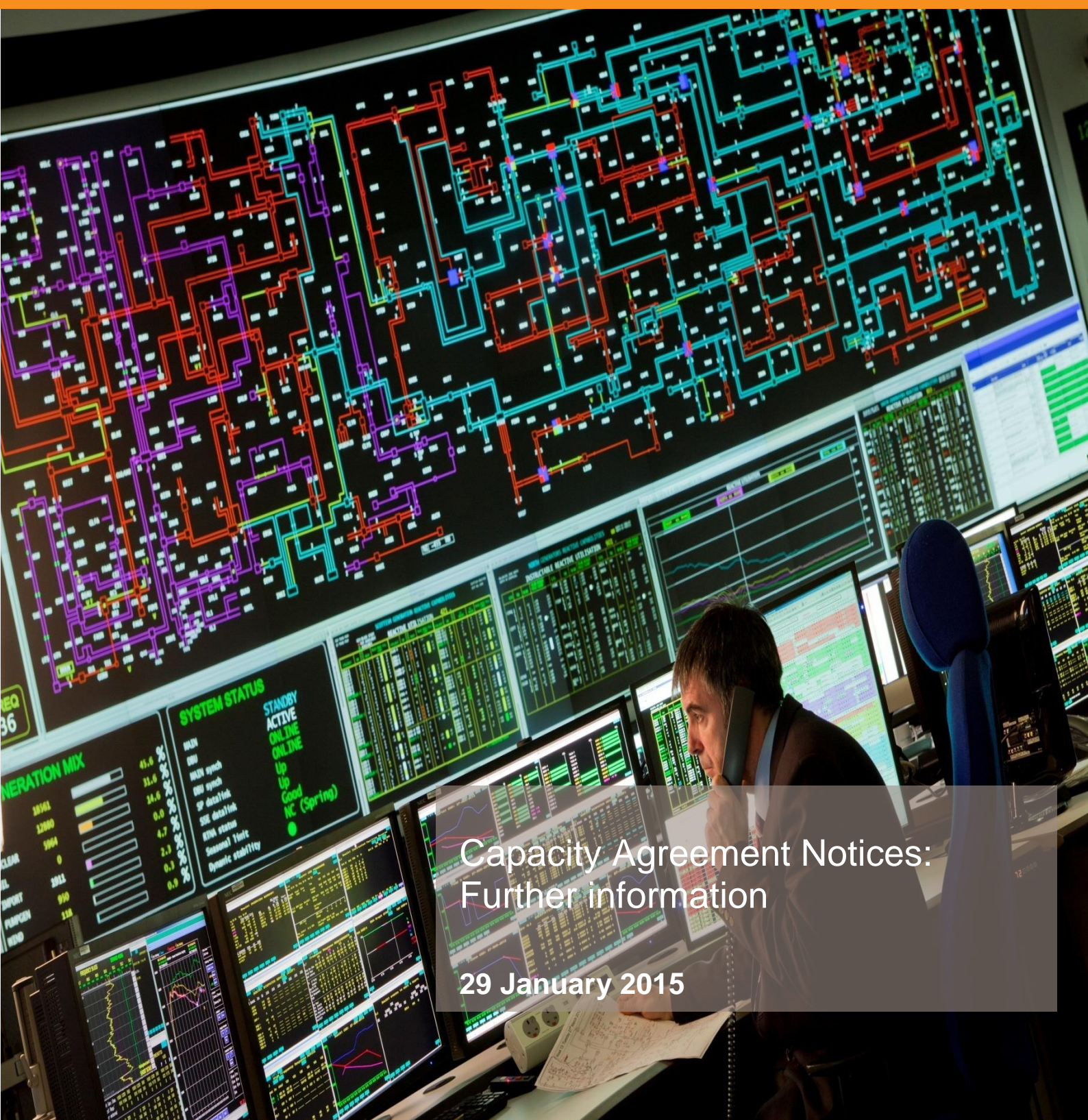


# Capacity Agreement Notices: Further Information

*Guidance document for Capacity Providers*



Capacity Agreement Notices:  
Further information

29 January 2015

This further guidance document must be used in conjunction with The Electricity Capacity Regulations 2014, the Capacity Market Rules 2014 and the Capacity Market Auction Guidelines.

