nationalgrid

Capacity Market Prequalification

T-4 Auction – December 2016

Early Auction – January 2017

Transitional Arrangement Auction – March 2017

Guidance document for Capacity Market participants

Capacity Market Prequalification User Support Guide

08 August 2016

Contents

This User Support Guide must be used in conjunction with the Electricity Capacity Regulations 2014, Amendment Regulations 2015, Amendment Regulations 2016, the Capacity Market Rules 2014 (including 2015 and 2016 Amendments) and the Capacity Market Auction Guidelines. Failure to do so may result in unsuccessful prequalification or failure to gain a capacity agreement in the Capacity Auction.

Introduction

1. This User Support Guide is intended to guide Applicants through Prequalification for the Capacity Market.

2. This guide is not intended to replace the Regulations or Rules and this document should be read in conjunction with those.

3. This guide is broken into sections, sections 2-7 cover the different CMU Types and the final section contains information which must be provided in all Applications.

4. The following terms are used throughout the document.

    - Applicant – this is the Company who is submitting the Prequalification application and who, if successful at auction, will hold the Capacity Agreement.

    - CMU (Capacity Market Unit) – this is the Generating Unit(s) or DSR Capacity that is being prequalified and will ultimately provide Capacity should they secure a Capacity Agreement

    - Component – this is an individual generating unit, or DSR unit within a CMU. A CMU may be made up of multiple components

5. To prequalify for the Capacity Market you must first determine CMU type and Classification.

6. CMUs may be Generators, Demand Side Resources (DSR) or Interconnectors and the definitions for each can be found in Regulation 4, 5 and 5A respectively. In summary;

    - a Generating CMU is a generating unit that provides electricity, is capable of being controlled independently from any other generating unit outside the CMU, is measured by 1 or more half hourly meters and has a connection capacity greater than 2MW.

    - a DSR CMU is a commitment by a person to provide an amount of capacity by a method of Demand Side Response by either reducing the DSR customers import of electricity, as measured by one or more half hourly meters, exporting electricity generated by one or more permitted on site generating units or varying demand for active power in response to changing system frequency.

- an interconnector CMU is an electricity interconnector which provides electricity to the GB transmission system, has a connection capacity greater than 2MW and the net output is measured by one or more half hourly meters.

7. The next stage is determining whether the CMU is registered with the Central Meter Registration Service (CMRS) or not (Non-CMRS).

CMRS CMUs	Non CMRS CMUs
Transmission CMU A Generating or Interconnector CMU, each Unit of which Exports to the Transmission Network. The Metering System for the corresponding BMU is registered in the Central Meter Registration Service in accordance with the Balancing and Settlement Code (BSC). Or **CMRS Distribution CMU** A Generating or Interconnector CMU, each Unit of which Exports to a Distribution Network. The Metering System for the corresponding BMU is registered in the Central Meter Registration Service in accordance with the BSC.	**Non-CMRS Distribution CMU** A Generating Unit, each Generating Unit of which supplies Electricity to a Distribution Network. The Metering System is not registered with the Central Meter Registration Service in accordance with the Balancing and Settlement Code. **Proven DSR CMU** A DSR CMU for which a DSR test has been carried out. **Unproven DSR CMU** A DSR CMU for which a DSR test has not been carried out.

Table 1. CMU Classification

8. Finally applicants must decide whether their Generation/Interconnector CMU is Existing, New or Refurbishing and DSR Providers must determine if they are Proven or Unproven.

CMU Type	Definition
Existing Generating CMU	Regulation 4 – An Existing Generating Unit (or combination of two of more units) which provides electricity, is capable of being controlled independently from any other generating unit, net output is measured by half-hourly meters and has a connection capacity not less than the minimum capacity threshold (2MW).

1. Introduction

CMU Type	Definition
New Build Generating CMU	Regulation 4 – a Prospective Generating Unit (or combination of 2 or more units) which, when commissioned, will be capable of being controlled independently from any other generating unit, net output is measured by half-hourly meters and has a connection capacity not less than the minimum capacity threshold (2MW). A Prospective Generating Unit means a generating unit or proposed generating unit that has not been commissioned.
Refurbishing Generating CMU	CM Rules and Regulation 4 – an Existing Generating Unit which is the subject of an Application as a Prospective Generating CMU by virtue of an improvements programme that will be completed prior to the commencement of the first Delivery Year.
Existing Interconnector CMU	Regulation 5A – An Interconnector that has been commissioned, has a connection capacity greater than 2MW and the net output is measured by one or more half hourly meters.
New Build Interconnector CMU	Regulation 5A – an electricity interconnector or prospective interconnector which is not yet commissioned and, when commissioned, will have a connection capacity greater than 2MW and the net output is measured by one or more half hourly meters.
Refurbishing Generating CMU	CM Rules and Regulation 5A – an Existing Interconnector which is the subject of an Application as a Prospective Interconnector CMU by virtue of an improvements programme that will lead it to be recommissioned prior to the start of the Delivery Year.
Proven DSR CMU	Regulation 5 - A DSR CMU for which a DSR test has been carried out. The DSR provider must, in relation to each component, be the DSR customer, own the DSR customer or have contractual control over the DSR Customer.
Unproven DSR CMU	Regulation 5 - A DSR CMU for which a DSR test has not been carried out. The DSR provider must, in relation to each component, be the DSR customer, own the DSR customer or have contractual control over the DSR Customer.

Table 2. CMU Type

CMU Type cannot be changed at Appeals, you will be assessed against you CMU type (e.g.Non-CMRS Refurbishing Generating CMU)

9. The CMU type and classification will determine the Prequalification information required.

2. Existing Generating CMUs

Prequalification Requirements for Existing Generating CMUs

10. This section sets out the Prequalification requirements for an Existing Generating CMU. It is further spilt into

- Transmission Connected
- CMRS Distribution Connected
- Non-CMRS Distribution Connected

Transmission Connected Existing Generating CMUs

11. This section sets out the information and documents required by the CM Rules for Transmission Connected Existing Generating CMUs.

Connection Capacity will be shown on the CM Register

Calculating Connection Capacity

12. Connection Capacity for Transmission Connected Existing Generating CMUs is set out in Rule 3.5 and may be calculated in three ways. These are described in detail below.

- Unit Connection Entry Capacity (CEC)
- Historic Performance
- Transmission Entry Capacity (TEC) Pro-rata.

These are described in detail below.

13. It is important to note that the connection capacity of each component is then de-rated by applying de-rating factors at component level, and the sum of each components de-rated capacity provides the total CMU de-rated capacity, this allows for components of different technology types to be combined within a single CMU. The aggregate CMU De-Rated Capacity must not exceed the TEC for the power station. The historic performance requirements in Rule 3.6.1, explained in paragraphs 24 – 29, must also be equal to or greater than the De-Rated Capacity of the CMU. The De-rating factors are contained in the Auction Guidelines.

The Auction Guidelines are published on the EMR Delivery Body Portal.

14. All TEC or CEC figures must be net of any Auxiliary Load.

2. Existing Generating CMUs

15. Example calculations for each method can be found in Appendix A.

Unit CEC

16. The first option for calculating connection capacity, as per Rule 3.5.2, is to use the Generating Unit Connection Entry Capacity (CEC). Where there are multiple generating units, the CEC must be specified per unit.

17. CEC can be found in Appendix C of the Grid Connection Agreement.

Historic Performance

18. The second option for calculating connection capacity, as per Rule 3.5.3, is to use the historic performance information provided under Rule 3.6.1, as explained in Paragraphs 24-29 below.

19. To calculate connection capacity in this manner the output of each component must be verifiable (i.e. it should be a BMU). The average of the three highest physically generated net outputs should be taken and this value is the connection capacity.

20. The Delivery Body will, independently, verify the 3 highest physically generated net outputs and, if different to those provided, the figure calculated by the Delivery Body will take precedence. The Applicant will be notified in the Prequalification Results notice if the Delivery Body recalculates the Connection Capacity.

TEC Pro-rata

21. The third option for calculating Connection Capacity is set out in Rule 3.5.5. This option is described as the TEC pro-rata.

22. Connection Capacity using this method is calculated by; dividing the station TEC by the higher of the power station CEC or the sum of the connection entry capacities for each generating unit included in the CMU then multiplying that figure by the CEC for that component.

23. If this method is selected, The Delivery Body will also do the calculation, and where any difference arises the Delivery Body calculated Connection Capacity will take priority.

Historic Performance

2. Existing Generating CMUs

24. Rule 3.6.1 requires Existing Generating CMUs to provide evidence that they have delivered energy equal to or greater than their De-rated capacity. To do this Transmission CMUs must identify the three Settlement Periods, on separate days, where they have delivered their highest physically generated net output or metered volume.

Metered volume is the net aggregate volume of electrical energy produced (for all Meter Points applicable to the CMU) determined at the Boundary Point of the Transmission Network.

25. For a CMU that has been operational in the two years before Prequalification these Settlement Periods must be on separate days during the 24 months up to and including 1 July 2016.

26. If a CMU has not been operational in the 24 months prior to 1 July 2016 the Applicant needs to specify the most recent period of operation and provide 3 Settlement periods, on separate days, within this range.

27. If a CMU has been subject to a continuous Transmission Restriction for the whole of the 24 months up to the 1 July 2016, the Applicant should indicate the most recent 24 months where it was not subject to such a restriction and provide 3 Settlement Periods, on separate days, within this range.

A Transmission Restriction is a continuous restriction on a Generating Unit's ability to export on to the GB Transmission System pursuant to the terms of a bilateral agreement between the generator and the System Operator

28. To provide this information applicants must specify;

- The date (e.g. 18/01/2015)
- The Settlement Period (e.g. 25)
- The physically generated net output or Metered Volume in MWh to 3 decimal places.

