half Hourly Data Collector; they must provide a statement detailing how the time of the meters or Settlement Instation used is synchronised to UTC.

(g) **Security**

A Capacity Provider must submit a detailed description of their security arrangements, including, where applicable, details of any sealed or padlocked hardware and password protected IT software.

(h) **Testing Facilities**

A Capacity Provider must submit a detailed description of the testing facilities and fusing arrangements for the Meters.

(i) **Installation Date**

A Capacity Provider must confirm the date that the Metering System was installed and commissioned to enable the CM Settlement Body to verify compliance with the relevant Governing Documents, as applicable, at that time. If the date of installation and commissioning is unknown, the Capacity Provider must undertake a new commissioning test.

(j) **Instrument Transformers**

A Capacity Provider must provide the manufacturers test certificates or a letter from the manufacturer confirming the typical errors for the Current and Voltage Transformers to enable the CM Settlement Body to determine they are of the correct accuracy class and the errors are within the allowed limits of that accuracy class. If the manufacturers test certificates or a letter from the manufacturer confirming the typical errors are unavailable, the Capacity Provider must provide a photograph of the transformer rating plate clearly showing the ratio, burden, accuracy class and serial number of the transformer.

(k) **Power Transformers**

A Capacity Provider must submit a copy of the manufacturers Power Transformer Test Certificate as part of their approved dispensation, which accounts for transformer losses where the installed metering is not at the defined Meter Point and there is a power transformer between the two points.

(l) **Meters**

A Capacity Provider must provide either:

- (i) A Manufacturers test certificate;
- (ii) A letter from the manufacturer confirming the typical errors of the device; or
- (iii) A calibration test certificate tested at the calibration testing points set out in the table below performed by a third party

Calibration testing points for Meter Types 1, 2, 3 and 4:

Test Point	Active Meter		
	Power Factor (Cos $\phi$ )		
	Unity	0.5 Inductive	0.8 Capacitive*
0.01 $I_n$	X		
0.02 $I_n$		X	X
0.05 $I_n$	X (3), Y****		
0.1 $I_n$		X	X
1.0 $I_n$ ***	X (2), Y (5)	X (4)	X
1.0 $I_{max}$ or 1.2 $I_n$ or 1.5 $I_n$ or 2.0 $I_n$ **	X (1)	X	X

**Notes:**

These tests shall carried out for input electricity and output electricity directions for a given metering point. If the same measuring element is used for both input electricity and output electricity, one additional test point only (at "1.0  $I_n$ ", Unity Power Factor, balanced) is required in the reverse direction.

X = all elements combined.

Y = each element on its own.

X,Y = tests should be carried out both on all elements combined, and each element on its own.

\* = tests at 0.5 capacitive Power Factor is acceptable.

\*\* = determined by overload capacity of circuit. If unspecified, test at "1.0  $I_{max}$ ".

\*\*\* = Tests points for Class 1 (Type 3) and Class 2 (Type 4) Meter only

\*\*\*\* = X and Y for Class 0.2s (Type 1) and Class 0.5s (Type 2) Meter; X only for Class 1 (Type 3) and Class 2 (Type 4) Meter

Numbers in brackets identify, for reference only, those tests specified in Statutory Instruments 1998 No. 1566 Schedule 1, Table 2 and Schedule 3, Table 2.

(m) **Instrument Transformer Burdens**

A Capacity Provider must provide either:

- (i) a measurement of the burden connected to the current and voltage transformer; or
- (ii) a calculated estimate of the burden connected to the current and voltage transformer so as to determine that these connected burdens are less than the rated burden of the transformer.

In the case of (ii), a Capacity Provider must also submit a justification as to why it was not possible to provide a measurement of the burden connected to the current and voltage transformer.

(n) **Commissioning requirements**

A Capacity Provider must provide a copy of the commissioning paperwork for the metering installation which must include Instrument transformer commissioning (by way of example ratio and polarity tests).

If a Capacity Provider is unable to provide the information above, the following information must be submitted to establish primary load (in order of preference):

- (i) the Demand (derived from independently measured primary values) and the Meter's instantaneous Demand reading for the same period; or
- (ii) the Demand (derived from independently measured secondary values where the primary/secondary ratios can be established) and shall be compared to the Demand reading for the same period; or
- (iii) where appropriate and in consultation with the CM Settlement Body, an alternative measurement device shall be used for comparison with that of the Meter.

A Capacity Provider must also provide:

- (i) Meter commissioning tests; and
- (ii) Meter proving tests

If a Capacity Provider is unable to provide the information above, the meter commissioning tests and proving tests must be completed again.

(o) **Transformer Loss Compensations**

In the event that transformer error or loss compensation has been applied to the metering, a Capacity Provider must provide evidence of the compensation calculation. The evidence provided can be for the measurement of transformer errors only or, in the case of a dispensation, Power Transformer Losses.

(p) **Cable and Overhead Line Loss Compensations**

In the event that cable and overhead line loss compensation has been applied to the metering, a Capacity Provider must provide evidence of the compensation calculation.

(q) **Electrical Losses Factor**

A Capacity Provider using the Balancing Services Metering Configuration Solution or the Bespoke Metering Configuration Solution operating on an Unlicensed Network must provide, where applicable, a copy of the methodology statement justifying the Unlicensed Network operator's calculations of electrical losses from the CMU component connection point to the Boundary Point of the Unlicensed Network with the Total System.

(r) **Declaration**

The Directors of the Capacity Provider must certify that the information contained in and enclosed with the Metering Statement, is, at the date of submission and to the best of their knowledge, information and belief, true, complete and accurate in all material respects.

## SCHEDULE 7: BESPOKE TECHNICAL REQUIREMENTS

### Definitions

In these technical requirements all definitions used are to be found in Rule 1.2 of the Capacity Market Rules 2014 unless otherwise defined here:

**Accredited Laboratory** means the National Physical Laboratory or a calibration laboratory that has been accredited by the United Kingdom Accreditation Service, or a similarly accredited international body.

**Capacity Market Settlement Activities** means the calculation, invoicing, reconciliation and settlement of payments to be made pursuant to a Capacity Agreement.

**Check Meter** means a precision processor-based meter which measures the electric energy as accurately as the utility revenue meter forming part of the Metering Equipment that a Capacity Provider is required to install and maintain.

**Commissioning Tests** means the minimum requirements necessary to establish that the Metering Equipment is accurately measuring and recording the energy (demand or generation) in an Outstation.

**Consumption Data Comparison Check** means a method to prove the validity of the data from the transfer process, as set out in Section Z of the Bespoke Technical Requirements.

**Correct Energy Measurement Test** means a method to prove the output of the Metering System correctly records the energy in the primary system at the Capacity Provider Meter Point as set out in the Meter checks – commissioning, records and proving section of the Bespoke Technical Requirements.

**Half-Hourly Metering Equipment** means the Metering Equipment which provides measurements on a Settlement Period basis for the purposes of the Capacity Market Settlement Activities.

**Key Meter Technical Details** means those items set out in paragraph 65 of Section Y of the Bespoke Technical Requirements.

**Main Meter** means the Metering Equipment that the Capacity Provider is required under the Bespoke Technical Requirements to install to measure electricity supplied by the Capacity Provider.

