

The Capacity Market (Amendment) (No.3) Rules 2024

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

The Capacity Market (Amendment) (No.3) Rules 2024

1 Citation, Commencement and Interpretation

1.1 These Rules may be cited as the Capacity Market (Amendment) (No.3) Rules 2024.

1.2 These Rules come into force as follows:

1.2.1 Part 4 (DSR CMU Components) other than Rule 18.3, and Part 5 (publication of emissions data) come into force on 3 March 2025.

1.2.2 Rule 18.3 (adding DSR CMU Components) comes into force on 1 October 2025.

1.2.3 All other Rules come into force when the Electricity Capacity (Amendment) Regulations 2025 come into force.

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;
 - (x) the Capacity Market (Amendment) (No. 2) Rules 2022;
 - (y) the Capacity Market (Amendment) Rules 2023;
 - (z) the Capacity Market (Amendment) Rules 2024; and
 - (z1) the Capacity Market (Amendment) (No.2) Rules 2024.
- 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 Application


2.1 These Rules apply as follows:

- 2.1.1 The amendments made by Part 5 (publication of emissions data) do not apply in respect of any Capacity Agreement that has been awarded as a result of a Capacity Auction held before the Auction Window commencing on 1 September 2024.
- 2.1.2 All other amendments apply (unless otherwise stated or amended from time to time) in respect of any Capacity Agreement that has been awarded as a result of a Capacity Auction held before these Rules come into force and in respect of any Capacity Agreement awarded as a result of a Capacity Auction held after these Rules come into force.

3 Amendments

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

Signed and Dated:


12th December 2024

Michael Shanks

Parliamentary Under-Secretary of State

Department for Energy Security and Net Zero

SCHEDULE

Part 1

Volume reallocation

1 Amendments to Chapter 10 (Volume Reallocation)

- 1.1 In Rule 10.2.4(a) (Capacity Market Volume Reallocation Notification), for "WD11 and WD19", substitute "WD21 and WD33".
- 1.2 In Rule 10.5.1 (Information):
- (a) for "WD10", substitute "WD20";
- (b) for "Regulation 35", substitute "Regulation 36 and calculated in accordance with Regulation 39".
- 1.3 In Rule 10.5.2, for "WD11 to WD19", substitute "WD21 to WD33".
- 1.4 In Rule 10.5.3, for "WD11 to WD19 inclusive under Regulation 35", substitute "WD21 to WD33 inclusive in respect of its calculations under Regulation 39".

Part 2

Contracts for Difference

2 Amendments to Chapter 1 (General Provisions)

- 2.1 In Rule 1.2 (Definitions), after the definition of "Certificate of Conduct", insert:
- "CFD has the meaning given to that term in Regulation 2".

3 Amendment to Chapter 3 (Prequalification Information)

- 3.1 For Rule 3.4.7(a)(i), substitute:
- “(i) declare that at the time of making the Application, the CMU to which the Application relates:
- (aa) is not the subject of an application for a CFD that has yet to be determined, or an offer of a CFD that has been made and remains

open for acceptance, or a CFD that has been entered into and has not expired or been terminated;

- (bb) is neither accredited under, nor the subject of an application for accreditation under, any other Low Carbon Exclusion; and
- (cc) will not be benefitting from a Low Carbon Exclusion at the commencement of, or during, the relevant Delivery Year or period of Delivery Years;"

Part 3

Lower Capex Threshold CMUs and Declared Long Stop CMUs

4 Amendments to Chapter 1 (General Provisions)

4.1 In Rule 1.2 (Definitions):

- (a) omit the definitions of "3 Year Minimum £/kW Threshold" and "15 Year Minimum £kW Threshold";
- (b) in the definition of "Additional Information":
 - (i) for "means the additional information to be submitted with an Application, being", substitute "in respect of a CMU that is the subject of an Application, means the additional information and documents required to be submitted with the Application, as set out in one or more of the paragraphs below";
 - (ii) after paragraph (c), insert:

"(ca) in the case of an Application relating to a Prospective Generating CMU that the Applicant intends (pursuant to Rule 3.4.4A(b)(i) or (ii)) to be a Declared Long Stop CMU, such information and documents as are required pursuant to Rule 3.8A; or";
 - (iii) in paragraph (e), at the end insert "or";
 - (iv) after paragraph (e), insert:

"(f) in the case of an Application relating to a Generating CMU or DSR CMU which an Applicant intends to be a Declared Low Carbon CMU, such information and documents as are required pursuant to Rule 3.10ZA";
- (c) after the definition of "Opt-out Notification" insert:

“Other Emitting Component

means a Generating Unit that produces carbon dioxide when it generates electricity (regardless of whether any carbon dioxide so produced is emitted to the atmosphere) using a Primary Fuel which is not a Fossil Fuel”

(d) after the definition of "Customer", insert:

"Declared 12 Month Long Stop CMU means a Prospective Generating CMU:

- (a) which is a Declared Low Carbon CMU;
- (b) in respect of which the Applicant provided with its Application a Long Stop Utilisation Declaration, Part 2 of which specified a period of 12 months; and
- (c) which, in the Capacity Auction for which it Prequalifies pursuant to that Application, is awarded a Capacity Agreement pursuant to that Application with a duration of three or more, and up to fifteen Delivery Years;

Declared 24 Month Long Stop CMU means a Prospective Generating CMU:

- (a) which is a Declared Low Carbon CMU;
- (b) in respect of which the Applicant provided with its Application a Long Stop Utilisation Declaration, Part 2 of which specified a period of 24 months; and
- (c) which, in the Capacity Auction for which it Prequalifies pursuant to that Application, is awarded a Capacity Agreement with a duration of nine or more, and up to fifteen Delivery Years

Declared Long Stop CMU means a Declared 12 Month Long Stop CMU or a Declared 24 Month Long Stop CMU

Declared Low Carbon CMU means a CMU in respect of which an Applicant or Capacity Provider provides a Low Carbon Declaration";

(e) after the definition of "Emergency Manual Disconnection Instruction", insert:

"Emissions Component means a Generating Unit or DSR CMU Component which is one or more of the following:

- a) a Fossil Fuel Component;
- b) an Other Emitting Component”;

(f) after the definition of "Extended Years Criteria", insert:

"Fifteen Year Minimum £/kW Threshold means, where an Application is made in respect of a CMU, the 15 Year Minimum £/kW Threshold, as defined in Regulation 11(3), that is applicable in relation to the Capacity Auction in respect of which the Application is made”;

(g) for the definition of "Long Stop Date", substitute:

"Long Stop Date has, in respect of a Capacity Agreement for a New Build CMU or Refurbishing CMU, the meaning given in whichever one of paragraphs (a) to (c) applies:

- (a) where a T-1 Agreement has been awarded in respect of the CMU, the Long Stop Date is the start of the Delivery Year;
- (b) in the case of a Declared 24 Month Long Stop CMU, the Long Stop Date is the date falling 24 months after the start of the first Delivery Year;
- (c) in any other case, the Long Stop Date is the date falling 12 months after the start of the first Delivery Year

Long Stop Utilisation Declaration means a declaration in the form set out in Exhibit AA”;

(h) after the definition of "Loss of Load Occurrence", in the appropriate place, insert:

Low Carbon Declarant has the meaning given in Rule 3.10ZB.1(b)

Low Carbon Declaration means a declaration in the form set out in Exhibit ZD

Low Carbon Evidence has the meaning given in Rule 3.10ZB.1(c)

Low Carbon Limit means 100g of carbon dioxide emitted, or treated as emitted for the purposes of the Rules, by a Generating Unit, per kWh of electricity that it generates, and in respect of a Fossil Fuel Component, this means 100gCO₂ per kWh of Fossil Fuel Emissions

determined in accordance with one of the formulae in Part 1 of Schedule 8

Low Carbon Period

means a period specified in a Low Carbon Declaration as the period to which it relates and in respect of which a Low Emissions Statement is made

Low Emissions CMU

means a CMU which comprises:

- (a) one or more Fossil Fuel Components, or Storage Facility which has part or all of its electricity requirements met by an Associated Fossil Fuel Component and none of those Fossil Fuel Components' Fossil Fuel Emissions exceed the Low Carbon Limit; and
- (b) no Other Emitting Component

Low Emissions Determination

has the meaning given in Rule 3.10ZB.1(d)

Low Emissions Statement

means a statement made in Part 3 of a Low Carbon Declaration by an Applicant or a Capacity Provider in respect of the components which will comprise the CMU”;

- (i) for the definition of "**Maximum Obligation Period**", substitute:

“means:

- (a) in respect of a T-4 Auction:

- (i) fifteen Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU:
 - (aa) for which an Applicant has stated pursuant to Rule 3.7.2(a), that to the best of its knowledge and belief the CMU will meet the Extended Years Criteria when completed;
 - (bb) for which an Applicant has stated pursuant to Rule 3.7.2(d), that the Qualifying £/kW Capital Expenditure is equal to or greater than the Fifteen Year Minimum £/kW Threshold; and
 - (cc) in respect of which none of the Generating Units comprising the Prospective Generating CMU are already the subject of a Capacity Agreement which has not been terminated;
- (ii) fifteen Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for an Unproven DSR CMU for which an Applicant has stated pursuant to Rule 3.10.1(aa) that the

Qualifying £/kW Capital Expenditure is equal to or greater than the Fifteen Year Minimum £/kW Threshold;

- (iii) nine Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for Prospective Generating CMU:
 - (aa) that is a Declared Long Stop CMU;
 - (bb) in respect of which an Applicant has stated pursuant to Rule 3.7.2(d)(i) that the Qualifying £/kW Capital Expenditure is equal to or greater than the Nine Year Minimum £/kW Threshold (but not equal to or greater than the Fifteen Year Minimum £/kW Threshold); and
 - (cc) in respect of which no Low Emissions Determination has been given;
 - (iv) nine Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU or Unproven DSR CMU which is a Nine Year Capex Threshold CMU;
 - (v) three Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU or Unproven DSR CMU which is a Three Year Zero Capex Threshold CMU.
 - (vi) three Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU or Unproven DSR CMU for which an Applicant has stated pursuant to Rule 3.7.2(d) or Rule 3.10.1(aa)(i) (as the case may be) that Qualifying £/kW Capital Expenditure is expected to equal or exceed the Three Year Minimum £/kW Threshold;
 - (vii) for all other CMUs (including Prospective Generating CMUs not included in (i), (iii) (iv), (v) or (vi) or Unproven DSR CMUs not included in (ii), (iv) and (v)above), one Delivery Year,
- (b) in respect of a T-1 Auction, means one Delivery Year for all CMUs,
- (c) where, in accordance with the Rules, the Maximum Obligation Period determined in accordance with paragraph (a) is updated after an auction:
- (i) nine Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU:
 - (aa) that is a Declared Long Stop CMU;
 - (bb) in respect of which the conditions in paragraph (a)(i)(aa) to (cc) of this definition are satisfied;

- (cc) in respect of which no Low Emissions Determination has been given; and
 - (dd) a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is not equal to or greater than the Fifteen Year Minimum £/kW Threshold, but is equal to or greater than the Nine Year Minimum £/kW Threshold;
- (ii) three Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU that is a Declared 12 Month Long Stop CMU in respect of which no Low Emissions Determination has been given and the conditions in paragraph (a)(i)(aa)-(cc) of this definition are satisfied and:
- (aa) the CMU is a New Build CMU in respect of which a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is not equal to or greater than the Nine Year Minimum £/kW Threshold; or
 - (bb) the CMU is a Refurbishing CMU in respect of which a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is not equal to or greater than the Nine Year Minimum £/kW Threshold, but is equal to or greater than the Three Year Minimum £/kW Threshold;
- (iii) three Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU that is a Declared 12 Month Long Stop CMU in respect of which the conditions in Rule 8.3.14A(b)(i) and (ii) are met and the Delivery Body has made the reduction required by that Rule;
- (iv) three Delivery Years, including the first Delivery Year for which the Capacity Agreement is awarded, for a Prospective Generating CMU or Unproven DSR CMU which is a Nine Year Capex Threshold CMU where:
- (aa) the Delivery Body must make the reduction required under Rule 8.3.14A(a);
 - (bb) the Delivery Body must make the reduction required under Rule 8.3.14A(c)(i)(aa);
 - (cc) the CMU is a Refurbishing CMU, and a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is not equal to or greater than the Nine Year Minimum £/kW Threshold, but is greater than the Three Year Minimum £/kW Threshold; or
 - (dd) the CMU is a New Build or Unproven DSR CMU that is not a Declared Long Stop CMU in respect of which no Low Emissions Determination has been given, and a certificate

provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is not equal to or greater than the Nine Year Minimum £/kW Threshold;

- (v) one Delivery Year, for a Prospective Generating CMU or Unproven DSR CMU which is a Nine Year Capex Threshold CMU where:
 - (aa) the Delivery Body must make the reduction required under Rule 8.3.14A(c)(i)(bb); or
 - (bb) the CMU is a Refurbishing CMU, and a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is not equal to or greater than Three Year Minimum £/kW Threshold,
- (vi) one Delivery Year, for a Prospective Generating CMU or Unproven DSR CMU which is a Three Year Zero Capex Threshold CMU where the Delivery Body must make the reduction required under Rule 8.3.14A(d)";

(j) after the definition of "New Build CMU" insert:

"Nine Year Capex Threshold CMU

means a Prospective Generating CMU or an Unproven DSR CMU:

- (a) which is a Declared Low Carbon CMU;
- (b) in respect of which the Applicant stated in its Application that it intended the CMU to be a Nine Year Capex Threshold CMU; and
- (c) which, in the Capacity Auction for which it Prequalifies pursuant to that Application, is awarded a Capacity Agreement with a duration of more than three, and up to nine Delivery Years

Nine Year Minimum £/kW Threshold

means, where an Application is made in respect of a CMU, the 9 Year Minimum £/kW Threshold, as defined in Regulation 11(3), that is applicable in relation to the Capacity Auction in respect of which the Application is made";

(k) after the definition of "T-4 Auction" insert:

"Three Year Minimum £/kW Threshold

means, where an Application is made in respect of a CMU, the 3 Year Minimum £/kW Threshold, as defined in Regulation 11(3), that is applicable in relation to the Capacity Auction in respect of which the Application is made

**Three Year Zero Capex
Threshold CMU**

means a Prospective Generating CMU (other than a Refurbishing CMU) or an Unproven DSR CMU:

- (a) which is a Declared Low Carbon CMU;
- (b) in respect of which the Applicant stated in its Application that it intended the CMU to be a Three Year Zero Capex Threshold CMU; and
- (c) which, in the Capacity Auction for which it Prequalifies pursuant to that Application, is awarded a Capacity Agreement with a duration of more than one, and up to three Delivery Years".

5 Amendments to Chapter 3 (Prequalification information)

5.1 In Rule 3.3.6A(c):

- (a) after "does not apply to" insert "the Prequalification Certificate, or to information or documents submitted to comply with any of the following:";
- (b) omit sub-paragraph (i);
- (c) in each of sub-paragraphs (ii) to (xxiv) omit "information submitted to comply with";
- (d) after sub-paragraph (xii) insert:
 - "(xiia) Rule 3.8A.1;
 - (xiib) Rule 3.8A.4;"
- (e) after sub-paragraph (xviii) insert:
 - "(xviiiia) Rule 3.10ZA.1 or 3.10ZA.2 ".

5.2 In Rule 3.4 (Information to be provided in all Applications), after Rule 3.4.4 insert:

"3.4.4A Statement as to Low Carbon Declaration

Each Application must state whether:

- (a) in respect of the CMU to which the Application relates, the Applicant is providing a Low Carbon Declaration; and
- (b) where it is providing a Low Carbon Declaration, whether it intends the CMU to be:
 - (i) a Declared 12 Month Long Stop CMU;
 - (ii) a Declared 24 Month Long Stop CMU;
 - (iii) a Nine Year Capex Threshold CMU; or
 - (iv) a Three Year Zero Capex Threshold CMU."