29. Where there are multiple generating units within a CMU the information provided above should be the combined volume of each unit, in the same settlement period on the same day.

Connection Arrangements

30. Transmission connected Existing Generating CMUs are required, by Rule 3.6.3, to have Grid Connection Agreements that secure Transmission Entry Capacity (TEC) for the Delivery Year. These connection agreements must be the countersigned agreements in force at the time of Prequalification and secure TEC from at least 1 October 2020.

31. Applicants are required to make a declaration that they have a Grid Connection Agreement which secures TEC for the relevant delivery year for all Generating Units comprised in that CMU, at least equal, in aggregate, to the Anticipated De-rated Capacity of that CMU and any other CMU to which the connection agreement applies. This means that the

connection agreement held by the Applicant must have TEC for the Delivery Year 2020/2021 which is equal to or greater than the total De-rated capacity for any Generating Unit covered by that connection agreement. It is possible to have a single connection agreement applicable to multiple CMUs; in such a circumstance the connection agreement must secure sufficient TEC for all CMUs.

32. If applicants respond that they do have a connection agreement which secures the required TEC they must also provide the connection agreement. The minimum Applicants need to provide is;

- the identifying cover page and signature page of the connection agreement to demonstrate that the agreement is in force:
    - This can be a signature on the original agreement, on the latest agreement to vary or on the bi-party agreement signed at the time of NETA which moved agreements to the CUSC framework;
    - In the latter case the signed bi-party agreement (which may have covered multiple sites) should be accompanied by the (unsigned) Bilateral Connection Agreement (BCA) which was appended to the bi-party agreement and which relates to the CMU in question; and
- Appendix C of the relevant agreement to give the technical information required for Prequalification. This should be the latest/current Appendix C to confirm CEC and TEC.

33. Applicants do not normally need to provide both the signed BCA and signed bi-party agreement. However, if the evidence provided is the bi-party agreement then only this agreement will be signed and not the attached BCA. In this case the Applicant should submit the signed bi-party agreement and the unsigned BCA which was attached to it. If this BCA has subsequently been amended then the Delivery Body will need to see the signed copy of the relevant amending agreement together with the Appendix C.

34. **For the T-4 Auction an Applicant must make the declaration that a connection agreement is in place and provide a copy of the connection agreement.**

35. **For the Early Auction, If an Applicant is unable to make the declaration that a connection agreement is in place, or is unable to provide a copy of the connection agreement, they may declare that**

Any TEC Deferrals for the Early Auction will be indicated on the CM Register

they will secure the required TEC no later than 6 months before the commencement of the relevant Delivery year, this is called deferring TEC. In this circumstance the connection agreement would need to be provided by 2 April 2017. If TEC is deferred credit cover of £10000/MW has to be lodged with the Settlement Body.

Rule Change from 2015

Metering Arrangements

36. Rule 3.6.4 sets out the high level metering requirements for Existing Generating CMUs.

37. All Existing CMUs must provide the detailed line diagrams showing electrical configurations and metering sites for each individual generating unit within the CMU. The Applicant must also complete a Metering Assessment.

38. The Metering Assessment is used to determine whether a CMU requires a Metering Test. A Metering Test, if required, would be completed at a later date, sometime between Prequalification Results day and the day 1 month before the start of the Delivery year. Metering Tests are arranged through the Electricity Settlements Company.

For more information on the Electricity Settlements Company visit their website.

39. The Metering Assessment questions are contained in the Auction Guidelines. Transmission connected CMUs must provide;

The Auction Guidelines are published on the EMR Delivery Body Portal.

- Balancing Mechanism Unit (BMU) identifiers
- Metering System Identifier (MSID) or Meter Point Administration Number (MPAN)

Answers to Metering Assessments, including MPAN details and Metering Test requirement, will be on the CM Register.

And answer whether there is any generation on site, other than the CMU generating units.

40. The requirement for a Metering Test will be determined during Prequalification Assessment and Applicants will be informed as part of their Prequalification Results notification.

41. An Applicant may elect to defer the metering requirements until after the Capacity Auction for the appropriate application, and instead make a declaration that the metering requirements will be in place before the deadline for each auction.

Rule Change from 2015

CMRS Distribution Connected Existing Generating CMUs

2. Existing Generating CMUs

42. This section applies to Existing CMRS Generators who are Distribution connected.

Calculating Connection Capacity

43. Connection Capacity for Distribution Connected Existing Generating CMUs may be calculated in three ways. These are described in detail below.

- Registered Capacity or Inverter Rating
- Historic Performance
- Maximum Entry Capacity (MEC) Pro-rata.

These are described in detail below.

44. It is important to note that Connection Capacity is calculated at component level and the Connection Capacity of the CMU is the aggregate of each component, as such it is possible to mix the calculation methods, providing that the aggregate does not exceed the MEC and the aggregate has been demonstrated as per the historic performance requirements explained in paragraphs 24-29.

45. De-rating factors are applied at component level, and the sum of each component's de-rated capacity provides the total CMU de-rated capacity, this allows for components of different technology types to be combined within a single CMU.

46. Where the Distribution Connection agreement provides a range or values; for registered capacity or inverter rating, the lowest figure must be used for calculating Connection Capacity.

47. All registered capacity figures or inverter ratings must be net of any Auxiliary Load.

48. Example calculations for each method can be found in Appendix A.

Registered Capacity or Inverter Rating

49. The first option for calculating connection capacity, found in Rule 3.5.2, is to use the registered capacity or inverter rating stated in the Distribution Connection Agreement or Offer, or in the written confirmation from the Distribution Connection Agreement. Where there are multiple generating units, the registered capacity or inverter rating must be specified per unit.

2. Existing Generating CMUs

50. If the Distribution Connection Agreement or offer does not state its registered capacity or inverter rating, applicants are entitled to estimate their Connection Capacity based on other information contained in the agreement or offer. Where this option is selected Applicants should highlight the information used to make the estimate such that the Delivery Body can verify the information.

Historic Performance

51. The second option for calculating Connection Capacity, as per Rule 3.5.3, is to use the historic performance information provided under Rule 3.6.1, as explained in Paragraphs 24-29 below.

52. To calculate connection capacity in this manner the output of each component must be verifiable (i.e. it should be a BMU). The average of the three highest physically generated net outputs should be taken and this value is the connection capacity.

53. The Delivery Body will, independently, verify the 3 highest physically generated net outputs and, if different to those provided, the figure calculated by the Delivery Body will take precedence. The Applicant will be notified in the Prequalification Results notice if the Delivery Body recalculates the Connection Capacity.

MEC Pro-rata

54. The third option for calculating Connection Capacity is set out in Rule 3.5.5. This option is described as the MEC pro-rata.

55. Connection Capacity using this method is calculated by; dividing the station MEC by the higher of the power station registered capacity (or inverter rating) or the sum of the registered capacities (or inverter ratings) for each generating unit included in the CMU then multiplying that figure by the registered capacity (or inverter rating) for that component. If a range of values for MEC are quoted in the agreement then the lowest value should be taken when using the MEC pro-rata method of calculating Connection Capacity.

56. If this method is selected, the Delivery Body will also do the calculation and, where any difference arises, the Delivery Body calculated Connection Capacity will take priority.

Historic Performance

2. Existing Generating CMUs

57. Rule 3.6.1 requires Existing Generating CMUs to prove their highest physically generated net output or Metered Volume. For CMRS Distribution Connected Generation, the requirements are the same as those for Transmission connected Generation. This is explained in paragraphs 24 to 29 above.

Connection Arrangements

58. Rule 3.6.3 (c) sets out the requirements for connection agreements for Distribution Connected Generation.

59. Each Applicant for a Distribution Connected Existing Generating CMU must make a declaration that one or more Distribution Connection Agreements are in place and that these connection agreements permit at least, in aggregate, the Anticipated De-rated Capacity of that CMU and any other CMU to which the agreement applies in the relevant Delivery Year.

60. Distribution connection agreements should include one of the following

- Registered Capacity or inverter rating (this should be in excess of the de-rated capacity)
- Maximum Export Capacity (MEC)

Where a connection agreement contains a range a Registered Capacities, Inverter Ratings or MEC, in accordance with Rules3.5B.1 and 3.6.3, the lowest of the values provided will be used to prove the size of the connection.

61. Applicants are required to submit a copy of their Distribution Connection Agreement. Applicants should upload the relevant sections of the Distribution Connection Agreement showing the signatures, contract reference, registered capacity and the capacity that Generating Unit is permitted to export to the Distribution Network. Where there is a range of figures the page showing the full range and any accompanying details should be provided.

62. If an Applicant cannot provide a copy of their Distribution Connection Agreement, they may instead provide a letter from their Distribution Network Operator (DNO) confirming that a connection agreement is in place, the register capacity or inverter rating (including the minimum value if there is a range) and the capacity that the Generating Unit is permitted to export to the distribution network.

2. Existing Generating CMUs

63. If a CMU is comprised of multiple Generating Units with separate connection agreements, each agreement should be provided and the Applicant should identify which Generating Unit or component each agreement applies to.

64. If the CMU is not directly connected to a Distribution Network but is connected to a private network, instead of providing a DNO Connection Agreement, the Applicant may provide a letter from the owner of the Private Network to which they are connected.

65. The letter from the owner of the Private Network should confirm

- The full output that the CMU is able to Export onto the Private Network; and
- That the owner of that Private Network has an agreement with the relevant DNO for the connection of the Private Network to the Distribution Network.

Metering Arrangements

66. Rule 3.6.4 sets out the high level metering requirements for existing Generating CMUs.

67. All Existing CMUs must provide the detailed line diagrams showing electrical configurations and metering sites for each individual generating unit within the CMU. The Applicant must also complete a Metering Assessment.

68. The Metering Assessment is used to determine whether a CMU requires a Metering Test. A Metering Test, if required would be completed at a later date, sometime between Prequalification Results day and the day 1 month before the start of the Delivery year. Metering Tests are arranged through the Electricity Settlements Company.