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# Capacity Agreement Notices: Further Information

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## 1) Introduction

Chapter 6 of the Capacity Market Rules covers Capacity Agreement Notices. This guide is provided to help Capacity Providers understand their Capacity Agreement Notice, the contents of the notice and the process for amending any inaccuracies in the notice.

We have prepared this document on a non-legal basis, and it should not be taken as legal advice. In the event of any conflict or inconsistency between this document and the Regulations, the Rules or the Auction Guidelines those documents take precedence over this one.

Any reference to “The Rules” are to the Capacity Market Rules 2014 and any reference to “The Regulations” are to The Electricity Capacity Regulations 2014.

Capitalised terms used in this guidance document shall have the same meanings given in the Capacity Market Rules.

If you have any questions on any of the information contained in the guide, please contact us at [emr@nationalgrid.com](mailto:emr@nationalgrid.com) or call 01926 655300.

# Capacity Agreement Notices: Further Information

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## 2) What is your Capacity Agreement Notice

In accordance with Rule 6.3.1 of The Capacity Market Rules 2014, all Applicants who were successful in the 2014 T-4 Capacity Market Auction, need to be issued with a Capacity Agreement Notice by no later than 20 working days after the Auction Results Day. The Auction Results day was 2 January 2015. Therefore all Capacity Agreement Notices will be issued by the 30 January 2015.

The Capacity Agreement Notice (CAN), in accordance with The Rules is constructed using the template stated in Schedule 1 of The Capacity Market Rules 2014.

The Capacity Agreement Notice will be sent via secure email. Applicants will be prompted to login to securely retrieve the Capacity Agreement Notice. The Capacity Agreement Notice will be in the form of a PDF document and will consist of a letter addressed to the Applicant confirming that they have been successful in the 2014 T-4 Capacity Market Auction. Attached to this letter there will be 5 sections containing data about the Applicant, the Agreement and the CMU, further details of the sections are shown below:

- Part A Capacity Obligation and payment details
- Part B Capacity Agreement Details – This will show important information which includes the Relevant Delivery Years, Adjusted Clearing Price and the Acquired Capacity.
- Part C Capacity Provider Details – This will show details of the Applicant which includes the Registered Holder, the Corporate Registration Number and the Registered Address.
- Part D CMU Details - This will show details of the CMU which includes the Location, Type and Classification of the CMU. If this is a New Build CMU then details of the Construction Milestones will be shown within this section.
- Part F Transferability

An example of the Capacity Agreement Notice can be found in Appendix A of this document.

Capacity Agreement Notices follow the same format regardless of the type of CMU (Existing, DSR, New Build or Refurbishing), as a consequence there may be several fields in the agreement notice which are not relevant for the associated CMU. For example Existing Generating CMUs will not have Construction Milestones. Fields such as these are listed on the Capacity Agreement Notice but contain N/A where not applicable to the type of CMU.

The Capacity Agreement Notice needs to be checked and any comments submitted in line with the guidance in section 3 of this document. The notice does not require a countersignature and it does not need to be returned to the Delivery Body. If the Capacity Agreement Notice is accurate no further action is required.

# Capacity Agreement Notices: Further Information

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## 3) Changes to Capacity Agreement Notices

### Comments on the Accuracy of a Capacity Agreement Notice

From receiving your Capacity Agreement Notice you have 10 working days to comment on any aspect of the notice which you believe is inaccurate.

One of the designated company administrators of the applicant (these were appointed during prequalification) should submit any comments to the Delivery Body in writing.

To submit comments on the accuracy of a Capacity Agreement Notice, administrators should email [emr@nationalgrid.com](mailto:emr@nationalgrid.com) or it may be sent securely at the following link <https://emr.egressforms.com> including the unique reference number included in the agreement notice and covering email. This is the blue text in the top right of the email in the form **CAN-A-T-4-2018-XXXXXX-00001**. The comments must also highlight the areas of the agreement notice which are inaccurate (e.g. part b row (v)), the text that is inaccurate and the information required to correct the notice.

**Any comments on Capacity Agreement Notices must be received no later than 5pm on Friday 13 February.** If no comments are received by this deadline the Capacity Agreement Notice will be deemed a factually accurate record of the Capacity Agreement.