5.3 For Rule 3.7.2(d), substitute:

"(d) for a Generating CMU:

- (i) in the case of a CMU in respect of which the Applicant has provided, or intends to provide, a Low Carbon Declaration but has not stated in the Application, pursuant to Rule 3.4.4A(b)(iv), that it intends it to be a Three Year Zero Capex Threshold CMU, whether the Qualifying £/kW Capital Expenditure is:
 - (aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
 - (bb) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold;
 - (cc) equal to or greater than the Three Year Minimum Capex Threshold and less than the Nine Year Minimum £/kW Threshold; or
 - (dd) less than the Three Year Minimum Capex Threshold;
- (ii) in the case of a CMU in respect of which the Applicant has provided, or intends to provide, a Low Carbon Declaration and has stated in the Application, pursuant to Rule 3.4.4A(b)(iv), that it intends it to be a Three Year Zero Capex Threshold CMU, whether the Qualifying £/kW Capital Expenditure is:
 - (aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
 - (bb) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
 - (cc) less than the Nine Year Minimum £/kW Threshold and equal to or greater than zero; or

- (iii) in the case of any other Generating CMU, whether the Qualifying £/kW Capital Expenditure is:
 - (aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
 - (bb) equal to or greater than the Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
 - (cc) less than the Three Year Minimum £/kW Threshold;".

5.4 In Rule 3.8.1A (Refurbishing CMU – declaration about refurbishing works):

- (a) In Rule 3.8.1A(a), for the words from "equal to" to the end, substitute;

":

- (i) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
- (ii) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
- (iii) equal to or greater than the Three Year Minimum £/kW Threshold, and less than the Nine Year Minimum £/kW Threshold."

- (b) In Rule 3.8.1A(a), for "Rule 3.7.2(d)(ii)", substitute "Rule 3.7.2(d)(i)(aa) to (cc), Rule 3.7.2(d)(ii) or Rule 3.7.2(d)(iii)(aa) and (bb),".

5.5 After Rule 3.8.3, insert:

"3.8A Additional Information for Declared Long Stop CMUs

3.8A.1 Where an Applicant for a Prospective Generating CMU wishes the CMU to which the Application relates to be a Declared Long Stop CMU, and Rule 3.8A.2 applies, the Applicant must provide a Long Stop Utilisation Declaration to the Delivery Body.

3.8A.2 This Rule applies to an Application:

- (a) that relates to a T-4 Auction; and
- (b) where the Applicant:
 - (i) provides a Low Carbon Declaration in relation to the CMU to which the Application relates;
 - (ii) expects the Qualifying £/kW Capital Expenditure to be equal to or exceed the Nine Year Minimum £/kW Threshold;
 - (iii) reasonably believes that it is likely that, even if all the conditions specified in Rule 3.8A.3(a) are satisfied, the Substantial Completion Milestone will not be achieved in respect of the CMU by the date falling 12 months after the start of the first Delivery Year of the Capacity

Agreement for the CMU to which the Application relates, for a reason relating to one or more of the matters specified in Rule 3.8A.3(b).

3.8A.3 For the purposes of Rule 3.8A.2(b)(iii):

- (a) the conditions specified are that:
 - (i) the CMU is awarded a Capacity Agreement in the T-4 Auction;
 - (ii) the Financial Commitment Milestone is met in respect of the CMU by the deadline specified in Rule 6.6.1;
 - (iii) the finance necessary for the CMU's construction or, as the case may be, refurbishment is obtained in good time and on satisfactory terms; and
 - (iv) the procurement of equipment required for the CMU and the engineering work required for its construction are diligently, expeditiously and efficiently managed; and
- (b) the matters specified are:
 - (i) the extent or complexity of the engineering work involved in the CMU's construction;
 - (ii) the degree to which the achievement of the Substantial Completion Milestone relies on technology that has not previously been deployed in circumstances comparable to those of the CMU;
 - (iii) the length of the lead times involved in procuring specific items of equipment that are to be comprised in the CMU;
 - (iv) the degree to which the achievement of the Substantial Completion Milestone in respect of the CMU depends on another infrastructure project being completed, where that other project may reasonably be expected not to be completed by the date referred to Rule 3.8A.2(b)(iii); and
 - (v) any other characteristic or circumstance that is particular to the CMU (or any class of generating units to which it belongs), and that it is reasonably foreseeable may result in the Substantial Completion Milestone not being achieved in respect of the CMU by the date falling 12 months after the start of the first Delivery Year of the Capacity Agreement for that CMU.

3.8A.4 If the Applicant provides a Long Stop Utilisation Declaration, it must also provide to the Delivery Body with its Application, in respect of the CMU to which the Application relates, a report from an Independent Technical Expert that meets the Required Technical Standard, concluding, on the basis of evidence and analysis set out in or annexed to the report, that it is reasonable for the Applicant:

- (a) to make the declaration referred to in Rule 3.8A.2(b)(i); and

- (b) to have the expectation, and hold the belief, referred to in Rule 3.8A.2(b)(ii) and (iii).

3.8A.5 The report provided under Rule 3.8A.4(b) must include a project timeline in respect of the financing and carrying out of work in respect of the CMU to which it relates that is consistent with:

- (a) the evidence and analysis contained in the report; and
- (b) the Construction Plan provided with the Application."

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

(a) in Rule 3.10.1(aa), after "include in the Application" insert "a statement as to";

(b) for Rule 3.10.1(aa)(i), substitute:

"(i) in the case of a CMU in respect of which the Applicant has provided, or intends to provide, a Low Carbon Declaration but has not stated in the Application, pursuant to Rule 3.4.4A(b)(iv), that it intends it to be a Three Year Zero Capex Threshold CMU, whether the Qualifying £/kW Capital Expenditure is:

(aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;

(bb) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold;

(cc) equal to or greater than the Three Year Minimum Capex Threshold; or

(dd) less than the Three Year Minimum Capex Threshold;

(ia) in the case of a CMU in respect of which the Applicant has provided, or intends to provide, a Low Carbon Declaration and has stated in the Application, pursuant to Rule 3.4.4A(b)(iv), that it intends it to be a Three Year Zero Capex Threshold CMU, whether the Qualifying £/kW Capital Expenditure is:

(aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;

(bb) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or

(cc) less than the Nine Year Minimum £/kW Threshold and equal to or greater than zero; or

(ib) in the case of any other Unproven DSR CMU, whether the Qualifying £/kW Capital Expenditure is:

(aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;

- (bb) equal to or greater than the Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
- (cc) less than the Three Year Minimum £/kW Threshold;".

5.7 After Rule 3.10.4 insert:

"3.10ZA Low Carbon Declarations: Additional Information for Declared Long Stop CMUs, Nine Year Capex Threshold CMUs and Three Year Zero Capex Threshold CMUs

- 3.10ZA.1 An Applicant must provide a Low Carbon Declaration to the Delivery Body with an Application in respect of:
- (a) a Prospective Generating CMU that it wishes to be a Declared Long Stop CMU;
 - (b) a Prospective Generating CMU, or an Unproven DSR CMU, that it wishes to be a Nine Year Capex Threshold CMU; or
 - (c) a Prospective Generating CMU (other than a Refurbishing CMU), or an Unproven DSR CMU, that it wishes to be a Three Year Zero Capex Threshold CMU.
- 3.10ZA.2 In the period between the Prequalification Results Day and the commencement of the first Bidding Window for that Capacity Auction, an Applicant that is not required to comply with Rule 3.10ZA.1 may, in respect of a Delivery Year ("Delivery Year X"), provide a Low Carbon Declaration to the Delivery Body:
- (a) in respect of a Prequalified CMU which is a Prospective Generating CMU or an Unproven DSR CMU where:
 - (i) no Low Carbon Declaration has been made; or
 - (ii) a Low Carbon Declaration has previously been made specifying a Low Carbon Period that does not include all or part of Delivery Year X; and
 - (b) which specifies a Low Carbon Period that includes all or part of Delivery Year X.
- 3.10ZA.3 A person who has made a Low Carbon Declaration in respect of a CMU, or a person who has acquired a CMU in respect of which a Low Carbon Declaration has been made, may revoke the Low Carbon Declaration made in respect of that CMU by giving notice of such revocation to the Delivery Body, but only if, at the time when such notice is given, there is no Capacity Agreement (that has taken effect or that has been awarded and has yet to take effect) in existence in respect of that CMU that depends on that CMU being a Declared Low Carbon CMU.

