

# The Capacity Market (Amendment) Rules 2021

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



# The Capacity Market (Amendment) Rules 2021

## 1. Citation, Commencement and Interpretation

1.1 These Rules may be cited as the Capacity Market (Amendment) Rules 2021.

1.2 These Rules and Parts 1, 4, 5, 6, and 7 of the Schedule to these Rules come into force on the day after the day on which these Rules are made.

1.3 Parts 2 and 3 of the Schedule to these Rules come into force on the day on which the Electricity Capacity (Amendment) Regulations 2021 come into force.

1.4 In these Rules:

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

- (a) the Capacity Market (Amendment) Rules 2014;
- (b) the Capacity Market (Amendment) (No. 2) Rules 2014;
- (c) the Capacity Market (Amendment) Rules 2015;
- (d) the Capacity Market (Amendment) (No. 2) Rules 2015;
- (e) the Capacity Market (Amendment) Rules 2016;
- (f) the Capacity Market (Amendment) (No. 2) Rules 2016;
- (g) the Capacity Market (Amendment) (No. 3) Rules 2016;
- (h) the Capacity Market (Amendment) Rules 2017;
- (i) the Capacity Market (Amendment) (No. 2) Rules 2017;
- (j) the Capacity Market (Amendment) (No. 3) Rules 2017;
- (k) the Capacity Market (Amendment) (No. 4) Rules 2017;
- (l) the Capacity Market (Amendment) Rules 2019;
- (m) the Capacity Market (Amendment) (No. 2) Rules 2019;
- (n) the Capacity Market (Amendment) (No. 3) Rules 2019;

- (o) the Capacity Market (Amendment) (No. 4) Rules 2019;
- (p) the Capacity Market (Amendment) (No. 5) Rules 2019;
- (q) the Capacity Market (Amendment) Rules 2020;
- (r) the Capacity Market (Amendment) (No. 2) Rules 2020; and
- (s) the Capacity Market (Amendment) (No. 3) Rules 2020;

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

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

## **2. Amendments**

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



29 June 2021

*Anne-Marie Trevelyan*  
Minister of State for Energy, Clean Growth and Climate Change  
Department for Business, Energy & Industrial Strategy

## SCHEDULE

### Part 1

#### Net Welfare Algorithm

#### 1. Amendments to Chapter 1 (General Provisions)

##### 1.1 In Rule 1.2.1:

1.1.1 After the definition of "Auction Results Day", insert;

**"Auction Target Capacity"** has the meaning given to that term in Regulation 11(3);

1.1.2 In the definition of "Contracted Capacity", after "Rule 5.9.7" insert "or Rule 5.9.7A (as applicable)"; and

1.1.3 After the definition of "T-1 auction for the Delivery Year commencing on 1 October 2019", insert:

**"T-1 Auction Set Aside"** has the meaning given in Regulation 12(2A)(b).

#### 2. Amendments to Chapter 5 (Capacity Auctions)

2.1 In Rule 5.7.2 (Continuing Bids in a Capacity Auction), in each place it occurs, for "Bidding Round Floor Price", substitute "Bidding Round Price Floor".

##### 2.2 In Rule 5.9 (Capacity Auction clearing)

2.2.1 In Rule 5.9.2, for "Bidding Round Floor Price", substitute "Bidding Round Price Floor";

2.2.2 In Rule 5.9.4, at the start, insert "Unless Rule 5.9.4A applies,";

2.2.3 After Rule 5.9.4, insert:

"5.9.4A

- (a) This Rule 5.9.4A applies to a T-1 Auction in respect of which the Auction Target Capacity is adjusted by the Secretary of State under Regulation 13(1), and following that adjustment, the Auction Target Capacity is equal to 50% of

the T-1 Auction Set Aside previously determined under Regulation 12(A)(b) for that T-1 Auction and Delivery Year (a “relevant T-1 Auction”).

- (b) The Clearing Price for a relevant T-1 Auction is the price determined by the Auctioneer by determining the Exit Ranking (in accordance with Rule 5.9.5) and then;
  - (i) 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;
  - (ii) in the event the application of Rule 5.9.4A(b)(i) does not result in a Clearing Price being determined, subject to paragraph (iii), the Clearing Price is the Exit Price of the lowest ranking Relevant Exit Bid, where the Potential Clearing Capacity was not exceeded; and
  - (iii) in the event the application of Rule 5.9.4A(b)(ii) does not result in a Clearing Price being determined because there is no Relevant Exit Bid where the Potential Clearing Capacity was not exceeded, the Clearing Price is the Bidding Round Price Floor for the Clearing Round”;

2.2.4 In Rule 5.9.7, at the start, insert “Unless Rule 5.9.7A applies,”; and

2.2.5 After Rule 5.9.7, insert:

“5.9.7A

- (a) This Rule 5.9.7A applies to a T-1 Auction in respect of which the Auction Target Capacity is adjusted by the Secretary of State under

Regulation 13(1), and following that adjustment, the Auction Target Capacity is equal to 50% of the T-1 Auction Set Aside previously determined under Regulation 12(A)(b) for that T-1 Auction and Delivery Year (a “relevant T-1 Auction”).

- (b) The following Bidding CMUs must be awarded a Capacity Agreement pursuant to a relevant T-1 Auction:
  - (i) each Bidding CMU that made a Continuing Bid in the Clearing Round; and
  - (ii) where Rule 5.9.4A(b)(i) is applied to determine the Clearing Price, 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; or
  - (iii) where Rule 5.9.4A(b)(ii) is applied to determine the Clearing Price, the Bidding CMU that was the subject of the lowest ranking Relevant Exit Bid, and each Bidding CMU with a higher ranking in the Exit Ranking.”.

## **2.3 In Rule 5.10 (Capacity Auction results)**

- 2.3.1 In Rule 5.10.3, after “Rule 5.9.7” insert “or Rule 5.9.7A (as applicable)”;

## Part 2

### Reduction of the duration of Capacity Agreements

#### 3. Amendments to Chapter 1 (General Provisions)

##### 3.1 In Rule 1.2.1:

3.1.1 After the definition of “Reconsidered Decision”, insert;

“**Reduction Notice** has the meaning given to that term in Rule 8.3.6D(a)”;

#### 4. Amendments to Chapter 7 (Capacity Market Register)

4.1 In Rule 7.5.1(n), omit “and 8.3.6(c)”;

4.2 After Rule 7.5.1(n), insert:

“(na) within 5 Working Days of any reduction in the duration of a Capacity Agreement in accordance with Rule 8.3.6D(f);”.

#### 5. Amendments to Chapter 8 (Obligations of Capacity Providers and System Stress Events)

5.1 Omit Rule 8.3.6(c).

5.2 In Rule 8.3.6A:

5.2.1 in paragraph (b), for “Unless the requirements of paragraph (c) are satisfied, at the start of the first Delivery Year”, substitute “No later than three months after the start of the first Delivery Year or, if applicable, no later than the date the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii) or Rule 6.8.5.”; and

5.2.2 omit paragraphs (c) to (f) other than footnote “13”.

5.3 After Rule 8.3.6C, insert:

“8.3.6D Reduction Notice

(a) If a Capacity Provider:

(i) fails to provide the Delivery Body with a certificate in accordance with Rule 8.3.6(a) by the date described in Rule 8.3.6(zaa) and, if



applicable, a certificate in accordance with Rule 8.3.6(aa) by the date described in Rule 8.3.6(aa), or in accordance with Rule 8.3.6A(b) by the date described in that Rule; or

- (ii) has provided the Delivery Body with a certificate in accordance with Rule 8.3.6(a) which satisfies any of Rule 8.3.6(a)(i), (ii) or (iii), but fails to provide the Delivery Body with, if applicable a certificate in accordance with Rule 8.3.6(aa), or a certificate in accordance with Rule 8.3.6A(b) by the dates described in those Rules,

the Delivery Body must issue a written notice to the relevant Capacity Provider, the Authority, the CM Settlement Body and the Secretary of State (a "Reduction Notice") stating that the Capacity Provider has failed to meet the requirement specified in the notice and as a result the duration of the Capacity Agreement of the relevant CMU will be reduced with effect from 60 Working Days after the date the Reduction Notice is given.

- (b) The Reduction Notice must:
  - (i) specify the provision of the Rules the Capacity Provider has breached (the "Specified Requirement"); and
  - (ii) state the duration to which the relevant Capacity Agreement will be reduced; and
  - (iii) inform the Capacity Provider of its rights under Regulation 33A(4) to apply to the Secretary of State to make a direction to the Delivery Body to have:
    - (aa) the date for compliance with the Specified Requirement extended; or
    - (bb) the Reduction Notice withdrawn.
- (c) The duration referred to in paragraph (b)(ii) is:
  - (i) if the relevant Capacity Provider has failed to provide the Delivery Body with a certificate in accordance with Rule 8.3.6(a) by the date described in Rule 8.3.6(zaa) and/or, if applicable, a certificate in accordance with Rule 8.3.6(aa) by the date described in Rule 8.3.6(aa), one Delivery Year (irrespective of whether the relevant Capacity Provider has or has not provided the Delivery Body with a certificate in accordance with Rule 8.3.6A(b));

- (ii) if the relevant Capacity Provider has failed to provide the Delivery Body with a certificate in accordance with Rule 8.3.6A(b):
  - (aa) three Delivery Years, where a certificate is provided which satisfies Rule 8.3.6(a)(ii) or (iii); or
  - (bb) one Delivery Year, where a certificate is provided which satisfies Rule 8.3.6(a)(i), or paragraph (i) applies.
- (d) To apply for a direction from the Secretary of State under Regulation 33A(2) a Capacity Provider must make representations in accordance with Regulation 33A(5).
- (e) The Delivery Body must immediately extend or withdraw a Reduction Notice (as the case may be) on receipt of a direction of the Secretary of State in accordance with Regulation 33A(2) and, issue a written notice to the Capacity Provider, the Authority and the CM Settlement Body informing it that the Reduction Notice has been extended or withdrawn as the case may be.
- (f) At the expiry of the notice period referred to in Rule 8.3.6D(a) or, where applicable, any period to which it is extended under Rule 8.3.6D(b)(iii)(aa) the duration of the Capacity Agreement of the relevant CMU is reduced to the period specified in the Reduction Notice, unless the Reduction Notice has been withdrawn.
- (g) Where the duration of a Capacity Agreement is reduced in accordance with Rule 8.3.6D(f), the Delivery Body must:
  - (i) update the Capacity Market Register to reflect the reduction in the duration of that Capacity Agreement; and
  - (ii) notify the CM Settlement Body and the Authority of the reduction in the duration of that Capacity Agreement, and the requirement which the Capacity Provider failed to satisfy.”.

## **6. Amendments to Chapter 13 (Testing regime)**

- 6.1** In Rule 13.4A.1, for “Rule 8.3.6(c)”, substitute “Rule 8.3.6D(c)(i)”.

### Part 3

#### Effect of Termination following transfer of Capacity Obligations

#### 7. Amendments to Chapter 6 (Capacity Agreements)

##### 7.1 In Rule 6.10.1A:

7.1.1 In paragraph (a), at the start, insert “subject to paragraph (d),”.

7.1.2 after paragraph (c), insert:

“(d) The provisions of this Rule 6.10.1A do not apply to a CMU Transferor which has transferred the entirety of its Capacity Obligation in accordance with Rule 9.2.4(a) in respect of the period during which the transferred Capacity Obligation applies to the CMU Transferee, except where a Termination Notice is received by the CMU Transferor prior to the relevant transfer.”.

#### 8. Amendments to Chapter 9 (Transfer of Capacity Obligations)

##### 8.1 In Rule 9.2.3:

8.1.1 in paragraph (a), omit “the Registered Holder or”;

8.1.2 in paragraph (b), omit “the Registered Holder or”;

8.1.3 in paragraph (b), at the end, omit “and”.

8.1.4 in paragraph (c), at the start, insert “subject to paragraph (e),”;

8.1.5 after paragraph (c), insert:

“(d) if the request under Rule 9.3.1(a) is submitted before the Termination Notice is received by the Registered Holder, the transfer shall have effect for the Transfer Period in accordance with Rule 9.2.4; and

(e) without prejudice to Rule 6.10.2, if the request under Rule 9.3.1(a) is submitted after a Termination Notice specifying the Termination Event set out in Rule 6.10.1(a) is received by the Registered Holder, but occurs prior to the expiry of the relevant period, the transfer shall have effect for the Transfer Period in accordance with Rule 9.2.4.”.