**Meter Operator Agent** has the meaning given in the BSC.

**Meter Register** means the physical Meter reading displayed in kWh/MWh or kVArh/MVArh.

**Meter Technical Details** means all technical details (including Outstation channel mapping) of a Metering System required to enable metered data to be collected and correctly interpreted from that Metering System as referred to in section 16 of the Bespoke Technical Requirements.

**Primary Energy** means the energy associated with the high voltage and high current side of the measurement transformers.

**Power Factor** means the ratio of the real power [W] to the apparent power [VA] in the circuit of an alternating current electrical power system.

**Proving Test** means a test to confirm that the stored metered data associated with the energy imported to, or exported from the Total System can be satisfactorily transferred via a suitable communications link to the data collection parties.

**Rated Measuring Current** means the value of current in accordance with which the relevant performance of a transformer operated meter is fixed.

**UTC** means Co-ordinated Universal Time.

**A. Technical Requirements**

1. The CMU shall comply at all times with the requirements of these Bespoke Technical Requirements, which are aligned with the applicable BSC metering codes of practice.
2. The CMU, a Generating Unit or DSR CMU Component that uses the Bespoke Metering Configuration Solution shall install, commission, test, maintain, rectify faults and provide a sealing service in respect of its Metering Equipment, including its associated Communications Equipment, in accordance with these Bespoke Technical Requirements.
3. Existing BSC approved metering dispensations will be taken into consideration and Capacity Providers must include information on any metering dispensations when completing their Metering Statement.

**B. Metering points**

4. The Capacity Provider shall ensure that all Meters are installed at an appropriate location and that at all times the metering arrangements must meet all the Bespoke Technical Requirements and can accurately record the Metered Volume comprising:
  - (a) All output electricity generated by the CMU; and
  - (b) All input electricity used, including any imported on-site electricity, by the CMU.

**C. Measurement quantities**

5. The Capacity Provider must ensure that it reports its net Metered Volume in MWh to three decimal places for the purposes of the Capacity Market Settlement Activities.
6. For each separate circuit the following energy measurements are required for the purposes of Capacity Market Settlement Activities:
  - (a) Import kWh/MWh; and
  - (b) Export kWh/MWh.

**D. Accuracy requirements**

7. The overall accuracy of the energy measurements at or referred to a Meter Point shall at all times be within the limits of error as shown below. For a Capacity Provider that is aggregating a number of components the overall accuracy to be used is the rated capacity of the individual component and not the rated capacity of the aggregated capacity. Metering Type 4 is only applicable to an aggregating Capacity Provider as the upper threshold is below the minimum capacity threshold.

**Table 1:** Metering Type 1 (Metering of circuits rated greater than 100MVA for the purposes of Capacity Market Settlement Activities)

LIMITS OF ERROR AT STATED SYSTEM POWER FACTOR		
CONDITION	Power Factor	Limits of Error
Current expressed as a percentage of Rated Measuring Current		
120% to 10% inclusive	1	± 0.5%
Below 10% to 5%	1	± 0.7%
Below 5% to 1%	1	± 1.5%
120% to 10% inclusive	0.5 lag and 0.8 lead	± 1.0%

**Table 2:** Metering Type 2 (Metering of circuits not exceeding 100MVA for the purposes of Capacity Market Settlement Activities)

LIMITS OF ERROR AT STATED SYSTEM POWER FACTOR		
CONDITION	Power Factor	Limits of Error
Current expressed as a percentage of Rated Measuring Current		
120% to 10% inclusive	1	± 1.0%
Below 10% to 5%	1	± 1.5%
Below 5% to 1%	1	± 2.5%
120% to 10% inclusive	0.5 lag and 0.8 lead	± 2.0%

**Table 3:** Metering Type 3 (Metering of circuits not exceeding 10MVA for the purposes of Capacity Market Settlement Activities)

LIMITS OF ERROR AT STATED SYSTEM POWER FACTOR		
CONDITION	Power Factor	Limits of Error
Current expressed as a percentage of Rated Measuring Current		
120% to 10% inclusive	1	± 1.5%
Below 10% to 5%	1	± 2.0%
120% to 10% inclusive	0.5 lag and 0.8 lead	± 2.5%



**Table 4:** Metering Type 4 (Metering of energy transfers with a maximum demand of up to (and including) 1MW for the purposes of Capacity Market Settlement Activities)

CONDITION			LIMITS OF ERROR AT STATED SYSTEM POWER FACTOR		
Current expressed as a percentage of Rated Measuring Current	Power Factor	Limits of Error			
100% to 20% inclusive	1	± 1.5%			
Below 20% to 5%	1	± 2.5%			
100% to 20% inclusive	0.5 lag and 0.8 lead	± 2.5%			

**E. Metering Equipment**

8. Capacity Providers shall ensure that all Metering Equipment in accordance with these Bespoke Technical Requirements is:
  - (a) installed and commissioned (if not already installed and commissioned); and
  - (b) maintained and operated.
9. The Metering Equipment to be installed should be in accordance with Schedule 7 of the EA 1989 and the Meters must be approved in accordance with Schedule 4 of the Meters (Certification) Regulations 1998 or Measuring Instruments (Active Electrical Energy Meters) Regulations 2006 No.1679.

**F. Meters**

10. Meters that measure on a half hourly basis must be static and all meters must be configured to measure on a Settlement Period basis.
11. For each circuit Meters shall be supplied and meters that are used for customer billing may be used for a period not exceeding 10 years from the date of manufacture. Meters for non-customer billing do not need to be replaced as long as the meter continues to meet the stipulated accuracy requirements, however the meter must be re-calibrated every 10 years from the date of manufacture.
12. All Metering Systems should include Outstation functionality and this can be either integrated or separate to the meter.
13. Meters shall be configured such that the number of measuring elements is equal to or one less than the number of primary system conductors. These include the neutral conductor, and/or the earth conductor where system configurations enable the flow of zero sequence energy.
14. All Meters supplied via Measurement Transformers shall be set to the actual primary and secondary ratings of the Measurement Transformers and the ratios displayed as follows:
  - (a) for Meters separate from the display and/or Outstation the ratios shall be recorded on the nameplate of the Meter; and

- (b) for Meters combined with the display and/or the Outstation, the ratios shall be displayed. In addition, the compensation factor that has been applied for measurement transformer errors and/or system losses, where this is a constant factor applied at security level 3 shall be similarly displayed.
15. All Meters shall include a non-volatile Meter Register of cumulative energy for each measured quantity. The Meter Register(s) shall not roll-over more than once within a six month period.
  - 15A. For Metering Systems that use a Meter that measures on a half hourly basis and is of Metering Type 1, 2 or 3, a Main Meter and a Check Meter shall be supplied by the Capacity Provider for each circuit.

**Table 5:** All meters for Type 1, 2, 3 and 4 metering should meet the following criteria:

Type of Meter	Relevant Standard	Minimum Class Accuracy
1	BS EN 62053-22	0.2s
2	BS EN 62053-22 BS EN 50470-3	0.5s C
3	BS EN 62053-21 BS EN 50470-3	1 B
4	BS EN 62053-21 BS EN 50470-3	2 A

The standards quoted are the current standards for Meters at those accuracy classes. Any Meter currently installed pre-dating these standards should meet the applicable standard at the time of installation.

