

Capacity Market

Understanding your 2016 Prequalification Assessment Results -
September 2016



Whilst you wait....

PLEASE ENSURE YOUR
PHONE IS ON MUTE SO AS
NOT TO DISTURB OTHERS
ON THE CALL WITH
EXTERNAL NOISE

Thank You



Welcome & Introductions



- Matthew Magill – Capacity Market Manager



- Laura Brock – EMR Delivery Manager



- Dave Williams – Capacity Market Customer Team Leader

Presenter	Area
<i>Matt Magill</i>	Introduction
<i>Matt Magill</i>	Disputes Window Timetable
<i>Dave Williams / Laura Brock</i>	Explanation of Pre-Qualification Assessment Results – Category 1-3
<i>Dave Williams</i>	Summary / Key Messages
<i>Matt Magill</i>	Next Steps, Poll and Close

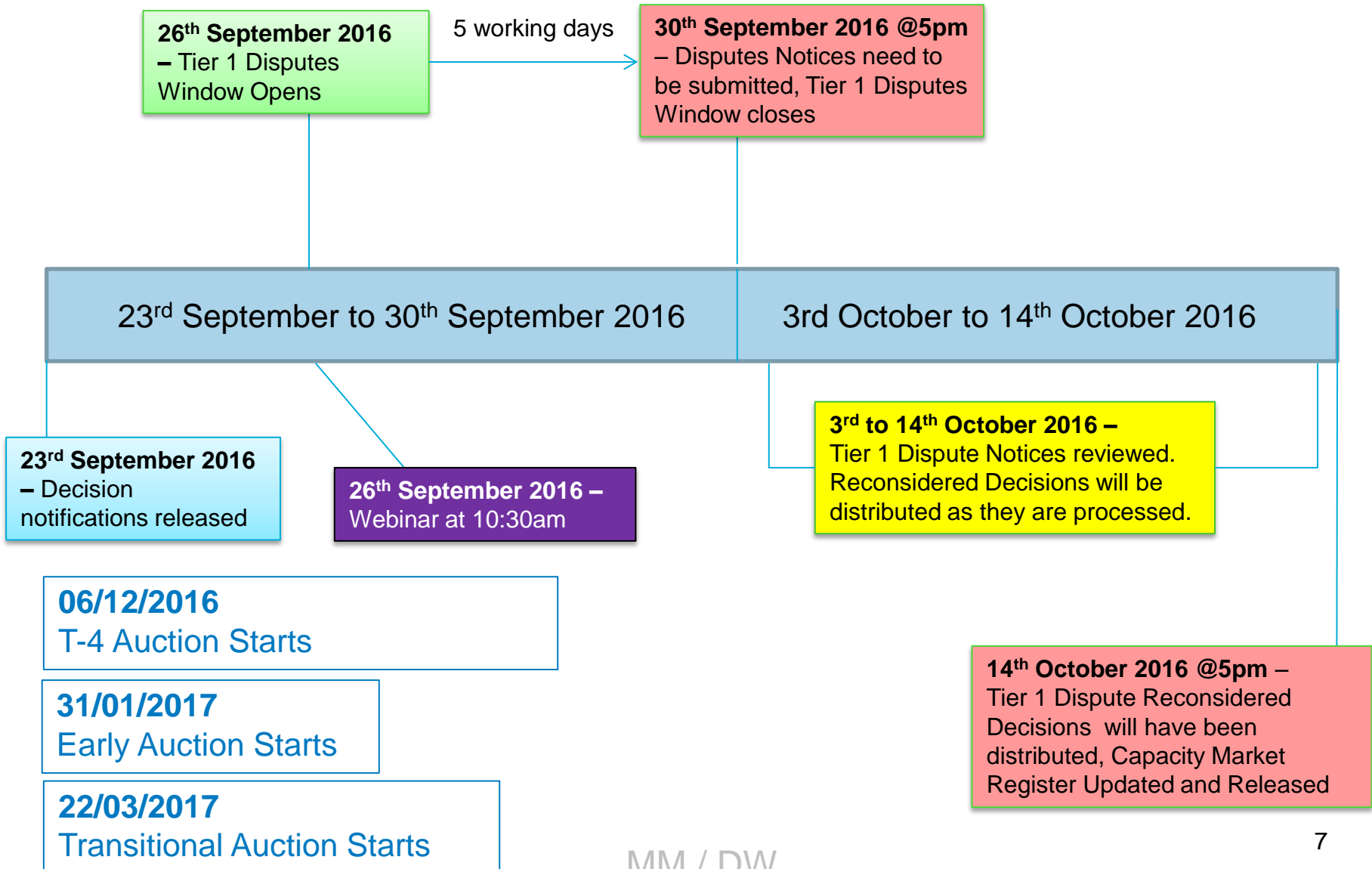
Before we start - Key Points

- Number of Questions
- Chat window for clarification
- After the event:
 - Read the guidance and the letter sent to you about your prequalification status
 - Members of the Capacity Market team will be available to speak to directly about particular issues. (More later)
 - [FAQ's](#) to follow
 - If you have a query contact us through these methods:
 - Email: emr@nationalgrid.com (queries only)
 - Tel: 01926 655300



Disputes Window Timetable for 2016/17

Disputes Window Timeline 2016





Category 1 Prequalification Disputes

Category 1 – Prequalification Disputes

- 1.1 - Invalid Certificate of Incorporation Submitted
- 1.2 - Documents not Appropriately Signed
- 1.3 - Only one signature on behalf of both directors
- 1.4 - Director cannot be verified
- 1.5 - Invalid application from Joint Owner or Despatch Controller without uploading appropriate exhibit
- 1.6 - Invalid Ordinance Survey Grid Reference
- 1.7 - Missing Information in CMU Information
- 1.8 - No supplier letter provided
- 1.9 - Supplier letter not met requirements
- 1.10 - Confirmation of Historic Metered Output – Letter provided is incomplete or incorrect
- 1.11 - DSR Test Certificate box not ticked
- 1.12 - DSR Business Plan
- 1.13 - DSR Business model
- 1.14 - Solvency Declaration not ticked
- 1.15 - The CMU did not meet the 2 MW threshold for the Early Auction or T-4 Auction

Category 1 - Issue

1.1 Invalid Certificate of Incorporation Submitted

- On your letter it will state:
 - *This application has been rejected as an invalid Certificate of Incorporation was submitted.*
- For this we will have checked:
 - The **Company Certificate of Incorporation**, that it states the correct items and has been signed and dated correctly.
- To correct this you need to:
 - Upload a valid **Company Certificate of Incorporation** to the Dispute Notice

Category 1 - Issue

1.2 Documents not Appropriately Signed

- On your letter it will state:
 - *The application has been rejected as the signatures on the Certificate of Conduct and the Prequalification Certificate have not been appropriately signed.*
- For this we will have checked:
 - The **Certificate of Conduct** and the **Prequalification Certificate**, and have found that the signature(s) did not meet the legal requirements of demonstration of a signature on the applicable document
- To correct this you need to:
 - Upload new, re-signed and dated (not copy and pasted) **Certificate of Conduct** and **Prequalification Certificate** to the Dispute Notice.

Category 1 - Issue

1.3 Only one signature on behalf of both directors

- On your letter it will state:
 - *The application has been rejected as only one director signature is present*
- For this we will have checked:
 - All director signed documents must be signed and dated by two directors who can be found on public records e.g. UK Companies House website
- To correct this you need to:
 - Upload the new, correctly signed and dated documents to the Dispute Notice

Category 1 - Issue

1.4 One or More Director(s) cannot be verified

- On your letter it will state:
 - *This application has been rejected as a director cannot be verified*
- For this we will have checked:
 - We use the company registration information and compare this against publicly available records (UK – Companies House website) to determine who is a verified director
- To correct this you need to:
 - Ensure that the director(s) who have signed the documents are listed as a director on a publicly available source. If this is not visible, please upload a letter stating the public resource where this director is identified.
 - Or alternatively, upload new, re-signed and dated documents with directors who are verified on the Companies House Website to the Dispute Notice