## Part 4

### Fossil Fuel Emissions

#### 9. Amendments to Chapter 1 (General Provisions)

##### 9.1 In Rule 1.2 (Definitions):

9.1.1 after the definition of “Capital Expenditure”, insert:

**“CCUS** means carbon capture, utilisation and storage”;

9.1.2 after the definition of “CFD Transfer Notice”, insert:

**“CHPQA Calendar Year**

(a) unless paragraphs (b) or (c) apply, means a continuous period of 12 months commencing on 1 January during the first Delivery Year of a Capacity Agreement; or

(b) means:

(i) where, in respect of a New Build, Refurbishing, or Unproven DSR CMU, a Capacity Agreement takes effect (in accordance with Rule 6.7.4(a)(ii), Rule 6.8.5, or Rule 6.7A.1(b) as applicable) on a date after the start of a Delivery Year (“Delivery Year X”) and before 31 December within Delivery Year X; or

(ii) where, an Emissions Related Material Change occurs on a date after the start of Delivery Year X and before 31 December within Delivery Year X,

a continuous period of 12 months commencing on 1 January during Delivery Year X;

- (c) means:
- (i) where, in respect of a New Build, Refurbishing, or Unproven DSR CMU, a Capacity Agreement takes effect (in accordance with Rule 6.7.4(a)(ii), Rule 6.8.5, or Rule 6.7A.1(b) as applicable) on a date on or after 1 January within a Delivery Year (“Delivery Year Y”) and no later than the end of Delivery Year Y; or
  - (ii) where, an Emissions Related Material Change occurs on a date on or after 1 January within Delivery Year Y and no later than the end of Delivery Year Y,

a continuous period of 12 months commencing on 1 January during the Delivery Year immediately after Delivery Year Y

**CHPQA Certificate**

means a certificate issued in respect of a combined heat and power plant following assessment of the station against criteria set out in the CHPQA Standard

**CHPQA Standard**

means the Combined Heat and Power Quality Assurance Standard, issue 8, March 2021<sup>1</sup>;

9.1.3 after the definition of “CMVR Transferor”, insert:

**“CO<sub>2</sub>generated**

has the meaning given in Part 4.2 of Schedule 8

**CO<sub>2</sub>transferred**

has the meaning given in Part 4.2 of Schedule 8”;

9.1.4 after the definition of “Design Efficiency”, insert:

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<sup>1</sup> This document can be found at: <https://www.gov.uk/government/publications/chpqa-standard>.

**“Design Efficiency CHPQA Formula** has the meaning given in Part 3.1(c) of Schedule 8

**Design Efficiency Formula** has the meaning given in Part 3.1(a) of Schedule 8

**Design Efficiency Steam Formula** has the meaning given in Part 3.1(b) of Schedule 8”;

9.1.5 after the definition of “Dynamic Parameters”, insert:

**“EF<sub>w</sub>** has the meaning given in Part 5.1(a) of Schedule 8”;

9.1.6 in the definition of “Emissions Related Material Change”:

(a) in paragraph (a):

(i) after “Fossil Fuel Component”, insert “with an Installed Capacity equal to or greater than 1MW”;

(ii) after “Associated Fossil Fuel Component”, insert “with an Installed Capacity equal to or greater than 1MW”;

(b) for paragraph (b), substitute:

“(b) in respect of a Fossil Fuel Component or Associated Fossil Fuel Component with an Installed Capacity equal to or greater than 1MW, means adding or removing at least one fuel used to produce electricity or any other change which alters its Fossil Fuel Emissions or Fossil Fuel Yearly Emissions”;

(c) after paragraph (b), insert:

“(c) in respect of a Fossil Fuel Component or Associated Fossil Fuel Component with an Installed Capacity below 1MW, means any change which alters its Installed Capacity so that it is equal to or greater than 1MW.”;

9.1.7 in the definition of “Emissions Year”, in each place it occurs, omit “the Fossil Fuel Yearly Emissions declared in”;

9.1.8 in the definition of “Fossil Fuel Component”, for “a Fossil Fuel”, substitute “at least one Fossil Fuel”;

9.1.9 in the definition of “Fossil Fuel Emissions”, for “with the formula”, substitute “with one of the formulae”;

9.1.10 after the definition of “Fossil Fuel Emissions”, insert:

**“Fossil Fuel Emissions CCUS Formula** has the meaning given in Part 1.1(b) of Schedule 8”;

9.1.11 after the definition of “Fossil Fuel Emissions Declaration”, insert:

**“Fossil Fuel Emissions Formula** has the meaning given in Part 1.1(a) of Schedule 8”;

9.1.12 after the definition of “Fossil Fuel Emissions Commitment”, insert:

**“Fossil Fuel Emissions Composite Formula** has the meaning given in Part 1.1(d) of Schedule 8”;

9.1.13 after the definition of “Fossil Fuel Emissions Limit”, insert:

**“Fossil Fuel Emissions Mixed Fuel Formula** has the meaning given in Part 1.1(c) of Schedule 8”;

9.1.14 after the definition of “Fossil Fuel Yearly Emissions Limit”, insert:

**“FS** has the meaning given in Part 8.1 of Schedule 8”;

9.1.15 for the definition of “Generating Unit Fuel Type”, substitute:

**“Generating Unit Fuel Type** means each fuel used by a Generating Unit which produces electricity using fuel”;

9.1.16 after the definition of “Qualifying £/kW Capital Expenditure”, insert:

**“Qualifying CHPQA Certificate**

means:

- (a) in respect of a Fossil Fuel Emissions Declaration which is provided to the Delivery Body with an Application, a CHPQA Certificate which has an issue date which is no earlier than 1 January in the calendar year during which the

Prequalification Window occurs in which the Application is made; or

- (b) in respect of a Fossil Fuel Emissions Declaration which is provided to the Delivery Body other than with an Application, a CHPQA Certificate which has an issue date which is no earlier than 1 January in the calendar year during which the Fossil Fuel Emissions Declaration is provided to the Delivery Body”;

9.1.17 after the definition of “System Stress Event”, insert:

“TCF has the meaning given in Part 1.3 of Schedule 8”; and

9.1.18 in the definition of “Transitional Fossil Fuel Emissions Declaration”, for “2021”, substitute “2022”.

## 10. Amendments to Chapter 3 (Prequalification Information)

10.1 After Rule 3.4.10, insert:

“3.4.11 Fossil Fuel Emissions and Fossil Fuel Yearly Emissions

- (a) Notwithstanding provision by an Applicant of a declaration under Rule 3.6.5, Rule 3.7.4, Rule 3.8.3, Rule 3.9.5 or Rule 3.10.4 (where applicable), each Applicant for a Generating CMU or a DSR CMU (each “a relevant CMU”) must, in respect of:
  - (i) a Generating Unit, DSR CMU Component or Associated Fossil Fuel Component by which a Storage Facility has or will have part or all of its electricity requirements met (each “a relevant CMU component”) which comprises or will or may comprise in the relevant CMU; and
  - (ii) a Delivery Year for which a Capacity Obligation would be awarded in respect of the relevant CMU if a bid in respect of the relevant CMU were accepted at the Capacity Auction for which the Applicant is applying for prequalification (“a relevant Delivery Year”),

make the declaration in paragraph (b).



- (b) An Applicant for a relevant CMU must, in the Application, declare that:
  - (i) in respect of a relevant Delivery Year that commences in 2022 or a subsequent Delivery Year, any relevant CMU component with a Commercial Production Start Date on or after 4 July 2019 will not exceed the Fossil Fuel Emissions Limit; and
  - (ii) in respect of a relevant Delivery Year that commences in 2024 or a subsequent Delivery Year, any relevant CMU component with a Commercial Production Start Date before 4 July 2019 will not exceed the Fossil Fuel Emissions Limit (except that, where it exceeds the Fossil Fuel Emissions Limit, it will not exceed the Fossil Fuel Yearly Emissions Limit)."

**10.2** In Rule 3.6:

10.2.1 In Rule 3.6.5(a), after "Rule 3.6.5(b)", insert ", Rule 3.6.5(ca)";

10.2.2 For Rule 3.6.5(b), substitute:

- "(b) The Applicant is not required to provide a Fossil Fuel Emissions Declaration under this Rule 3.6.5 if the Applicant confirms in the Application that:
  - (i) after the coming into force of the Capacity Market (Amendment) (No. 2) Rules 2020, a Fossil Fuel Emissions Declaration has been provided to the Delivery Body in respect of the CMU (a "previous Fossil Fuel Emissions Declaration") which is not a Fossil Fuel Emissions Declaration specified in Rule 3.6.5(c);
  - (ii) there has been no Emissions Related Material Change to the CMU or a relevant Fossil Fuel Component since the previous Fossil Fuel Emissions Declaration was provided;
  - (iii) the previous Fossil Fuel Emissions Declaration did not contain values for the Fossil Fuel Yearly Emissions of any relevant Fossil Fuel Component;
  - (iv) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions CCUS Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component;
  - (v) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions Mixed Fuel Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component;
  - (vi) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions Composite Formula was used to

determine Fossil Fuel Emissions of any relevant Fossil Fuel Component; and

- (vii) the previous Fossil Fuel Emissions Declaration did not declare that the Design Efficiency CHPQA Formula was used to determine the Design Efficiency of any relevant Fossil Fuel Component.”;

10.2.3 After Rule 3.6.5(c), insert:

- “(ca) The Applicant is not required to provide a Fossil Fuel Emissions Declaration with the Application under this Rule 3.6.5 if the Applicant makes a declaration in accordance with Rule 3.6.5A(b).”;

10.2.4 After Rule 3.6.5, insert:

“3.6.5A Exemption from requirement to provide Fossil Fuel Emissions Declaration at Prequalification

- (a) An Applicant to which Rule 3.6.5(a) applies (“Applicant X”) is not required to provide a Fossil Fuel Emissions Declaration if Applicant X complies with Rule 3.6.5A(b), and provided that:
  - (i) Applicant X provides the confirmations in Rule 3.6.5A(b)(i)(aa) or (dd) only in circumstances where Applicant X, acting reasonably, determines that the CMU would not prequalify under Rule 4.4.2(k)(i) or (ii) if a Fossil Fuel Emissions Declaration were to be provided with the Application;
  - (ii) Applicant X provides the confirmation in Rule 3.6.5A(b)(i)(bb) only in circumstances where a Generating Unit comprised in the CMU uses more than one fuel to produce electricity and Applicant X does not intend to apply the Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of that component;
  - (iii) Applicant X provides the confirmation in Rule 3.6.5A(b)(i)(cc) in circumstances where a Generating Unit comprised in the CMU uses more than one fuel to produce electricity and is equipped with CCUS equipment, and Applicant X, acting reasonably, determines that the CMU would not prequalify under Rule 4.4.2(k)(i) or (ii) if a Fossil Fuel Emissions Declaration were to be provided with the Application (where Applicant X makes the declaration in

Rule 3.6.5A(b)(ii)(aa) in respect of the Fossil Fuel Emissions Composite Formula); or

- (iv) Applicant X provides the confirmation in Rule 3.6.5A(b)(i)(cc) in circumstances where a Generating Unit comprised in the CMU uses more than one fuel to produce electricity and is equipped with CCUS equipment (where Applicant X makes the declaration in Rule 3.6.5A(b)(ii)(bb) in respect of the Fossil Fuel Emissions Composite Formula).

(b) To comply with this Rule 3.6.5A(b), Applicant X must:

- (i) confirm that at least one of the following formulae will be applied in respect of a relevant Fossil Fuel Component (as defined in Rule 3.6.5(a)):

- (aa) the Fossil Fuel Emissions CCUS Formula;

- (bb) the Fossil Fuel Emissions Mixed Fuel Formula;

- (cc) the Fossil Fuel Emissions Composite Formula; and/or

- (dd) the Design Efficiency CHPQA Formula;

- (ii) declare that, at the date the Application is submitted:

- (aa) it is not possible to determine the  $CO2_{transferred}$  or  $CO2_{generated}$  (and therefore the TCF) of a relevant Fossil Fuel Component in respect of which Applicant X intends to apply the Fossil Fuel Emissions CCUS Formula or the Fossil Fuel Emissions Composite Formula to determine Fossil Fuel Emissions because, in the 14 months preceding the commencement of the Prequalification Window, there has not been a continuous period of 12 months during which the data required is available;

- (bb) it is not possible to determine the FS of a fuel (and therefore the  $EF_w$ ) of a relevant Fossil Fuel Component in respect of which Applicant X will apply the Fossil Fuel Emissions Mixed Fuel Formula or intends to apply the Fossil Fuel Emissions Composite Formula to determine Fossil Fuel Emissions because, in the 14 months preceding the commencement of the Prequalification Window, there has not been a continuous period of 12 months during which the data required is available; and/or

- (cc) it is not possible to determine the Design Efficiency of a relevant Fossil Fuel Component in respect of which

Applicant X intends to apply the Design Efficiency CHPQA Formula because a Qualifying CHPQA Certificate has not been issued in respect of that component; and

- (iii) confirm that a Fossil Fuel Emissions Declaration will be provided prior to the deadline in Rule 8.3.12A(b).”;

10.2.5 For Rule 3.6.6, substitute:

“3.6.6 Confirmation by an Existing CMU not using Fossil Fuels

An Applicant for an Existing Generating CMU which is not a CMU described in Rule 3.6.5(a) must declare that if, after the Capacity Auction to which the Application relates, there is an Emissions Related Material Change to the CMU, the Applicant will provide:

- (a) confirmation to the Delivery Body within two months following the Emissions Related Material Change:
  - (i) whether the Commercial Production Start Date of each Fossil Fuel Component or Associated Fossil Fuel Component added is before or on or after 4 July 2019; and
  - (ii) whether, in respect of a Fossil Fuel Component or Associated Fossil Fuel Component, the Applicant will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine its Fossil Fuel Emissions and/or apply the Design Efficiency CHPQA Formula to determine its Design Efficiency.
- (b) a Fossil Fuel Emissions Declaration to the Delivery Body by the deadline in Rule 8.3.12(b)(ii).”.