**G. Meter technical details**

16. The Capacity Provider of each Metering System shall:
  - (a) establish and maintain Meter Technical Details in respect of the Metering Equipment;
  - (b) ensure that such Meter Technical Details are true, complete and accurate; and
  - (c) provide such Meter Technical Details to the CM Settlement Body if requested.

**H. Calibration, commissioning and maintenance of metering equipment**

17. The Capacity Provider of each Metering System shall ensure that the Metering Equipment shall be calibrated, maintained and commissioned in accordance with these Bespoke Technical Requirements. The calibration is required to demonstrate compliance with either IEC 61869-2, IEC 61869-3, IEC 61869-4, IEC 185, IEC 186, BS EN 60044-1, BS EN 60044-2, and/or class index BS EN 60044-3 accuracy and measurement range requirements, as appropriate for the Measurement Transformers.
18. These calibrations must demonstrate conformity with relevant product standards appropriate to the class index of the Meters and demonstrate compliance with either BS

EN 62053-22, BS EN 62053-21, and/or BS EN 50470-3 (or the applicable standard at the time of the meter installation) accuracy and measurement range requirements, as appropriate for the Meters.

19. Where it is necessary to apply compensations to Meters, these are to be applied after the Meter has been calibrated and further tests carried out which confirm that the compensation has been correctly applied.
20. The Capacity Provider shall, at its own cost and expense, ensure that the Metering Equipment is kept in good working order, repair and condition to the extent necessary to allow the correct registration, recording and transmission of the requisite details of the Metered Volume measured by the relevant Metering System.
21. If Metering Equipment is removed, replaced or otherwise changed, then its commissioning record should be retained by the Capacity Provider and must be provided to the CM Settlement Body on request.

#### **I. Metering Equipment criteria**

22. Metering Equipment other than outdoor Measurement Transformers shall be accommodated in a clean and dry environment.
23. For each circuit, other than one which is permanently disconnected, the voltage supply to any Meters, displays and Outstations shall be connected such that it is normally energised to facilitate reading of the Meter Register(s) and local and remote interrogation of the Outstation.

#### **J. Measurement Transformers**

24. For each circuit, CTs and VTs shall meet the requirements set out below.
25. Additionally, where a combined unit measurement transformer (VT and CT) is provided the 'Tests for Accuracy' covering mutual influence effects shall be met.
26. All Measurement Transformers shall be of a wound construction.
27. Where practicable, the following may be subject to checks:
  - (a) Ratio, class, rated burden and polarity from the labels physically attached to the Measurement Transformers and/or the identification plates attached to switchgear or other enclosures containing Measurement Transformers (although this may not always be practical for safety reasons); and
  - (b) Test records/certificates detailing specific measured errors held by the equipment owner, associated with the Measurement Transformers on site or from agreed generic CT/VT certificates in the case of CTs and VTs.
28. It is understood that existing sites may no longer have certificates for instrument transformers or that the levels of accuracy applicable at the time of commissioning may be aligned to older BSC Codes of Practice. In these situations it is possible for CMUs to use the National Measurement Transformer Database, which will provide an average level of error or a letter from the manufacturer confirming the typical errors for the CTs and VTs or a photograph of the transformer rating plate clearly showing the ratio, burden, accuracy class and serial number of the transformer.

**Table 6:** All current transformers for Type 1, 2, 3 and 4 metering should meet the following criteria:

Type of Meter	Relevant Standard	Minimum Class Accuracy	No of Sets	Usage
1	IEC 60044-1 or IEC 61869-2	0.2s	2	1 set of CTs shall be dedicated to the Main Meter only and 1 set supplying the Check Meters. Check Meter CTs can be used for other purposes providing the Capacity Market accuracy requirements are met.
2	IEC 60044-1 or IEC 61869-2	0.2s	1	CTs shall be dedicated to Capacity Market Settlement Activities supplying both Main Meters and Check Meters. An additional set of CTs may be fitted for the Check Meter which may also be used for other purposes providing the Capacity Market accuracy requirements are met.
3	IEC 185 or IEC 61869-2	0.5	1	1 set of CTs for Main Meters and Check Meters for Capacity Market Settlement Activities purposes, but can be used for other purposes if the Capacity Market accuracy requirements are met.
4	IEC 185 or IEC 61869-2	0.5	1	1 set of CT for the main meter for Capacity Market Settlement Activities, but the CTs may be used for other purposes provided the overall accuracy requirements are met.

29. The primary winding of voltage transformers shall be connected to the circuits being measured.

**Table 7:** The secondary windings of VTs for Type 1, 2, 3 and 4 metering used for the purposes of Capacity Market Settlement Activities shall meet the following criteria:

Type of Meter	Relevant Standard	Minimum Class Accuracy	No of VTs required	Usage
1	IEC 60044-2 or IEC 61869-3	0.2	2 VTs (or 1 VT with two or more secondary windings)	1 VT secondary winding dedicated to the Main Meter for Capacity Market Settlement Activities purposes only. A second VT secondary winding for the Check Meter, which may also be used for other purposes providing the Capacity Market accuracy requirements are met.
2	IEC 60044-2 or IEC 61869-3	0.5	1	VT secondary winding shall be dedicated to Capacity Market Settlement Activities supplying both Main Meters and Check Meters. An additional VT or secondary winding may be used for the Check Meter which may also be used for other purposes providing the Capacity Market accuracy requirements are met.
3	IEC 186 or IEC 61869-3	1	1	Capacity Market Settlement Activities purposes, but other uses if Capacity Market accuracy requirements are met.
4	IEC 186 or IEC 61869-3	1	1	Capacity Market Settlement Activities purposes, but other uses if Capacity Market accuracy requirements are met.

**K. Fusing and testing facilities**

30. To enable Meters to be routinely tested and/or changed safely with the circuit energised testing facilities (test blocks) are required. For Type 3 and 4 installations testing facilities shall be provided close by the Meters of each circuit. For a Type 1 or Type 2 installation, separate testing facilities shall be provided for the Main Meters and for the Check Meters of each circuit.
31. Separately fused VT supplies shall be provided locally for:
  - (a) the Main Meter;
  - (b) the Check Meter; and
  - (c) any other Metering Equipment burden.
32. Local fusing shall discriminate with the source fusing.
33. Where current transformers are used on low voltage installations, the voltage supply to the Metering Equipment shall be fused as close as practicable to the point of that supply

with a set of isolating links, suitably identified, provided locally to the Metering Equipment. If that point of supply is close to the Metering Equipment, then the isolating links may be omitted.

**L. Displays and facilities**

34. The Metering Equipment must display the primary information (not necessarily simultaneously) listed at (a) – (d) below and Capacity Providers with sites with separate outstations do not need to display this information but must provide the information listed at (a)-(d) below when completing their Metering Statement:
- (a) measured quantities as per the accuracy requirements;
  - (b) current time ("UTC") and date;
  - (c) the CT and/or VT ratios that the Meter has been programmed to, where appropriate; and
  - (d) the compensation factor that has been applied for Measurement Transformer errors and/or system losses, where this is a constant factor applied at security level 3 (i.e. where the Meter is combined with the display and/or Outstation).