3.10ZB Low Emissions Determinations

- 3.10ZB.1 For the purposes of the Rules:
- (a) the "Determination Criteria" are that:
 - (i) there is a Low Emissions Material Inaccuracy in respect of a CMU; or
 - (ii) a Low Carbon Limit Breach in respect of a CMU.
 - (b) a "Low Carbon Declarant" means the Applicant or Capacity Provider for a CMU in respect of which a Low Carbon Declaration is made;
 - (c) "Low Carbon Evidence" means any of the following, where provided with a Low Carbon Declaration:
 - (i) a Fossil Fuel Emissions Declaration;
 - (ii) the information, measurements, analysis or calculations set out in or annexed to a Low Carbon Declaration or Fossil Fuel Emissions Declaration;
 - (d) a "Low Emissions Determination" is a notice setting out a final determination by the Delivery Body that one or more Determination Criteria are satisfied in respect of a CMU, and including the Delivery Body's reasons for that determination;
 - (e) there is a "Low Emissions Material Inaccuracy" in relation to a CMU if a Low Carbon Declaration provided in respect of the CMU to which it relates includes something that was untrue or inaccurate at the time that a Low Carbon Declarant provided it to the Delivery Body (regardless of whether the Low Carbon Declarant knew that it was incorrect or inaccurate);
 - (f) there is a "Low Carbon Limit Breach" in respect of a CMU (the "relevant CMU") if a Low Carbon Declaration has been made in respect of the relevant CMU and the Delivery Body becomes aware that either:
 - (i) the Low Emissions Statement in the Low Carbon Declaration states that the relevant CMU is a Low Emissions CMU and, during the Low Carbon Period:
 - (aa) a Fossil Fuel Component comprised in the relevant CMU or an Associated Fossil Fuel Component that meets part or all of the electricity requirements of a Storage Facility comprised in the relevant CMU has (or has had, or will have) Fossil Fuel Emissions that exceed the Low Carbon Limit; or
 - (bb) one or more Other Emitting Components are or have been comprised in the relevant CMU; or
 - (ii) the Low Emissions Statement in the Low Carbon Declaration states that the relevant CMU comprises of no Emissions Component, and:
 - (aa) one or more Fossil Fuel Components or Associated Fossil Fuel Component that meets part or all of the electricity requirements of a Storage Facility is or has been comprised

in the relevant CMU and has (or has had, or will have) Fossil Fuel Emissions that exceed the Low Carbon Limit; or

(bb) an Other Emitting Components is or has been comprised in the relevant CMU;

3.10ZB.2 This Rule 3.10ZB applies where the Delivery Body has seen evidence that leads it to believe that a Determination Criterion is met in respect of a particular Declared Low Carbon CMU.

3.10ZB.3 Subject to Rule 3.10ZB.4, where this Rule 3.10ZB applies, the Delivery Body:-

- (a) must give the Low Carbon Declarant a notice (a "preliminary notice") setting out:
 - (i) a summary of the evidence referred to in Rule 3.10ZB.2 that it has seen;
 - (ii) its preliminary conclusions as to whether a Determination Criterion is met in relation to a CMU;
 - (iii) the possible consequences under the Rules if the Delivery Body gives a Low Emissions Determination in respect of the relevant CMU; and
 - (iv) the date, 15 Working Days after the date of the notice, by which the Low Carbon Declarant must respond to the preliminary notice;
- (b) must, within 5 Working Days of the date specified under paragraph (a)(iv), and having taken account of any response to the preliminary notice received from the Low Carbon Declarant by that date, give the Low Carbon Declarant:
 - (i) a Low Emissions Determination;
 - (ii) a notice stating that a preliminary notice previously given is withdrawn; or
 - (iii) subject to paragraph (c), a notice under sub-paragraph (ii) and another preliminary notice under paragraph (a),

including reasons for its decision in each case; and

- (c) may give more than one preliminary notice in respect of a CMU before giving a Low Emissions Determination in respect of it only if:
 - (i) it sees relevant evidence that it had not seen before giving a previous preliminary notice; or
 - (ii) it has reason to believe that the circumstances of the CMU have changed since it last gave a preliminary notice,

in respect of that CMU.

3.10.ZB.4 Where this Rule 3.10ZB applies, the Delivery Body may give a Low Emissions Determination in respect of a CMU without first giving a preliminary notice, if the Low Carbon Declarant in respect of the CMU:

- (a) itself provides the Delivery Body with the evidence referred to in Rule 3.10ZB.2; and
- (b) requests the Delivery Body to give a Low Emissions Determination in respect of the relevant CMU without first giving a preliminary notice.

3.10ZB.5 The effects of the giving of a Low Emissions Determination in respect of:

- (a) Declared Low Carbon CMUs generally;
- (b) Declared Low Carbon CMUs of a particular description; and
- (c) any Capacity Agreement relating to such CMUs,

are as specified elsewhere in these Rules (and only as so specified), including in Rules 3.8.1A(c) and 8.3.14A(a) to (c)."

6 Amendments to Chapter 4 (Determination of eligibility)

6.1 In Rule 4.4.2 (decisions to be made by the Delivery Body), after Rule 4.4.2(k), insert:

- "(l) it is a Declared Long Stop CMU and:
 - (i) an Application is made in respect of it for a T-1 Auction, while it is the subject of a T-4 Agreement that has not expired or been terminated; or
 - (ii) the Delivery Year of Capacity Agreements awarded in the T-1 Auction ends before the Long Stop Date in respect of that T-4 Agreement,

including where, after the coming into force of this paragraph under the Capacity Market (Amendment) (No.3) Rules 2024, the Application is submitted pursuant to Rule 3.13.1."

6.2 For Rule 4.11.3 (changes to the Auction Parameters), substitute:

"4.11.3 If the Delivery Body publishes adjusted Auction Parameters for a Capacity Auction that include a change to the Fifteen Year Minimum £/kW Threshold, the Nine Year Minimum £/kW Threshold or the Three Year Minimum £/kW Threshold, the Delivery Body will notify each Applicant that the Maximum Obligation Period for each CMU has been updated accordingly on the Capacity Market Register."

7 Amendments to Chapter 5 (Capacity Auctions)

7.1 In Rule 5.5.14 (Capacity Auction format):

- (a) at the end of Rule 5.5.14(b)(i) omit "and";
- (b) after Rule 5.5.14(b)(ii) insert:

";

- (iii) in the case of a Declared 24 Month Long Stop CMU, not being less than nine Delivery Years; and

(iv) in the case of a Declared 12 Month Long Stop CMU, not being less than three Delivery Years".

(c) After Rule 5.6.5 insert:

"5.6.5A A Bidder with respect to a Bidding CMU that is a Declared Long Stop CMU may only reduce the Duration Bid in respect of that CMU as follows:

(a) in respect of a Declared 24 Month Long Stop CMU, to nine years;

(b) in respect of a Declared 12 Month Long Stop CMU, to three years."