10.2.6 For Rule 3.6.7, substitute:

“3.6.7 Pre-2024 T-1 Auction confirmation

An Applicant which gives a confirmation under Rule 3.6.5(d) must declare that if, after the Capacity Auction to which the Application relates, there is an Emissions Related Material Change that results in the CMU comprising of at least one Fossil Fuel Component or at least one Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component, which has a Commercial Production Start Date on or after 4 July 2019, the Applicant will provide:

- (a) confirmation to the Delivery Body within two months following the Emissions Related Material Change:

- (i) whether the Commercial Production Start Date of each Fossil Fuel Component or Associated Fossil Fuel Component added is after 4 July 2019; and
  - (ii) whether, in respect of a Fossil Fuel Component or Associated Fossil Fuel Component, the Applicant will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine its Fossil Fuel Emissions and/or apply the Design Efficiency CHPQA Formula to determine its Design Efficiency.
- (b) a Fossil Fuel Emissions Declaration to the Delivery Body by the deadline in Rule 8.3.12(b)(ii).”.

**10.3** In Rule 3.7(Additional information for New Build CMU):

10.3.1 After Rule 3.7.3, insert:

“3.7.3A Fossil Fuels

An Applicant for a New Build CMU must confirm whether the CMU will comprise of any Fossil Fuel Component or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component.”;

10.3.2 In Rule 3.7.4, after “(or two officers, in the case of a body other than a company)”, insert:

“, and in such declaration, an Applicant for a CMU which will or may comprise of at least one Fossil Fuel Component or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component (each a “relevant Fossil Fuel Component”) must declare any of the following where applicable:

- (a) that the Applicant intends to apply the Fossil Fuel Emissions CCUS Formula to determine the Fossil Fuel Emissions of a relevant Fossil Fuel Component which will be equipped with CCUS equipment;
- (b) that the Applicant intends to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a relevant Fossil Fuel Component which will be in the Combined Heat and Power (CHP) Generating Technology Class; and/or
- (c) that the Applicant will apply the Fossil Fuel Emissions Mixed Fuel Formula or intends to apply the Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of a relevant Fossil

Fuel Component that will use more than one fuel to produce electricity.”

**10.4** In Rule 3.8 (Additional information from a Refurbishing CMU)

10.4.1 After Rule 3.8.2, insert:

“3.8.2A Fossil Fuels

An Applicant for a Refurbishing CMU must confirm whether the CMU will comprise of any Fossil Fuel Component or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component.”

10.4.2 In Rule 3.8.3, after “(or two officers, in the case of a body other than a company)” insert:

“, and in such declaration, an Applicant for a CMU which does (in respect of the Pre-Refurbishment CMU) or will or may (once improvement works are complete) comprise of at least one Fossil Fuel Component or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component (each a “relevant Fossil Fuel Component”) must declare any of the following where applicable:

- (a) that the Applicant intends to apply the Fossil Fuel Emissions CCUS Formula to determine the Fossil Fuel Emissions of a relevant Fossil Fuel Component which will be equipped with CCUS equipment;
- (b) that the Applicant intends to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a relevant Fossil Fuel Component which will be in the Combined Heat and Power (CHP) Generating Technology Class; and/or
- (c) that the Applicant will apply the Fossil Fuel Emissions Mixed Fuel Formula or intends to apply the Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of a relevant Fossil Fuel Component that will use more than one fuel to produce electricity.”.

**10.5** In Rule 3.9.5:

10.5.1 In Rule 3.9.5(a), after “Rule 3.9.5(b)”, insert “, Rule 3.9.5(ca)”;

10.5.2 For Rule 3.9.5(b), substitute:

- “(b) The Applicant is not required to provide a Fossil Fuel Emissions Declaration under this Rule 3.9.5 if the Applicant confirms in the Application that:

- (i) after the coming into force of the Capacity Market (Amendment) (No. 2) Rules 2020, a Fossil Fuel Emissions Declaration has been provided to the Delivery Body in respect of the CMU (a “previous Fossil Fuel Emissions Declaration”) which is not a Fossil Fuel Emissions Declaration specified in Rule 3.9.5(c);
- (ii) there has been no Emissions Related Material Change to the CMU or a relevant Fossil Fuel Component since the previous Fossil Fuel Emissions Declaration was provided;
- (iii) the previous Fossil Fuel Emissions Declaration did not contain values for the Fossil Fuel Yearly Emissions of any relevant Fossil Fuel Component;
- (iv) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions CCUS Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component; and
- (v) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions Mixed Fuel Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component;
- (vi) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions Composite Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component
- (vii) the previous Fossil Fuel Emissions Declaration did not declare that the Design Efficiency CHPQA Formula was used to determine the Design Efficiency of any relevant Fossil Fuel Component.”.

10.5.3 After Rule 3.9.5(c), insert:

- “(ca) The Applicant is not required to provide a Fossil Fuel Emissions Declaration under this Rule 3.9.5 if the Applicant makes a declaration in accordance with Rule 3.9.5A(b).”.

10.5.4 After Rule 3.9.5, insert:

- “3.9.5A Exemption from requirement to provide Fossil Fuel Emissions Declaration at Prequalification
  - (a) An Applicant which is subject to Rule 3.9.5(a) (“Applicant Y”) is not required to provide a Fossil Fuel Emissions Declaration if Applicant Y complies with Rule 3.9.5A(b), and provided that;

- (i) Applicant Y provides the confirmations in Rule 3.9.5A(b)(i)(aa) or (dd) only where Applicant Y, acting reasonably, determines that the CMU would not prequalify under Rule 4.4.2(k)(i) or (ii) if a Fossil Fuel Emissions Declaration were to be provided with the Application;
  - (ii) Applicant Y provides the confirmation in Rule 3.9.5A(b)(i)(bb) only in circumstances where a Generating Unit comprised in the CMU uses more than one fuel to produce electricity and Applicant Y does not intend to apply the Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of that component;
  - (iii) Applicant Y provides the confirmation in Rule 3.9.5A(b)(i)(cc) in circumstances where a Generating Unit comprised in the CMU uses more than one fuel to produce electricity and is equipped with CCUS equipment, and Applicant Y, acting reasonably, determines that the CMU would not prequalify under Rule 4.4.2(k)(i) or (ii) if a Fossil Fuel Emissions Declaration were to be provided with the Application (where Applicant Y makes the declaration in Rule 3.9.5A(b)(ii)(aa) in respect of the Fossil Fuel Emissions Composite Formula); or
  - (iv) Applicant Y provides the confirmation in Rule 3.9.5A(b)(i)(cc) in circumstances where a Generating Unit comprised in the CMU uses more than one fuel to produce electricity and is equipped with CCUS equipment (where Applicant Y makes the declaration in Rule 3.9.5A(b)(ii)(bb) in respect of the Fossil Fuel Emissions Composite Formula).
- (b) To comply with this Rule 3.9.5A(b), Applicant Y must:
- (i) confirm that at least one of the following formulae will be applied in respect of a relevant Fossil Fuel Component (as defined in Rule 3.9.5(a)) when determining its Fossil Fuel Emissions:
    - (aa) the Fossil Fuel Emissions CCUS Formula;
    - (bb) the Fossil Fuel Emissions Mixed Fuel Formula;
    - (cc) the Fossil Fuel Emissions Composite Formula; and/or
    - (dd) the Design Efficiency CHPQA Formula;
  - (ii) confirm that, at the date the Application is submitted;
    - (aa) it is not possible to determine the  $CO2_{transferred}$  or  $CO2_{generated}$  (and therefore the TCF) of a relevant



Fossil Fuel Component in respect of which Applicant Y intends to apply the Fossil Fuel Emissions CCUS Formula or the Fossil Fuel Emissions Composite Formula to determine Fossil Fuel Emissions because, in the 14 months preceding the commencement of the Prequalification Window, there has not been a continuous period of 12 months during which the data required is available;

- (bb) it is not possible to determine the FS of a fuel (and therefore the  $EF_w$ ) of a relevant Fossil Fuel Component in respect of which Applicant Y will apply the Fossil Fuel Emissions Mixed Fuel Formula or intends to apply the Fossil Fuel Emissions Composite Formula to determine Fossil Fuel Emissions because, in the 14 months preceding the commencement of the Prequalification Window, there has not been a continuous period of 12 months during which the data required is available; and/or
  - (cc) it is not possible to determine the Design Efficiency of a relevant Fossil Fuel Component in respect of which Applicant Y intends to apply the Design Efficiency CHPQA Formula because a Qualifying CHPQA Certificate has not been issued in respect of that component; and
- (iii) confirm that a Fossil Fuel Emissions Declaration will be provided prior to the deadline in Rule 8.3.12A(b).”.

10.5.5 For Rule 3.9.6, substitute:

“3.9.6 Confirmation by a Proven DSR CMU not using Fossil Fuels

An Applicant for a Proven DSR CMU which is not a CMU described in Rule 3.9.5(a) must declare that if, after the Capacity Auction to which the Application relates, there is an Emissions Related Material Change to the CMU, the Applicant will provide:

- (a) confirmation to the Delivery Body within two months following the Emissions Related Material Change:
  - (i) whether the Commercial Production Start Date of each Fossil Fuel Component or Associated Fossil Fuel Component added is before or on or after 4 July 2019; and
  - (ii) whether the Applicant will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of a Fossil Fuel Component or Associated Fossil Fuel Component and/or whether the

Capacity Provider intends to rely on the Design Efficiency CHPQA Formula to determine the Design Efficiency of a component.

- (b) a Fossil Fuel Emissions Declaration to the Delivery Body by the deadline in Rule 8.3.12(b).”.

10.5.6 For Rule 3.9.7, substitute:

**“3.9.7** Pre-2024 T-1 Auction confirmation

An Applicant which gives a confirmation under Rule 3.9.5(d) must declare that if, after the Capacity Auction to which the Application relates, there is an Emissions Related Material Change that results in the CMU comprising of at least one Fossil Fuel Component or at least one Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component, and which has a Commercial Production Start Date after 4 July 2019, it will provide:

- (a) confirmation to the Delivery Body within two months following the Emissions Related Material Change:
  - (i) whether the Commercial Production Start Date of each Fossil Fuel Component or Associated Fossil Fuel Component added is after 4 July 2019; and
  - (ii) whether, in respect of a Fossil Fuel Component or Associated Fossil Fuel Component, the Applicant will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine its Fossil Fuel Emissions and/or apply the Design Efficiency CHPQA Formula to determine its Design Efficiency.
- (b) a Fossil Fuel Emissions Declaration to the Delivery Body by the deadline in Rule 8.3.12(b)(ii).”.

**10.6** In Rule 3.10 (Additional Information for an Unproven DSR CMU):

10.6.1 After Rule 3.10.3, insert:

**“3.10.3A** Fossil Fuels

An Applicant for an Unproven DSR CMU must declare whether the CMU will comprise of any Fossil Fuel Component or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component.”.

10.6.2 In Rule 3.10.4, after “(or two officers, in the case of a body other than a company)” insert:

“, and in such declaration, an Applicant for a CMU which will or may comprise of at least one Fossil Fuel Component or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component (each a “relevant Fossil Fuel Component”) must confirm the following where applicable:

- (a) that the Applicant intends to apply the Fossil Fuel Emissions CCUS Formula to determine the Fossil Fuel Emissions of a relevant Fossil Fuel Component which will be equipped with CCUS equipment;
- (b) that the Applicant intends to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a relevant Fossil Fuel Component which will be in the Combined Heat and Power (CHP) Generating Technology Class; or
- (c) that the Applicant will apply the Fossil Fuel Emissions Mixed Fuel Formula or intends to apply the Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of a relevant Fossil Fuel Component will use more than one fuel to produce electricity.”.