Upon receipt of comments the Delivery Body has 20 working days to work with the Capacity Provider to rectify any inaccurate information in the Capacity Agreement Notice. If the comments constitute a straightforward change you will receive confirmation from the Delivery Body that the comments have been accepted and you will receive an updated Capacity Agreement Notice, any consequential Capacity Market Register changes will be made shortly after.

If any comments are not accepted by the Delivery Body, or the Delivery Body does not agree with the proposed amendment, the Delivery Body will contact the Capacity Providers main administrator to establish whether any amendments are required. This must also be completed within 20 working days of receiving the initial comments.

In accordance with Rule 6.3.5 the Delivery Body must only consider comments relating to the factual accuracy of the agreement notice.

If the Delivery Body and the Capacity Provider do not reach agreement on any amendments to a Capacity Agreement Notice within 20 working days after the Delivery Body received such comments, the Capacity Provider is entitled to refer the issue to dispute resolution in accordance with Part 10 of the Regulations and as set out in section 4 of this document.

### Non-receipt of a Capacity Agreement Notice

If a Capacity Provider was notified of provisional success in the Capacity Auction but does not receive a Capacity Agreement Notice within 20 working days of Auction Results Day (by 30 January 2015) they may request in writing that the Delivery Body issue a Capacity Agreement Notice. If the Delivery Body agrees that a Capacity Agreement Notice should have been issued then the Delivery Body must issue a Capacity Agreement Notice to that provider.

## Capacity Agreement Notices: Further Information

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If the Delivery Body does not agree that a Capacity Agreement should have been issued, the Delivery Body will contact the main administrator of that Capacity Provider to establish whether a Capacity Agreement should be issued.

If the Delivery Body and the Capacity Provider are unable to agree on whether a Capacity Agreement Notice should be issued within 20 working days the Capacity Provider may refer the determination for dispute resolution in accordance with Part 10 of the Regulations and as set out in section 4 of this document. If a dispute notice is not received within 5 working days the request will be deemed to have been withdrawn.

# Capacity Agreement Notices: Further Information

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## 4) Disputes

To submit a Capacity Agreement Notice dispute the Capacity Provider must submit notice to the Delivery Body no later than 5 working days after the 20 days explained in section 3 concludes. The latest date on which such a dispute notice can be submitted is 20 March 2015 (if the 20 working days concluded on 13 March 2015).

The dispute notice should be submitted in accordance with Regulation 69 and 70, and should use the pro forma contained in appendix C to this document.

The dispute notice should include:

- a) A concise statement identifying the relevant part of the Delivery Body decision in dispute
- b) A concise statement on the facts on which the affected person relies
- c) A summary of the grounds for disputing the Delivery Body decision
- d) A succinct presentation on the arguments supporting each of the grounds for dispute
- e) A schedule listing the documents submitted with the appeal notice.

The dispute notice must be accompanied by a copy of the notice given by the Delivery Body, the request made to the Delivery Body for reconsideration and any information or evidence submitted to the Delivery Body in support of that request. Accompanying documents should not contain any new information, only information required to demonstrate the evidence already presented to the Delivery Body, or evidence of discussions between Capacity Provider and Delivery Body.

Upon receipt of a dispute notice the Delivery Body has 5 working days to consider the notice and if upheld an amended Capacity Agreement Notice will be issued. If the Delivery Body rejects the dispute notice the Capacity Provider has a further 5 working days to submit a request to the Authority for their consideration. Any disputes to the Authority should be submitted in accordance with Regulation 70 and any guidance provided by the Authority.



# Capacity Agreement Notices: Further Information

## Appendix A – Example Capacity Agreement Notice

### CAPACITY AGREEMENT NOTICE

*This Capacity Agreement Notice is issued pursuant the Capacity Market Rules (the “Rules”). Terms have the meaning prescribed to them in the Rules unless otherwise indicated.*

*The Registered Holder of the Capacity Agreement to which this Capacity Agreement Notice relates has the rights and obligations of a Capacity Provider pursuant to the Regulations and the Rules.*

*Neither the registration of a Capacity Committed CMU (or its Capacity Provider) nor the issuance of a Capacity Agreement Notice is intended to create contractual relations and does not give rise to contractual rights for the benefit of a Capacity Provider or any Administrative Party. Where there is an inconsistency between a Capacity Agreement or a Capacity Agreement Notice and the terms of the Capacity Market Register, the terms of the Capacity Market Register prevail.*

#### Part A: Capacity Obligation

##### Capacity Obligation

In accordance with Rule 8.5, the Registered Holder must deliver electrical energy or reduce demand at the Capacity Committed CMU to which this Capacity Agreement Notice relates in accordance with Rule 8.5.1.