8 Amendments to Chapter 6 (Capacity Agreements)

8.1 In Rule 6.7 (achieving the Substantial Completion Milestone):

(a) in Rule 6.7.4(a), after "Prospective CMU" insert "that is not a Declared Long Stop CMU";

(b) after Rule 6.7.4(a) insert:

"(aa) A Capacity Agreement in respect of a Declared Long Stop CMU takes effect on the first day when both the following have occurred:

(i) the Long Stop Date has been reached; and

(ii) the Substantial Completion Milestone has been achieved

(and accordingly, a Capacity Agreement in respect of a Declared 12 Month Long Stop CMU does not take effect in its first scheduled Delivery Year and a Capacity Agreement in respect of a Declared 24 Month Long Stop CMU does not take effect in its first or second scheduled Delivery Years).";

(c) for Rule 6.7.6, substitute:

"6.7.6 A Capacity Provider may notify the Delivery Body that a Generating Unit forming part of a Prospective Generating CMU has increased its Operational physical capacity such that it is now sufficient to deliver a higher proportion (up to but not exceeding 100 per cent) of its Capacity Obligation:

(a) in the case of a Declared Long Stop CMU, at any time up to six months after the Long Stop Date for that CMU;

(b) in the case of any other CMU at any time up to eighteen months after the start of the first Delivery Year of the Capacity Agreement,

and the Capacity Agreement will take effect from such date with respect to that increased proportion."

9 Amendments to Chapter 7 (Capacity Market Register)

9.1 In Rule 7.5 (Delivery Body amendments to the Capacity Market Register), for Rule 7.5.1(a) substitute:

- “(a) to record any change to the Maximum Obligation Period for a CMU, within five Working Days of receiving notice from the Secretary of State pursuant to Rule 2.2.4 of any adjustment to the Fifteen Year Minimum £/kW Threshold, the Nine Year Minimum £/kW Threshold or the Three Year Minimum £/kW Threshold;”.

10 Amendments to Chapter 8 (Obligations of Capacity Providers and System Stress Events)

10.1 In Rule 8.3.6 (Evidence of Total Project Spend):

(a) for Rule 8.3.6(a)(i) to (iii) substitute:

- “(i) in the case of a CMU that is a Declared Low Carbon CMU but not a Three Year Zero Capex Threshold CMU, whether the Qualifying £/kW Capital Expenditure is:
 - (aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
 - (bb) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold;
 - (cc) equal to or greater than the Three Year Minimum Capex Threshold and less than the Nine Year Minimum £/kW Threshold;
 - (dd) equal to or greater than the Three Year Minimum Capex Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
 - (ee) less than the Three Year Minimum Capex Threshold;
- (ii) in the case of a CMU that is a Declared Low Carbon CMU and a Three Year Zero Capex Threshold CMU, whether the Qualifying £/kW Capital Expenditure is:
 - (aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
 - (bb) equal to or greater than the Nine Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
 - (cc) less than the Nine Year Minimum £/kW Threshold and equal to or greater than zero; or
- (iii) in the case of any other Generating CMU, whether the Qualifying £/kW Capital Expenditure is:
 - (aa) equal to or greater than the Fifteen Year Minimum £/kW Threshold;
 - (bb) equal to or greater than the Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or

(cc) less than the Three Year Minimum £/kW Threshold;"

(b) in Rule 8.3.6(zaa)(i)(bb), at the end omit "or";

(c) after Rule 8.3.6(zaa)(i)(bb), insert:

"(zcc) the date that the Capacity Agreement takes effect in accordance with Rule 6.7.4(aa); or";

(d) in Rule 8.3.6(aa), after "Rule 6.7.4(a)(ii)" insert "or 6.7.4(aa)".

10.2 In Rule 8.3.6B (Definition of Extended Years Criteria):

(a) in Rule 8.3.6B(a), after "consists of" insert "either";

(b) in Rule 8.3.6B(a)(ii), omit ", where at least one complete generator or turbine is new";

(c) for Rule 8.3.6B(b), substitute:

"(b) each Generating Unit of the CMU can, with routine maintenance, be expected to remain capable of operation for:

(i) nine years, if the Prospective Generating CMU is a Nine Year Capex Threshold CMU; or

(ii) fifteen years, if the Prospective Generating CMU is not a Nine Year Capex Threshold CMU and has been awarded a Capacity Agreement with a duration of more than three Delivery Years,

beginning, in either case, with the first Delivery Year for which the Capacity Agreement is awarded;"

10.3 In Rule 8.3.6D(a), at the beginning, insert "Subject to Rule 8.3.14A, "

10.4 After Rule 8.3.11 insert:

"8.3.11A Provision of Low Carbon Declaration with Fossil Fuel Emissions Declaration by a Declared Long Stop CMU, a Nine Year Capex Threshold CMU or a Three Year Zero Capex Threshold CMU

Where:

(b) a CMU is a Declared Long Stop CMU, a Nine Year Capex Threshold CMU or a Three Year Zero Capex Threshold CMU;

(a) the Capacity Provider for that CMU is required to provide:

(i) a Fossil Fuel Emissions Declaration under Rule 8.3.11(a), Rule 8.3.12(b), Rule 8.3.12A(b), or Rule 8.3.13(c); or

(ii) a confirmation under Rule 8.3.11(c),

the Capacity Provider must also provide to the Delivery Body, by the deadline specified in those Rules, an updating Low Carbon Declaration in respect of that CMU that specifies a Low Carbon Period that includes the Delivery Years for which a Capacity Agreement has been awarded in respect of that CMU."

10.5 After Rule 8.3.14 insert:

"8.3.14A Low Emissions Determination related reduction in duration of Declared Low Carbon CMU's Capacity Agreement in certain cases

- (a) Where:
- (i) a Low Emissions Determination is given in respect of a Declared 12 Month Long Stop CMU that is both a Capacity Committed CMU, and a Nine Year Capex Threshold CMU; and
 - (ii) a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of that CMU is:
 - (aa) less than the Nine Year Minimum £/kW Threshold; and
 - (bb) equal to or greater than the Three Year Minimum £/kW Threshold,

the Delivery body must reduce the term of the Capacity Agreement for that CMU to three Delivery Years, and change the years for which it is issued accordingly.

- (b) Where:
- (i) a Low Emissions Determination is given in respect of a Declared 12 Month Long Stop CMU that is a Capacity Committed CMU, but that is not a Nine Year Capex Threshold CMU; and
 - (ii) a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of that CMU is:
 - (aa) less than the Fifteen Year Minimum £/kW Threshold; and
 - (bb) equal to or greater than the Three Year Minimum £/kW Threshold,

the Delivery body must reduce the term of the Capacity Agreement for that CMU to three Delivery Years, and change the years for which it is issued accordingly.

- (c) Where a Low Emissions Determination is given in respect of a Nine Year Capex Threshold CMU that is a Capacity Committed CMU and that is not a Declared Long Stop CMU, the Delivery Body must:
- (i) reduce the term of the Capacity Agreement for that CMU to:
 - (aa) three Delivery Years, if a certificate provided under Rule 8.3.6(a) confirms that the Total project Spend divided by the De-Rated Capacity of the CMU is equal to or greater than the Three Year Minimum £/kW Threshold; and
 - (bb) otherwise, to one Delivery Year; and
 - (ii) change the years for which it is issued accordingly.

- (d) Where:
 - (i) a Low Emissions Determination is given in respect of a Three Year Zero Capex Threshold CMU that is a Capacity Committed CMU; and
 - (ii) a certificate provided under Rule 8.3.6(a) confirms that the Total Project Spend divided by the De-Rated Capacity of the CMU is less than the Three Year Minimum £/kW Threshold,

the Delivery body must reduce the term of the Capacity Agreement for that CMU to one Delivery Year, and change the years for which it is issued accordingly.
- (e) Where the Delivery Body is required under this Rule 8.3.14A to reduce the term of a Capacity Agreement or change in the years for which it is issued, it must:
 - (i) give effect to that reduction or change by making the appropriate changes to the Capacity Market Register; and
 - (ii) give notice of those changes to the Capacity Provider."