## **11. Amendments to Chapter 8 (Obligations of Capacity Providers and System Stress Events)**

**11.1** In Rule 8.3.11 (Fossil Fuel Emissions Declaration: New Build, Refurbishing and Unproven DSR CMUs), insert:

11.1.1 At the start, insert:

“(za), This Rule 8.3.11 applies subject to Rule 8.3.13A.”.

11.1.2 After Rule 8.3.11(b)(i)(bb), insert:

- “(cc) in the case of a CMU in respect of which the Applicant made the declaration under Rule 3.7.4(b) (including where the Applicant also separately made a declaration under Rule 3.7.4(a) and/or (c)), prior to 1 September in the calendar year immediately following a CHPQA Calendar Year; or
- (dd) in the case of a CMU in respect of which the Applicant made the declaration under Rule 3.7.4(a) and/or the Applicant made the declaration under Rule 3.7.4(c) (but did not make a declaration under Rule 3.7.4(b)), as soon as reasonably practicable, and in any event no later than 14 months after the start of the first Delivery Year (where the Capacity Agreement takes effect at the

start of the Delivery Year) or (if applicable) 14 months after the date the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii) or Rule 6.8.5;”;

11.1.3 In Rule 8.3.11(b)(ii)

- (a) in Rule 8.3.11(b)(ii)(aa), at the end, insert “(other than where paragraphs (dd) or (ee) apply in respect of the Pre-Refurbishment CMU)”;
- (b) in Rule 8.3.11(b)(ii)(bb), at the end, insert “(other than where paragraphs (dd) or (ee) apply in respect of the Pre-Refurbishment CMU)”;
- (c) for Rule 8.3.11(b)(ii)(cc), substitute:
  - “(cc) the start of the first Delivery Year of the relevant Capacity Agreement (or if applicable, the date the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii)); or
  - (dd) in the case of a CMU in respect of which the Applicant made the declaration under Rule 3.8.3(b) (including where the Applicant also separately made a declaration under Rule 3.8.3(a) and/or (c)), prior to 1 September in the calendar year immediately following a CHPQA Calendar Year; or
  - (ee) in the case of a CMU in respect of which the Applicant made the declaration under Rule 3.8.3(a) and/or the Applicant made the declaration under Rule 3.8.3(c) (but did not make a declaration under Rule 3.8.3(b)), as soon as reasonably practicable, and in any event no later than the date which is 14 months after the start of the first Delivery Year (where the Capacity Agreement takes effect at the start of the Delivery Year) or (if applicable) 14 months after the date the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii).”;

11.1.4 For Rule 8.3.11(b)(iii), substitute:

- “(iii) in respect of an Unproven DSR CMU:
  - (aa) other than where paragraphs (bb) or (cc) apply, the date the Capacity Provider provides a DSR Test Certificate under Rule 8.3.2(a) (or if applicable the date the Capacity Agreement takes effect in accordance with Rule 6.7A.1(b)); or

- (bb) in the case of a CMU in respect of which the Applicant made the declaration under Rule 3.10.4(b) (including where the Applicant also made the declaration under Rule 3.10.4(a) and/or (c)), prior to 1 September in the calendar year immediately following a CHPQA Calendar Year; or
- (cc) in the case of a CMU in respect of which the Applicant made the declaration under Rule 3.10.4(a) and/or the Applicant made the declaration under Rule 3.10.4(c) (but did not make the declaration under Rule 3.10.4(b)), as soon as reasonably practicable, and in any event no later than the date which is 14 months after the start of the first Delivery Year (where the Capacity Agreement takes effect at the start of the Delivery Year) or if applicable 14 months after the date the Capacity Agreement takes effect in accordance with Rule 6.7A.1(b)).”.

11.1.5 For 8.3.11(c)(iii), substitute:

- “(iii) The previous Fossil Fuel Emissions Declaration remains accurate because:
  - (aa) there has been no Emissions Related Material Change to the CMU or a relevant Fossil Fuel Component since the previous Fossil Fuel Emissions Declaration was provided;
  - (bb) the previous Fossil Fuel Emissions Declaration did not contain values for the Fossil Fuel Yearly Emissions of any relevant Fossil Fuel Component;
  - (cc) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions CCUS Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component;
  - (dd) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions Mixed Fuels Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component;
  - (ee) the previous Fossil Fuel Emissions Declaration did not declare that the Fossil Fuel Emissions Composite Formula was used to determine Fossil Fuel Emissions of any relevant Fossil Fuel Component; and
  - (ff) the previous Fossil Fuel Emissions Declaration did not declare that the Design Efficiency CHPQA Formula was used to determine the Design Efficiency of any relevant Fossil Fuel Component.”.

**11.2** In Rule 8.3.12 (Fossil Fuel Emissions Declaration: Existing Generating and Proven DSR CMUs):

11.2.1 In Rule 8.3.12, before Rule 8.3.12(a), insert:

“(za) This Rule 8.3.12 applies subject to Rule 8.3.13A.”

11.2.2 In Rule 8.3.12(a)(i), at the end, insert “(other than where a Fossil Fuel Emissions Declaration was not provided in respect of that CMU during Prequalification under Rule 3.6.5A(b) or Rule 3.9.5A(b) so that Rule 8.3.12A applies)”.

11.2.3 For Rule 8.3.12(b), substitute:

“(b) where this Rule 8.3.12(b) applies to a Capacity Provider, the Capacity Provider must:

- (i) confirm to the Delivery Body within two months following the Emissions Related Material Change:
  - (aa) whether the Commercial Production Start Date of each Fossil Fuel Component or Associated Fossil Fuel Component is before or on or after 4 July 2019; and
  - (bb) whether, in respect of a Fossil Fuel Component or Associated Fossil Fuel Component, in order to maintain compliance with the confirmation made with an Application in respect of the CMU under Rule 3.4.11(b), the Capacity Provider will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine its Fossil Fuel Emissions and/or apply the Design Efficiency CHPQA Formula to determine its Design Efficiency;
- (ii) provide a Fossil Fuel Emissions Declaration to the Delivery Body:
  - (aa) other than where paragraphs (bb) or (cc) apply, as soon as reasonably practicable after, and in any case no later than two months after, the Emissions Related Material Change;
  - (bb) in the case of a CMU in respect of which the Capacity Provider will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of a Fossil Fuel Component

or Associated Fossil Fuel Component (but does not intend to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a component) and the conditions in paragraph (c)(i) or(ii) apply, as soon as reasonably practicable, and in any event no later than the date which is 14 months after the date of the Emissions Related Material Change; or

- (cc) in the case of a CMU in respect of which the Capacity Provider will apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a Fossil Fuel Component or Associated Fossil Fuel Component and the condition in paragraph (c)(iii) applies, prior to 1 September in the calendar year immediately following a CHPQA Calendar Year.”

11.2.4 After Rule 8.3.12(b), insert:

“(c) The conditions described in this Rule 8.3.12(c) are:

- (i) it is not possible to determine the  $CO2_{transferred}$  or  $CO2_{generated}$  (and therefore the TCF) of a Fossil Fuel Component (or, if relevant, Associated Fossil Fuel Component) in respect of which a Capacity Provider intends to apply the Fossil Fuel Emissions CCUS Formula or the Fossil Fuel Emissions Composite Formula to determine Fossil Fuel Emissions because, in the 12 months preceding the Emissions Related Material Change, there has not been a continuous period of 12 months during which the data required is available;
- (ii) it is not possible to determine the FS of a fuel (and therefore the  $EF_w$ ) of a Fossil Fuel Component (or, if relevant, Associated Fossil Fuel Component) in respect of which a Capacity Provider will apply the Fossil Fuel Emissions Mixed Fuel Formula or intends to apply the Fossil Fuel Emissions Composite Formula to determine Fossil Fuel Emissions because, in the 12 months preceding the Emissions Related Material Change, there has not been a continuous period of 12 months during which the data required is available; or
- (iii) it is not possible to determine the Design Efficiency of a Fossil Fuel Component (or, if relevant, Associated Fossil Fuel Component) in respect of which a Capacity Provider intends to apply the Design Efficiency CHPQA Formula because a Qualifying CHPQA Certificate has not been issued in respect of that component.”.

11.1 After Rule 8.3.12, insert:

- “8.3.12A Fossil Fuel Emissions Declaration: Existing Generating and Proven DSR CMUs where a declaration under Rule 3.6.5A or 3.9.5A was made at Prequalification:
- (a) A Capacity Provider for a CMU that Prequalified as an Existing Generating CMU or a Proven DSR CMU must provide a Fossil Fuel Emissions Declaration to the Delivery Body by the deadline specified in Rule 8.3.12A(b) if:
    - (i) a declaration was made under Rule 3.6.5A(b) or Rule 3.9.5A(b) in respect of the CMU and/or one or more Fossil Fuel Components or Associated Fossil Fuel Component (each a “relevant Fossil Fuel Component”) comprised in that CMU.
    - (ii) at least one relevant Fossil Fuel Component:
      - (aa) has a Commercial Production Start Date which is on or after 4 July 2019; and/or
      - (bb) has a Commercial Production Start Date which is before 4 July 2019, where the CMU has its first scheduled Delivery Year in 2024 or any subsequent Delivery Year.
  - (b) A Fossil Fuel Emissions Declaration must be provided to the Delivery Body:
    - (i) other than where sub-paragraph (ii) applies, as soon as reasonably practicable after, and in any event no later than 14 months after the start of the first Delivery Year;
    - (ii) in the case of a CMU in respect of which the Applicant made the declaration in Rule 3.6.5A(b)(i)(dd) or Rule 3.9.5A(b)(i)(dd), prior to 1 September in the calendar year immediately following a CHPQA Calendar Year.”.

**11.2** In Rule 8.3.13 (Updating Fossil Fuel Emissions Declarations):

11.2.1 At the start, insert:

“(za) This Rule 8.3.13 applies subject to Rule 8.3.13A.”.

11.2.2 In Rule 8.3.13(a), after “the Capacity Provider must” insert “comply with paragraph (ba) (in respect of a Capacity Agreement awarded after the coming into force of the Capacity Market (Amendment) Rules 2021) and”:

11.2.3 After Rule 8.3.13(b), insert:

“(ba) A Capacity Provider must:



- (i) confirm to the Delivery Body within two months following the Emissions Related Material Change:
  - (aa) whether the Commercial Production Start Date of each Fossil Fuel Component or Associated Fossil Fuel Component is before or on or after 4 July 2019; and
  - (bb) whether, in respect of a Fossil Fuel Component or Associated Fossil Fuel Component, in order to maintain compliance with the confirmation made with an Application in respect of the CMU under Rule 3.4.11(b), the Capacity Provider will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine its Fossil Fuel Emissions and/or apply the Design Efficiency CHPQA Formula to determine its Design Efficiency.”.

11.2.4 For Rule 8.3.13(c), substitute:

- “(c) An Updating Fossil Fuel Emissions Declaration must be provided to the Delivery Body:
  - (i) as soon as reasonably practicable, and in any event no later than the date which is two months after an Emissions Related Material Change;
  - (ii) by the date described in Rule 8.3.4(h) in respect of a DSR CMU which adds one or more DSR CMU Components to the CMU;
  - (iii) no later than 14 months after the date of the Emissions Related Material Change where there has been an Emissions Related Material Change in respect of a relevant Fossil Fuel Component in relation to which the previous Fossil Fuel Emissions Declaration specified Fossil Fuel Yearly Emissions;
  - (iv) as soon as reasonably practicable, and in any event no later than the date which is 14 months after the Emissions Related Material Change in the case of a CMU in respect of which the Capacity Provider will apply the Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula or Fossil Fuel Emissions Composite Formula to determine the Fossil Fuel Emissions of a Fossil Fuel Component or Associated Fossil Fuel Component (but does not intend to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a component); or
  - (v) as soon as reasonably practicable and in any event prior to 1 September in the calendar year immediately following a CHPQA Calendar Year, where there has been an Emissions

Related Material Change and the Capacity Provider chooses to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of a relevant Fossil Fuel Component.”.