Answers to Metering Assessments, including MPAN details and Metering Test requirement, will be on the CM Register.

69. The Metering Assessment questions are contained in the Auction Guidelines. Distribution connected CMUs (CMRS) must provide;

- Balancing Mechanism Unit (BMU) identifiers
- Metering System Identifier (MSID) or Meter Point Administration Number (MPAN)

They must also answer the following questions;

The Auction Guidelines are published on the EMR Delivery Body Portal.

- Meter location – Are the meters on the boundary with the Distribution Network (as opposed to embedded within the site)?
- Multiple Connections - Does the site have additional connections to the Distribution Network (other than the connection used by the CMU Component)?
- Is there any other generation on site (other than the CMU generating units)?

70. The requirement for a Metering Test will be determined during Prequalification Assessment and Applicants will be informed as part of their Prequalification Results notification.

71. An Applicant may elect to defer the metering requirements until after the Capacity Auction for the appropriate application, and instead make a declaration that the metering requirements will be in place before the deadline for each auction.

Rule Change from 2015

Non-CMRS Distribution Connected Existing Generating CMUs

72. This section applies to Existing non-CMRS Generators who are Distribution connected.

Calculating Connection Capacity

73. Connection Capacity for Non-CMRS Distribution Connected Existing Generating CMUs may be calculated in three ways. These are described in detail below.

(i) Registered Capacity or Inverter Rating

(ii) Historic Performance

(iii) Maximum Entry Capacity (MEC) Pro-rata.

These are described in detail below.

74. It is important to note that connection capacity is calculated at component level and the connection capacity of the CMU is the aggregate of each component, as such it is possible to mix the calculation methods, providing that the aggregate does not exceed the MEC and the aggregate has been

demonstrated as per the historic performance requirements explained in paragraphs 24-29.

75. De-rating factors are applied at component level, and the sum of each components de-rated capacity provides the total CMU de-rated capacity, this allows for components of different technology types to be combined within a single CMU.

76. Where the Distribution Connection agreement provides a range or values; for registered capacity or inverter rating, the lowest figure must be used for calculating Connection Capacity. All registered capacity or inverter ratings must be net of any Auxiliary Load.

77. Example calculations for each method can be found in Appendix A.

Registered Capacity or Inverter Rating

78. The first option for calculating connection capacity, as stated in Rule 3.5.2, is to use the Registered Capacity or inverter rating stated in the Distribution Connection Agreement or Offer, or in the written confirmation from the Distribution Connection Agreement. Where there are multiple generating units, the Register Capacity or Inverter Rating must be specified per unit.

79. If the Distribution Connection Agreement or offer does not state its Registered Capacity or inverter rating, applicants are entitled to estimate their Connection Capacity based on other information contained in the agreement or offer. Where this option is selected Applicants should highlight the information used to make the estimate such that the Delivery Body can verify the information.

Historic Performance

80. The second option for calculating Connection Capacity, as per Rule 3.5.3, is to use the historic performance information provided under Rule 3.6.1, as explained in Paragraphs 24--29.

81. To calculate connection capacity in this manner the output of each component must be verifiable, as such the supplier letter, provided under Rule 3.6.1, should identify each component individually (but during the same Settlement Period on the same date). The average of the three highest physically generated net outputs should be taken and this value is the connection capacity.

82. The Delivery Body will, independently, verify the 3 highest physically generated net outputs against the Supplier Letter or Balancing Service

Obligation and, if different to those provided, the figure calculated by the Delivery Body will take precedence. The Applicant will be notified in the Prequalification Results notice if the Delivery Body recalculates the Connection Capacity.

MEC Pro-rata

83. The third option for calculating Connection Capacity is set out in Rule 3.5.5. This option is described as the MEC pro-rata.

84. Connection Capacity using this method is calculated by; dividing the station MEC by the higher of the power station registered capacity (or inverter rating) or the sum of the registered capacities (or inverter ratings) for each generating unit included in the CMU then multiplying that figure by the registered capacity (or inverter rating) for that component. If a range of values for MEC are quoted in the agreement then the lowest value should be taken when using the MEC pro-rata method of calculating Connection Capacity.

85. If this method is selected, The Delivery Body will also do the calculation, and where any difference arises the Delivery Body calculated Connection Capacity will take priority.

Historic Performance

86. Rule 3.6.1 requires Existing Generating CMUs to prove their highest physically generated net output or Metered Volume. For Non CMRS Distribution Connected Generation, the data requirements are the same as for Transmission and CMRS Distribution connected generation (as per paragraphs 24-29 above) with some further supporting information.

87. If the CMU is using the Supplier Settlement Metering Configuration Solution, the applicant must, for each of the three settlement periods and for each generating unit comprising the relevant CMU, provide a letter from the supplier or former supplier confirming;

- The CMU's physically generated net output, or Metered Volume where applicable, in MWh to 3 decimal places; and
- That line loss adjustments have been applied

88. **Where the Applicant cannot obtain a supplier letter; they can instead use evidence of a discharge of a balancing services obligation.**

Rule Change from 2015

89. It may be the case that different generating units contract with different suppliers, in this case multiple supplier letters are required and the generating unit to which they each apply should be unambiguously identified.

Answers to Metering Assessments, including MPAN details and Metering Test requirement, will be on the CM Register.

90. Where there are multiple generating units within a CMU the information provided in each supplier letter should relate to the same three Settlement Periods on the same date in each letter.

Connection Arrangements

91. Rule 3.6.3 (c) sets out the requirements for connection agreements for Distribution Connected Generation. These requirements are the same whether a Distribution connected CMU is CMRS or Non-CMRS. More detail on these requirements is included in paragraphs 56-63 above.

Metering Arrangements

92. Rule 3.6.4 sets out the high level metering requirements for existing Generating CMUs.

93. All Existing CMUs must provide the detailed line diagrams showing electrical configurations and metering sites for each individual generating unit within the CMU. The Applicant must also complete a Metering Assessment.

94. The Metering Assessment is used to determine whether a CMU requires a Metering Test. A Metering Test, if required would be completed at a later date, sometime between Prequalification Results day and the day 1 month before the start of the Delivery year. Metering Tests are arranged through the Electricity Settlements Company.

For more information on the Electricity Settlements Company visit their website.

95. The Metering Assessment questions are contained in the Auction Guidelines. Non-CMRS Distribution connected CMUs must provide;

The Auction Guidelines are published on the EMR Delivery Body Portal.

- Balancing Service identifiers (if applicable)
- Metering System Identifier (MSID) or Meter Point Administration Number (MPAN)

They must also answer the following questions;

- Meter location – Are the meters on the boundary with the Distribution Network (as opposed to embedded within the site)?

- Multiple Connections - Does the site have additional connections to the Distribution Network (other than the connection used by the CMU Component)?

- Is there any other generation on site (other than the CMU generating units)?

96. Finally Applicants must provide information on which of the metering pathways is used and answer the associated questions. The pathways and questions can be seen in Table 3 below

Metering Pathway Option	Description of option	Additional information
a)	The Applicant will request that the relevant data collector (appointed by its supplier) passes the half hourly, non-aggregated BSC metered data for the relevant CMU	Metering Dispensations / Complex Sites: • Does the CMU Component have a Metering Dispensation or is it classified as a complex site under BSCP514? • If yes, further information must be provided
b)	The Applicant will install / has installed appropriate half-hourly metering to measure delivery and provide the data to the settlement agent.	• Please provide a brief description of the metering arrangements including their main intended purpose (for example Operational, STOR, Landlord/Tennant billing etc) and any standards/specification which are applicable. • What is the overall accuracy of your metering system (including any CTs, VTs and any other connected equipment)? • Are your meters used for any other purposes? If yes please specify. • Has your metering system been commissioned to verify correct operation? • Are your meters, current and/or voltage transformers calibrated to a reference standard?
c)	The appropriate metering will be provided using existing balancing services metering used to monitor the provision to the System Operator of a Short Term Operating Reserve (STOR) service, or relevant balancing services.	

Table 3. Metering Pathway Questions

97. The requirement for a Metering Test will be determined during Prequalification Assessment and Applicants will be informed as part of their Prequalification Results notification.

98. An Applicant may elect to defer the metering requirements until after the Capacity Auction for the appropriate application, and instead make a declaration that the metering requirements will be in place before the deadline for each auction

Rule Change from 2015

Prequalification Requirements for New Build Generating CMUs

99. This section sets out the Prequalification requirements for a New Build Generating CMU. Many of the Prequalification requirements for New Build Generating CMUs are the same regardless of the CMU classification (Transmission, Distribution or Non-CMRS Distribution)

Calculating Connection Capacity

100. The Connection Capacity Calculations differ slightly depending on the CMU classification.

101. It is important to note that Connection Capacity is calculated at component level and the Connection Capacity of the CMU is the aggregate of each component, as such it is possible to mix the calculation methods, providing that the aggregate does not exceed the TEC/MEC.

102. De-rating factors are applied at component level, and the sum of each components de-rated capacity provides the total CMU de-rated capacity, this allows for components of different technology types to be combined within a single CMU.

103. Where the Distribution Connection agreement provides a range of values; for registered capacity or inverter rating, the lowest figure must be used for calculating Connection Capacity. All registered capacity or inverter ratings must be net of any Auxiliary Load.

104. Example calculations for each method can be found in Appendix X.

105. Applicants for Transmission CMUs have the option to use either the Unit Connection Entry Capacity or the Transmission Entry Capacity Pro-rata. These options are explained further in Paragraphs 16-17 and 21-23.

106. Applicants for Distribution CMUs may use the registered capacity or inverter rating for that generating unit as set out in the Distribution Connection Agreement, or in written confirmation from the DNO. If the Generating Unit does not have a connection agreement, applicants may submit a connection offer providing it includes the necessary figures (registered capacity, inverter rating, maximum export capacity).