##### Capacity Payment

The Registered Holder is entitled to a Capacity Payment for the Capacity Committed CMU to which this Capacity Agreement relates in accordance with the Regulations.

Part B: Capacity Agreement Details		
(i)	Identification number	CAN-A-T-4-2018-CMU123-00001
(ii)	Relevant Delivery Year(s)	2018/19
(iii)	Auction (T-4 or T-1)	T-4
(iv)	Date of Auction Results Day	02/01/2015
(v)	Adjusted Clearing Price to be used to determine Capacity Payment	19.40 (£/kW/Year)
(vi)	the Auction Acquired Capacity Obligation	100.00 (MW)
(vii)	Base period for indexation (if applicable)	1st October 2012 to 30th April 2013
(viii)	Date(s) of amendment to or transfer of Capacity Agreement (if any) and details	N/A

## Capacity Agreement Notices: Further Information

Part C: Capacity Provider Details		
(i)	Registered Holder	Example Company 1
(ii)	Corporate registration number (if applicable)	11122233
(iii)	Registered address	Building Street Name City Postcode
(iv)	Name and contact details of authorised contact person or any Agent appointed	Name: Joe Bloggs  Email: joe.bloggs@email.com  Landline: 01234 567890  Mobile: 0775533366
(v)	Bank account details for payment of Capacity Payments/Over-delivery Payments	Bank Account No: 1111111  Bank Sort Code: 222222
(vi)	Names of previous Registered Holders, if any, and dates of transfer	N/A

# Capacity Agreement Notices: Further Information

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Part D: CMU Details					
(i)	<table><tr><th>Description and location of Generating Unit(s) and/or DSR CMU Component(s)</th><th>Example Description of CMU</th></tr><tr><td colspan="2">EXAMPLE DOCUMENT</td></tr></table>	Description and location of Generating Unit(s) and/or DSR CMU Component(s)	Example Description of CMU	EXAMPLE DOCUMENT	
Description and location of Generating Unit(s) and/or DSR CMU Component(s)	Example Description of CMU				
EXAMPLE DOCUMENT					

