

The Capacity Market (Amendment) Rules 2023

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

The Capacity Market (Amendment) Rules 2023

1. Citation, Commencement and Interpretation

1.1 These Rules may be cited as the Capacity Market (Amendment) Rules 2023.

1.2 These Rules, including the Schedule to these Rules, come into force on the day after the day on which these Rules are made.

1.3 In these Rules:

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

- (a) the Capacity Market (Amendment) Rules 2014;
- (b) the Capacity Market (Amendment) (No. 2) Rules 2014;
- (c) the Capacity Market (Amendment) Rules 2015;
- (d) the Capacity Market (Amendment) (No. 2) Rules 2015;
- (e) the Capacity Market (Amendment) Rules 2016;
- (f) the Capacity Market (Amendment) (No. 2) Rules 2016;
- (g) the Capacity Market (Amendment) (No. 3) Rules 2016;
- (h) the Capacity Market (Amendment) Rules 2017;
- (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 2018;
- (m) the Capacity Market (Amendment) Rules 2019;
- (n) the Capacity Market (Amendment) (No. 2) Rules 2019;
- (o) the Capacity Market (Amendment) (No. 3) Rules 2019;

- (p) the Capacity Market (Amendment) (No. 4) Rules 2019;
- (q) the Capacity Market (Amendment) (No. 5) Rules 2019;
- (r) the Capacity Market (Amendment) Rules 2020;
- (s) the Capacity Market (Amendment) (No. 2) Rules 2020;
- (t) the Capacity Market (Amendment) (No. 3) Rules 2020;
- (u) the Capacity Market (Amendment) Rules 2021;
- (v) the Capacity Market (Amendment) (No. 2) Rules 2021;
- (w) the Capacity Market (Amendment) Rules 2022; and
- (x) the Capacity Market (Amendment) (No. 2) Rules 2022.

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

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

2. Amendments

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

Graham Stuart
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Department for Energy Security and Net Zero

SCHEDULE

Part 1

General Provisions

1. Amendments to Rule 1.2 (Definitions)

1.1. In Rule 1.2.1:

1.1.1. after the definition of "Matched" insert:

"Maximum Export Capacity" has the meaning given to that term in the Distribution Connection Agreement;"

1.1.2. in the definition of "Transitional Fossil Fuel Emissions Declaration" for "2023" substitute "2024".

Part 2

Pre-qualification information to be provided in determining the Connection Capacity of a Generating CMU

2. Amendments to Rules 3.4 (Information to be provided in all Applications) and 3.5 (Determining the Connection Capacity of a Generating CMU)

2.1. In Rule 3.4.5 (Statement as to Capacity):

2.1.1. omit the "and" after paragraph (a);

2.1.2. after paragraph (b) insert:

“; and

(c) in the case where Rule 3.5.5 applies, each CMU to which the relevant Grid Connection Agreement or Distribution Connection Agreement (as applicable) applies.”.

2.2. After Rule 3.5.1 insert:

“3.5.1A The aggregate Connection Capacity of all Generating Units comprised in a Generating CMU must not exceed the sum of the Transmission Entry Capacity and Maximum Export Capacity (as

applicable) which apply to each of the Generating Units comprised in that Generating CMU.”.

2.3. For Rule 3.5.2(a), substitute:

“(a) for a Generating Unit forming all or part of a Transmission CMU, the Transmission Entry Capacity stated in the Grid Connection Agreement for that Generating Unit;”.

2.4. For Rule 3.5.2(b), substitute:

“(b) for a Generating Unit forming all or part of an Existing Generating CMU which is a Distribution CMU, the Maximum Export Capacity stated in the Distribution Connection Agreement for that Generating Unit or in the written confirmation from the Distribution Network Operator provided pursuant to Rule 3.6.3(c)(ii) (as applicable).”.

2.5. Omit Rule 3.5.2(ba).

2.6. In Rule 3.5.2(c), omit sub-paragraphs (i), (ii) and (iii)(aa).

2.7. In Rule 3.5.5:

2.7.1. at the beginning, for “An” substitute, “Subject to Rule 3.5.1A, an”;

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

2.8. In Rule 3.5A.1, for “equal to the positive value of Connection Entry Capacity stated in the Grid Connection Agreement” substitute, “the Transmission Entry Capacity stated for that Interconnector CMU”.

Part 3

Prequalification Information for Existing Generating CMUs

3. Amendments to Rule 3.6 (Additional Information for an Existing Generating CMU)

3.1. In Rule 3.6.1(aa) (Previous Settlement Period performance):

3.1.1. for “2022/23 Auction Window”, substitute “2023/2024 Auction Window”;

- 3.1.2. for “the 2022 Prequalification Window”, in each place those words occur, substitute “the 2023 Prequalification Window”.

Part 4

4. Amendments to Rule 3.15 (Requirements for a Fossil Fuel Emissions Declaration)

- 4.1.** In Rule 3.15.1(a) for “subject to Rule 3.15.2” substitute “subject to Rules 3.15.2 and 3.15.2A”.

- 4.2.** After Rule 3.15.2 insert:

“3.15.2A If an Applicant provides a Fossil Fuel Emissions Declaration relating to specified Fossil Fuel Components (“relevant Fossil Fuel Components”) which complies with the requirement in Rule 3.15.1(a) during the Pre-qualification Window in 2023 then that Fossil Fuel Emissions Declaration shall be treated as valid for the purposes of compliance with Rule 3.15.1(a) in respect of such relevant Fossil Fuel Components until the commencement of the Pre-qualification Window in 2025, whereupon the said Applicant must comply with the requirements of Rule 3.15.1(a), unless Rule 3.6.5(b) or 3.6.5(ca) applies.”.

Part 5

Capacity Auctions

5. Amendments to Rule 5.9 (Capacity Auction clearing)

- 5.1.** After Rule 5.9.7(d) insert:

“; and

- (e) where Rule 5.9.4(b) does not apply and:

- (i) the calculation in Rule 5.9.6 results in a negative number or zero; and
- (ii) the Auction Target Capacity exceeds the aggregate Bidding Capacity for all Bidding CMUs in relation to the Capacity Auction,

each Bidding CMU that was the subject of a Relevant Exit Bid in the Capacity Auction”.

Part 6

Monitoring

6. Amendments to Rule 12.2.1 (Monitoring of construction progress of Prospective CMUs)

- 6.1.** In Rule 12.2.1(a) omit “earlier or”.
- 6.2.** In Rule 12.2.1(b) for “Plan accompanied by:” substitute “Plan;”.
- 6.3.** Omit Rule 12.2.1(c).
- 6.4.** In Rule 12.2.1(ca):
 - 6.4.1. for “12.2.1(c)”, substitute “12.2.1(b)”;
 - 6.4.2. omit sub-paragraph (i).
- 6.5.** Omit Rule 12.2.1A.
- 6.6.** In Rule 12.2.1B, omit paragraph(a) and the “or” after it.