**11.3** After Rule 8.3.13, insert:

“8.3.13A Application of Rule 8.3.11, Rule 8.3.12, Rule 8.3.12A and Rule 8.3.13

- (a) Rule 8.3.11(b) applies in respect of a Capacity Agreement awarded before the coming into force of the Capacity Market (Amendment) Rules 2021 as though the following are omitted:
  - (i) Rule 8.3.11(b)(i)(cc) and Rule 8.3.11(b)(i)(dd);
  - (ii) Rule 8.3.11(b)(ii)(dd) and Rule 8.3.11(b)(ii)(ee); and
  - (iii) Rule 8.3.11(b)(iii)(bb) and Rule 8.3.11(b)(iii)(cc).
- (b) Rule 8.3.12(b) applies in respect of a Capacity Agreement awarded before the coming into force of the Capacity Market (Amendment) Rules 2021 as though the following are omitted:
  - (i) Rule 8.3.12(b)(i)(bb);
  - (ii) Rule 8.3.12(b)(ii)(bb) and Rule 8.3.12(b)(ii)(cc); and
  - (iii) Rule 8.3.12(c).
- (c) Rule 8.3 applies in respect of a Capacity Agreement awarded before the coming into force of the Capacity Market (Amendment) Rules 2021 as though Rule 8.3.12A is omitted.
- (d) Rule 8.3.13 applies in respect of a Capacity Agreement awarded before the coming into force of the Capacity Market (Amendment) Rules 2021 as though the following are omitted:
  - (i) Rule 8.3.13(ba); and
  - (ii) Rule 8.3.13(c)(iv) and Rule 8.3.13(c)(v).”.

**11.4** In Rule 8.3.14 (Failure to provide a Fossil Fuel Emissions Declarations)

11.4.1 In Rule 8.3.14(a), for “Rule 3.6.6, Rule 3.6.7”, insert “Rule 3.6.5A, Rule 3.6.6, Rule 3.6.7, Rule 3.9.5A”;

11.4.2 In Rule 8.3.14(b)(i), after “Rule 8.3.12,”, insert “Rule 8.3.12A, ”.

11.5 In Rule 8.3.15, for “an Emissions Related Material Change”, substitute “any change”.

## 12. Substitution of Schedule 8 (Calculation of Fossil Fuel Emissions and Fossil Fuel Yearly Emissions)

12.1 For Schedule 8, substitute:

### “SCHEDULE 8: CALCULATION OF FOSSIL FUEL EMISSIONS AND FOSSIL FUEL YEARLY EMISSIONS

This Schedule 8 contains the formulae to determine Fossil Fuel Emissions and Fossil Fuel Yearly Emissions of a Generating Unit:

*Contents of this Schedule:*

#### **Principal formulae**

- **Part 1:** Formulae to determine Fossil Fuel Emissions
- **Part 2:** Formula to determine Fossil Fuel Yearly Emissions

#### **Secondary formulae**

- **Part 3:** Formulae to determine Design Efficiency (for use in the Fossil Fuel Emissions Formula, the Fossil Fuel Emissions CCUS Formula, the Fossil Fuel Emissions Mixed Fuel Formula, and the Fossil Fuel Emissions Composite Formula)
- **Part 4:** Formula to determine transferred CO<sub>2</sub> factor (for use in the Fossil Fuel Emissions CCUS Formula and the Fossil Fuel Emissions Composite Formula)
- **Part 5:** Formula to determine weighted emission factor (for use in the Fossil Fuel Emissions Mixed Fuel Formula and the Fossil Fuel Emissions Composite Formula)

#### **Other ancillary formulae**

- **Part 6:** Formula to determine the power extracted by expanding the output steam (for use in the Design Efficiency Steam Formula)
- **Part 7:** Formula to determine CO<sub>2</sub><sub>generated</sub> (for use in the formula to determine transferred CO<sub>2</sub> factor)
- **Part 8:** Formula to determine fuel share (for use in the formula to determine weighted emission factor)

*Capitalised terms used herein have the meaning given in the Capacity Market Rules 2014 unless otherwise indicated.*

#### **Principal formulae**

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**Part 1:           Formulae to determine the Fossil Fuel Emissions of a Generating Unit**

1.1.

- (a) Subject to paragraphs (b), (c) and (d), a person must determine the Fossil Fuel Emissions (“FFE”) of a Generating Unit in accordance with the formula in paragraph 1.2(a) of this Part (the “Fossil Fuel Emissions Formula”).
- (b) A person may opt to determine the FFE of a Generating Unit in accordance with the formula in paragraph 1.2(b) of this Part (the “Fossil Fuel Emissions CCUS Formula”) if the Generating Unit was awarded a Capacity Obligation in an auction after the Capacity Market (Amendment) Rules 2021 came into force, and it is equipped with CCUS technology and uses one fuel to produce electricity.
- (c) Subject to paragraph (d), a person must determine the FFE of a Generating Unit in accordance with the formula in paragraph 1.2(c) of this Part (the “Fossil Fuel Emissions Mixed Fuel Formula”) if the Generating Unit was awarded a Capacity Obligation in an auction after the Capacity Market (Amendment) Rules 2021 came into force and it uses more than one fuel to produce electricity.
- (d) A person may opt to determine the FFE of a Generating Unit in accordance with the formula in paragraph 1.2(d) of this Part (the “Fossil Fuel Emissions Composite Formula”) if the Generating Unit was awarded a Capacity Obligation in an auction after the Capacity Market (Amendment) Rules 2021 came into force, and it uses more than one fuel to produce electricity and is equipped with CCUS technology.

1.2   Formulae:

- (a) Fossil Fuel Emissions Formula:

$$FFE = \frac{0.0036 \times EF_{f,CO_2}}{\eta_{des}} = \left[ \frac{gCO_2}{kWh_e} \right]$$

- (b) Fossil Fuel Emissions CCUS Formula:

$$FFE = \frac{0.0036 \times (1 - TCF)EF_{f,CO_2}}{\eta_{des}} = \left[ \frac{gCO_2}{kWh_e} \right]$$

- (c) Fossil Fuel Emissions Mixed Fuel Formula:

$$FFE = \frac{0.0036 \times EF_W}{\eta_{des}} = \left[ \frac{gCO_2}{kWh_e} \right]$$

- (d) Fossil Fuel Emissions Composite Formula:

$$FFE = \frac{0.0036 \times (1 - TCF)EF_W}{\eta_{des}} = \left[ \frac{gCO_2}{kWh_e} \right]$$

1.3 In paragraph 1.2 of this Part:

$\eta_{des}$  is the Design Efficiency of the Generating Unit, which is the value determined by applying the relevant formula in Part 3.2 of this Schedule;

$EF_{f,CO_2}$  is the Emission Factor specified in Schedule 9 corresponding to the fuel used by the Generating Unit;

$EF_W$  is the weighted emissions factor, which is the value determined by applying the formula in Part 5.2(a) or (b) of this Schedule;

$f$  is the fuel used by the Generating Unit;

$TCF$  is the transferred CO<sub>2</sub> factor determined in accordance with Part 4.1 of this Schedule.

**Part 2: Formula to determine the Fossil Fuel Yearly Emissions of a Generating Unit**

2.1 A person must determine the Fossil Fuel Yearly Emissions (“FFYE”) of a Generating Unit in accordance with the following formula:

$$FFYE = \frac{FFE \times Electricity Production}{Installed Capacity} = \left[ \frac{kg CO_2}{kWe} \right]$$

2.2 In paragraph 2.1 of this Part:

*Electricity Production* is the electricity Exported into the Total System by the Generating Unit in an Emissions Year, expressed in GWh;

$FFE$  is the Fossil Fuel Emissions of the Generating Unit;

*Installed Capacity* has the meaning given in Rule 1.2.1.

**Secondary formulae**

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**Part 3: Formulae to determine Design Efficiency (for use in the Fossil Fuel Emissions Formula, Fossil Fuel Emissions CCUS Formula, Fossil Fuel Emissions Mixed Fuel Formula and the Fossil Fuel Emissions Composite Formula)**

3.1

- (a) Subject to paragraphs (b) and (c), a person must determine the Design Efficiency (" $\eta_{des}$ ") of a Generating Unit in accordance with the formula in paragraph 3.2(a) ("the Design Efficiency Formula").
- (b) A person may opt to determine the  $\eta_{des}$  of a Generating Unit in accordance with the formula in paragraph 3.2(b) ("the Design Efficiency Steam Formula") in respect of a Generating Unit which is in the Combined Heat and Power (CHP) Generating Technology Class and was awarded a Capacity Obligation in an auction before the Capacity Market (Amendment) Rules 2021 came into force.
- (c) A person may opt to determine the  $\eta_{des}$  of a Generating Unit in accordance with the formula in paragraph 3.2(c) ("the Design Efficiency CHPQA Formula") in respect of a Generating Unit which is in the Combined Heat and Power (CHP) Generating Technology Class and was awarded a Capacity Obligation in an auction after the Capacity Market (Amendment) Rules 2021 came into force.

3.2 Formulae:

- (a) Design Efficiency Formula:

$$\eta_{des} = \frac{W_E}{\text{Consumption Rate} \times NCV} = [\%]$$

- (b) Design Efficiency Steam Formula (for agreements awarded pre-Capacity Market (Amendment) Rules 2021):

$$\eta_{des} = \frac{W_E + Q W_T}{\text{Consumption Rate} \times NCV} = [\%]$$

- (c) Design Efficiency CHPQA Formula (for agreements awarded post-Capacity Market (Amendment) Rules 2021):

$$\eta_{des} = \frac{TPO}{TFI \times Cf \times F_e} = [\%]$$

3.3 In paragraph 3.2 of this Part:

<i>Cf</i>	is the conversion factor specified in Schedule 9 of the Rules which corresponds to the fuel used by the Generating Unit;
<i>Consumption Rate</i>	is the consumption rate of fuel used by the Generating Unit at maximum electrical output, in kilograms per second;
<i>F<sub>e</sub></i>	is the percentage of fuel referable to electricity generation as specified in a Qualifying CHPQA Certificate;

<i>NCV</i>	is the Net Calorific Value specified in Schedule 9 which corresponds to the fuel used by the Generating Unit;
<i>Q</i>	is the efficiency of the turbine (comprised in the Generating Unit) that is outputting steam, expressed as a percentage;
<i>TPO</i>	is the total power output of the Generating Unit as determined for the equivalent CHP scheme under the CHPQA Programme, specified on a CHPQA Certificate, expressed in MWh;
<i>TFI</i>	is the total fuel input as specified in the same Qualifying CHPQA Certificate, expressed in MWh;
<i>W<sub>E</sub></i>	is the maximum electrical output of the Generating Unit, expressed in MW;
<i>W<sub>T</sub></i>	is the power extracted by expanding the output steam, determined under Part 6.1 of this Schedule, expressed in MW.

**Part 4: Formula to determine transferred CO<sub>2</sub> factor (for use in the Fossil Fuel Emissions CCUS Formula and the Fossil Fuel Emissions Composite Formula)**

4.1 A person must determine the transferred CO<sub>2</sub> factor ("*TCF*") of a Generating Unit in accordance with the following formula:

$$TCF = \frac{CO_{2\text{transferred}}}{CO_{2\text{generated}}} = [\%]$$

4.2 In paragraph 4.1 of this Part:

*CO<sub>2</sub>generated* is the value determined in accordance with the formula in Part 7.2 of this Schedule, in respect of the same Emissions Year, expressed in kg;

*CO<sub>2</sub>transferred* is the CO<sub>2</sub> captured and transferred by the Generating Unit (not including CO<sub>2</sub> immediately released upon capture) over an Emissions Year, accurate to ±2.5%, expressed in kg.

**Part 5: Formula to determine weighted emission factor (for use in the Fossil Fuel Emissions Mixed Fuel Formula and the Fossil Fuel Emissions Composite Formula)**

5.1

(a) Subject to paragraph (b), a person must determine the weighted emissions factor ("*EF<sub>w</sub>*") of a Generating Unit in accordance with the standard formula in paragraph 5.2(a).

- (b) A person must determine the  $EF_W$  of a Generating Unit in accordance with the CHP formula in paragraph 5.2(b) if the person opts to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of that Generating Unit.