**M. Outstation**

35. An Outstations system shall either be incorporated into the Meters or installed separately to the meter, and must receive and transfer data from Settlement Instations. The data shall be to a format in accordance with Capacity Market Settlement Activities and approved by the CM Settlement Body.
36. Where a separate modem associated with the Outstation system is used, then it shall be provided with a separately fused supply either from a secure supply or from voltage supply to meters. Alternatively, line or battery powered modem types may be used.
37. For the purpose of transferring stored metering data from the Outstation to the Settlement Instation, a unique Outstation ID shall be provided.
38. An interrogation port must be provided for each Outstation or remote interrogation facilities must be provided.

**N. Data storage**

39. Data storage facilities for metering data shall be provided as follows:
- (a) each Metered Volume shall be identifiable to its respective date and time;
  - (b) a storage capacity of 48 periods per day for a minimum of 10 days for Metering Type 1 and 2 and 20 days for Metering Type 3 and 4 for all Metered Volume and the stored values shall be integer multiples of kWh;
  - (c) the resolution of the energy transferred into the registers shall be within  $\pm 0.1\%$  (at full load) of the amount of Active Energy measured by the associated Meter;
  - (d) the value of any energy measured in a Settlement Period but not stored in that Settlement Period shall be carried forward to the next Settlement Period;
  - (e) where a separate Outstation is used, cumulative register values shall be provided in the Outstation which shall be set to match and increment with the Meter Registers;

- (f) in the event of an Outstation supply failure, the Outstation shall protect all data stored up to the time of the failure, and maintain the time accuracy;
- (g) partial Metered Volume, those in which an Outstation supply failure and/or restoration occurs, and zero Metered Volume associated with an Outstation supply failure, shall be marked so that the Settlement Instation can identify them;
- (h) to cater for continuous supply failures, the clock, calendar and all data in Meters that measure on a half hourly basis shall be supported for a period of 10 days for Metering Type 1 and 2 and 20 days for Metering Type 3 and 4 without an external supply connected;
- (i) any "read" operation shall not delete or alter any stored metered data; and
- (j) an Outstation shall provide all of the metered data stored from the commencement of any specified date upon request by the Settlement Instation.

**O. Time keeping**

- 40. The Outstation time shall be set to UTC. No switching between UTC and British Summer Time shall occur for Capacity Market Settlement Activities data storage requirements.
- 41. Time synchronisation of the Outstation may be performed by the Capacity Provider (or its data collection agent) as part of the normal interrogation process.
- 42. When time synchronisation occurs, the relevant period(s) shall be marked.
- 43. The overall limits of error for the time keeping allowing for a failure to communicate with the Outstation for a period of 20 days shall be:
  - (a) the completion of each Settlement Period shall be at a time which is within  $\pm 20$  seconds of UTC; and
  - (b) the duration of each Settlement Period shall be within  $\pm 0.1\%$ , except where time synchronisation has occurred in a Settlement Period.

**P. Monitoring facilities**

- 44. Capacity Providers are responsible for monitoring the conditions listed at (a) – (g) below and if an incident occurs, the Capacity Provider must note the Settlement Periods impacted when submitting data to the CM Settlement Body.
  - (a) phase failure of any one or a combination of phases;
  - (b) Metering Equipment resets caused other than by a supply failure (where fitted);
  - (c) battery failure monitoring (where battery fitted);
  - (d) changes to time and/or date;
  - (e) where different from (d), Settlement Period(s) which have been truncated or extended by a time synchronisation;
  - (f) interrogation port access which changes data other than time and/or date; and
  - (g) reverse running (if fitted).
- 45. In addition, detected errors in Metering Equipment functionality should be recorded as an event alarm with date and time.

46. Any alarm indications shall not be cancelled or deleted by the interrogation process and shall be retained with the data until overwritten. The alarm shall reset automatically when the abnormal condition has been cleared.

**Q. Communications**

47. Meters must provide local or remote (or if applicable both) interrogation facilities.
48. To prevent unauthorised access to the data in the Metering Equipment a security scheme, as defined below shall be incorporated for both local and remote access to Meters that measure on a half hourly basis. Separate Outstations are exempt from this requirement. Separate security levels shall be provided for the following activities:

Level 1 – Password for Read only of the following metering data, which shall be transferable on request during the interrogation process:

- (a) Outstation ID;
- (b) demand values as defined for Main Meters and Check Meters;
- (c) cumulative measured quantities as defined for Main Meters and Check Meters;
- (d) maximum demand for kW/MW or kVA/MVA per programmable charging period i.e. monthly, statistical review period;
- (e) multi-rate cumulative Active Energy as specified by the Capacity Provider;
- (f) the Measurement Transformer ratios, where appropriate;
- (g) the Measurement Transformer error correction factor and/or system loss factor, where this is a constant factor applied to the entire dynamic range of the Meter and the Meter is combined with the display and/or Outstation;
- (h) alarm indications; and
- (i) outstation time and date.

Level 2 – Password for:

- (a) corrections to the time and/or date; and
- (b) resetting of the maximum demand.

Level 3 – Password for programming of:

- (a) the displays and facilities;
- (b) the Measurement Transformer ratios, as appropriate;
- (c) the Measurement Transformer error correction and/or system loss factor where this is a constant factor applied to the entire dynamic range of the Meter and the Meter is combined with the display and/or Outstation; and
- (d) the passwords for levels 1, 2 and 3.

49. In addition, it shall be possible to read additional information within the Metering Equipment to enable the programmed information to be confirmed.

Level 4 – Password for removal of Metering Equipment cover(s) necessitating the breaking of a seal for:

- (a) calibration of the Metering Equipment;



- (b) setting the Measurement Transformer ratios, as appropriate;
  - (c) programming the Measurement Transformer error correction factor and/or system loss factor where this is other than a single factor; and
  - (d) programming the level 3 Password and the level 4 Password, if appropriate.
50. In addition to the functions specified for each level it shall be feasible to undertake the functions at the preceding level(s). For example, at level 3 it must also be possible to carry out the functions specified at levels 1 and 2. This need not apply at level 4 when access is obtained via removing the cover.
51. Different passwords must be utilised for each level.

**R. Interrogation**

52. To enable local interrogation for Meters that measure on a half hourly basis an interrogation port shall be provided for each Outstation.
53. Metering Equipment that aligns Meter readings to Settlement Periods must be able to remotely interrogate the Meters.
54. Remote interrogation facilities must have fault monitoring to flag up communication faults between the Outstation system and the Settlement Instation to the Capacity Provider or an appointed agent.

**S. Sealing and security**

55. The Capacity Provider must ensure that the Metering Equipment is appropriately secure so as to provide assurance that the following parameters are met:
- (a) all standards applicable to the Capacity Provider under the Electricity Safety, Quality and Continuity Regulations 2002; and
  - (b) a reasonable and prudent standard of anti-tamper protection.

**T. Defective Metering Equipment**

56. The Capacity Provider must meet its obligations under Rule 8.3.3(f) in respect of defective Metering Equipment.

**U. Validation of meter data**

57. If any of the following faults are identified, the CM Settlement Body shall be entitled (but not obliged) to undertake a full investigation of the Metering Equipment at the Capacity Provider's expense:
- (a) where the Outstation is interrogated, or when data is received from the Outstation automatically, and the 'electronic serial number' of the Outstation differs from that expected;
  - (b) where the Outstation is interrogated, or when data is received from the Outstation automatically, and the number of channels of the Outstation differs from that expected;
  - (c) where the Outstation is interrogated, and the time of the Outstation differs by more than 15 minutes from that expected; or

- (d) where the Outstation is interrogated, or when data is received from the Outstation automatically, and the individual alarms required by the Bespoke Technical Requirements are flagged.