107. For a Distribution connected Generating Unit that does not have an agreement or offer that states the registered capacity or inverter rating,

Applicants are able to estimate their registered capacity based on other information within the connection agreement. In this circumstance Applicants should highlight the information used, such that the Delivery Body can recalculate.

108. If the Generating Unit does not have a Distribution Connection Agreement, or connection offer, the applicant is able to make an "estimate in good faith" of the expected maximum the generator will be physically able to transmit to the Distribution Network.

109. Distribution Connected CMUs are also entitled to use the MEC Pro-rata option set out in paragraph 54-56 above.

Relevant Planning Consents

110. Each Applicant for a New Build CMU must have Relevant Planning Consents for their CMU and the Legal Right to use the land upon which the CMU is located. (subject to Rule 3.7.1 (a) – see paragraph 108).

111. Relevant Planning Consent and Legal right are defined within Rule 1.2 and cover a variety of planning permissions. Applicants need to be comfortable that their planning consents and right to use the land fall within these definitions allowing them to make the following declaration.

"That it has obtained all Relevant Planning Consents required for the construction and commissioning of the Prospective Generating Plant (but excluding any ancillary infrastructure associated with, but not comprised in, the Prospective Generating Plant) and has the Legal Right to use the land on which the CMU is, or will be, located"

Deferral of Planning Consents will be indicated on the CM Register.

112. In addition to making the required declaration, Applicants must provide documentary evidence of their Relevant Planning Consents. Applicants should provide a full electronic copy of the latest version of their Relevant Planning Consents.

If deferred, Relevant Planning Consents must be provided by Friday 4 November (T-4) or Friday 29 December (Early Auction).

113. During Prequalification for the T-4, 2020 Delivery Year, (as well as the Early Auction) it is possible to defer the planning consent declaration and associated evidence to no later than **22 working days** before the auction. Failure to provide the Relevant Planning consents within the required timescale will result in the CMU not being entered into the Auction. Deferred planning consents must be submitted in accordance with Rule 4.7.

Rule Change from 2015

114. **Planning Consents should also be contain evidence that the duration of the Relevant Planning Consents are longer than the duration of the Capacity Agreement**

3. New Build Generating CMUs

115. **As well as state the capacity of the New Build CMU is smaller than the Connection Capacity and submit technical documentary evidence showing that the generating capacity of the New Build CMU is not smaller than the Connection Capacity**

Rule Change from 2015

Construction Plan

116. Rule 3.1.2 requires all New Build CMUs to submit a construction plan including milestone dates and amount of Capital Expenditure.

117. The Construction Plan needs to include the following

- Construction Plan Summary - A description of the nature of the construction, repowering or refurbishment works to be undertaken. Where the duration of the Capacity Agreement sought is greater than 3 Delivery years the applicant should include a statement that to the best of its knowledge and belief, the CMU will meet the Extended Years Criteria when completed and a description of how those criteria are to be met.

Extended Years Criteria are defined in Rules 8.3.6B and 8.3.6C.

- A schedule identifying the earliest and latest dates for achieving the following Construction Milestones
    - Commencement of construction works
    - Achievement of the Back-feed milestone; and
    - Achievement of the Substantial completion milestone.
    - **Major Contract Date;**
    - **Completion of Main Foundations;**
    - **First Delivery Date**
    - **First Firing Date**

Back-feed Milestone – For a Transmission CMU thi is the date onw hich the Energisation Operational Notification is received. For all other Generating CMUs is the commencement of activites to commission the Generating Unit(s) comprising the CMU w hich involve energising that Generating Unit

Substantial Completion Milestone - w hen the Generating Unit (s) is Operational w hen the aggregate physical generating capacity (in MW) w hich, once de-rated exceeds 90% of its Capacity Obligation and the line diagrams and metering assessment have been completed.

- The total amount of Capital Expenditure (excluding contingency) incurred or expected to be incurred with respect to the CMU between the date which is 77 months prior to the commencement of the first delivery year and the start of the first delivery year to which the Application relates. This is the Total Project Spend.

Rule Change from 2015

- Whether the Qualifying £/kW Capital Expenditure is:
    - Equal to or greater than the Fifteen Year Minimum £/kW Threshold;

The Qualifying Capital Expenditure is the Total Project spend divided by the De-rated Capacity. The Delivery Body will also calculate this during assessment.

- Equal to or greater than the Three Year Minimum £/kW Threshold and less than the Fifteen Year Minimum £/kW Threshold; or
- Less than the Three Year Minimum £/kW Threshold

- Declare that the Construction Plan
  - Is, to the best of its knowledge and belief, based on reasonable assumptions;
  - Accurately summarises the planning works; and
  - Is not misleading.

The spend thresholds form part of the Auction Parameters, contained in the Auction Guidelines.
For 2016 they are,
15 year Minimum £/kW = £255/kW
3 year Minimum £/kW = 130/kW

Connection Arrangements

118. Rule 3.7.3 details the Connection Arrangements for each category of New Build Generating CMU.

Connection Arrangements – Transmission connected Generating CMU

119. Applicants for New Build Transmission Connected CMUs must confirm that one or more Grid Connection Agreements have been entered into which secure Transmission Entry Capacity (TEC) for the relevant Delivery Years for all Generating Units comprised in that CMU at least equal, in aggregate, to the Anticipated De-rated Capacity of that CMU and any other to which the Grid Connection Agreement relates. This means that the connection agreement held by the Applicant must have TEC from October 1st for the Delivery Year 2020/2021 and for any subsequent Delivery years (for a multi-year agreement) which is equal to or greater than the total De-rated capacity for any Generating Unit covered by that connection agreement. It is possible to have a single connection agreement applicable to multiple CMUs; in such a circumstance the connection agreement must secure sufficient TEC for all CMUs.

120. Applicants are also required to provide a copy of their connection agreement. More information on this is provided in the Auction Guidelines and in paragraphs 32 to 35 above.

Connection Arrangements – Distribution connected Generating CMU

3. New Build Generating CMUs

121. Applicants for a New Build CMU that is, or will be, directly connected to a Distribution Network must confirm that there are one or more Distribution Connection Agreements or connection offers in place which permit, at least, in aggregate the anticipated De-rated Capacity of the CMU and any other CMUs to which the agreement applies to connect to the Distribution Network in the relevant Delivery Years.

122. Applicants are required to provide a copy of all Distribution Connection Agreements or connection offers.

123. If a connection agreement or offer is in place, but it is not possible to provide a copy of the connection agreement or offer, the Applicant is permitted to submit written confirmation from the Distribution Network Operator that such Distribution Connection Agreement or connection offer is in place. Any such letter must confirm

    - That a connection agreement or offer is in place;
    - The registered capacity (or inverter rating, if applicable) of that Generating Unit and where a range of values is specified for the registered capacity (or inverter rating, if applicable), the minimum value in that range; and
    - The capacity that such Generating Unit is permitted to export to the Distribution Network.

Any Connection Agreement Deferrals will be indicated on the CM Register

124. For Prequalification for a T-4 Auction Applicants are permitted to defer providing their connection agreement or offer.

125. Applicants for CMUs which will be directly connected to the Distribution Network are able to declare that a Distribution Connection Agreement will be in place by the date 18 months prior to the commencement of the relevant Delivery year.

126. Applicants for CMUs which will be connected to a Private Network are able to provide a letter from the owner of that Private Network confirming that it will have an agreement with the relevant Distribution Network Operator for the connection of the Private Network to, and use of, a Distribution Network by the date falling 18 months prior to the commencement of the Relevant Delivery Year.

Applicants for the TA auction are unable to defer their connection agreement

127. In either of the circumstances explained in paragraphs 124, 125 or 126 above, the Applicant will be required to post Credit Cover to the value of £10000/MW. The Credit Cover will be returned providing the relevant connection agreements are supplied to the Delivery Body no later than 18 months before the start of the Delivery Year.

For more information on how to lodge credit cover please visit the EMR Settlement Body's website

128. For CMUs made up of multiple generating units at different locations a connection agreement is required for each generating unit. If a deferral is required for any of the individual units the Applicant will need to defer provision of all connection agreements and provide them all at a later date.

4. Refurbishing Generating CMUs

Prequalification Requirements for Refurbishing Generating CMUs

129. Applications for Refurbishing CMUs incorporate elements of the New Build requirements (for the Refurbishing element) and the Existing requirements (for the corresponding Pre-refurbishment element). This section discusses each of these in turn.

Refurbishing Generating CMU

130. This section applies to the element of the CMU undergoing an improvements programme.

Calculating Connection Capacity

131. The connection capacity for Refurbishing CMUs must be calculated for the Pre-refurbishment and Refurbishing components individually.

132. Connection capacity for the Pre-refurbishment element must be calculated in line with the requirements for Existing Generating CMUs, as set out in section 2.

133. Connection capacity for the Refurbishing element must be set in line with the requirements for New Build Generating CMUs, as explained in section 3.

Relevant Planning Consents

134. Where a Refurbishing CMU requires Relevant Planning Consents they are required to make the declaration, and provide evidence, as required by Rule 3.7.1 and explained in paragraphs 110-115.

135. If there are no Relevant Planning Consents required to carry out the improvements programme, the Applicant must make the declaration;

"No Relevant Planning Consents required relating to the Refurbishing CMU".

Construction Plan

136. A Refurbishing CMU is required to submit a Construction Plan in accordance with Rule 3.7.2, as explained in paragraphs 116 and 117 above. Construction Plans for Refurbishing CMUs do not need to include any dates for achieving the Back-feed milestone and applicants will not be presented with this within the Construction Plan section of the application.