11 Amendments to Chapter 9 (Transfer of Capacity Obligations)

11.1 In Rule 9.2.5 (restrictions on transfers and eligibility to trade):

- (a) for Rule 9.2.5(b)(ii), substitute:
 - "(ii) for which no suspension of capacity payments for failure to demonstrate satisfactory performance or extended performance is in effect under Rule 13.4.1ZA(b) or Rule 13.4A.7(b)";
- (b) in Rule 9.2.5(b)(iii), at the end, omit "and";
- (c) in Rule 9.2.5(b)(iv), at the end, insert "and";
- (d) after Rule 9.2.5(b)(iv) insert:
 - "(v) in respect of which there is not a breach of Rule 9.2.5A (transfers involving Declared Low Carbon CMUs)";

11.2 After Rule 9.2.5 (Transfer of a Capacity Agreement) insert:

"9.2.5A Transfers involving Declared Low Carbon CMUs

- (a) A Capacity Obligation in respect of which a Declared Long Stop CMU, Nine Year Capex Threshold CMU or Three Year Zero Capex Threshold CMU would be the CMU Transferor may only be transferred to a CMU:
 - (i) which is a Declared Low Carbon CMU;
 - (ii) in respect of which:

- (aa) a Low Carbon Declaration specifies a Low Carbon Period that includes the whole period in respect of which that Capacity Obligation is to be transferred; and
 - (bb) no Low Emissions Determination has been given, or if a Low Emissions Determination has been given in respect of that CMU, it has ceased to have effect as a result of a review or appeal under Part 10 of the Regulations.
- (b) A Declared Low Carbon CMU that is not a Declared Long Stop CMU, Nine Year Capex Threshold CMU or Three Year Zero Capex Threshold CMU may be a CMU Transferee in respect of a Capacity Obligation from, or a CMU Transferor in respect of a Capacity Obligation to any other CMU.
- (c) This Rule does not permit any transfer of a Capacity Obligation which would contravene another provision of the Regulations or the Rules."

11.3 In Rule 9.2.6:

- (a) for "to (xii)" substitute "to (xiii)";
- (b) at the end of paragraph (e)(xii) insert:

";

- (xiii) if the CMU Transferee is a Declared Long Stop CMU, the Substantial Completion Milestone has been achieved and the Long Stop Date has been reached".

12 Amendments to Chapter 13 (Testing Regime)

12.1 In Rule 13.4.1, after "13.4.1B", insert ", 13.4.1ZZA";

12.2 After Rule 13.4.1 (Demonstrating satisfactory performance) insert:

"13.4.1ZZA Rule 13.4.1 does not apply to a Declared Long Stop CMU in respect of the first Delivery Year, or, if it is a Declared 24 Month Long Stop CMU, the Second Delivery Year, of its Capacity Agreement."

12.3 In Rule 13.4A.2, at the end of paragraph (b), insert:

",

but, if it is a Declared Long Stop CMU, a Capacity Committed CMU is not required to demonstrate extended performance in the first Delivery Year, or, if it is a Declared 24 Month Long Stop CMU, the Second Delivery Year of its Capacity Agreement".

13 New Exhibit ZD

13.1 After Exhibit ZC, insert:

"EXHIBIT ZD: FORM OF LOW CARBON DECLARATION

[NAME OF APPLICANT / CAPACITY PROVIDER]

Incorporated in [England and Wales] / [Scotland] under Registered No. []

[ADDRESS OF REGISTERED OFFICE]

We, being directors of [APPLICANT / CAPACITY PROVIDER] (the "Company"), DECLARE and CONFIRM on behalf of the Company the matters set out below with reference to [DESCRIPTION OF CMU] (the "Relevant CMU").

Any word or phrase used in this declaration that is given a defined meaning in the Capacity Market Rules 2014 or the Electricity Capacity Regulations 2014 (each as amended and in force from time to time) has the same meaning in this declaration, unless otherwise indicated above.

Part 1: The Relevant CMU

The Relevant CMU is or (if it does not yet exist) will be:

- [(a) a New Build CMU;]
- [(b) a Refurbishing CMU;]
- [(c) an Unproven DSR CMU;]
- [(d) an Existing Generating CMU]; or
- [(e) a Proven DSR CMU.]

Retain whichever of options (a) to (e) is applicable to the Relevant CMU and delete the rest.

Part 2: Low Carbon Period

This Declaration relates to:

- [(a) the period beginning with the date on which this Declaration is made;]
- [(b) the period beginning with the start of the Delivery Year 20[XX/XX] *[if providing this Declaration with an Application, insert first Delivery Year of the agreement that you hope the Relevant CMU will be awarded];]*

and continuing for as long as the Relevant CMU continues to operate, or, if sooner, until this Declaration is revoked in accordance with the Rules (the "Low Carbon Period").

Delete either (a) or (b). Retain (b) if you are making the Declaration in respect of an Existing Generating CMU or Proven DSR CMU. If (b) is retained, complete it as appropriate.

Part 3: Low Emissions Statement

1. The Relevant CMU:
 - [(a) is and will be a Low Emissions CMU (in respect of an Existing Generating CMU or Proven DSR CMU) – that is, during the Low Carbon Period, it will comprise of:
 - (i) Fossil Fuel Components, and any such components have or will have Fossil Fuel Emissions that do not exceed the Low Carbon Limit; and
 - (ii) no Other Emitting Component;] or
 - [(b) will be a Low Emissions CMU (in respect of a New Build CMU, Refurbishing CMU or Unproven DSR CMU) - that is, during the Low Carbon Period, it will comprise of:
 - (i) Fossil Fuel Components, and any such components will have Fossil Fuel Emissions that do not exceed the Low Carbon Limit; and
 - (ii) no Other Emitting Component;] or
 - [(c) does not and will not comprise of an Emissions Component:]

Retain only one of (a) or (b) or (c) as appropriate. Note that you will need to retain sub-paragraph (a) or (b) if the Relevant CMU is expected to comprise any Storage Facility that has part or all of its electricity requirements met by an Associated Fossil Fuel Component.

2. The statement in paragraph 1
 - (a) is supported by a [Fossil Fuel Emissions Declaration] / [Fossil Fuel Emissions Commitment] provided to the Delivery Body with this Declaration in compliance with the Rules.
 - [(b) will be supported by a Fossil Fuel Emissions Declaration provided to the Delivery Body in accordance with the relevant deadline in the Rules.]

You must retain (a) and, retain the words Fossil Fuel Emissions Declaration or retain the words Fossil Fuel Emissions Commitment as appropriate.

Retain (b) if you are providing this Declaration with an Application and have retained paragraph 1(a) or (b) (the Relevant CMU is or will be a Low Emissions CMU) and you will make a Fossil Fuel Emissions Declaration by a deadline in accordance with Rules 3.18, 8.3.12(b), 8.3.12A(b) or 8.3.13(c) (in respect of an Existing Generating CMU or Proven DSR CMU) or Rule 8.3.11(a) (in respect of a Prospective Generating CMU or Unproven DSR CMU).

3. We:
 - (a) know that the statement in paragraph 1 and the [Fossil Fuel Emissions Declaration] / [Fossil Fuel Emissions Commitment] referred to in paragraph 2 are true and accurate; or

- (b) have no reason to suspect that a [Fossil Fuel Emissions Declaration] / [Fossil Fuel Emissions Commitment] provided with this Declaration may be untrue or inaccurate.

Part 3: Confirmation by the Applicant's Directors

We confirm that:

- (a) We have read and understood Rules 3.10ZA and 3.10ZB (and the meanings of the defined terms used in them and those that are set out in Rule 1.2.1), as well as Rules relating to the Relevant CMU:
- (b) We understand that if the Delivery Body gives a Low Emissions Determination in respect of the Relevant CMU, any Capacity Agreement of which the Relevant CMU is the subject may face the consequences specified in the Rules.

DATED: [dd/mm/yyyy]¹

DATED: [dd/mm/yyyy]²

Signed

.....

Director

Print name:

.....

Director

Print name: ".

14 New Exhibit AA

14.1 After Exhibit A, insert:

"EXHIBIT AA: FORM OF LONG STOP UTILISATION DECLARATION

[NAME OF APPLICANT]

Incorporated in [England and Wales] / [Scotland] under Registered No. []

[ADDRESS OF REGISTERED OFFICE]

[APPLICATION YEAR]

We, being directors of [APPLICANT] (the "Company"), DECLARE AND CONFIRM the matters set out below on behalf of the Applicant with reference to [DESCRIPTION OF CMU] (the "Relevant CMU") and the Application that is being made in respect of the Relevant CMU ("the Relevant Application").