**V. Main/Check comparison**

- 58. Where the Main Meters and Check Meters are installed in accordance with the Bespoke Technical Requirements, the metering data recorded by each Meter must be compared for each circuit. Allowance shall be made for low load discrepancies. Any discrepancy between the two values in excess of 1.5 times the accuracy requirements prescribed for the individual Meters at full load, as defined in the Bespoke Technical Requirements, shall be investigated by the CM Settlement Body.

**W. Meter checks - commissioning, records and proving**

- 59. All Metering Equipment must be fully commissioned prior to a Metering Assessment and Metering Test taking place within the timeframes set out in Rule 8.3.3. The purpose of commissioning is to ensure that the electricity flowing across a Meter Point is accurately recorded by the associated Metering System. Commissioning Tests shall be performed on site to confirm and record, so far as appropriate, that:
  - (a) the CTs are of the correct ratio and polarity, and correctly located to record the required power flow;
  - (b) the VTs are the correct ratio and polarity, and correctly located to record the required power flow;
  - (c) the relationships between voltages and currents are correct, and that phase rotation is standard at the Meter terminals;
  - (d) the burdens on the Measurement Transformers are within the correct limits;
  - (e) the Meters are set to the same current transformer and voltage transformer ratios as the installed Measurement Transformers;
  - (f) the Meters have the correct compensation for errors in the Measurement Transformers/connections and losses in power transformers where appropriate;
  - (g) the output of the Metering System correctly records the energy in the primary system at the Capacity Provider Meter Point; and
  - (h) Metering Equipment that measures on a half hourly basis detects phase failure and operates the required alarms.
- 60. Where individual items of Metering Equipment are to be replaced, then only those items need to be commissioned at that time. For clarification, Metering Systems in their entirety do not need to be recommissioned when items are replaced within that system unless there is a Material Change to the Metering System.
- 61. The Correct Energy Measurement Test can be used as a way to prove the output of the Metering System correctly records the energy in the primary system at the Capacity Provider's Meter Point.
- 62. For the purposes of the Correct Energy Measurement Test, Primary Energy may be established using the following methods by:
  - (a) comparing the demand derived from independently measured primary values to the Meter's instantaneous demand reading for the same period;

- (b) comparing the demand derived from independently measured secondary values where the primary/secondary ratios can be established to the Meter's demand reading for the same period;
- (c) using an alternative measurement device for comparison with the Meter; or
- (d) using appropriate commissioning records which the Generator shall provide to the CM Settlement Body if requested.

**X. Instruments for commissioning**

63. The Capacity Provider shall establish and maintain a process to periodically calibrate the instruments used for commissioning (from which measurements are recorded). Each instrument shall be traceable to an Accredited Laboratory. The Capacity Provider shall maintain records to show the instruments used for commissioning by the Capacity Provider. All instruments for commissioning shall be re-calibrated every two years. If an instrument is found to be outside of the required accuracy limits specified in the Bespoke Technical Requirements, the Capacity Provider shall consider what impact that inaccuracy has had on previous Meter Commissioning Tests and inform the CM Settlement Body.

**Y. Proving Test**

64. A Capacity Provider must undertake a Proving Test to confirm that the stored metered data associated with the energy imported to, or exported from the Total System (including all connection points), can be satisfactorily transferred via a suitable communications link to, and correctly recorded by, the data collection parties.
65. The following are Key Meter Technical Details that, if changed, require performance of a Proving Test:
- (a) Outstation ID;
  - (b) Meter Serial Number;
  - (c) Outstation Number of Channels;
  - (d) Measurement Quantity ID;
  - (e) Meter Multiplier;
  - (f) Pulse Multiplier;
  - (g) CT and/or VT Ratios

**Z. Consumption Data Comparison Check**

66. Consumption Data Comparison Check is a way to prove the validity of the data from the transfer process and shall take the following format:
- (a) the Meter Technical Details and the load (or generation) provided by the Capacity Provider in a Settlement Period shall be compared to that observed on-site. Consideration shall also be given to commissioning and historic Proving Test information;
  - (b) a reading (for the dominant Active Energy flow direction at the time) of the cumulative register on the Meter's display at the beginning and end of the Settlement Period that is to be downloaded from the Meter's Outstation shall be taken; and

- (c) the true Meter Register half-hour advance for the half-hour period shall be calculated using the Meter Register multiplier.

**AA. Maintenance checks**

- 67. The Meter Technical Details may be checked to ensure that they conform to those recorded in Capacity Market Settlement Activities systems using information submitted by the Capacity Provider, including any Measurement Transformer error offsets and commissioning details.
- 68. To verify that the Metering System is recording the correct amount of energy, checks may be carried out to compare the Primary Energy with that being recorded by the Metering System.

**BB. Timing of maintenance checks**

- 69. A routine maintenance check will be conducted in each of the following years for the life of the Metering Equipment:
  - (a) year four;
  - (b) year seven;
  - (c) year ten; and
  - (d) year thirteen.

**CC. Information and records**

- 70. The Capacity Provider of each Metering System must:
  - (a) maintain records of maintenance checks for the life of the relevant item of Metering Equipment and where requested provide these to the CM Settlement Body;
  - (b) provide information to the CM Settlement Body relating to how the Metering Equipment meets the Bespoke Technical Requirements if requested; and
  - (c) submit information to the CM Settlement Body regarding the dates and time periods for installation of new Metering Equipment and the dates in accordance with Rule 8.3.3 (f).
- 71. Records required to be provided to the CM Settlement Body if requested shall include, as a minimum and where applicable, the following information:
  - (a) site name;
  - (b) site address;
  - (c) Meter Serial Number;
  - (d) name of commissioning body (even if the Capacity Provider does it);
  - (e) date of commissioning;
  - (f) name of person responsible for undertaking commissioning (and organisation);
  - (g) reason for commissioning;
  - (h) Meter details (including any certificate identity);
  - (i) CT details (including any certificate identity);

- (j) VT details (including any certificate identity);
- (k) circuit name (where more than one);
- (l) results of inspections, tests and observations; and
- (m) evidence of compensation calculations for transformer errors and power transformer, cable and overhead line losses.

**DD. Ownership of metering data**

72. The Capacity Provider shall own the Metered Volume data acquired from a Metering System, and may provide to any person access to and use of such data. Data requirements from the Capacity Provider to the CM Settlement Body including frequency are set out in Rule 14.5 of the Capacity Market Rules.

**EE. Access to property**

73. The Capacity Provider shall facilitate Metering Site access as part of the Metering Test and Site Audits, and in addition will provide access to records of checks and tests.

**FF. Data flow and communications with the CM Settlement Body**

74. Meter data must be sent to the CM Settlement Body in Settlement Period format.
75. During the transitional arrangements, a Capacity Provider can submit meter data directly to the CM Settlement Body or can arrange for the data to be collected and submitted to the CM Settlement Body in accordance with Rule 11.3.6.