5.2 Formulae:

- (a) standard formula:

$$EF_W = (FS_{F1} \times EF_{F1}) + (FS_{F2} \times EF_{F2}) + \dots + (FS_{Fn} \times EF_{Fn}) = \left[ \frac{kg CO_2}{TJ} \right]$$

- (b) CHP formula:

$$EF_W = \frac{(Q_{F1} \times QE_{F1} \times EF_{F1}) + (Q_{F2} \times QE_{F2} \times EF_{F2}) + \dots + (Q_{Fn} \times QE_{Fn} \times EF_{Fn})}{TFI \times F_e} = \left[ \frac{kgCO_2}{TJ} \right]$$

5.3 In paragraph 5.2 of this Part:

$EF_{F1}$	is the Emission Factor of the primary fuel, specified in Schedule 9;
$EF_{F2}$	is the Emission Factor of the secondary fuel, specified in Schedule 9;
$EF_{Fn}$	is the Emission Factor of any other fuel additional to the primary and secondary fuel, with each fuel being considered individually, specified in Schedule 9;
$FS_{F1}$	is the Fuel Share of the primary fuel, determined in accordance with Part 8 of this Schedule, expressed as a percentage;
$FS_{F2}$	is the Fuel Share of the secondary fuel, determined in accordance with Part 8 of this Schedule, expressed as a percentage;
$FS_{Fn}$	is the Fuel Share of any additional fuel, with each fuel being considered individually, determined in accordance with Part 8 of this Schedule, expressed as a percentage;
$F_e$	is the percentage fuel referable to electricity generation as specified in a Qualifying CHPQA Certificate, expressed as a percentage;



$Q_{F1}$	is the quantity of the primary fuel used by the Generating Unit as determined for the purposes of a Qualifying CHPQA Certificate, expressed in MWh;
$Q_{F2}$	is the quantity of the secondary fuel used by the Generating Unit as determined for the purposes of the same Qualifying CHPQA Certificate, expressed in MWh;
$Q_{Fn}$	is the quantity of any other fuel used by the Generating Unit additional to the primary and secondary fuel (with each fuel being considered individually) as determined for the purposes of the same Qualifying CHPQA Certificate, expressed in MWh;
$QE_{F1}$	is the percentage of the primary fuel referable to electricity generation, as determined for the purposes of the same Qualifying CHPQA Certificate, expressed as a percentage;
$QE_{F2}$	is the percentage of the secondary fuel referable to electricity generation, out of all fuels used, as determined for the purposes of the same Qualifying CHPQA Certificate, expressed as a percentage;
$QE_{Fn}$	is the percentage of any other fuel referable to electricity generation additional to the primary and secondary fuel, with each fuel being considered individually, out of all fuels used, as determined for the purposes of the same Qualifying CHPQA Certificate, expressed as a percentage;
$TFI$	is the total fuel input as specified in the same Qualifying CHPQA Certificate, expressed in MWh.

### **Other ancillary formulae**

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**Part 6: Formula to determine the power extracted by expanding the output steam (for use in the Design Efficiency Steam Formula)**

6.1

- (a) Subject to paragraph (b), a person must determine the power extracted by expanding steam ( $W_T$ ) in accordance with the following formula:

$$W_T = M RT \ln\left(\frac{P_1}{P_0}\right) \left(\frac{1}{1000}\right) = [MW]$$

- (b) A person may take  $W_T$  to be zero.

6.2 In paragraph 6.1(a) of this Part:

$M$	is the rate of release of steam, expressed in kilograms per second;
$P_1$	is the pressure of the steam at release from the Generating Unit at maximum electrical output;
$P_0$	is the atmospheric pressure;
$R$	is the constant for air as ideal gas, specified for the purposes of this formula as $0.287 \text{ kJ kg}^{-1}\text{K}^{-1}$ ;
$T$	is the temperature of the steam at release from the Generating Unit at maximum electrical output, expressed in K.

**Part 7: Formula to determine  $CO2_{generated}$  (for use in the formula to determine TCF of a Generating Unit)**

7.1 A person must determine the  $CO2_{generated}$  of a Generating Unit over an Emissions Year, as a value expressed in kilograms of carbon dioxide:

- (a) in accordance with the formula in paragraph 7.2(a), unless the Generating Unit uses more than one fuel to produce electricity.
- (b) if the Generating Unit uses more than one fuel, in accordance with the formula in paragraph 7.2(b).

7.2 Formulae:

- (a) standard formula:

$$CO2_{generated} = TFEI \times EF_{f,CO2} \times 0.0036 = [kgCO_2]$$

- (b) mixed fuel formula:

$$CO2_{generated} = TFEI \times EF_W \times 0.0036 = [kgCO_2]$$

7.3 In paragraph 7.2 of this Part:

$EF_{f,CO2}$  is the Emission Factor specified in Schedule 9 corresponding to the fuel used by the Generating Unit;

$EF_W$  is the weighted emission factor, which is the value determined by applying a formula in Part 5.2 of this Schedule;

$TFEI$  is the total fuel combusted to generate electricity over the same Emissions Year used when determining  $CO2_{transferred}$ , expressed in MWh.

**Part 8: Formula to determine Fuel Share (for use in the formula to determine weighted emission factor of a Generating Unit)**

8.1 A person must determine the Fuel Share (“FS”) of a Generating Unit as a value expressed as a percentage in accordance with the following formula:

$$FS_i = \frac{Q_{Fi} \times NCV_{Fi}}{(Q_{F1} \times NCV_{F1}) + (Q_{F2} \times NCV_{F2}) + \dots + (Q_{Fn} \times NCV_{Fn})} = [\%]$$

8.2 In paragraph 8.1 of this Part:

$F_i$  is the fuel for which the FS is being calculated;

$NCV$  is the Net Calorific Value specified in Schedule 9 which corresponds to the relevant fuel used by the Generating Unit;

$Q_{F1}$  is the quantity of the primary fuel used by the Generating Unit during an Emissions Year, expressed in gigagrams;

$Q_{F2}$  is the quantity of the secondary fuel used by the Generating Unit during the same Emissions Year, expressed in gigagrams;

$Q_{Fn}$  is the quantity of any other fuel used by the Generating Unit additional to the primary and secondary fuel, with each fuel being considered individually, during the same Emissions Year, expressed in gigagrams.”.

**13. Amendments to Schedule 9 (Standard Emission Factors and Net Calorific Values)**

13.1 In Schedule 9:

13.1.1 For “for each fuel used by a Generating Unit (“f”)”, substitute “for each Generating Unit Fuel Type”.

13.1.2 In the table after paragraph (b), insert a fourth column:

“

Conversion factor (Cf) for GCV to NCV
0.95
0.94
0.95
0.95
0.95

0.95
0.94
0.94
0.9313
0.92
0.95
0.94
0.94
0.95
0.95
0.9025
0.94
0.94
0.94
0.95
0.95
0.95
0.95
0.95
0.95
0.94
0.95
0.95
0.95
0.95
0.94
1
1
1
1
0.9025

”

**14. Substitution of Exhibit ZA (Fossil Fuel Emissions Declaration)**

**14.1** For Exhibit ZA (Form of Fossil Fuel Emissions Declaration), substitute:

**“EXHIBIT ZA: FORM OF FOSSIL FUEL EMISSIONS DECLARATION<sup>1</sup>**

[NAME OF APPLICANT OR CAPACITY PROVIDER]

(Incorporated in England and Wales, or Scotland under Registered No. [ ])

[ADDRESS OF REGISTERED OFFICE]

The following confirmations and declarations are made by Directors<sup>2</sup> of [NAME OF APPLICANT] or [CAPACITY PROVIDER] (the “**Relevant Person**”)<sup>3</sup>, and

where required<sup>4</sup>, this Declaration is signed by an authorised signatory on behalf of [NAME OF INDEPENDENT EMISSIONS VERIFIER] (the “**Independent Emissions Verifier**”), and

<sup>1</sup> Exhibit ZA was substituted by the Capacity Market (Amendment) (No. 2) Rules 2020 and the Capacity Market (Amendment) Rules 2021.

<sup>2</sup> Or officers, in the case of a body other than a company.

<sup>3</sup> For sole director companies, substitute “The following confirmations and declarations are made by the director of [NAME OF APPLICANT] or [CAPACITY PROVIDER] (the “**Relevant Person**”)”.

<sup>4</sup> Not required in respect of a Transitional Fossil Fuel Emissions Declaration.

with respect to [DESCRIPTION OF CMU] (the “**Relevant CMU**”) and each Fossil Fuel Component or Associated Fossil Fuel Component by which a Storage Facility comprising the Relevant CMU has part or all of its electricity requirements met (each a “**relevant Fossil Fuel Component**”) comprising the Relevant CMU, and

in respect of the Delivery Year in respect of which a Capacity Obligation awarded to the Relevant CMU applies (a “**Relevant Delivery Year**”);

*Contents of this declaration:*

- **Part 1:** The Relevant CMU
- **Part 2:** Declaration in respect of relevant Fossil Fuel Components
- **Part 3:** Declarations of Fossil Fuel Emissions (and where relevant, Fossil Fuel Yearly Emissions) in respect of relevant Fossil Fuel Components with an Installed Capacity equal to or greater than 1MW
- **Part 4:** Declarations in respect of Formulae applied to determine Fossil Fuel Emissions
- **Part 5:** Declarations in respect of relevant Fossil Fuel Components with an Installed Capacity below 1MW
- **Part 6:** Declaration in respect of information provided with this Fossil Fuel Emissions Declaration
- **Part 7:** Declaration in respect of Emissions Related Material Changes
- **Part 8:** Director signatures
- **Part 9:** Independent Emissions Verifier certification
- **Annex A:** Assurance work conducted by an Independent Emissions Verifier

*Capitalised terms used herein have the meaning given in the Capacity Market Rules 2014 unless otherwise indicated.*

*When completing the remainder of this Declaration, delete or strikethrough content in “[ ]” where not applicable.*

### **Part 1: The Relevant CMU**

*(You must complete this Part in all cases in respect of the Relevant CMU, by retaining (a), (b), (c), or (d)) as applicable.)*

The Relevant Person hereby confirms that the Relevant CMU is:

- [(a) a New Build CMU.]
- [(b) a Refurbishing CMU (where this declaration is not provided in respect of the Pre-Refurbishment CMU and is provided in respect of the Relevant CMU once improvement works have been completed).]

- [(c) an Existing Generating CMU (including where this declaration is provided in respect of the Pre-Refurbishment CMU in relation to a Refurbishing CMU).]
- [(d) a DSR CMU.]

**Part 2: Declaration in respect of whether the relevant CMU includes any Fossil Fuel Components with an Installed Capacity equal to or greater than 1MW**

*(You must complete this part in all cases in respect of the Relevant CMU, by retaining either (a) or (b):*

- *If retaining (a), you must complete Part 5, Part 7 and Part 8.*
- *If retaining (b), you must complete Part 3, Part 4, Part 5, Part 6, Part 7 and Part 8, and arrange for an Independent Emissions Verifier to complete Part 9<sup>4</sup>.*

The Relevant Person hereby declares that:

- [(a) the Relevant CMU does not comprise of any relevant Fossil Fuel Component which has an Installed Capacity of equal to or greater than 1MW.]
- [(b) the Relevant CMU comprises of at least one relevant Fossil Fuel Component which has an Installed Capacity of equal to or greater than 1MW.]

**Part 3: Declarations of Fossil Fuel Emissions (and, where relevant, Fossil Fuel Yearly Emissions) in respect of relevant Fossil Fuel Components with an Installed Capacity equal to or greater than 1MW**

*(You must complete this Part if you have retained the declaration in Part 2(b), in respect of each relevant Fossil Fuel Component with an Installed Capacity equal to or greater than 1MW by populating each column, where applicable:*

- *In the first column, use a brief descriptor/reference of your choice.*
- *In the second column, retain '[Before 4 July 2019]' or '[On or after 4 July 2019]'.*
- *In the third column, list each Generating Unit Fuel Type.*
- *In the fourth column, declare the Fossil Fuel Emissions of each relevant Fossil Fuel Component which has an Installed Capacity of equal to or greater than 1MW.*
- *Only where applicable, retain the fifth column and declare the Fossil Fuel Yearly Emissions of a relevant Fossil Fuel Component<sup>5</sup>.*

<b>Fossil Fuel Component descriptor</b>	<b>Commercial Production Start Date</b>	<b>Generating Unit Fuel Type/s</b>	<b>Fossil Fuel Emissions (in gCO<sub>2</sub> per kWh<sub>e</sub>)</b>	<b>[Fossil Fuel Yearly Emissions (in kg CO<sub>2</sub> per kWe)]</b>
.....	[Before 4 July 2019] or [On or after 4 July 2019]	.....	.....	[.....]
..... <sup>6</sup>	[Before 4 July 2019] or [On or after 4 July 2019]	.....	.....	[.....]

<sup>4</sup> Not required in respect of a Transitional Fossil Fuel Emissions Declaration.  
<sup>5</sup> ie in respect of a Delivery Year which commences in 2024 or a subsequent Delivery Year, in relation to a relevant Fossil Fuel Component with a Commercial Production Start Date before 4 July 2019, and where the Fossil Fuel Emissions of the Relevant Fossil Fuel Component exceed the Fossil Fuel Emissions Limit (see Rule 3.15.1(b)).  
<sup>6</sup> an additional row must be added for each additional relevant Fossil Fuel Component.

