

Capacity Market Prequalification Disputes

Guidance document for Capacity Market participants



This guidance document must be read in conjunction with the Electricity Capacity Regulations 2014 (as amended) (the “Regulations”), the Capacity Market Rules 2014 (as amended) (the “Rules”), and the Capacity Market Auction Guidelines. Failure to do so may result in unsuccessful Prequalification. All references to Regulations and Rules in this document are as per the versions above.

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CM Prequalification Disputes – Guidance Document

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Introduction

Applications to participate in the

- 2016 T-4 Capacity Market Auction for the Delivery Year commencing on 1 October 2020
- 2016 Transitional Capacity Auction for the Delivery Year commencing on 1 October 2017; and
- Early Capacity Auction for the Delivery Year commencing on 1 October 2017

were submitted by Applicants in the recent Prequalification Window which closed at 5pm on Friday, 26 August 2016. Following assessment of Applications National Grid, acting in its role as Delivery Body, notified Applicants of its decisions (“Prequalification Decision”) on Friday 23 September 2016 (“Prequalification Results Day”).

The Delivery Body allocated each Application received one of the following prequalification decisions:

- **“Prequalified”** – meaning that the Capacity Market Unit (“CMU”) which was the subject of the Application is fully eligible to participate in the Capacity Auction
- **“Conditionally Prequalified”** – meaning that the CMU which was the subject of the Application will be fully eligible to participate in the Capacity Auction provided it meets certain pre-conditions before the Auction as set out in the Rules
- **“Rejected”** – meaning that the CMU which was the subject of the Application is not eligible to participate in the Capacity Auction.

An Applicant may dispute the Prequalification Decision made by the Delivery Body through a formal dispute process set out in the Regulations. The aim of this guidance document is to provide further information about this process. Please see **Appendix C** for a Disputes Window Timeline, outlining key milestones during the Disputes process.

Who may dispute a Prequalification Decision

Only Applicants that wish to dispute a Prequalification Decision made by The Delivery Body may participate in the dispute process. For the avoidance of doubt, any party that did not submit a valid Application by the close of the Prequalification Window (Friday 26 August 2016) may not use the dispute process.

If an Applicant believes that they did submit a valid Prequalification Application by the close of the Prequalification Window, but does not believe that The Delivery Body has provided them with a Prequalification Decision by 5pm on Friday 23 September 2016, then they may also raise a dispute.