4. Refurbishing Generating CMUs

137. The Qualifying Capital Expenditure for Refurbishing CMUs relates to expenditure (excluding contingency), incurred, or expected to be incurred, between Auction Results Day and the commencement of the first Delivery Year to which the Application relates.

Declaration about Refurbishing works.

138. Where the Qualifying Capital Expenditure exceeds the Three Year Minimum £/kW Threshold Applicants are required to include the following declaration as part of their Prequalification Certificate;

"Taking into account current economic conditions and the regulatory and legislative framework;

(i) There are reasonable grounds to believe that a Capacity Agreement greater than 1 year in duration is required to facilitate the improvements programme at the Refurbishing CMU; and

(ii) The Qualifying £/kW Capital Expenditure has been determined, so far as is possible, without reference to any substantive routine or statutory maintenance works required at the Refurbishing CMU.

This declaration is set out in Exhibit A of the Rules.

Pre-Refurbishment Generating CMU

139. This section applies to the element of the CMU which is in existence and would be the Capacity Provider should the Refurbishing element exit the auction.

140. The Pre-refurbishment element of a Refurbishing CMU is similar to an existing Generating CMU and must provide the information required by Rule 3.6.1, as explained in Paragraphs 24-29.

141. If the Applicant does not wish to continue to bid into the Capacity Auction with the Pre-refurbishing element of the CMU (if the Unit is closed or closing for example), it is permitted to provide an Opt-out notification for the pre-refurbishment element in accordance with Rule 3.11 and Section 7 of this document.

5. Interconnector CMUs

Prequalification Requirements for Interconnector CMUs

142. This section seeks to explain the Prequalification requirements for Existing Interconnector CMUs, New Build Interconnector CMUs and Refurbishing Interconnector CMUs.

Existing Interconnector CMUs:

143. This section applies to Existing Interconnector CMUs.

Connection Agreements

144. The Connection Capacity of an Interconnector CMU, as set out in Rule 3.5A, is the positive Connection Entry Capacity (CEC) stated in the relevant Grid Connection Agreement.

145. Pursuant to Rule 3.6A, Applicants need to provide, evidence of this figure, in the form of the relevant Grid Connection Agreement. The minimum an Applicant must provide, as set out in the Auction Guidelines, comprises;

The Auction Guidelines are published on the EMR Delivery Body Portal.

- The identifying cover and signature pages of the Connection Agreement, so to demonstrate that the agreement is in force:
    - This should include copies of the signature boxes of the original Agreements, or the latest Agreement to Vary; or
    - The signature boxes of the bi-party agreement and any subsequent Bilateral Connection Agreements where relevant to the CMU.
- Appendix C of the submitted agreements providing the technical information of the CMU and confirmation of CEC and TEC values.

146. The clarifications in Rule 3.6A.2 and 3.7.3(aa) state there must also be specific confirmation that the Agreement secures TEC for the relevant Delivery Year that at least meets, in aggregate, the Anticipated De-rated Capacity of the CMU and any other relevant CMUS.

147. Where the Interconnector is to be directly connected to the Distribution Network, Rule 3.7.3(b) and (c) require a copy of the Distribution Connection Agreements and / offers which facilitate connection of at least the Anticipated De-rated Capacity of the CMU.

5. Interconnector CMUs

148. It should be noted that, as with the Grid Connection Agreement, the registered capacity of the CMU is the minimum of the registered capacity or inverter values stated. Therefore, where there are seasonal ratings noted in the BCA and / or Connection Agreements, then the lesser of these values are to be cited.

Historic Performance

149. Rule 3.6A.1 requires all Applicants for Existing Interconnector CMUs to demonstrate historic performance. They must identify three separate Settlement Periods, on separate days in the Winter preceding the start of the Prequalification Window in which the Interconnector provided its highest Net Output (import to GB).

150. To provide this information applicants must specify;

- The date (e.g. 18/01/2015)
- The Settlement Period (e.g. 25)
- The physically generated Net Output to 3 decimal places.

151. It should be noted that for the purposes of the Rules, "Winter" runs from 01 October to the following 30 April.

152. Pursuant to Rule 4.3.2, the Delivery Body (DB) will verify the data provided as historic performance where there is any disparity in values, the DB may recalculate the Connection Capacity of the CMU based on its findings.

Additional Information & Technical Specifications

153. Rule 3.6B requires that the following information be submitted in the Application for Interconnector CMUs:

- The technical specifications of the Interconnector. This should include a high level summary of the type of interconnector technology, its connection points and assets (at either end), configuration, and corporate holding;
- The Connecting Transmission System Operator (TSO); and
- The forecasted technical reliability for the relevant Delivery Year.

Metering Assessment

5. Interconnector CMUs

154. Pursuant to Rule 3.6A.3, all Applications must include a detailed line diagram showing the location at which the Interconnector CMU is metered and complete a Metering Assessment in relation to the same.

155. Please note, however, for Prospective and Refurbishing Interconnectors (excluding the pre-refurbishing element), the metering Assessment and submission of line diagrams are a requirement under the Construction Milestones. Rule 8.3 requires that the same is completed and submitted in Prequalification and prior to the commencement of the Delivery Year.

156. The form of the Metering Assessment is included in the Auction Guidelines. Transmission connected CMUs must provide;

- Balancing Mechanism Unit (BMU) identifiers
- Metering System Identifier (MSID) or Meter Point Administration Number (MPAN)

And answer whether there is any generation on site, other than the Interconnector.

157. The requirement for a Metering Test will be determined during Prequalification Assessment and Applicants will be informed as part of their Prequalification Results notification.

158. An Applicant may elect to defer the metering requirements until after the Capacity Auction for the appropriate application, and instead make a declaration that the metering requirements will be in place before the deadline for each auction.

Rule Change from 2015

New Build Interconnector CMUs:

159. A Prospective Interconnector, as defined by Regulation 5A(2)(b) is one that has yet to be commissioned (i.e. is new) or re-commissioned (i.e. subject to an improvements program). So, for Interconnector CMUs undergoing refurbishment projects, the "new element" of the project should have consideration of the Prospective Interconnector provisions. This is also further clarified below.

Connection Agreements

5. Interconnector CMUs

160. As for the Existing Interconnectors, Prospective Interconnector Applicants need to submit evidence of a Connection Agreement and Connection Capacity, such requirements are explained in Paragraphs 144 – 149.

Metering Assessment

161. The requirements for a Metering Assessment and detailed line diagrams depicting the metering configurations of the same for Prospective Interconnectors mirror those required for Existing Interconnectors, as detailed is paragraphs 155-159. Applicants are permitted to complete this during Prequalification, but may instead defer until construction of the CMU concludes.

Additional Information & Technical Specifications

162. Rule 3.6B requires that the following information be submitted in the Application also:

- The technical specifications of the Interconnector. A high level summary of the type of interconnector technology, its connection points and assets (at either end), configuration, and corporate holding.);
- The Connecting TSO; and
- The forecasted technical reliability for the relevant Delivery Year.

Relevant Planning Consents

163. Applicants for New Build Interconnectors are required to confirm they have Relevant Planning Consents and the Legal Right to use the land

164. Relevant Planning Consent and Legal right are defined within Rule 1.2 and cover a variety of planning permissions. Applicants need to be comfortable that their planning consents and right to use the land fall within these definitions allowing them to make the following declaration.

"That it has obtained all Relevant Planning Consents required for the construction and commissioning of the Prospective Generating Plant (but excluding any ancillary infrastructure associated with, but not comprised in, the Prospective Generating Plant) and has the Legal Right to use the land on which the CMU is, or will be, located"

5. Interconnector CMUs

165. In addition to making the required declaration, Applicants must provide documentary evidence of their Relevant Planning Consents. Applicants should provide a full electronic copy of the latest version of their Relevant Planning Consents.

166. During Prequalification for the T-4, 2020 Delivery Year, (as well as the Early Auction) it is possible to defer the planning consent declaration and associated evidence to no later than **22 working days** before the auction. Failure to provide the Relevant Planning consents within the required timescale will result in the CMU not being entered into the Auction. Deferred planning consents must be submitted in accordance with Rule 4.7.

Rule Change from 2015

If deferred, Relevant Planning Consents must be provided by Friday 4 November (T-4) or Friday 29 December (Early Auction).

Construction Plan

167. Rule 3.7.2 requires all New Build CMUs to submit a construction plan including milestone dates and amount of Capital Expenditure.

Rule Change from 2015

168. The Construction Plan needs to include the following

- Construction Plan Summary - A description of the nature of the construction, repowering or refurbishment works to be undertaken.
- A schedule identifying the earliest and latest dates for achieving the following Construction Milestones
    - Commencement of construction works
    - Achievement of the Back-feed milestone; and
    - Achievement of the Substantial completion milestone.
    - **Major Contract Date;**
    - **Completion of Main Foundations;**
    - **First Delivery Date**
    - **First Firing Date**
- The total amount of Capital Expenditure (excluding contingency) incurred or expected to be incurred with respect to the CMU between the date which is 77 months prior to the commencement of the first delivery year and the start of the first delivery year to which the Application relates. This is the Total Project Spend.

Back-feed Milestone – For a Transmission CMU thi is the date onw hich the Energisation Operational Notification is received. For all other Generating CMUs is the commencement of activites to commission the Generating Unit(s) comprising the CMU w hich involve energising that Generating Unit

Substantial Completion Milestone - w hen in agreement w ith the Corresponding TSO, the interconnector can flow 90% or above of its Capacity Obligation (a);and has (b) both completed its Metering Assessment and provided

Rule Change from 2015

Deferral of Planning Consents will be indicated on the CM Register.

- Declare that the Construction Plan
    - Is, to the best of its knowledge and belief, based on reasonable assumptions;
    - Accurately summarises the planning works; and
    - Is not misleading.

Refurbishing Interconnector CMUs:

169. As above, an Application in respect of a Refurbishing Interconnector CMU must comply with the Rules for a New Build Interconnector, to the extent that it is applicable for the Refurbishing element noting the exceptions explained below.