1.5 Invalid application from Joint Owner or Despatch Controller without uploading appropriate exhibit

- On your letter it will state:
 - *The Application has been rejected as it is from a Despatch Controller and the exhibit(s) required by rule 3.2 relating to Despatch Controllers have not all been provided.*
- For this we will have checked:
 - *it is from a Despatch Controller and have found that the exhibit(s) required by rule 3.2 relating to Despatch Controllers have not all been provided*
 - *it is from a Despatch Controller and have found that the exhibit(s) required by rule 3.2. relating to Despatch Controllers has been provided but not met requirements. The application has been rejected as the Legal Owner Company on the Application Declaration was not listed on Companies House*
- To correct this you need to:
 - Complete the appropriate Exhibits (D, DA, DB, DC, F, G, or H) as required by rule 3.2 and upload them to the Dispute Notice.

- On your letter it will state:
 - *The Application has been rejected as the information required by Rule 3.4.3(a)(i) regarding the Ordinance Survey Grid Reference is invalid.*
- For this we will have checked:
 - We will have checked that the OS Grid Reference conforms to the required expectation of XX YYY YYY where X are alpha-numeric and Y are numeric characters. As per the rule 3.4.3(a)(i) we will not accept any deviation from this pattern (either longer or shorter)
- To correct this you need to:
 - Please confirm the OS Grid reference for the each component in the Dispute Notice(s), there is no need to upload any documentation, following the required format as illustrated above.

- On your letter it will state:
 - The information required by Rule 3.4 is missing and the missing items are.....
- For this we will have checked:
 - That for each component every field contains accurate information, if in any of the fields contain incomplete or inaccurate information this application will have been rejected
- To correct this you need to:
 - For each component in the CMU ensure every field in the component screens is completed with accurate information
 - If there is information missing, provide this information through the Dispute Notice Process (see later slides)

- On your letter it will state:
 - *The Application has been rejected as it has not met the requirements of rule 3.6.1 (b) which requires that a letter from a supplier confirming historic output is provided as part of the Application. Such a letter has not been provided.*
- For this we will have checked:
 - Where we are unable to validate historic performance against our own or BMReports databases there is a requirement for the application to provide a supplier letter
- To correct this you need to:
 - Ensure that the references given align with BMReports where appropriate or upload to the system a supplier letter detailing the information required by rule 3.6.1(b)

- On your letter it will state:
 - *The Application has been rejected as it has not met the requirements of rule 3.6.1(b) which requires that a letter from a supplier confirming historic output is provided as part of the Application. A letter has been provided but did not meet the requirements of the rules.*
- For this we will have checked:
 - The historic outputs provided as part of the application match the data provided on the supplier letter.
- To correct this you need to:
 - Ensure that the historic output information provided as part of the application matches the date and settlement period on the supplier letter.
 - If you require to change the information relating to the historic output days then, provide this information through the Dispute Notice Process (see later slides)

1.10 Confirmation of Historic Metered Output – Letter provided is incomplete or incorrect

- On your letter it will state:
 - *The Application has been rejected as it has not met the requirements of rule 3.6.1 (b) which requires that a letter from a supplier confirming historic output is provided as part of the Application. Such a letter has not been provided.*
- For this we will have checked:
 - That the provided supplier letter met the requirements of rule 3.6.1(b)
 - If a letter was not uploaded or did not contain enough information it will have been rejected
- To correct this you need to:
 - Upload a full, complete and correct supplier letter which meets the requirement of 3.6.1(b) to the Dispute Notice

- On your letter it will state:
 - *The declaration that a DSR Test will be completed was not ticked, the Application was therefore rejected.*

- For this we will have checked:

- This box has not been

ticked

DSR Test Certificate

Confirmation that the DSR Test will be completed * 

DSR Test Certificate

This facility should be used to provide a copy of the DSR Test Certificate once this has been obtained. It is not required to be provided if submitting a Prequalification Application
Not yet uploaded

- To correct this you need to:

- Please confirm in the Dispute Notice that that the DSR Test will be completed and that this box should have been ticked.