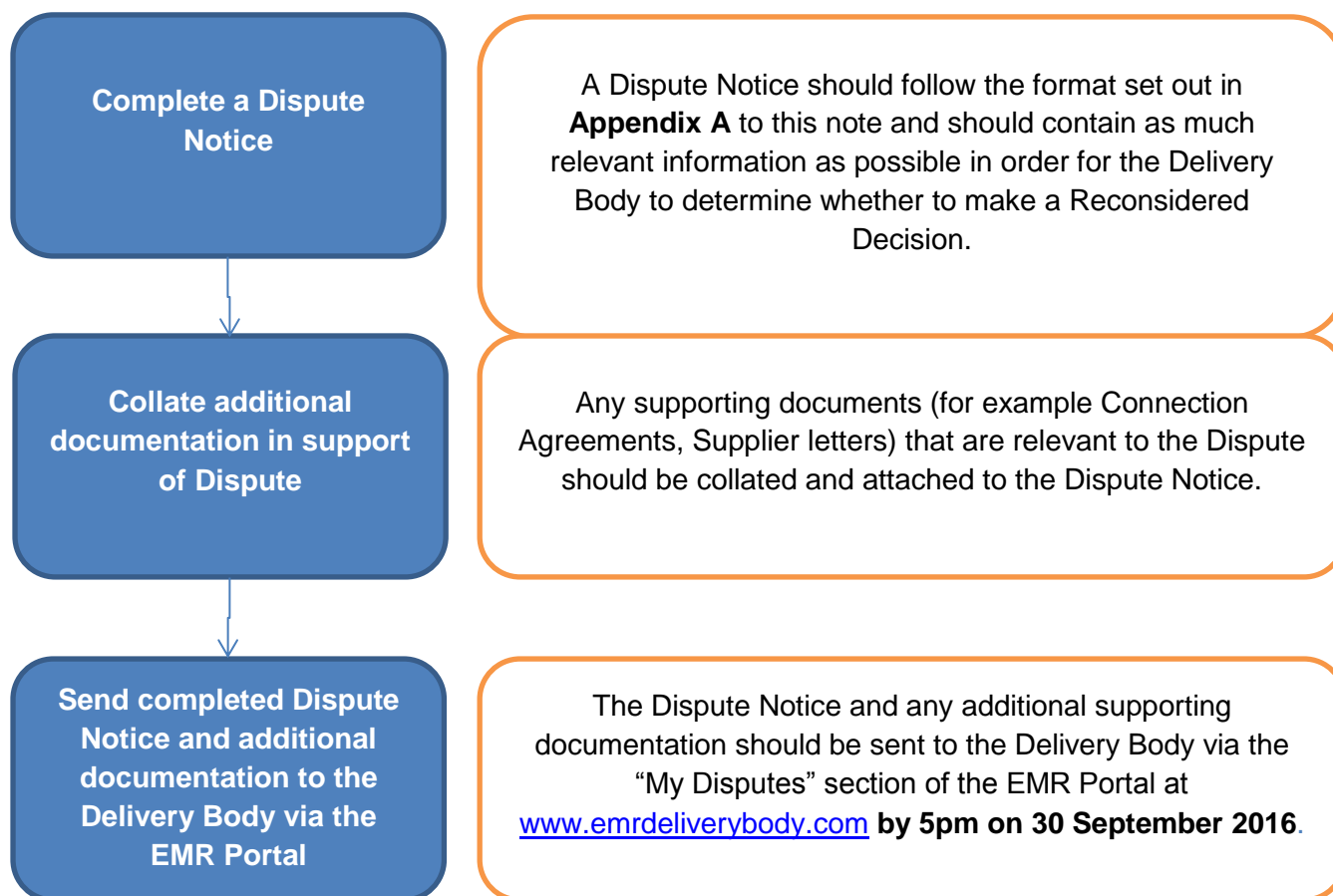
All requests for review of the Prequalification Decision must be raised within **5 Business Days** of receipt of the Prequalification Decision via a Dispute Notice on the EMR Portal, as set out in this document. For the avoidance of doubt, we will not be accepting any information submitted via email. All the information required for such a notice under Regulation 69(2)(b) and 70(3) must be submitted to The Delivery Body by **no later than 5pm, on Friday 30 September 2016**.

PLEASE NOTE: The Delivery Body strongly recommends submitting before this deadline if possible.

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What is required?

The following flow-chart aims to summarise the key steps in raising a dispute in relation to a Prequalification Decision with the Delivery Body



When preparing a Dispute Notice an Applicant should follow the three key steps highlighted above and described in further detail below:

1. Completion of a Dispute Notice

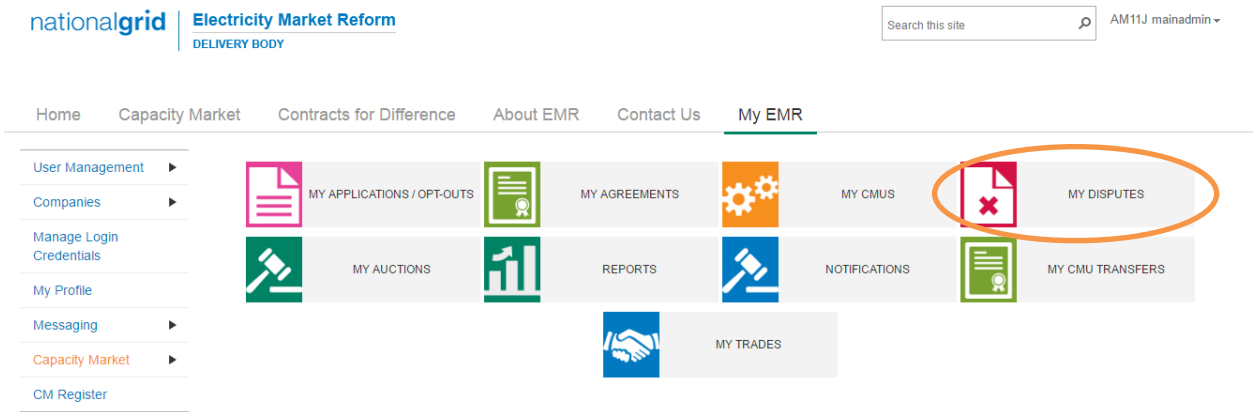
Under Regulation 69(2)(b) a Dispute Notice must contain the following information as required by Regulation 70(3) :

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

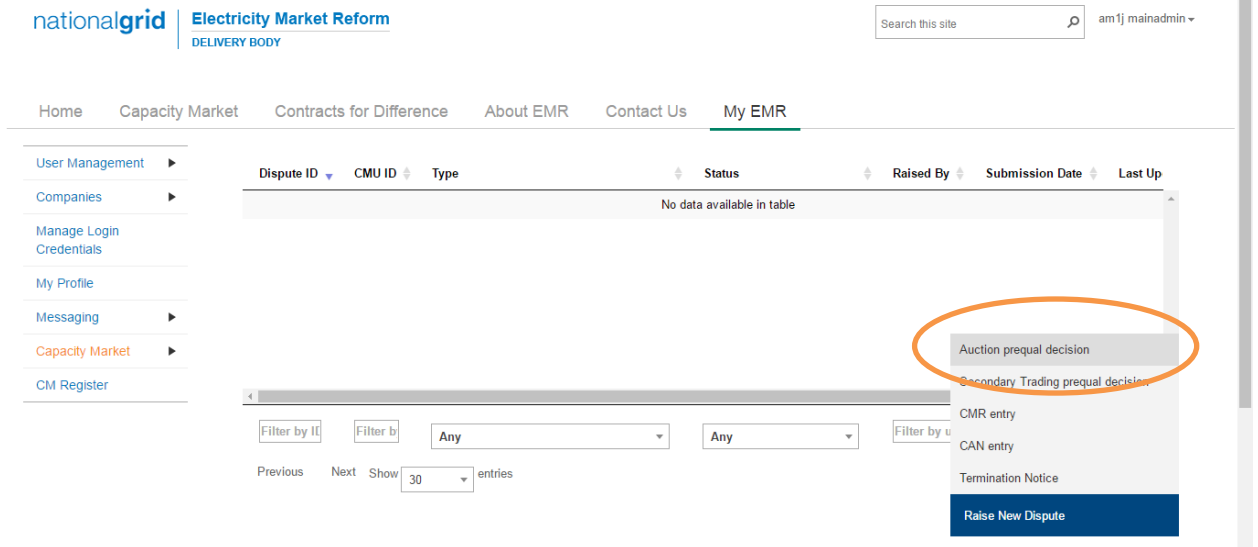
To complete a Dispute Notice, Applicants should follow the following procedure:

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1. Navigate to the EMR Portal at www.emrdeliverybody.com and sign in to your account
2. Navigate to the “My Disputes” section of the EMR Portal.