Relevant Planning Consents

170. Where a Refurbishing CMU requires Relevant Planning Consents they are required to make the declaration, and provide evidence, as required by Rule 3.7.1 and explained in paragraphs 156 to 159 above.

171. If there are no Relevant Planning Consents required to carry out the improvements programme, the Applicant must make the declaration;

"No Relevant Planning Consents required relating to the Refurbishing CMU".

Construction Plan

172. A Refurbishing CMU is required to submit a Construction Plan in accordance with Rule 3.7.2, as explained in paragraphs 160 and 161 above. Construction Plans for Refurbishing CMUs do not need to include any dates for achieving the Back-feed milestone and applicants will not be presented with this within the Construction Plan section of the application.

173. The Qualifying Capital Expenditure for Refurbishing CMUs relates to expenditure (excluding contingency), incurred, or expected to be incurred, between Auction Results Day and the commencement of the first Delivery Year to which the Application relates.

Pre-Refurbishment Interconnector CMU

5. Interconnector CMUs

174. This section applies to the element of the CMU which is in existence and would be the Capacity Provider should the Refurbishing element exit the auction.

175. The Pre-refurbishment element of a Refurbishing CMU is similar to an existing Interconnector CMU and must provide the information required by Rule 3.6.1, as set out in Paragraphs 143-146 above.

176. If the applicant does not with the continue to bid into the Capacity Auction with the Pre-refurbishing element of the CMU (if the Unit is closed or closing for example), it is permitted to provide an Opt-out notification for the pre-refurbishment element in accordance with Rule 3.11 and Section 7 of this document

5. DSR CMUs

Prequalification Requirements for DSR CMUs

Proven DSR CMUs

177. This section explains the documents and information to be provided by a Proven DSR CMU

DSR Test Cert number and date of issue are recorded on the CM register. This information comes from the certificate itself.

DSR Test Certificate

178. Rule 3.9.1 requires that each Applicant for a Proven DSR CMU includes in their Application a DSR Test Certificate relating to the DSR CMU.

179. The DSR Test certificate indicates the size of the CMU, the DSR Capacity, this is the equivalent of Connection Capacity.

Permitted On-Site Generating Units

180. Rule 3.9.2 requires that each Applicant for a Proven DSR CMU must include in their Application details of all Permitted On-Site Generating Units and electricity connections from or through which electricity is or could be supplied to the site where and/or electrical apparatus through which the DSR will be effected.

Business Model

181. Rule 3.9.3 requires that each Applicant for a Proven DSR CMU must include in their Application a business model for each DSR Component that comprises that DSR CMU setting out the following:

- the type of DSR effected by the DSR CMU Component;
- a summary of the relationship between the DSR Provider and the DSR CMU Component;
- to the extent not already provided in order to obtain a DSR Test Certificate, the information referred to in Rule 13.2.5 (the Meter Point Administration Number(s); and
- details of the programme or strategy for procuring that the DSR Capacity is available, including;

    (a) method(s) of achieving load reduction;

    (b) equipment controlled or installed, or to be controlled or installed; and

    (c) details of how the DSR Capacity of the DSR CMU has been secured to the DSR Provider.

5. DSR CMUs

182. Each Applicant for a Proven DSR CMU must declare that the business model is to the best of its knowledge and belief, based on reasonable assumptions. That it accurately describes the manner in which any DSR Capacity has been secured; and is not misleading.

183. To complete the Business Model Applicants should complete DSR Business Model Template and provide as part of their application. The DSR Business Model is included in Appendix B.

Metering Arrangements

184. Each Applicant must also provide detailed line diagrams showing electrical configurations and metering sites at which the DSR CMU components are located and complete a Metering Assessment in relation to the CMU

185. The Metering Assessment is used to determine whether a CMU requires a Metering Test. A Metering Test, if required would be completed at a later date, sometime between Prequalification Results day and the day 1 month before the start of the Delivery year. Metering Tests are arranged through the Electricity Settlements Company.

For more information on the Electricity Settlements Company visit their website.

186. The Metering Assessment questions are contained in the Auction Guidelines. DSR CMUs must provide;

The Auction Guidelines are published on the EMR Delivery Body Portal.

- Balancing Service identifiers (if applicable)
- Metering System Identifier (MSID) or Meter Point Administration Number (MPAN)

Responses to Metering Assessments are recorded on the CM Register.

They must also answer the following questions;

- Meter location – Are the meters on the boundary with the Distribution Network (as opposed to embedded within the site)?
- Multiple Connections - Does the site have additional connections to the Distribution Network (other than the connection used by the CMU Component)?
- Is there any other generation on site (other than the CMU generating units)?

187. Finally Applicants must provide information on which of the metering pathways is used and answer the associated questions. The pathways and questions can be seen in table 4 below

5. DSR CMUs

Metering Pathway Option	Description of option	Additional information
a)	The Applicant will request that the relevant data collector (appointed by its supplier) passes the half hourly, non-aggregated BSC metered data for the relevant CMU	Metering Dispensations / Complex Sites: • Does the CMU Component have a Metering Dispensation or is it classified as a complex site under BSCP514? • If yes, further information must be provided
b)	The Applicant will install / has installed appropriate half-hourly metering to measure delivery and provide the data to the settlement agent.	• Please provide a brief description of the metering arrangements including their main intended purpose (for example Operational, STOR, Landlord/Tennant billing etc) and any standards/specification which are applicable. • What is the overall accuracy of your metering system (including any CTs, VTs and any other connected equipment)? • Are your meters used for any other purposes? If yes please specify. • Has your metering system been commissioned to verify correct operation? • Are your meters, current and/or voltage transformers calibrated to a reference standard?
c)	The appropriate metering will be provided using existing balancing services metering used to monitor the provision to the System Operator of a Short Term Operating Reserve (STOR) service, or relevant balancing services.	

Table 4. Metering Pathway questions.

188. The requirement for a Metering Test will be determined during Prequalification Assessment and Applicants will be informed as part of their Prequalification Results notification.

Unproven DSR CMUs

189. This section details the data and documents required for an Unproven DSR.

Business Model

190. Rule 3.10.1 requires that each Applicant for a Unproven DSR CMU must include in their Application a business plan setting out the following:

- details of the Unproven DSR CMU proposal including steps already taken to acquire the DSR Capacity and/or Contractual DSR Control;
- all the information required for a business model pursuant to Rule 3.9.3 in relation to any DSR CMU Component with which the DSR Provider has already established a relationship;
- such information required for a business model pursuant to Rule 3.9.3 as is available to the DSR Provider in relation to any DSR CMU Component with which the DSR Provider intends to establish a relationship; and
- details of the programme or strategy for procuring any further DSR CMU Components to ensure that the Unproven DSR Capacity is available, including; and
    (a) method(s) of achieving load reduction;
    (b) equipment controlled or installed, or to be controlled or installed; and
    (c) details of how the DSR Capacity of the DSR CMU has, or will be, secured to the DSR Provider; and
    (d) such other requirements as may be specified by the Delivery Body from time to time.
- Each Applicant for an Unproven DSR CMU must declare that the business model is to the best of its knowledge and belief, based on reasonable assumptions. That it also accurately describes the manner in which any DSR Capacity has been secured; and is not misleading. This can be done by logging into the application system and against your respective CMU by ticking the declaration box on the Business Model tab within the DSR CMU.

191. To complete the Business Model Applicants should complete the DSR Business Plan Template, available in Appendix C

Required Testing

192. Rule 3.10.2 requires that each Applicant for a Unproven DSR CMU must confirm that it will complete (prior to the date falling one month before the commencement of the Delivery Year to which the Capacity Auction relates);

- A DSR Test;
- A Metering Assessment (paragraphs 185 to 189 above.)
- If required, a Metering Test.

193. Applicants who have their component details are able to complete their metering assessment during Prequalification, or complete it at a later date.

6. Opt-out Notifications

Opt-Out Notifications

194. If a Mandatory CMU does not wish to take part in the Capacity Market, the legal owner of that CMU must, during the Prequalification Window, submit an Opt-out Notification. An Opt-out notification must be submitted for each Delivery Year and in accordance with Rule 3.11.

195. Opt-out notifications are completed in the EMR Delivery Body Portal and must include the information specified below.

196. Any Opt-out notification must include the name of the CMU owner submitting the notification, the corporate registration number of the legal owner and the contact details, including registered address and the name of authorised contact person. This information will be provided during the Company Registration Process (insert link to guide).

197. For the CMU which is subject of the Opt-out notification, a description, location details (including the full postal address and six-figure Ordnance Survey Grid Reference) and MPANs must be provided.

198. Legal Owners must provide the Connection Capacity, calculated in line with Rule3.5 and explained in Paragraphs 12-23 above.

199. The Rules contain three reasons why a CMU may Opt-out of the Delivery Year. The person submitting the Opt-out Notification must select whether;

- The CMU will be closed down, decommissioned or otherwise non-operational by the commencement of the Delivery Year to which the Capacity Auction relates;
- The CMU will be temporarily non-operational for all the Winter of the Delivery Year to which the Capacity Auction relates but will be operational thereafter; or
- The CMU will remain operational during the Delivery Year to which the Capacity Auction relates.

200. A summary of the Opt-out reasons must also be included.

201. Opt-out notifications must be accompanied by a signed copy of Exhibit C, the Certificate of Conduct.

202. Rule 13.12.5 requires a statement signed by two directors of the Company, that they have formed the opinion, on the basis of due and careful enquiry, as to the relevant person's (i.e. the Company's) situation at the date of the

statement, that the person (i.e. the Company) can correctly make the declaration required by Rule 3.11.5.