Category 1 - Issue

1.12 DSR Business Plan

- On your letter it will state:
 - *A valid DSR Business plan was not uploaded, the Application was therefore rejected or*
 - *The declaration that a DSR Test will be completed was not ticked and a valid DSR Business plan was not uploaded; the Application has therefore been rejected*
- For this we will have checked:
 - That a business plan was uploaded and that it was relevant to the CMU and covered the requirements of rule 3.10.1
 - That the declaration relating to the business plan is ticked
- To correct this you need to:
 - Upload a business plan which is relevant to the CMU and covers the requirements of the rules stated above to the Dispute Notice. Also, confirm that the tick box should have been ticked.

Category 1 - Issue

1.13 DSR Business Model

- On your letter it will state:
 - *The declaration that the Business Model was accurate was not ticked; therefore the Application has been rejected or*
 - *The Business Model provided was not for the relevant CMU; therefore the Application has been rejected or*
 - *The business model required by rule 3.9.3 was not provided; therefore the Application has been rejected.*
- For this we will have checked:
 - A business model was uploaded, it was relevant to the CMU and covered the requirements of rule 3.9.3
- To correct this you need to:
 - Upload a business model to the Dispute Notice which is relevant to the CMU and covers the requirements of rule 3.9.3. Also confirm that the relevant tick box should have been ticked.

Category 1 - Issue

1.14 Solvency Declaration not ticked

- On your letter it will state:
 - *The application has been rejected under Rule 8.3.5 because the applicant has not declared that the company is solvent.*
- For this we will have checked:
 - As part of the application the tick-box stating –
 - Each Applicant must declare in the Application that it is not Insolvent at the time of making the Application
By ticking this box the Applicant is making this declaration
 - On the application in question, this box has not been ticked
- To correct this you need to:
 - Make the appropriate declaration in the Dispute Notice and confirm that this box should have been ticked.

As per the Capacity Market Regulations, the connection capacity of the CMU must be equal to or greater than 2MW. We cannot accept any applications below this threshold.

Category 1 - Summary

- Please follow the guidance outline in this webinar
- Use the Capacity Market Prequalification Disputes Guidance Document (26th September 2016)
- Refer to the [Capacity Market Rules](#)
- Be aware that any applications reviewed may become subject to providing Credit Cover if the outcome is to “Conditionally Pre-Qualify”
- [FAQ's](#)
- **We do not expect to receive any calls in relation to Category 1. All the information you will need to correct these issues are within this webinar and in the Guidance Document.**
- **Do Not click WITHDRAW unless you are 100% certain.**



Category 2 Prequalification Disputes

Category 2 - Prequalification Disputes

- 2.1 - Absence of 1 or more CMU Component Information
- 2.2 – Invalid Exhibits
- 2.3 – Extended Years Criteria has not been stated
- 2.4 - The Application has been rejected as the Transmission Generating Unit has been added as a Distribution Unit

- On your letter it will state:
 - *The application has been rejected as there is missing required by Rule 3.4.*
- For this we will have checked:
 - The CMU Component Information section on the portal.
 - Some of the fields will not have been completed correctly or have not been completed at all e.g. Auxiliary load, MPAN, Address, Grid Ref etc
- To correct this you need to:
 - Upload any necessary documentation or provide us with the missing information by including it in the 'Dispute Details' section of Dispute Notice.