3. From the Disputes home page, hover over the blue “Raise New Dispute” button, and then select “Auction prequal decision”



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4. The next screen allows the details of the dispute to be completed by the Applicant. **Please remember to select from the drop down list (highlighted in the screenshot below) the Application ID to which the Dispute relates.**

The screenshot shows the 'Dispute ID' form on the National Grid Electricity Market Reform portal. The form includes fields for 'Dispute ID', 'Raised By' (am1j.mainadmin), 'Type of Dispute' (Auction prequalification decision), 'Submission Date', and 'Status' (Saved). A dropdown menu for 'Related Auction Application ID' is highlighted with an orange circle, showing 'Select Application Id'. Below the form is a section for 'Dispute Details' with a text area for a concise statement identifying the relevant parts of the item under dispute.

5. In accordance with the regulations; complete the first four sections of the dispute application page
- a concise statement identifying the relevant part of the Delivery Body reviewable decision in dispute;
 - a concise statement of the facts on which the affected person relies;
 - a summary of the grounds for disputing the Delivery Body reviewable decision; and
 - a succinct presentation of the arguments supporting each of the grounds for dispute
6. If there are supporting documents that you wish to provide alongside the Dispute Notice then these may be uploaded at the foot of the form as shown below. More than one document may be uploaded by clicking on the “Add File” link.

The screenshot shows the 'Supporting documentation' section of the dispute application page. It includes a text area for a succinct presentation of the arguments supporting each of the grounds for dispute. Below the text area is a section for 'Supporting documentation' with the text 'There are no documents uploaded.' and an 'Add file' link. The 'Add file' link and the 'Choose File' button are highlighted with an orange circle. At the bottom of the form are 'Cancel', 'Save', and 'Submit' buttons.

7. The Dispute Notice may be saved for submission at a later date by clicking on the button “Save”, or saved and simultaneously submitted to the Delivery Body by clicking on the “Submit” button. All disputes must be received by **17:00 on Friday 30 September 2016.**

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PLEASE NOTE: Dispute Notices that are saved but not submitted by this point will not be considered to have been submitted. In such cases the original Prequalification Decision will stand.

- Once a Dispute Notice has been submitted to the Delivery Body it may be withdrawn before the end of the submission window by clicking on the “Withdraw” button as shown below. In this case, the Dispute Notice will not be assessed by the Delivery Body and the original Prequalification Decision will stand.

PLEASE NOTE: Once a Dispute Notice is withdrawn then no further Notices can be raised. Please take care not to click the “Withdraw” button unless absolutely certain.

The screenshot shows the 'My EMR' section of the National Grid Electricity Market Reform portal. A table lists a Dispute Notice with ID DN-00010, CMU ID AEXG21, and Type Auction prequal decision. The status is 'Submitted to DB' and it was raised by 'am1j.mainadmin' on 01/09/2016 13:35. A 'WITHDRAW' button is circled in orange in the top right corner of the table row. Below the table are filter options and a 'Raise New Dispute' button.

Dispute ID	CMU ID	Type	Status	Raised By	Submission Date	
DN-00010	AEXG21	Auction prequal decision	Submitted to DB	am1j.mainadmin	01/09/2016 13:35	WITHDRAW

2. Additional Documentation in support of the dispute

Dispute Notices may be accompanied by supporting documentation in order to give further context to the Dispute.

For the avoidance of doubt, an Applicant may also include documentation that was mistakenly omitted from their original Application – for example a Connection Agreement for a Generating CMU.

What happens next?

Once a Dispute Notice has been submitted the Applicant will receive an automatic notification confirming that the Dispute Notice has been submitted. This notification will contain the following information:

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Notification title

CMU ID AEXG21: Dispute to the Delivery Body raised

Notification body

Dear am1j mainadmin

A Dispute to the Delivery Body DN-00010 regarding CMU AEXG21 has been raised. The Delivery Body will respond to the Dispute in accordance with the Capacity Market Regulations. If you wish to withdraw the Dispute you may do so through the EMR system.