9. Information to be included in all Applications

Information to be included in all Applications

203. The final part of a Prequalification is to provide some general information, make declarations and provide additional documents. The Rules set out some information which must be provided with each Prequalification Application.

Exhibits and Certificates

204. If the Applicant is the Despatch Controller for a Generating CMU comprising one or more generating units, but each are under the same legal ownership, the Despatch Controller must submit Exhibit D, an Applicant Declaration. The Applicant Declaration must be signed by two directors or officers of the legal owner and two directors or officers of the Despatch Controller.

205. If the Applicant is the Despatch Controller for a Generating CMU comprising a number of Generating units, and the legal ownership of such units lies with more than one person, the Applicant must submit;

- Exhibit F, an Aggregator declaration – The Aggregator Declaration must be signed by two directors, or officers, of the Despatch Controller.
- Exhibit G, a Legal Owner Declaration. – A Legal Owner Declaration must be submitted for each Generating Unit within the CMU and each must be signed by two directors, or officers, of legal owners of the Generating Unit.

CMUs comprising aggregated units owned by different organisations must have a connection capacity less than 50MW.

206. Applications for Interconnector CMUs must be submitted by the person who is, or will be the Legal Owner or a Joint Owner. If a Joint Owner is submitting the application and the application is for an existing interconnector then either Exhibit DA or DB must be submitted. If the Applicant is a Joint Owner of a Prospective Interconnectors then Exhibit DC must be submitted.

207. If an Applicant wishes an Agent to submit an Application for a CMU on its behalf then an Exhibit E, an Agent Nomination Form, must be submitted with the Application.

208. All Applicants are required to provide a Certificate of Incorporation or equivalent, if this has been provided in a previous prequalification window and remains current, and then the certificate submitted previously may be re-used.

9. Information to be included in all Applications

209. All Applications must be accompanied by Exhibit A – a Prequalification Certificate and Exhibit C – a Certificate of Conduct. Each of these should be signed by two directors or officers of the Applicant (unless the Applicant is a single Director organistation).

Generic Information about the CMU

210. All Applications should include the information set out in this section.

211. Applications must include the name, corporate registration number and contact details, including registered address, of the Applicant; this may be the Legal Owner, Despatch Controller, Joint Owner or DSR Provider as appropriate.

212. Applicants for Interconnector CMUs must specify whether the Applicant holds an interconnector licence at the time of making the application.

213. For each CMU, Applicants must provide

- A description of each component
- The full postal address with post code and six-figure Ordnance Survey Grid Reference, in the form AA 123456, of each Component (for large sites, use the OS reference for the centre of the site).
- All Meters and Meter Point Administration Numbers (MPANs) – except in the case of unproven DSR, if any MPAN appears in another CMU with either an agreement for the Delivery Year, or in another application, then an explanation of how the two CMUs relate and how metering will separately identify the output of each.
- If necessary, confirmation that the metering arrangements for each Generating Unit or DSR component have not changed since a metering test was carried out.
- Balancing Mechanism Unit IDs (if applicable)
- The relevant interconnector identifiers(s) (if applicable)
- The classification of the CMU
    - Existing CMU
    - New Build CMU
    - Refurbishing CMU

- Proven DSR CMU
- Unproven DSR CMU
- Existing Interconnector CMU
- New Build Interconnector CMU
- Refurbishing Interconnector CMU

- The Connection Capacity (including the method used to set the capacity) or DSR capacity for each unit.
- The Generating Technology class for each generating unit

214. Applicants for;

- Non-CMRS Existing CMU (this would also extend to the pre-refurbishment part of any refurbishing CMU),
- Proven DSR CMU or
- an Existing CMU that is made up of elements of a CMRS registered BM Unit

must provide details of the Metering Configuration solution used by each Generating Unit or DSR Component, and confirmation that each metering configuration solution complies with the requirements set out in the applicable governing documents. A template form to upload this information is included in appendix D

Declarations

215. Aside from the declarations made by signing the Certificate of Conduct, Applicants are required to make declarations in two other areas.

216. The first relates to Low Carbon Exclusion and Low Carbon Grant Status.

217. Each Applicant must declare one of the following. At the time of making the application;

(i) The CMU is neither accredited under, nor the subject of an application for accreditation under, a Low Carbon Exclusion, and will not be benefitting from a Low Carbon Exclusion at the commencement of, or during, the relevant Delivery Year or period of Delivery Years;

(ii) the CMU is benefitting from a Low Carbon Exclusion; or

(iii) an Application has been made (and not determined) for a Low Carbon Exclusion in respect of the CMU.

218. Applicants who select option (ii) above must provide a Non-Support Confirmation. A Non-Support Confirmation is defined in Regulation 16 as a declaration, in writing;

- That the period for which the relevant support may be paid to issued under the FIT Order, the RHI Regulations or the ROO in respect of the CMU will have expired before the start of the Delivery Year; or
- That the CMU is a co-firing CMU and if the Applicant is awarded a capacity obligation the Applicant will not, except in accordance with Regulation 34, seek to obtain relevant support in respect of the CMU for any of the Delivery Period.

219. Additionally Applicants who select option (ii) must provide a copy of the document that sets out the term of their entitlement to benefit from the Low Carbon Exclusion.

220. Applicants who select option (iii) must provide a Withdrawal Confirmation which is defined in Regulation 16 as a notice to the Delivery Body that the Applicant has withdrawn its application for a Low Carbon Exclusion in respect of that CMU.

221. Each Applicant must also declare that at the time of making the Application, the CMU to which the Application relates has not benefitted and will not benefit from a Low Carbon Grant either during, or in the ten years prior to the commencement of, the relevant Delivery Year.

222. Finally each Applicant must declare that the Low Carbon Exclusion and Low Carbon Grant status of the CMU may be checked by the Authority at any time following submission of the Application.

223. The second set of declarations relates to STOR status.

224. Each Applicant must declare, at the time of making the Application, that the CMU to which the application relates

(i) Is not the subject of a Relevant STOR Contract and will not be the subject of a relevant STOR contract at the commencement of, or during, the relevant Delivery Year; or

(ii) Is currently the subject of a relevant STOR contract and the Applicant further irrevocably declares that, if it is awarded a Capacity Agreement in the Auction, it will withdraw from, or request that the System Operator

terminates the Relevant STOR Contract with effect from a date on or before the start of the first Delivery Year to which the Capacity Agreement Relates.

225. Relevant STOR contract is defined in Regulation 18 as a STOR contract entered into before the regulation came into force (August 2014) and the expiry date of the contract is after the start of the Delivery Year.

226. To simplify the declaration, option (i) is for Applicants who do not have a long term STOR contract and option (ii) is for those who do, but are going to withdraw from it should they secure a Capacity Agreement.

227. If you have a long term STOR contract, but do not wish to withdraw from it then you are unable to take part in the Capacity Market.

Rules Changes specific for Transitional Auction

228. The minimum size of a CMU for the TA auction is 500kW

229. Only true DSR components are able to prequalify. So no small scale generation or embedded generation behind the meter. Within the Unproven DSR Business Plan there is a declaration which needs to be signed to attest to this.

Rules Changes specific for Early Auction

230. Metering arrangements can be deferred during prequalification but have to be in place one month after the Auction.

231. Connection Agreements can be deferred but are required 6 months before the Delivery Year

Appendix A – Example Connection Capacity Calculations

Transmission Connected Generating Units

All three generating units to Prequalify

Power Station A
TEC = 1020MW

Unit 1
Normal Max Output = 500MW
Max Metered Output = 495MW
Unit CEC = 515MW

Unit 2
Normal Max Output = 500MW
Max Metered Output = 492MW
Unit CEC = 515MW

Unit 3
Normal Max Output = 25MW
Max Metered Output = 0MW
Unit CEC = 30MW

- Connection Capacity Option 1: Unit CEC
  - Unit 1 = 515MW
  - Unit 2 = 515MW
  - Unit 3 = 30MW

  Total Conn. Cap 1060MW
- Conn. Capacity Option 2: Historic Output
  - Unit 1 = 495MW
  - Unit 2 = 492MW
  - Unit 3 = 0MW

  Total Conn. Cap 987MW
- Conn. Capacity Option 3: TEC Pro-Rata
  - Unit 1 = 495MW
  - Unit 2 = 495MW
  - Unit 3 = 29MW

  Total Conn. Cap 1019MW

Only the two main generating units to Prequalify

Power Station A
TEC = 1000MW

Unit 1
Normal Max Output = 500MW
Max Metered Output = 495MW
Unit CEC = 515MW

Unit 2
Normal Max Output = 500MW
Max Metered Output = 492MW
Unit CEC = 515MW

Unit 3
Normal Max Output = 25MW
Max Metered Output = 0MW
Unit CEC = 30MW

- Connection Capacity Option 1: Unit CEC
  - Unit 1 = 515MW
  - Unit 2 = 515MW
  - Unit 3 = N/A

  Total Conn. Cap 1030MW
- Conn. Capacity Option 2: Historic Output
  - Unit 1 = 495MW
  - Unit 2 = 492MW
  - Unit 3 = N/A

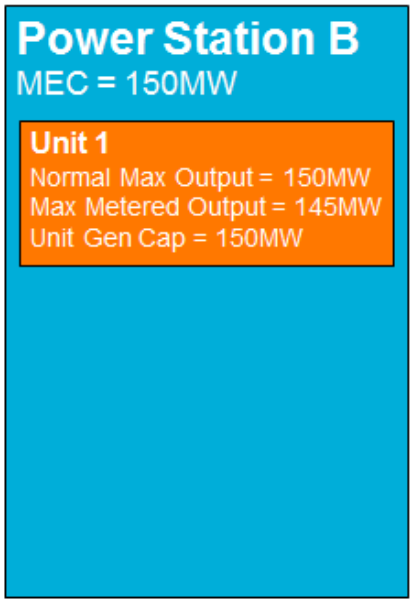
  Total Conn. Cap 987MW
- Conn. Capacity Option 3: TEC Pro-Rata
  - Unit 1 = 500MW
  - Unit 2 = 500MW
  - Unit 3 = N/A