**Part 4: Declarations in respect of formulae applied to determine Fossil Fuel Emissions**

*(You must complete this Part if you have retained the declaration in Part 2(b), by populating each column where applicable:*

- In the first column, use the same descriptor/reference you used in Part 3 for a relevant Fossil Fuel Component.*
- In the second column, retain one of '[Fossil Fuel Emissions Formula]' or '[Fossil Fuel Emissions CCUS Formula]' or '[Fossil Fuel Mixed Fuels Formula]' or '[Fossil Fuel Composite Formula]' where applicable to specify which formula you applied to determine the Fossil Fuel Emissions declared in Part 3.*
- In the third column, retain one of '[Design Efficiency Formula]', '[Design Efficiency Steam Formula]' or '[Design Efficiency CHPQA Formula]' where applicable to specify which formula you applied when determining the Fossil Fuel Emissions declared in Part 3.)*

<b>Fossil Fuel Component descriptor</b>	<b>Formula applied to determine Fossil Fuel Emissions</b>	<b>Formula applied to determine Design Efficiency</b>
.....	[Fossil Fuel Emissions Formula] or [Fossil Fuel Emissions CCUS Formula] or [Fossil Fuel Mixed Fuels Formula] or [Fossil Fuel Composite Formula]	[Design Efficiency Formula] or [Design Efficiency Steam Formula] or [Design Efficiency CHPQA Formula]
..... <sup>6</sup>	[Fossil Fuel Emissions Formula] or [Fossil Fuel Emissions CCUS Formula] or [Fossil Fuel Mixed Fuels Formula] or [Fossil Fuel Composite Formula]	[Design Efficiency Formula] or [Design Efficiency Steam Formula] or [Design Efficiency CHPQA Formula]

**Part 5: Declarations in respect of relevant Fossil Fuel Components with an Installed Capacity below 1MW**

*(You must complete this Part in all cases by retaining (a), (b), (c), or (d) as applicable.)*

The Relevant Person hereby confirms that:

- [(a) where the Relevant Delivery Year is the Delivery Year that commences in 2021, 2022, or 2023:

\_\_\_\_\_

<sup>6</sup> an additional row must be added for each additional relevant Fossil Fuel Component.

- (i) the Relevant CMU comprises of at least one relevant Fossil Fuel Component with a Commercial Production Start Date on or after 4 July 2019 which has an Installed Capacity of less than 1MW;
  - (ii) each of those relevant Fossil Fuel Components does not exceed the Fossil Fuel Emissions Limit; and
  - (ii) in the event that the Relevant CMU will, after making this Declaration, comprise of any additional relevant Fossil Fuel Component with a Commercial Production Start Date on or after 4 July 2019 and which has an Installed Capacity of less than 1MW, each relevant Fossil Fuel Component will not exceed the Fossil Fuel Emissions Limit.]
- [(b) where the Relevant Delivery Year is the Delivery Year that commences in 2021, 2022, or 2023:
- (i) the Relevant CMU does not comprise of any relevant Fossil Fuel Component with a Commercial Production Start Date on or after 4 July 2019 which has an Installed Capacity of less than 1MW; and
  - (ii) in the event the Relevant CMU will, after making this declaration, comprise of at least one relevant Fossil Fuel Component with a Commercial Production Start Date on or after 4 July 2019 and which has an Installed Capacity of less than 1MW, each relevant Fossil Fuel Component will not exceed the Fossil Fuel Emissions Limit.]
- [(c) where the Relevant Delivery Year is the Delivery Year that commences in 2024 or a subsequent Delivery Year:
- (i) the Relevant CMU comprises of at least one relevant Fossil Fuel Component which has an Installed Capacity of less than 1MW and each of those relevant Fossil Fuel Components does not exceed the Fossil Fuel Emissions Limit (other than a relevant Fossil Fuel Component which has a Commercial Production Start Date before 4 July 2019 which exceeds the Fossil Fuel Emission Limit, but does not exceed the Fossil Fuel Yearly Limit);]
  - (ii) in the event that the Relevant CMU will, after making this declaration, comprise of any additional relevant Fossil Fuel Component with a Commercial Production Start Date on or after 4 July 2019 and which has an Installed Capacity of less than 1MW, such additional relevant Fossil Fuel Components will not exceed the Fossil Fuel Emissions Limit; and
  - (iii) in the event that the Relevant CMU will, after making this declaration, comprise of any additional relevant Fossil Fuel Component with a Commercial Production Start Date which is before 4 July 2019 and which has an Installed Capacity of less than 1MW, each such additional relevant Fossil Fuel Component will not exceed Fossil Fuel Emissions Limit (other than where it exceeds the Fossil Fuel Emission Limit, it will not exceed the Fossil Fuel Yearly Emissions Limit);]
- [(d) where the Relevant Delivery Year is the Delivery Year that commences in 2024 or a subsequent Delivery Year:
- (i) the Relevant CMU does not comprise of any relevant Fossil Fuel Component which has an Installed Capacity of less than 1MW;



- (ii) in the event that the Relevant CMU will, after making this Declaration, comprise of at least one relevant Fossil Fuel Component with a Commercial Production Start Date on or after 4 July 2019 and which has an Installed Capacity of less than 1MW, such relevant Fossil Fuel Component will not exceed the Fossil Fuel Emissions Limit; and
- (iii) in the event that the Relevant CMU will, after making this Declaration, comprise of at least one relevant Fossil Fuel Component with a Commercial Production Start Date which is before 4 July 2019 and which has an Installed Capacity of less than 1MW, each relevant Fossil Fuel Component will not exceed both the Fossil Fuel Emissions Limit (except that, where it exceeds the Fossil Fuel Emissions Limit, it will not exceed the Fossil Fuel Yearly Emissions Limit).]

**Part 6: Declaration in respect of information provided with this Fossil Fuel Emissions Declaration**

*(You must complete this Part if you have retained the declaration in Part 2(b), by retaining (a) and, where relevant, (b).)*

The Relevant Person hereby confirms that:

- (a) in respect of the Fossil Fuel Emissions specified in the fourth column of the table in **Part 3**, and the formulae specified in the second and third column of the table in **Part 4**, attached to this Declaration is the following information for each relevant Fossil Fuel Component:
  - (i) the data used to calculate the Design Efficiency of the Fossil Fuel Component;
  - (ii) a description (including title and year) of the ISO (International Organisation for Standardisation) or EN (European Standards) standard/s applied (if any) by the Relevant Person;
  - (ii) the data used to determine the appropriate Emission Factor;
  - (iv) details of any assumptions made in calculations of Fossil Fuel Emissions [and, where applicable, Fossil Fuel Yearly Emissions]; and
  - (v) a copy of the Qualifying CHPQA Certificate used (if applied).
- [(b) in respect of the Fossil Fuel Yearly Emissions specified in the fifth column of the table in **Part 3**, attached to this Declaration is the data used to calculate Electricity Production for each relevant Fossil Fuel Component.] ]

**Part 7: Declaration in respect of Emissions Related Material Changes**

*(You must retain this Part in all cases.)*

The Relevant Person hereby confirms that an Updating Fossil Fuel Emissions Declaration will be provided if there is an Emissions Related Material Change to the Relevant CMU and/or to a relevant Fossil Fuel Component and:

- (a) where the Relevant Delivery Year is the Delivery Year that commences in 2022 or a subsequent Delivery Year, the Relevant CMU and/or each relevant Fossil Fuel Component will not exceed the Fossil Fuel Emissions Limit; and/or
- (b) where the Relevant Delivery Year is the Delivery Year that commences in 2024 or a subsequent Delivery Year, the Relevant CMU and/or each relevant Fossil Fuel Component will not exceed the Fossil Fuel Emissions Limit, and where any relevant Fossil Fuel Component which has a Commercial Production Start Date which is before 4 July 2019 exceeds the Fossil Fuel Emission Limit, it will not exceed the Fossil Fuel Yearly Limit.

**Part 8: Director Signatures**

*(You must complete this Part.)*

DATED: [dd/mm/yyyy]<sup>7</sup>

DATED: [dd/mm/yyyy]<sup>7</sup>

Signed

.....

.....

Director<sup>8</sup>

Director<sup>8</sup>

Print Name:

Print Name:

To be executed by the signature of two Directors, (unless Rule 1.3A applies)

**Part 9: Independent Emissions Verifier certification of declaration(s) made in Part 3 and Part 4:**

*(You must arrange for an Independent Emissions Verifier to complete this Part if you have retained the declaration in Part 2(b)<sup>9</sup>.)*

1. *Independent Emissions Verifier to retain either (a) or (b)*

**(a)** We have conducted a verification of the information provided in the tables in **Part 3** and **Part 4** and the data provided pursuant to **Part 6** and, on the basis of the

<sup>7</sup> Signatures need to be dated: The date for each signature is to be provided on the day in which the relevant person signs, in the format: day, month, year (dd/mm/yyyy).

<sup>8</sup> or officer, in the case of a body other than a company.

<sup>9</sup> not required if this declaration is a Transitional Fossil Fuel Emissions Declaration (See Rule 3.15.2).

Assurance Work described in **Annex A** to this Declaration, we confirm with reasonable assurance that the declaration[s] in **Part 3** [is]/[are] true and correct in all material aspects.]

or

[(b) We have conducted a verification of the information provided in the tables in **Part 3** and **Part 4** and the data provided pursuant to **Part 6** and, on the basis of the Assurance Work described in **Annex A** to this Declaration, we confirm with reasonable assurance that the declaration[s] in **Part 3** [is]/[are] true and correct, with the exception of [.....]].

*2. Independent Emissions Verifier to complete all of the following*

We have applied the following standard/s when conducting the verification of the information provided in the tables in **Part 3** and **Part 4** and the data provided pursuant to **Part 6**:

*[INCLUDE A DESCRIPTION (INCLUDING TITLE AND YEAR) OF THE ISO (INTERNATIONAL ORGANISATION FOR STANDARDISATION) OR EN (EUROPEAN STANDARDS) STANDARD/S APPLIED]*

DATED: [dd/mm/yyyy]<sup>10</sup>

Signed.....

Authorised signatory (Print Name).....

Position.....

Authorised signatory for and on behalf of.....

Name of Independent Emissions Verifier.....

Accreditation body: .....

Accreditation number of Independent Emissions Verifier: .....

**Annex A: Assurance Work Conducted by the Independent Emissions Verifier**

**Responsibilities:**

The Relevant Person is responsible for the preparation and reporting of data in this Fossil Fuel Emissions Declaration (“Declaration”) and for its submission to the Delivery Body in accordance with the Rules.

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<sup>10</sup> Signatures need to be dated: The date for each signature is to be provided on the day in which the relevant person signs, in the format: day, month, year (dd/mm/yyyy).

The Independent Emissions Verifier is responsible (in accordance with its contract with the Relevant Person and its accreditation obligations) for carrying out verification of the Declaration and data submitted with the Declaration.

**Assurance Work Conducted:** The Independent Emissions Verifier has conducted its examination having regard to the criteria used for verification outlined below. This involved examining, based on the verifier's own assessment of risk, evidence provided by the Relevant Person, to assess whether the verifier is able to give reasonable assurance that the declaration(s) in **Part 3** and **Part 4** of this Declaration is/are true and correct in all material respects.

**Criteria used for verification:** The Capacity Market Rules, the Electricity Capacity Regulations 2014 (SI 2014/ 2043); relevant ISO and/or EN standards.”.

## 15. Substitution of Exhibit ZB (Fossil Fuel Emissions Commitment)

15.1 For Exhibit ZB, substitute:

### “EXHIBIT ZB: FORM OF FOSSIL FUEL EMISSIONS COMMITMENT

#### [APPLICATION YEAR] Fossil Fuel Emissions Commitment

[NAME OF APPLICANT OR CAPACITY PROVIDER]

(Incorporated in England and Wales, or Scotland under Registered No. [ ])

[ADDRESS OF REGISTERED OFFICE]

The following declarations are made by Directors<sup>1</sup> of [NAME OF APPLICANT] (the “**Relevant Person**”)<sup>2</sup> with respect to:

[Description of CMU to be inserted] (the “**Relevant CMU**”);

and with respect to each Fossil Fuel Component or Associated Fossil Fuel Component by which a Storage Facility has part or all of its electricity requirements met (each a “**relevant Fossil Fuel Component**”) which comprises or may comprise the Relevant CMU, and

any Delivery Year in respect of which a Capacity Obligation awarded in the Relevant Capacity Auction to the Relevant CMU may apply (a “**Relevant Delivery Year**”);

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<sup>1</sup> or officers, in the case of a body other than a company

<sup>2</sup> For sole director companies, substitute “The following confirmations and declarations are made by the director of [NAME OF APPLICANT] (the “Applicant”)”.