**GG. Disputes process**

76. Any disputes arising from a Metering Test relating to the Metering Equipment and metering set-up will follow the process outlined in Rule 13.3 of the Capacity Market Rules.

**HH. Changes to Bespoke Technical Requirements**

77. When updates are made to the Bespoke Technical Requirements, Capacity Providers will be able to choose whether to implement the new metering requirements or remain with the applicable version of the Bespoke Technical Requirements at the time the CMU received a valid Metering Test Certificate. However, for any changes that impact on the accuracy and robustness of the metering configuration and meter data Capacity Providers must comply with the latest metering requirements.
78. To prevent having to maintain inadequate legacy data transfer systems, there will be no grandfathering provisions for the process of submitting metered data to the CM Settlement Body.

## EXHIBIT A: FORM OF PREQUALIFICATION CERTIFICATE

[NAME OF APPLICANT]  
(Incorporated in England and Wales or Scotland under Registered No. [●])  
[ADDRESS OF REGISTERED OFFICE]

### Prequalification Certificate

We, being directors of [APPLICANT] (the "Company"), HEREBY CERTIFY as at the date of this certificate that, having made due and careful enquiry and to the best of our knowledge, information and belief<sup>1</sup>

- (a) there is no ground on which the Company could be found to be Insolvent, taking into account all of the Company's liabilities (including any contingent or prospective liabilities);
- [(aa) there is no ground on which a Joint Owner could be found to be Insolvent, taking into account all of that Joint Owner's liabilities (including any contingent or prospective liabilities)]<sup>2</sup>;
- (b) there is no ground for concluding that the Company will become Insolvent as a result of entering into a Capacity Agreement;
- [(bb) there is no ground for concluding that a Joint Owner will become Insolvent as a result of the Company entering into a Capacity Agreement]<sup>3</sup>.
- (c) the Company is seeking to enter into a Capacity Agreement in good faith, for the purposes of carrying on its business;
- (d) there are reasonable grounds for believing that a Capacity Agreement would benefit the Company; and
- (e) the Company can correctly make those of the declarations in Rules 3.4 to 3.11 of the Capacity Market Rules as may be applicable
- (f) [taking into account current economic conditions and the regulatory and legislative framework:
  - (i) there are reasonable grounds to believe that a Capacity Agreement greater than one year in duration is required to facilitate the improvements programme at the Refurbishing CMU; and
  - (ii) the Qualifying £/kW Capital Expenditure has been determined, so far as possible, without reference to any substantive routine or statutory maintenance works required at the Refurbishing CMU]<sup>4</sup>

Capitalised terms in this certificate have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated. ["Joint Owner" means a Joint Owner in relation to the CMU to which the Application relates.]<sup>5</sup>

DATED: [●]

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<sup>1</sup> For sole director companies, substitute "I, being the director of [APPLICANT], HEREBY 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:".

<sup>2</sup> Delete unless the Application is made in respect of an Interconnector CMU in relation to which there are Joint Owners.

<sup>3</sup> Delete unless the Application is made in respect of an Interconnector CMU in relation to which there are Joint Owners.

<sup>4</sup> Delete unless a statement is required to be made under Rule 3.8.1A.

<sup>5</sup> Delete unless the Application is made in respect of an Interconnector CMU in relation to which there are Joint Owners.

Signed

.....  
Director

Print Name:

.....  
Director<sup>6</sup>

Print Name:

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<sup>6</sup> No second signature is required for sole director companies, see Rule 1.3.A.

**EXHIBIT B: FORM OF PRICE-MAKER CERTIFICATE**

[NAME OF APPLICANT]  
(Incorporated in England and Wales or Scotland under Registered No. [●])  
[ADDRESS OF REGISTERED OFFICE]

Price-Maker Certificate

We, being directors of [APPLICANT] (the "Company"), HEREBY CERTIFY as at the date of this certificate that, having made due and careful enquiry and to the best of our knowledge, information and belief<sup>1</sup>:

- (a) the Company has applied for Prequalification in a Capacity Auction in accordance with the Capacity Market Rules with respect to the following Existing Generating CMU:
- (b) *[Insert details of the relevant CMU as per the application information submitted pursuant to Rule 3.4.3] (the "Relevant CMU");*
- (c) the Company has received notice from the Delivery Body that the Relevant CMU has Prequalified for the purposes of the Capacity Market Rules;
- (d) the Company's forecast economics are such that for the Relevant CMU to continue in economic operation into the Delivery Year will require the Company to secure a Capacity Agreement in the Capacity Auction with respect to the Relevant CMU at a Clearing Price which is above the Price-Taker Threshold; and
- (e) the Company's estimated net going forward costs with respect to the Relevant CMU (being the Company's total revenue requirement with respect to the Relevant CMU less risk-adjusted market value from sales of energy and ancillary services with respect to the Relevant CMU) exceed the Price-Taker Threshold.

The Company accordingly wishes to be a Price-Maker with respect to the Relevant CMU and has prepared a Price-Maker Memorandum which supports the statements in this certificate and lodged such Price-Maker Memorandum with the Authority.

Capitalised terms in this certificate have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed

.....  
Director

.....  
Director<sup>2</sup>

Print Name:

Print Name:

<sup>1</sup> For sole director companies, substitute "I, being the director of [APPLICANT], HERBY CERTIFY as at the date of this certificate that having being made due and careful enquiry and to the best of my knowledge, information and belief:".

<sup>2</sup> No second signature is required for sole director companies, see Rule 1.3.A.



## EXHIBIT C: FORM OF CERTIFICATE OF CONDUCT

[NAME]

(Incorporated in England and Wales or Scotland under Registered No. [●])

[ADDRESS OF REGISTERED OFFICE]

### Certificate of Conduct

We, being directors of [name] (the "Company"), HEREBY CERTIFY as at the date of this certificate that, having made due and careful enquiry and to the best of our knowledge, information and belief<sup>1</sup>:

- (a) the Company has complied with all laws intended to prohibit or restrict anti-competitive practices relevant to its Application or proposed participation in a Capacity Auction;
- (b) neither the Company nor any other Applicant-related Party (if any) has engaged in any Market Manipulation;
- (c) neither the Company nor any other Applicant-related Party (if any) has done anything which would constitute a breach of the Bribery Act 2010 as amended from time to time with a view to influencing the outcome of a Capacity Auction;
- (d) neither the Company nor any other Applicant-related Party (if any) has offered to pay or give any sum of money, inducement or valuable consideration directly or indirectly to any officer of an Administrative Party; and
- (e) neither the Company nor any member of the Company's Group nor any person to whom Capacity Market Confidential Information has been disclosed, has disclosed Capacity Market Confidential Information, whether directly or indirectly, to another person (including advisors and providers of finance) except where the disclosure was:
  - (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;
  - (ia) to the Authority; or
  - (ib) to the Competition and Markets Authority; or
  - (ii) to the Delivery Body; or
  - (iii) to a member of that Applicant's Group; or
  - (iv) to its Agent provided that such Agent is not also the Agent of another Applicant (unless the other Applicant is a member of the Applicant's Group); or
  - (v) where the Applicant is not the legal owner of the CMU to which the Application relates, to the legal owner of the CMU;
  - (va) where the Application is for an Interconnector CMU, to any person who is a Joint Owner in relation to that Interconnector CMU;

<sup>1</sup> For sole director companies, substitute "I, being the director of [APPLICANT], HEREBY CERTIFY as at the date of this certificate that having being made due and careful enquiry and to the best of my knowledge, information and belief:".