  Total Conn. Cap 1000MW

Appendix A

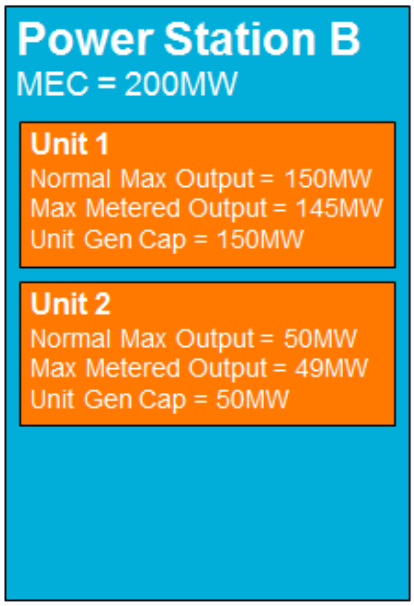
Distribution Connected Generating Units

Single Generating Unit @ Power Station



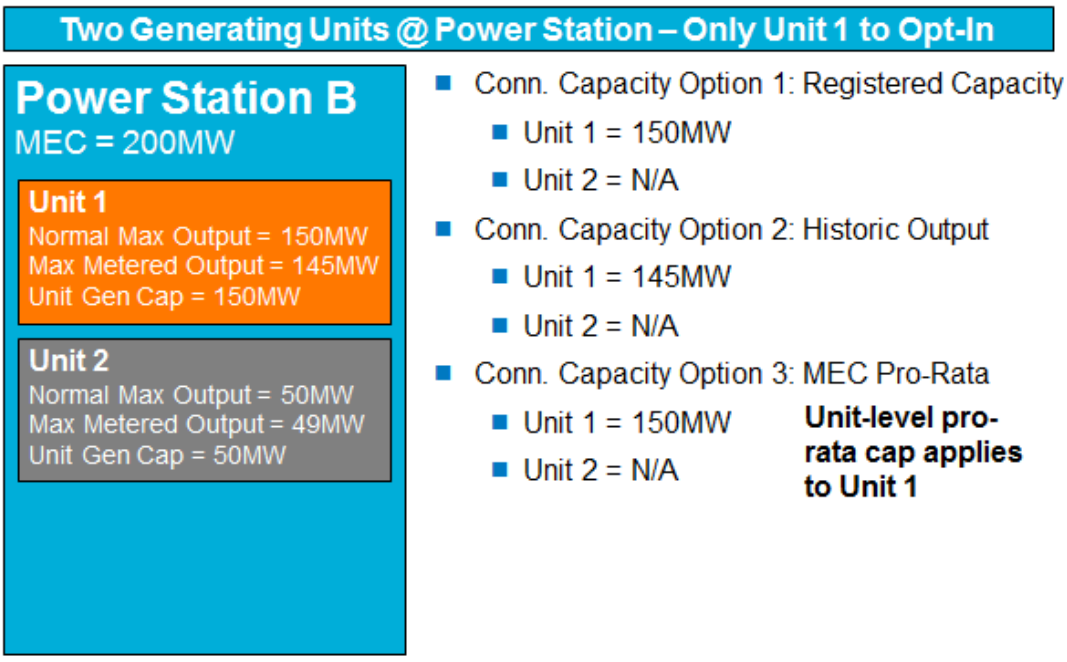
- Conn. Capacity Option 1: Registered Capacity
  - Unit 1 = 150MW
- Conn. Capacity Option 2: Historic Output
  - Unit 1 = 145MW
- Conn. Capacity Option 3: MEC Pro-Rata
  - Unit 1 = 150MW

Two Generating Units @ Power Station – both Opt-In



- Conn. Capacity Option 1: Registered Capacity
  - Unit 1 = 150MW
  - Unit 2 = 50MW
- Conn. Capacity Option 2: Historic Output
  - Unit 1 = 145MW
  - Unit 2 = 49MW
- Conn. Capacity Option 3: MEC Pro-Rata
  - Unit 1 = 150MW
  - Unit 2 = 50MW

Appendix A


Two Generating Units @ Power Station – Only Unit 1 to Opt-In
Power Station B
MEC = 200MW
Unit 1
Normal Max Output = 150MW
Max Metered Output = 145MW
Unit Gen Cap = 150MW
Unit 2
Normal Max Output = 50MW
Max Metered Output = 49MW
Unit Gen Cap = 50MW
Conn. Capacity Option 1: Registered Capacity
Unit 1 = 150MW
Unit 2 = N/A
Conn. Capacity Option 2: Historic Output
Unit 1 = 145MW
Unit 2 = N/A
Conn. Capacity Option 3: MEC Pro-Rata
Unit 1 = 150MW
Unit 2 = N/A
Unit-level pro-rata cap applies to Unit 1

Appendix B – Proven DSR Business Model

Template for Business Model for a Proven DSR CMU

Proven DSR CMU to which the Business Model Applies	(insert CMU ID)

Name & Location of CMU Component	Type of DSR effected by the DSR CMU Component	Summary of the relationship between the DSR Provider and the DSR CMU Component	Meter Point Administration Number(s) or details of other meter(s) used to measure provision of DSR (N/A if DSR Test Certificate included for CMU)	Metering Test Certificate or metering configuration (N/A if DSR Test Certificate included for CMU)	Method(s) of achieving load reduction	Equipment control or installed or to be controlled and installed	Details of how the DSR Capacity of the DSR CMU has been secured to the DSR Provider

By signing this DSR Business Model I declare that it is

1) to the best of my knowledge and belief based upon reasonable assumptions;
2) an accurate description of the manner in which any DSR Capacity has been secured; &
3) not misleading.

Please delete one of the following statements:

A	**For TA Auction for delivery 2017/18 only**

Appendix B

	By signing this DSR business model I declare that none of the DSR capacity is achieved by a Generating Unit (as defined, in accordance with Rule 11.3.2A)
B	This Business Model is not in respect of an Application for the TA Auction for Delivery Year 2017/18
Signed:	**Date:**
By signing this DSR Business Model I declare that it is 4) to the best of my knowledge and belief based upon reasonable assumptions 5) an accurate description of the manner in which any DSR Capacity has been secured 6) not misleading	
Signed:	**Date:**

Appendix C – Unproven DSR Business Plan

Template for Business Plan for an Unproven DSR CMU

Unproven DSR CMU to which the Business Plan Applies	(insert CMU ID)

Please provide details of the Unproven DSR CMU proposal including the steps already taken to acquire the DSR Capacity and/or Contractual DSR Control

Please complete the following table for each DSR CMU Component with which the DSR Provider has already established a relation ship

Name & Location of CMU Component	Type of DSR effected by the DSR CMU Component	Summary of the relationship between the DSR Provider and the DSR CMU Component	Meter Point Administration Number(s) or details of other meter(s) used to measure provision of DSR (N/A if DSR Test Certificate included for CMU)	Metering Test Certificate or metering configuration (N/A if DSR Test Certificate included for CMU)	Method(s) of achieving load reduction	Equipment control or installed or to be controlled and installed	Details of how the DSR Capacity of the DSR CMU has been secured to the DSR Provider

Appendix C

Please complete the following table as far as information is available for each DSR CMU Component with which the DSR Provider intends to establish a relationship

Name & Location of CMU Component	Type of DSR effected by the DSR CMU Component	Summary of the relationship between the DSR Provider and the DSR CMU Component	Meter Point Administration Number(s) or details of other meter(s) used to measure provision of DSR (N/A if DSR Test Certificate included for CMU)	Metering Test Certificate or metering configuration (N/A if DSR Test Certificate included for CMU)	Method(s) of achieving load reduction	Equipment control or installed or to be controlled and installed	Details of how the DSR Capacity of the DSR CMU has been secured to the DSR Provider

By signing this DSR Business Model I declare that it is

1) to the best of my knowledge and belief based upon reasonable assumptions;
2) an accurate description of the manner in which any DSR Capacity has been secured; &
3) not misleading.

Please delete one of the following statements:

A	**For TA Auction for delivery 2017/18 only** By signing this DSR business model I declare that none of the DSR capacity is achieved by a Generating Unit (as defined, in accordance with Rule 11.3.2A)
B	This Business Model is not in respect of an Application for the TA Auction for Delivery Year 2017/18

Signed: **Date:**

Appendix D – Metering Configurations Template

Capacity Market Prequalification - Metering Configuration Solution Statement required by Rule 3.4.3 (a) (v)
To be completed by all Existing Non-CMRS Generating CMUs, Refurbishing Non-CMRS Generating CMUs (for the Pre-refurbishing component) and all Proven DSR CMUs

CMU ID: *[Applicant selected ID]*	**Applicant:** *[Name of company in Application]*

Component ID	Metering Configuration Solution	Applicable Governing Documents	Does Metering Configuration comply with the requirements of the applicable Governing Document
e.g Comp1 *This is provided in the MyCMUs section of the Portal*	*Either:* *A – Balancing Services Metering Configuration Solution* *B – Bespoke Metering Configuration Solution* *C – Supplier Settlement Metering Configuration Solution*	*See Below – insert as appropriate*	*Yes or No*

Insert Rows as required

Applicable Governing Documents

Metering Configuration A;

- STOR Despatch Procedure version 1.3,
- Frequency Control by Demand Management – the relevant bilateral agreement between the Generator and System Operator,
- Firm Frequency Response – the relevant framework agreement or relevant bilateral agreement between the Generator and System Operator

Metering Configuration B

- The Bespoke Technical Requirements (set out in Schedule 7)

Metering Configuration C;

- The version of the BSC Metering Codes of Practice applicable at the date of installation of the Applicant's system