Category 2 - Issue

2.2 – Invalid Exhibits

- On your letter it will state:
 - *The application has been rejected as.....*
 - *the signature on Exhibit F: Aggregator Declaration did not match the signature on Exhibit D: Applicant Declaration*
 - *the Second Legal Owner Signature provided on the Applicant Declaration was not listed on Companies House*
- For this we will have checked:
 - The following fields in the application:
 - Applicant Declaration – Exhibit D
 - Aggregator Declaration – Exhibit F
 - Legal Owner Declaration – Exhibit G
- To correct this you need to:
 - Complete the appropriate Exhibit as required (do not remove anything from the Exhibits) and upload them to the Dispute Notice with an explanation of what you have done.

Category 2 - Issue

2.3 – Missing Information – Construction Plan

- On your letter it will state:
 - *Application rejected due to incomplete or missing description of Extended Years Criteria as required by rule 8.3.6B*
 - *Application rejected because the description of the New Build CMU was missing as per rule 3.7.2(a).*
- For this we will have checked:
 - The Construction Plan Summary information section on the Portal, has been completed with all the information and satisfies the requirements set out in rule 3.7.2 and rule 8.6.3B.
- To correct this you need to:
 - Ensure that your statement for the Construction Plan Summary clearly covers the requirements set out in the rules mentioned above and upload it as a document to the Dispute Notice. Make it clear in the Dispute Notice what the attachment is.

- On your letter it will state:
 - *This Application has been rejected as the Transmission Generating Unit has been added as a Distribution Unit*
- For this we will have checked:
 - The Connection Arrangement Declaration field in the Portal and cross checked with the Connection Agreement which confirmed that the unit is actually a Transmission Generating Unit.
- To correct this you need to:
 - Confirm that you are a Transmission Generating Unit or a Distribution Unit in the Dispute Notice and confirm that you are happy for us to change that status within the system on your behalf.

Category 2 - Summary

- Please follow the guidance outline in this webinar
- Use the Capacity Market Prequalification Disputes Guidance Document (26th September 2016)
- Refer to the Capacity Market Rules
- Be aware that any applications reviewed may become subject to providing Credit Cover if the outcome is to “Conditionally Pre-Qualify”
- [FAQ's](#)
- **The Capacity Market Team will available to discuss any queries you may have on Category 2 Disputes either via telephone or via email, from the end of this webinar until 12:30pm on Friday 30th September 2016.**
- **We encourage you to raise any queries with us as soon as possible.**
- **Do Not click WITHDRAW unless you are 100% certain.**



Category 3 Prequalification Disputes

Category 3 - Prequalification Disputes

- 3.1 - Connection Agreement not provided
- 3.2 - Connection Agreement provided but has not met requirements
- 3.3 - Historic output values not provided
- 3.4 - No historic data provided in application or supplier letter
- 3.5 - Incomplete Construction Plan
- 3.6 - Using Last Year's Capex
- 3.7 - Multiple uses of the same CMU across a number of applications

Category 3 - Issue

3.1 - Connection Agreement has not been provided

- On your letter it will state:
 - *Connection Agreement required as per Rule 3.6.3 has not been provided.*
- For this we will have checked:
 - That a Connection Document has been attached to the application in the applicable field
- To correct this you need to:
 - Upload a valid connection document, as per rule 3.6.3 (ensuring that there is a valid signature, correct Capacity figures and an address) to the Dispute Notice.

- On your letter it will state:
 - *Connection Agreement provided but has not met the requirements so the Application has been rejected based on Rule 3.6.3.*
- For this we will have checked:
 - That the Connection Document that has been attached to the application in the applicable field meets all of the criteria as set out in rule 3.6.3
- To correct this you need to:
 - Check that the Connection Document is accurate in line with rule 3.6.3, in particular that it includes:
 - Appropriate signatures
 - Correct Capacity figures
 - The correct address

Category 3 - Issue

3.3 - Historic output values have not been provided

- On your letter it will state:
 - *The Application has been rejected as the Historic Performance Data was not provided as per rule 3.6.*
- For this we will have checked:
 - The Historic Data Performance Section on the Portal (Application Page) and found no data inputted.
- To correct this you need to:
 - Provide us with all of the information required as per rule 3.6 regarding Previous Settlement Period Performance via the Dispute Notice, including a Supplier Letter where appropriate. Attach this information as a separate document and make it clear in the Dispute Notice that you have attached this and provided the information required.