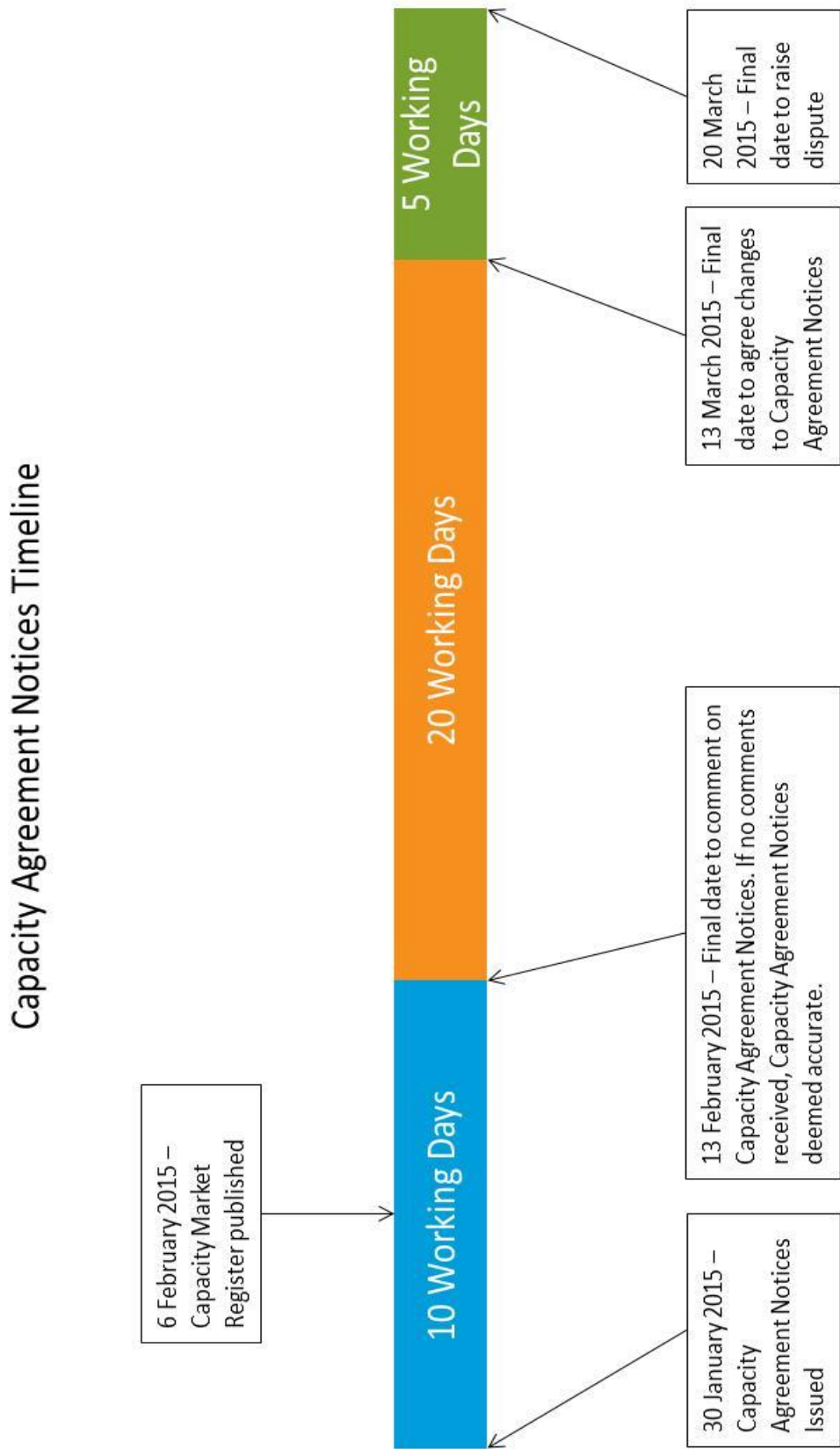
# Capacity Agreement Notices: Further Information

(ii)	Meter Point Administration Numbers for relevant Meter(s) or details of metering and communications arrangements	0000
(iii)	BM Unit ID (if applicable)	T_EXMP-1
(iv)	Type of CMU (Transmission, CMRS Distribution, Non-CMRS Distribution or DSR)	Transmission  CMRS
(v)	Classification (for Generating CMUs only – Existing, Prospective and, if applicable Refurbishing)	Existing Generating CMU
(vi)	Construction Milestone Dates (for Prospective Generating CMUs only)	<u>Earliest Date</u> Commencement of Construction Works: N/A Back-Feed Milestone: N/A Substantial Completion Milestone: N/A <u>Latest Date</u> Commencement of Construction Works: N/A Back-Feed Milestone: N/A Substantial Completion Milestone: N/A
(vii)	Longstop Date (for Prospective Generating CMUs only)	N/A
(viii)	De-rated Capacity	100.000 (MW)
(ix)	Applicable Termination Fees	TF1rate = £5,000/MW TF2rate = £25,000/MW
(x)	Applicable annual liability cap	100% of Annual Revenue
(xi)	Applicable monthly liability	200% of Monthly Revenue

## Part F: Transferability

The Capacity Agreement to which this Capacity Agreement Notice relates may be amended, transferred or terminated only in accordance with the Regulations and the Rules.

Appendix B – Timeline





## Appendix C – Dispute Notice

Please complete general information to allow National Grid to identify the CMU that is the subject of the dispute together with the key contact details of the main contact(s) at the Applicant company that is raising the dispute

<b>Unique CMU Identifier</b>	
<b>Capacity Agreement Notice Reference<sup>1</sup></b>	CAN-A-T-4-2018-_____
<b>Contact Name(s)</b>	
<b>Contact Telephone(s)</b>	
<b>Contact Email(s)</b>	

Please complete the following fields as completely as possible. In accordance with the process for raising a dispute as set out in the Capacity Market Regulations 2014 (regs. 69(2) and 70(3)) all information is required. Failure to provide the information as described may lead to the dispute being rejected by National Grid.

<p><b>Please provide a concise statement identifying the relevant part of the Capacity Agreement Notice that is in dispute</b></p>

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