*Contents of this declaration:*

- **Part 1:** The Relevant CMU
- **Part 2:** Declaration in respect of the Relevant CMU which is New Build, Refurbishing or Unproven DSR
- **Part 3:** Declaration in respect of Emissions Related Material Changes
- **Part 4:** Director signatures

*Capitalised terms used herein have the meaning given in the Capacity Market Rules 2014 unless otherwise indicated.*

*When completing the remainder of this Declaration, delete or strikethrough content in “[ ]” where not applicable.*

### **Part 1: The Relevant CMU**

*(You must complete this Part in respect of the Relevant CMU, by retaining either (a), (b), or (c))*

The Relevant Person hereby confirms that the Relevant CMU is:

- [(a) a New Build CMU.]
- [(b) a Refurbishing CMU (where this declaration is provided in respect of both the Pre-Refurbishment CMU and the Relevant CMU once improvement works have been completed).]
- [(c) an Unproven DSR CMU.]

### **Part 2: Declarations in respect of the Relevant CMU**

*(You must complete this Part by retaining either (a) or (b). You must retain (c), and, where applicable, retain (d), (e), (f) and/or (g).)*

The Relevant Person hereby declares that:

- [(a) the Relevant CMU will not comprise of any relevant Fossil Fuel Component.]
- [(b) the Relevant CMU will or may comprise of at least one relevant Fossil Fuel Component.]
- (c) in the event that the Relevant CMU comprises of at least one relevant Fossil Fuel Component:
  - (i) the Relevant Person will make a Fossil Fuel Emissions Declaration in accordance with the relevant deadline (in Rule 8.3.11(b)(i) in respect of a New Build CMU, Rule 8.3.11(b)(ii) in respect of a Refurbishing CMU (including where a Capacity Agreement is awarded to the Pre-Refurbishment CMU) and Rule 8.3.11(b)(iii) in respect of an Unproven DSR CMU);

- (ii) where the Relevant Delivery Year is the Delivery Year that commences in 2022 or a subsequent Delivery Year, in the event the Relevant CMU comprises of at least one relevant Fossil Fuel Component with a Commercial Production Start date on or after 4 July 2019, the Fossil Fuel Emissions of that relevant Fossil Fuel Component will not exceed the Fossil Fuel Emissions Limit; and
- (iii) where the Relevant Delivery Year is the Delivery Year that commences in 2024 or is a subsequent Delivery Year, in the event the Relevant CMU comprises of at least one relevant Fossil Fuel Component with a Commercial Production Start Date which is before 4 July 2019, where the Fossil Fuel Emissions of that relevant Fossil Fuel Component exceed the Fossil Fuel Emission Limit, it will not exceed the Fossil Fuel Yearly Limit.

[The Relevant Person further declares that:

- [(d) the Relevant Person intends to apply the Fossil Fuel Emissions CCUS Formula to determine the Fossil Fuel Emissions of at least one relevant Fossil Fuel Components.]
- [(e) the Relevant Person intends to apply the Fossil Fuel Emissions Mixed Fuel Formula to determine the Fossil Fuel Emissions of at least one relevant Fossil Fuel Components.]
- [(f) the Relevant Person intends to apply the Fossil Fuel Emissions Composite Fuel Formula to determine the Fossil Fuel Emissions of at least one relevant Fossil Fuel Components.]
- [(g) the Relevant Person intends to apply the Design Efficiency CHPQA Formula to determine the Design Efficiency of at least one relevant Fossil Fuel Components.] ]

**Part 3: Declaration in respect of Emissions Related Material Changes**

*(You must retain this Part in all cases.)*

An Updating Fossil Fuel Emissions Declaration will be provided to the Delivery Body if, following making a Fossil Fuel Emissions Declaration in respect of the Relevant CMU, there is an Emissions Related Material Change to the Relevant CMU or to a Fossil Fuel Component comprised in the Relevant CMU.

**Part 4: Director Signatures**

*(You must complete this Part in all cases)*

DATED: [dd/mm/yyyy]<sup>3</sup>

DATED: [dd/mm/yyyy]<sup>3</sup>

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<sup>3</sup> Signatures need to be dated: The date for each signature is to be provided on the day in which the relevant person signs, in the format: day, month, year (dd/mm/yyyy).

Signed

.....

.....

Director<sup>4</sup>

Director<sup>4</sup>

Print Name:

Print Name:

To be executed by the signature of two directors, unless Rule 1.3A applies.”.

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<sup>4</sup> Or officer, in the case of a body other than a company.

## Part 5

### Amendments in respect of the effects of Coronavirus

#### 16. Amendments to Chapter 18 (Modifications in respect of the effects of coronavirus)

##### 16.1 In Rule 18.4 (Modifications to Rule 1.2.1):

16.1.1 In Rule 18.4.1(b), in the inserted definition of “Extended Long-Stop Date”, for “2021” substitute “2022”;

16.1.2 In Rule 18.4.1(c)(vi), in the inserted paragraph (d), after “New Build CMU” insert “or Refurbishing CMU”.

##### 16.2 In Rule 18.5 (Modifications in respect of Long-Stop Date)

16.2.1 In Rule 18.5.1(a)(i), at the end, omit “; and”

16.2.2 Omit Rule 18.5.1(a)(ii).

16.2.3 In Rule 18.5.1(b):

(a) in inserted Rule 6.7.4A(a)(i), after “1 October 2019” insert “or 1 October 2020, ”;

(b) in inserted Rule 6.7.4A(b), for “by 30 September 2020”, substitute “by the deadline in Rule 6.7.4B”; and

(c) after inserted Rule 6.7.4A, insert:

“6.7.4B The deadline in this Rule 6.7.4B is:

- (a) 30 September 2020, in the case of a New Build CMU that has a T-4 Agreement for which the CMU’s first scheduled Delivery Year starts on 1 October 2019 or a T-1 Agreement for the Delivery Year commencing on 1 October 2020, or a Refurbishing CMU that has a T-4 Agreement for which the CMU’s first scheduled Delivery Year starts on 1 October 2020 or a T-1 Agreement for the Delivery Year commencing on 1 October 2020; or
- (b) 30 September 2021, in the case of a New Build CMU that has a T-4 Agreement for which the CMU’s first scheduled Delivery Year starts on 1 October 2020.”.



16.2.4 In Rule 18.5.2

- (a) Omit Rule 18.5.2(a); and
- (b) In Rule 18.5.2(b):
  - (i) for “Rule 8.3.6A(c)(i)” substitute “Rule 8.3.6A(b)”; and
  - (ii) for “Delivery Year”, substitute “Rule 6.8.5”.

**16.3** In Rule 18.7 (Modifications in respect of Unproven DSR CMUs – eligibility for extended DSR Test and Metering Test deadlines):

16.3.1 In Rule 18.7.1:

- (a) in Rule 18.7.1(a), in the inserted text, for “2021”, substitute “2022”;
- (b) in Rule 18.7.1(b), for inserted Rule 8.3.2ZA and Rule 8.3.2ZB, substitute:

“8.3.2ZA Extended deadline for Unproven DSR – eligibility requirements

A CMU meets the eligibility requirements in this Rule 8.3.2ZA if:

- (a) the CMU is an Unproven DSR CMU which:
  - (i) has a Capacity Agreement for the Delivery Year starting on 1 October 2020; or
  - (ii) has a T-4 Agreement for the Delivery Year starting on 1 October 2021;
- (b) the CMU has, by the deadline in paragraph (c), provided the Delivery Body with a report by an Independent Technical Expert which:
  - (i) explains the progress made by the Capacity Provider to acquire, and/ or acquire Contractual DSR Control over, DSR CMU Components to form the DSR CMU against the Business Plan

provided in accordance with Rule 3.10.1;  
and

- (ii) explains how the effects of Coronavirus caused delays in the CMU acquiring, and/or acquiring Contractual DSR Control over, DSR CMU Components to form the DSR CMU;
- (c) the deadline in this paragraph (c) is met:
- (i) prior to 31 August 2020, for an Unproven DSR CMU that has a Capacity Agreement for the Delivery Year starting on 1 October 2020; or
  - (ii) prior to 31 August 2021, for an Unproven DSR CMU that has a T-4 Agreement for the Delivery Year starting on 1 October 2021.

8.3.2ZB Where Rule 8.3.2ZA applies to a CMU, and the CMU has satisfied the requirements of Rule 8.3.2(a) (DSR Test):

- (a) on or prior to 1 October 2020 in the case of an Unproven DSR CMU that has a Capacity Agreement for the Delivery Year starting on 1 October 2020, the Capacity Agreement will take effect on 1 October 2020; or
  - (b) on or prior to 1 October 2021 in the case of an Unproven DSR CMU that has a T-4 Agreement for the Delivery Year starting on 1 October 2021, the Capacity Agreement will take effect on 1 October 2021; or
  - (c) in any other case, the Capacity Agreement in respect of the CMU will take effect on the date on which the CMU has satisfied the requirements of Rule 8.3.2(a) (DSR Test), Rule 8.3.3(b) (Metering Assessment) and, if applicable, Rule 8.3.3(d) (Metering Test).”; and
- (c) in Rule 18.7.1(c), in the inserted text, for “2021” substitute “2022”;

16.3.2 In Rule 18.7.2:

(a) in Rule 18.7.2(b), in the inserted paragraph (e), for “2021” substitute “2022”; and

(b) in Rule 18.7.2(c), in the inserted text, for “2021” substitute “2022”.

**16.4** In Rule 18.8 (Modifications in respect of requirements for Independent Technical Expert reports for monitoring of construction progress of Prospective CMUs):

16.4.1 In Rule 18.8.1(c), in inserted Rule 12.2A(a), for “2021” substitute “2022”.

**Part 6**  
**Long-Stop Date**

**17. Amendments to Chapter 1 (General Provisions)**

**17.1** In Rule 1.2.1 (Definitions), in the definition of “Long-Stop Date”:

17.1.1 for paragraph (a), substitute:

“(a) for any Refurbishing CMU, the date falling 12 months after the start of the CMU’s first scheduled Delivery Year, except where paragraph (c) applies;”;

17.1.2 in paragraph (c):

(a) omit “an SA Agreement or”;

(b) after “New Build CMU”, insert “or Refurbishing CMU”.

**18. Amendments to Chapter 6 (Capacity Agreements)**

**18.1** In Rule 6.7.4(a)(ii):

18.1.1 for “in the case of a New Build CMU only (other than in the case of a SA Agreement or a T-1 Agreement)” substitute “in the case of a New Build CMU or a Refurbishing CMU (other than in the case of a T-1 Agreement)”;

18.1.2 before “Rule 6.8.5”, insert “the CMU is a New Build CMU to which”.

**18.2** In Rule 6.8.4(b), at the start, insert “where the notice under Rule 6.8.1 is given to a T-1 Agreement”.

**19. Amendments to Chapter 8 (Obligations of Capacity Providers and System Stress Events)**

**19.1** In Rule 8.3.6(aa), after “Delivery Year”, insert “(or, no later than the date that the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii))”.

## Part 7

### EU Exit and miscellaneous amendments

#### 20. Amendments to Chapter 1 (General Provisions)

##### 20.1 In Rule 1.2.1:

20.1.1 in the definition of “the Regulations”, for “and the (No.2) Regulations 2019” substitute, “the (No.2) Regulations 2019, the Electricity Capacity (Amendment etc) (Coronavirus) Regulations 2020<sup>2</sup>, and the Electricity Capacity (Amendment) Regulations 2021”;

20.1.2 after the definition of “ION”, insert;

**“IP Completion Day** means 11pm on 31 December 2020”;

20.1.3 In the definition of “State aid authority”, substitute the text from “means” to the end with “means the European Commission”.

#### 21. Amendments to Chapter 3 (Prequalification information)

21.1 In Rule 3.4.1 (general details about the Applicant), omit paragraph (h).

#### 22. Amendments to Chapter 6 (Capacity Agreements)

22.1 In Rule 6.10.1A(a), omit paragraph (iv).

#### 23. Amendments to Chapter 8 (Obligations of Capacity Providers and System Stress Events)

23.1 In Rule 8.3.6C(a), at the end, insert “prior to IP Completion Day, and as implemented by the Environment Agency, Natural Resources Wales, or Scottish Environment Protection Agency (as applicable) after IP Completion Day”.

23.2 In Rule 8.3.8A:

23.2.1 In the chapeau, for “State aid””, substitute, “subsidy,”;

23.3 In Rule 8.3.8B:

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<sup>2</sup> SI 2020/697

- 23.3.1 in the definition of “Authorised Benefit”, for “a State aid authority expressly authorises”, substitute, “the State aid authority expressly authorised before IP completion day”.
- 23.3.2 in the definition of “Excepted Benefit”, for “State aid granted”, substitute “a subsidy (including, if applicable, State aid granted before IP completion Day) granted”;

**24. Amendments to Exhibit J (Form of Funding Declaration)**

- 24.1 In paragraph (viii), after “aid”, insert “or subsidy”.
- 24.2 In paragraph (ix), for “aid granted/ to be granted”, substitute “aid or subsidy granted/subsidy to be granted”.