- On your letter it will state:
 - *The Application has been rejected as it has not met the requirements of rule 3.6.1 which requires Historic data to be provided in the application or in a letter from the supplier*
- For this we will have checked:
 - Where we are unable to validate historic performance against Balancing Mechanism (BM) Reports databases there is a requirement for the application to provide a supplier letter
 - If applicable, we will have also checked the supplier letter for a breakdown of historic performance.
- To correct this you need to:
 - Ensure that the references given align with BMReports where appropriate and/or upload to the system a supplier letter detailing the information required by rule 3.6.1(b)

- On your letter it will state:
 - *Application rejected because the Construction Plan contains insufficient detail about milestones as required under rule 3.7.2(b).*
- For this we will have checked:
 - That the Construction Plan section of the application has been completed, meeting all of the requirements as set out in Rule 3.7.2. In this instance, there was either no or insufficient detail regarding milestones.
- To correct this you need to:
 - Upload a document outlining all points covered in rule 3.7.2(b) relating to earliest and latest dates for achieving Construction Milestones.

- On your letter it will state:
 - *Application rejected as Capex was already used for a prior agreement as per rule 3.7.2(c).*
- For this we will have checked:
 - Details of the Total Project Spend in the application, against the Total Project Spend allocated to any previously awarded Connection Agreement Notices. If the figure was the same, or less then we would have failed the application.
- To correct this you need to:
 - Please refer to the [guidance from BEIS](#) for further instructions.
 - Complete the Dispute Notice accordingly to inform us of the necessary adjustments you would like to make or upload any relevant documentation.

- On your letter it will state:
 - *Application rejected as an applicant may only make one application for a CMU for a Capacity Auction as per Rule 3.3.2*
- For this we will have checked:
 - That the CMU Component ID has not been used in any other application and have found this not to be the case.
- To correct this you need to:
 - If there has been an error, upload a document to each Dispute Notice which confirms the CMU Component ID to be used per application
 - Alternatively, we will accept the latest application we received, using a particular CMU Component ID, all other applications will remain rejected and you will be unable to make fresh applications.

Category 3 - Summary

- Please follow the guidance outline in this webinar
- Use the Capacity Market Prequalification Disputes Guidance Document (26th September 2016)
- Refer to the Capacity Market Rules [HYPERLINK](#)
- Be aware that any applications reviewed may become subject to providing Credit Cover if the outcome is to “Conditionally Pre-Qualify”
- [FAQ's](#)
- We expect that there may be some further discussion to be had about Category 3 Disputes and therefore priority will be given to these queries.
- **The Capacity Market Team can be contacted either by telephone or via email from the end of this webinar until lunchtime on Friday 30th September 2016.**
- **We encourage you to contact us as soon as possible.**
- **Do Not click WITHDRAW unless you are 100% certain.**



Summary / Key Messages

- Disputes Window Open from 26th September 2016 until **5pm** 30th September 2016
 - Please follow the guidance outlined in this webinar
 - Use the Capacity Market Prequalification Disputes Guidance Document (26th September 2016)
 - [FAQ's](#)
- We will not accept any information submitted via email
- Refer to the Capacity Market Rules
- Be aware that any applications reviewed may be subject to providing Credit Cover if the outcome is changed to “Conditionally Pre-Qualify”
- The Capacity Market Team can be contacted either by telephone or via email from the end of this webinar until lunchtime on Friday 30th September 2016.
 - We encourage you to contact us as soon as possible.

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Next Steps

Next Steps

- 3rd to 14th October 2016 – CM Team will assess Dispute notices submitted
- 14th October 2016 at 5pm – Reconsidered Decisions will be released
- If an applicant wishes to further dispute the Reconsidered Decision then they may do so by appealing to the Authority and then subsequently the court.

Your feedback is important to us, please use the Poll to rate this webinar