Any word or phrase used in this declaration that is given a defined meaning in the Capacity Market Rules 2014 or the Electricity Capacity Regulations 2014 (each as amended and in

¹ Signatures must be dated. The date given for each signature is to be the day when the relevant director signs.

² Signatures must be dated. The date given for each signature is to be the day when the relevant director signs.

force from time to time) has the same meaning in this declaration, unless otherwise indicated above.

Part 1: Delivery after the first Delivery Year

1. The Relevant Application relates to the [insert details] T-4 Auction [to be held in [insert year] [*insert year or other details in the space before or after "T-4 Auction" to indicate the Auction to which the Prequalification process in which the Low Carbon Declaration is being provided relates*] (the "Relevant Auction").
2. The Relevant CMU is a [New Build CMU] / [Refurbishing CMU] [*delete one option and leave the other as appropriate*].
3. A Low Carbon Declaration in relation to the Relevant CMU is being provided with the Relevant Application.
4. The Company intends to commit to capital expenditure on the Relevant CMU, per kilowatt of its de-rated capacity, that exceeds the Nine Year Minimum £/kW Threshold.³
5. We reasonably believe that it is likely that, even if all the conditions specified in Rule 3.8A.3(a) are satisfied,⁴ the Substantial Completion Milestone will not be achieved in respect of the Relevant CMU by the date falling 12 months after the start of the first Delivery Year of the Capacity Agreement for the Relevant CMU, for a reason relating to one or more of the matters specified in Rule 3.8A.3(b).
6. The particular reason[s] for the belief stated in paragraph 5 above [is] / [are]:

[....]

INSERT REASONS, BASED ON ONE OR MORE MATTERS SPECIFIED IN RULE 3.8A.3(b), EXPLAINING BRIEFLY WHY YOU THINK THAT IT / THEY APPLIES / APPLY TO THE RELEVANT CMU.

IF YOU INCLUDE THE MATTER SPECIFIED IN SUB-PARAGRAPH (v) OF RULE 3.8A.3(b), YOU MUST SPECIFY WHAT THE "CHARACTERISTIC OR CIRCUMSTANCE" IS ON WHICH YOU RELY, AND WHY IT MEETS THE CRITERIA IN THAT SUB-PARAGRAPH.

Part 2: Selection of Long Stop Date option

If the Relevant Application is successful and the Relevant CMU is awarded a Capacity Agreement, the Company wishes the Long Stop Date in respect of that Capacity Agreement to be the date:

- [(a) falling 12 months after the start of the relevant CMU's first scheduled Delivery Year.]
- [(b) falling 24 months after the start of the relevant CMU's first scheduled Delivery Year.]

³ The threshold is set out in notices specific to each Auction.

⁴ The conditions specified in Rule 3.8A.3(a) are a series of hypothetical assumptions that you must make when thinking about the likelihood of the Substantial Completion Milestone not being achieved by the date stated in Rule 3.8A.2(b)(iii) for one of the reasons specified in Rule 3.8A.3(b).

Delete as (a) or (b) appropriate, retaining only one of them.

Part 3: Confirmations

1. In this Part, the "relevant period" is the period of 12 or 24 months leading up to the date specified in Part 2.
2. We have discussed the basis for the beliefs declared in paragraphs 5 and 6 of Part 1 above with our Independent Technical Expert [INSERT NAME(S)], whose report under Rule 3.8A.4(b) is provided, as required, with the Relevant Application.
3. We believe that the Relevant CMU will be able to achieve the Substantial Completion Milestone in the relevant period without being at risk of termination.
4. We understand that:
 - (a) if, at the end of the relevant period, the Relevant CMU has not achieved the Minimum Completion Requirement, the relevant T-4 Agreement is liable to be terminated under Rules 6.8.2 and 6.10.1(c) and the Company would be liable to pay a TF5 termination fee;
 - (b) the Relevant CMU will not be able to obtain a T-1 Agreement in respect of any Delivery Year that ends before the Long Stop Date of any T-4 Agreement that it is awarded in the Capacity Auction for which it is submitting the Relevant Application to prequalify ("relevant T-4 Agreement");
 - (c) any relevant T-4 Agreement will be issued for no more than the Maximum Obligation Period, and there will be no entitlement, as a result of our making this declaration or of the award of the relevant T-4 Agreement, for any person to receive Capacity Payments in respect of the relevant CMU before the Long Stop Date referred to in the Capacity Agreement Notice issued in relation to the relevant T-4 Agreement; and
 - (d) if anything in this declaration is found to be untrue or inaccurate, or if anything in the Independent Technical Expert's report referred to above is in any material respect not true or accurate, the relevant T-4 Agreement may be terminated.

DATED: [dd/mm/yyyy]⁵

DATED: [dd/mm/yyyy]⁶

Signed

.....

Director

Print name:

.....

Director

Print name: ".

⁵ Signatures must be dated. The date given for each signature is to be the day when the relevant director signs.

⁶ Signatures must be dated. The date given for each signature is to be the day when the relevant director signs.

Part 4

DSR CMU Components

15 Amendment to Chapter 3 (Prequalification Information)

15.1 After Rule 3.9.3 (Business Model) insert:

"3.9.3A Supply for domestic purposes and postcode information

Each Applicant for a Proven DSR CMU must state in the Application, in respect of each DSR CMU Component that comprises that DSR CMU:

- (a) whether the DSR CMU Component is located on premises at which a supply of electricity is taken wholly or partly for a domestic purpose; and
- (b) the first half of the postcode, as defined in Rule 7.6.3(b), that is to be available for inspection under that Rule."

16 Amendment to Chapter 6 (Capacity Agreements)

16.1 In Rule 6.7B.1(b)(iii) for "DSR Component" substitute "DSR CMU Component".

17 Amendments to Rule 7.6 (Capacity Market Register to be publicly available)

17.1 For Rule 7.6.3, substitute:

"7.6.3 Rules 7.6.1 and 7.6.2 do not apply:

- (a) to entries on the Capacity Market Register made pursuant to Rules 7.4.1(d)(x) and 7.4.4; or
- (b) where a DSR CMU Component is located on premises at which a supply of electricity is taken wholly or partly for a domestic purpose, to entries on the Capacity Market Register made pursuant to Rule 7.4.1(a)(iii), provided that in such a case the first half of the postcode of those premises must be available for inspection; and for these purposes, the "first half" of a postcode means the first two characters of a five-character postcode; the first three characters of a six-character postcode; or the first four characters of a seven-character postcode (representing the area and district elements of a full postcode, or what is commonly referred to as the "outward" postcode)."

17.2 In Rule 7.6A.1, at the start, insert "Subject to Rule 7.6A.3".

17.3 In Rule 7.6A.2, at the start, insert "Subject to Rule 7.6A.3".

17.4 After Rule 7.6A.2, insert:

"7.6A.3 Rules 7.6A.1 and 7.6A.2 do not apply where a DSR CMU Component is located on premises at which a supply of electricity is taken wholly or partly for a domestic purpose, to entries on the Capacity Market Metering Register made pursuant to Rule 7.4.1(a)(iii) and Rule 7.4A.1(b)(i)."

18 Amendments to Chapter 8 (Obligations of Capacity Providers)

18.1 In Rule 8.3 (Specific obligations and consequences):

18.1.1 in Rule 8.3.2A, in the title, for "DSR Components" substitute "DSR CMU Components";

18.1.2 in Rule 8.3.3A (Notifying DSR CMU Components):

(a) in the title, after "DSR" insert "CMU";

(b) after Rule 8.3.3A(a)(i) insert:

"(iza) whether the DSR CMU Component is located on premises at which a supply of electricity is taken wholly or partly for a domestic purpose, and if it is so located, the first half of the postcode, as defined in Rule 7.6.3(b), that is to be available for inspection under that Rule;"

18.2 in Rule 8.3.4:

(a) in the title, after "DSR" insert "CMU";

(b) in Rule 8.3.4(a), for "DSR Component" substitute "DSR CMU Component".