- (vi) to any potential purchaser of the CMU;
- (vii) where the Applicant is the legal owner of the CMU, to any third party having, or potentially having, Despatch Control with respect to that CMU
- (viii) to any provider of finance with respect to that CMU;
- (ix) 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;
- (x) to the professional advisers of:
  - (aa) the Applicant;
  - (bb) any member of the Applicant's Group;
  - (cc) any shareholder in the Applicant or, where such a shareholder is a company and a member of a Group, of any other company which is a member of that Group; or
  - (dd) any potential purchaser of the CMU; or
- (xi) in respect of information that was already public.

Capitalised terms in this certificate have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed

.....  
Director

.....  
Director<sup>2</sup>

Print Name:

Print Name:

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<sup>2</sup> No second signature is required for sole director companies, see Rule 1.3A.

## EXHIBIT D: FORM OF APPLICANT DECLARATION

### Applicant Declaration

The following confirmations and declarations are made jointly by *[Party A]* (the “**Legal Owner**”) and *[Party B]* (the “**Despatch Controller**” and, together with the Legal Owner, the “**Relevant Parties**”) with respect to the following Generating CMU:

*[Description of CMU to be inserted],*

(the “**Relevant CMU**”) and in relation to the Application to which this declaration relates (the “**Relevant Application**”).

- (a) Each of the Relevant Parties hereby confirms that:
- (i) the Legal Owner is the legal owner of each Generating Unit comprised in the Relevant CMU; and
  - (ii) the Despatch Controller has Despatch Control with respect to each Generating Unit comprised in the Relevant CMU.
- (b) Each of the Relevant Parties hereby declares that:
- (i) the Despatch Controller is the Applicant for the Relevant CMU in relation to the Relevant Application;
  - (ii) in the event that the Relevant CMU becomes a Prequalified CMU for the Capacity Auction to which the Relevant Application relates, the Despatch Controller will be the Bidder for the Relevant CMU in that Capacity Auction; and
  - (iii) in the event that the Relevant CMU becomes a Capacity Committed CMU pursuant to the Capacity Auction to which the Relevant Application relates, the Despatch Controller will be the Capacity Provider for the Relevant CMU.

Capitalised terms in used herein have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of the Legal Owner

.....  
Director

.....  
Director<sup>1</sup>

Print Name:

Print Name:

Signed for and on behalf of the Despatch Controller

.....  
Director

.....  
Director<sup>1</sup>

Print Name:

Print Name:

---

<sup>1</sup> No second signature is required for sole director companies, see Rule 1.3A.

**EXHIBIT DA: FORM OF JOINT OWNER DECLARATION FOR EXISTING  
INTERCONNECTOR CMU**

**Joint Owner Declaration for an Existing Interconnector CMU**

The following confirmations and declarations are made by [Party A; Party B; Party C as applicable] (the “**Relevant Parties**”) who are together the Joint Owners in relation to the following Interconnector CMU (the “**Relevant CMU**”) and/or its associated Non-GB Part:

*[Description of Interconnector CMU and Non-GB Part to be inserted]*

and are made in relation to the Application for the Relevant CMU (the “**Relevant Application**”).

- (a) Each of the Relevant Parties hereby confirms that each is a Joint Owner in relation to the Relevant CMU; and
- (b) Each of the Relevant Parties hereby declares that:
  - (i) [Party ] is the Applicant for the Relevant CMU in relation to the Relevant Application (the “**Applicant Party**”);
  - (ii) in the event that the Relevant CMU becomes a Prequalified CMU for the Capacity Auction to which the Relevant Application relates, the Applicant Party will be the Bidder for the Relevant CMU in that Capacity Auction;
  - (iii) in the event that the Relevant CMU becomes a Capacity Committed CMU pursuant to the Capacity Auction to which the Relevant Application relates, the Applicant Party will be the Capacity Provider for the Relevant CMU.

Capitalised terms used herein have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of:

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by each Relevant Party by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies, or execution is on behalf of a company which is not a UK-registered company (in which case it is to be duly executed under the law of the place in which the company is incorporated).

**EXHIBIT DB: ALTERNATIVE FORM OF JOINT OWNER DECLARATION FOR  
EXISTING INTERCONNECTOR CMU**

**Joint Owner Declaration for an Existing Interconnector CMU**

The following confirmations and declarations are made by [APPLICANT] who together with [LIST OTHER JOINT OWNERS] is a Joint Owner in relation to the following Interconnector CMU (the “**Relevant CMU**”) and/or its associated Non-GB Part:

*[Description of Interconnector CMU and Non-GB Part to be inserted]*

and are made in relation to the Application for the Relevant CMU (the “**Relevant Application**”).

- (a) [APPLICANT] hereby confirms that:
  - (i) it is a Joint Owner in relation to the Relevant CMU;
  - (ii) the ownership arrangements in relation to the Relevant CMU and the Non-GB Part do not preclude or limit its ability to act as Applicant or Capacity Provider or to perform any of its obligations under the Regulations or the Capacity Market Rules 2014; and
  - (iii) it has attached to this Declaration a signed acknowledgement from each of the other Joint Owners that they agree to its participation or intended participation in the Capacity Market; and
  
- (b) [APPLICANT] hereby declares that:
  - (i) it is the Applicant for the Relevant CMU in relation to the Relevant Application;
  - (ii) in the event that the Relevant CMU becomes a Prequalified CMU for the Capacity Auction to which the Relevant Application relates, it will be the Bidder for the Relevant CMU in that Capacity Auction;
  - (iii) in the event that the Relevant CMU becomes a Capacity Committed CMU pursuant to the Capacity Auction to which the Relevant Application relates it will be the Capacity Provider for the Relevant CMU.

Capitalised terms used herein have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of [APPLICANT]

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies.

**EXHIBIT DC: FORM OF JOINT OWNER DECLARATION FOR PROSPECTIVE INTERCONNECTOR CMU**

**Joint Owner Declaration for a Prospective Interconnector CMU**

The following confirmations and declarations are made by [Party A; Party B; Party C as applicable] (the “**Relevant Parties**”) who are together the Joint Owners in relation to the following Interconnector CMU (the “**Relevant CMU**”) and/or its associated Non-GB Part:

*[Description of Interconnector CMU and Non-GB Part to be inserted]*

and are made in relation to the Application for the Relevant CMU (the “**Relevant Application**”).