18.3 In Rule 8.3.4(j):

(a) for "no more than forty new DSR Components can be added" substitute "the number of DSR CMU Components which the Capacity Provider may add must not exceed";

(b) after "within one Delivery Year" insert:

":

(i) where the CMU uses the Balancing Services Metering Configuration Solution or Supplier Settlement Metering Configuration Solution, the greater of:

(aa) 20 per cent of the total number of DSR CMU Components which it holds at the time of the notification under Rule 8.3.4(e); and

(bb) forty DSR CMU Components,

(ii) where the CMU uses the Bespoke Metering Configuration Solution, forty DSR CMU Components."

19 Amendments to Rule 13A (Metering Recovery Faults and repayment of Capacity Payments)

19.1 In Rule 13A.5.1, for "DSR component" substitute "DSR CMU Component".

Part 5

Publication of emissions data

20 Amendments to Chapter 1 (General Provisions)

20.1 In Rule 1.2.1 (Definitions), after the definition of “Capacity Market Confidential Information”, insert:

“Capacity Market Emissions Chapter	means a separate division of the Capacity Market Register:
	(a) established and maintained by the Delivery Body in accordance with Rule 7.2B;
	(b) which records the matters specified in Rule 7.4B in respect of Fossil Fuel Components comprised in Capacity Committed CMUs as described in Fossil Fuel Emissions Declarations provided to the Delivery Body”.

21 Amendments to Chapter 7 (Capacity Market Register and Capacity Market Metering Register)

21.1 After Rule 7.2A, insert:

"7.2B Capacity Market Emissions Chapter

7.2B.1 The Delivery Body must establish and maintain a Capacity Market Emissions Chapter as a division of the Capacity Market Register which must be kept and made available separately from any other information required to be entered in the Capacity Market Register under Regulation 31 and Rules 7.4.1, 7.4.2, 7.4.3, 7.4.4, 7.4.5, 7.5.1 and 7.5.3.

7.2B.2 The information required to be entered in the Capacity Market Emissions Chapter must be so kept and displayed that it is always possible to identify the Capacity Committed CMU referred to in entries on the Capacity Market Register made under Rule 7.4 to which each entry on the Capacity Market Emissions Chapter refers.

21.2 After Rule 7.4A, insert:

“7.4B Contents of the Capacity Market Emissions Chapter

7.4B.1 On each Chapter Entry Day, the Delivery Body must ensure that the following entries are made or maintained on the Capacity Market Emissions Chapter, as taken from, or derived from information contained in, the Fossil Fuel Emissions Declaration most recently provided (or reused under Rule 3.6.5ZA or Rule 3.9.5ZA) to the Delivery Body in respect of a CMU awarded or holding a Capacity Agreement:

- (a) for each Fossil Fuel Component with an Installed Capacity equal to or greater than 1MW comprised in a relevant CMU:
 - (aa) the Fossil Fuel Emissions (in gCO₂/kWh);
 - (bb) any Fossil Fuel Yearly Emissions (in kgCO₂/kWh); and
 - (cc) the Generating Unit Fuel Type/s,

set out in Part 3 of the Fossil Fuel Emissions Declaration relating to the relevant CMU;
- (b) the weighted average intensity of the Fossil Fuel Emissions of the Fossil Fuel Components which are specified in the Fossil Fuel Emissions Declaration relating to the relevant CMU, calculated by the Delivery Body in accordance with the weighted average emissions intensity formula specified in Rule 7.4B.2;
- (c) the formula in Part 4 of the Fossil Fuel Emissions Declaration relating to the relevant CMU that has been used to determine the Fossil Fuel Emissions in respect of each Fossil Fuel Component comprised in the relevant CMU; and
- (d) whether the Independent Emissions Verifier that has completed Part 9 of the Fossil Fuel Emissions Declaration relating to the relevant CMU has retained sub-paragraph (a) (an "unqualified confirmation") or sub-paragraph (b) of paragraph 1 of Part 9 (a "qualified confirmation").
- (e) any changes to the information specified in paragraph (a) that have been notified to the Delivery Body in respect of a relevant CMU in the form of a Fossil Fuel Emissions Declaration since the making of:
 - (i) the first such entry under paragraph (a); or
 - (ii) the most recent previous entry made under this paragraph (e),

provided that all entries in the Capacity Market Emissions Chapter made in respect of any relevant CMU under this paragraph (e) must be made on the same date and that date must be the Chapter Entry Day after the Chapter Entry Day on which the previous such entries made under this paragraph (e) were made.

7.4B.2 In Rule 7.4B.1:

- (a) A "Chapter Entry Day" is a separate day in each period of three months that begins on 1 July, 1 October, 1 January and 1 April.
- (b) A "relevant CMU" means a Capacity Committed CMU in respect of which the Applicant or Capacity Provider provides to the Delivery Body a Fossil Fuel Emissions Declaration in which Part 3 has been completed.
- (c) The "weighted average emissions intensity formula" is as follows:

$$EI_{CMU} = \left(\sum_{i=1}^n EI_i * C_i \right) / C_{CMU}$$

Where:

EI_{CMU} is the weighted average intensity of the Fossil Fuel Emissions of the Fossil Fuel Components comprised in a relevant CMU

i is each Fossil Fuel Component comprised in the CMU;

n is the number of such Fossil Fuel Components;

EI_i are the Fossil Fuel Emissions of component i ;

C_i is the Connection Capacity of component i ;

C_{CMU} is the Connection Capacity of the CMU."

Part 6

Total Project Spend

22 Amendments to Chapter 1 (General Provisions)

22.1 In Rule 1.2 (definitions), in the definition of Total Project Spend:

- (a) for "or an Unproven DSR CMU" substitute ", an Unproven DSR CMU or a Refurbishing CMU that is not an Existing Interconnector CMU";
- (b) for the words "between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates and the commencement of the first Delivery Year to which the Application relates", substitute:

"in the period:

- (a) in the case of a Declared 12 Month Long Stop CMU, between the date which is 89 months before the Long Stop Date and the Long Stop Date;
- (b) in the case of a Declared 24 Month Long Stop CMU, between the date which is 101 months before the Long Stop Date and the Long Stop Date;
- (c) in any other case, between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates

and the commencement of the first Delivery Year to which the Application relates; or";

- (c) after "means, with respect to a Refurbishing CMU" insert "that is an Existing Interconnector CMU".

Part 7

Miscellaneous

23 Amendments to Chapter 1 (General Provisions)

- 23.1** In Rule 1.2.1 (Definitions), in the definition of "the Regulations", after "the Electricity Capacity (Amendment) Regulations 2023, insert ", and the Electricity Capacity (Amendment) Regulations 2025".

24 Amendments to Chapter 4 (Determination of Eligibility)

- 24.1** In Rule 4.5.1(b)(vza), for "4.7BA.1", substitute "4.7B.1"
- 24.2** In Rule 4.7BA (Conditional Prequalification – delayed provision of Fossil Fuel Emissions Declaration):
 - (a) renumber "4.7BA", as "4.7B";
 - (b) in each place it occurs, substitute "4.7BA" with "4.7B".

25 Amendments to Chapter 7 (Capacity Market Register and Capacity Market Metering Register)

- 25.1** In Rule 7.5.1, after paragraph (z), renumber each paragraph as follows:
 - (a) for "(aa)", substitute "(z1)";
 - (b) for "(bb)", substitute "(z2)";
 - (c) for "(cc)", substitute "(z3)";
 - (d) for "(dd)", substitute "(z4)";
 - (e) for "(ee)", substitute "(z5)";
 - (f) for "(ff)", substitute "(z6)";
 - (g) for "(gg)", substitute "(z7)";
 - (h) for "(hh)", substitute "(z8)";
 - (i) for "(ii)", substitute "(z9)".
- 25.2** In Rule 7.5A, for "Capacity Market Register" in each place it occurs, substitute "Capacity Market Metering Register".