- (a) Each of the Relevant Parties hereby confirms that each is a Joint Owner in relation to the Relevant CMU; and
- (b) Each of the Relevant Parties hereby declares that:
  - (i) [Party ] is the Applicant for the Relevant CMU in relation to the Relevant Application (the “**Applicant Party**”);
  - (ii) in the event that the Relevant CMU becomes a Prequalified CMU for the Capacity Auction to which the Relevant Application relates, the Applicant Party will be the Bidder for the Relevant CMU in that Capacity Auction;
  - (iii) in the event that the Relevant CMU becomes a Capacity Committed CMU pursuant to the Capacity Auction to which the Relevant Application relates, the Applicant Party will be the Capacity Provider for the Relevant CMU;
  - (iv) any statement or declaration made or deemed to be made by the Applicant Party as Applicant, Bidder or Capacity Provider in accordance with the Capacity Market Rules 2014 is made or deemed to be made by or in respect of all Relevant Parties;
  - (v) any certification required to be made by the Applicant, Bidder or Capacity Provider in accordance with Capacity Market Rules, including the Prequalification Certificate and the Certificate of Conduct, is made by or in respect of all Relevant Parties.

Capitalised terms used herein have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by each Relevant Party by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies, or execution is on behalf of a company which is not a UK-registered company (in which case it is to be duly executed under the law of the place in which the company is incorporated).

**EXHIBIT E: FORM OF AGENT NOMINATION FORM**

<b>1</b>	<b>Applicant Details</b>	
1.1	Applicant:	
1.2	Address:	
1.3	Telephone number:	
1.4	Email:	
1.5	CMUs to which Agent Nomination Form relates:	
1.6	Matters for which the Agent is appointed:	<i>[Delete as appropriate]</i> Applications Bidding Receiving / sending correspondence and notices to / from Administrative Parties Obligation Trading Volume Reallocation
<b>2</b>	<b>Agent Details</b>	
2.1	Agent:	
2.2	Address:	
2.3	Telephone number:	
2.4	Email:	
<b>3</b>	<b>Appointment of Agent</b>	
3.1	<p>[Names of Applicant] (the “<b>Applicant</b>”) hereby gives notice that:</p> <ul style="list-style-type: none"> <li>• it appoints [Name of Agent] (the “<b>Agent</b>”) to act as its Agent in relation to all matters set out in 1.6 above;</li> <li>• it acknowledges and agrees that the Administrative Parties can rely on representations made by the Agent;</li> <li>• it acknowledges and agrees that it is bound by the Agent’s acts and omissions;</li> <li>• it is responsible for every act, breach, omission, neglect and failure of the Agent (in relation to the Applicant) and must itself comply and must procure compliance by the Agent, with the relevant provisions of the Rules; and</li> <li>• it will take such actions and provide such information as is reasonably necessary to enable the Agent for</li> </ul>	

	which it is responsible to discharge its functions in accordance with the relevant provisions of the Rules.	
<b>3.2</b>	Date from which appointment is to be effective:	
<b>4</b>	<b>Termination of appointment of Agent</b>	
<b>4.1</b>	Date from which termination is to be effective:	
<b>4.2</b>	<b>Resignation of Agent</b>	
<b>4.3</b>	Date from which resignation is to be effective:	

<b>Authorised Signature of Applicant:</b>	
<b>Authorised Signature of Agent:</b>	



## EXHIBIT F: FORM OF AGGREGATOR DECLARATION

### Aggregator Declaration

The following confirmations and declarations are made by *[Name of aggregator]* (the “Despatch Controller”) with respect to the following Generating CMU:

*[Description of CMU to be inserted],*

(the “Relevant CMU”) and in relation to the Application to which this declaration relates (the “Relevant Application”).

(a) The Despatch Controller hereby confirms that:

- (i) the Relevant CMU comprises the following Generating Units and that legal ownership of each Generating Unit is vested in the parties listed below:

Description of Generating Unit	Legal Owner
<i>[Description of Generating Unit to be inserted]</i>	<i>[Name and address details of Legal Owner to be inserted]</i>

and

- (ii) the Despatch Controller has or, in the case of a Prospective CMU, will have Despatch Control with respect to each Generating Unit comprised in the Relevant CMU.

(b) The Despatch Controller hereby declares that:

- (i) the Despatch Controller is the Applicant for the Relevant CMU in relation to the Relevant Application;
- (ii) in the event that the Relevant CMU becomes a Prequalified CMU for the Capacity Auction to which the Relevant Application relates, the Despatch Controller will be the Bidder for the Relevant CMU in that Capacity Auction; and
- (iii) in the event that the Relevant CMU becomes a Capacity Committed CMU pursuant to the Capacity Auction to which the Relevant Application relates, the Despatch Controller will be the Capacity Provider for the Relevant CMU.

Capitalised terms used in this declaration have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of the Despatch Controller

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies.

**EXHIBIT G: FORM OF LEGAL OWNER DECLARATION**

**Legal Owner Declaration**

The following confirmations and declarations are made by *[Legal Owner]* (the “**Legal Owner**”) with respect to the following Generating Unit:

*[Description of Generating Unit to be inserted],*

(the “**Relevant Generating Unit**”).

(a) The Legal Owner hereby confirms that:

- (i) the Legal Owner is the sole legal owner of the Relevant Generating Unit; and
- (ii) *[insert name of Despatch Controller]* (the “**Despatch Controller**”) has or, in the case of a Prospective CMU, will have Despatch Control with respect to the Relevant Generating Unit.

(b) The Legal Owner hereby declares that the Legal Owner consents to the Despatch Controller submitting an Application in respect of a CMU, of which the Relevant Generating Unit forms part.

Capitalised terms used in this declaration have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of the Legal Owner

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies.

## EXHIBIT H: FORM OF AGGREGATOR TRANSFER DECLARATION

### Aggregator Transfer Declaration

The following confirmations and declarations are made by *[Name of aggregator]* (the “**Despatch Controller**”) with respect to the following Generating CMU:

*[Description of CMU to be inserted],*

(the “**Relevant CMU**”).

The Despatch Controller hereby confirms that:

- (a) legal ownership of *[description of Generating Unit]* has been transferred from *[name of transferor Legal Owner]* to *[name of transferee Legal Owner]* with effect from *[insert date]*;
- (b) legal ownership of each Generating Unit comprised in the Relevant CMU is vested in the parties listed below:

Description of Generating Unit	Legal Owner
<i>[Description of Generating Unit to be inserted]</i>	<i>[Name and address details of Legal Owner to be inserted]</i>

and

- (c) the Despatch Controller has or, in the case of a Prospective CMU, will have Despatch Control with respect to each Generating Unit comprised in the Relevant CMU.

Capitalised terms used in this declaration have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of the Despatch Controller

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies.

**EXHIBIT I: FORM OF LEGAL OWNER TRANSFER DECLARATION**

**Legal Owner Transfer Declaration**

The following confirmations and declarations are made by *[Legal Owner]* (the “**Legal Owner**”) with respect to the following Generating Unit:

*[Description of Generating Unit to be inserted],*

(the “**Relevant Generating Unit**”).

The Legal Owner hereby confirms that:

- (a) the Legal Owner is the sole legal owner of the Relevant Generating Unit; and
- (b) *[insert name of Despatch Controller]* (the “**Despatch Controller**”) has or, in the case of a Prospective CMU, will have Despatch Control with respect to the Relevant Generating Unit.

Capitalised terms used in this declaration have the meaning given to them in the Capacity Market Rules 2014 unless otherwise indicated.

DATED: [●]

Signed for and on behalf of the Legal Owner

.....  
Director

.....  
Director

Print Name:

Print Name:

To be executed by the signature of two directors, unless Rule 1.3A (inserted by the Capacity Market (Amendment) Rules 2014) applies.