Thank You,

National Grid - EMR Delivery Body

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Unless the Delivery Body requires any clarification relating to the Dispute Notice or supporting documentation, the Applicant will not hear from the Delivery Body in advance of issuing our Reconsidered Decision. The Delivery Body will not answer any questions, or provide any information about the progress of any Dispute Notice while it is under consideration.

The Delivery Body will, when it has reached its Reconsidered Decision, send a notice of the Reconsidered Decision to the Applicant Main Administrator. The format of the notice is included in **Appendix B**. Subject to appealing to the Authority or a Court pursuant to Regulations 70 or 72, the Delivery Body's Reconsidered Decision is final. An email notification (see below) will be issued to all registered users of the EMR Portal for the Applicant Company when the Reconsidered Decision has been issued.

Notification title

CMU ID AEXG21: Result of the Dispute to the Delivery Body

Notification body

Dear am1j mainadmin

The Dispute to the Delivery Body you raised DN-00010 regarding CMU AEXG21 has now been considered by the Delivery Body. The result of the Dispute may be found by logging into the EMR system and navigating to the Disputes section.

Thank You,

National Grid - EMR Delivery Body

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The Reconsidered Decision will be stored on the EMR Portal and is viewed by accessing the "My Disputes" area. When the relevant Dispute is viewed the Reconsidered Decision letter notice will be at the foot of the page (highlighted below).

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Manage Login
Credentials

My Profile

Document Folder

Messaging ▶

Capacity Market ▶

CM Register

Dispute Result Accepted

Dispute Rationale

The dispute has been accepted on the grounds that the additional documentation supplied as part of the dispute rectifies the omissions in the original prequalification

Supporting documentation
There are no documents uploaded.

Dispute Letter
DN-00010_DisputeLetter.pdf
(Modified on: 01/09/2016 13:49)

Reconsidered Decisions are sent out as they are processed. If an Applicant has submitted multiple Dispute Notices relating to more than one application, all Reconsidered Decisions may not be received at the same time. However, all Reconsidered Decisions will be received by **5pm on Friday 14 October 2016**.

What happens if I am unhappy with the Delivery Body's Reconsidered Decision?

If an Applicant wishes to further dispute the Reconsidered Decision then they may do so by appealing to the Authority (in accordance with Regulation 70 of the Regulations), and then subsequently to the court (in accordance with Regulation 72 of the Regulations).

Ofgem has issued guidance regarding any disputes to the Authority and this may be found at the following web address:

<https://www.ofgem.gov.uk/publications-and-updates/applying-electricity-market-reform-emr-tier-2-dispute>

Further Information or Guidance

emr@nationalgrid.com

Webinar (Monday 26 September 2016)

Following the Prequalification results day on Friday 23 September 2016, we will be hosting an **Understanding your 2016 Prequalification Assessment Results** webinar at 10:30 – 12:30. This should be your first port of call for any of your queries relating to your Assessment Result or raising a Dispute Notice.

This webinar is primarily aimed at participants who receive a Conditional Pre-qualification or Rejected result. The objective of the webinar is to provide an overview of the reasons for this result and the required action(s) to achieve a 'Prequalified' result within the Disputes (Tier 1) assessment window which closes at **5pm on Friday 14 October 2016**.

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If you have any questions about the above please contact us on the above email address or call us on 01926 655300. Please note that the Capacity Market team are going to be very busy during this time, so please ensure that your query is raised as early as possible during the Disputes Window.

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Appendix A – Dispute Notice

nationalgrid | **Electricity Market Reform**
DELIVERY BODY

Search this site am1j mainadmin

Home Capacity Market Contracts for Difference About EMR Contact Us **My EMR**

User Management ▶
Companies ▶
Manage Login Credentials
My Profile
Messaging ▶
Capacity Market ▶
CM Register

Dispute ID Raised By
Type of Dispute Submission Date
Status
Related Auction Application ID

▼ Dispute Details

Please provide a concise statement identifying the relevant parts of the item under dispute

Please provide a concise statement of the facts upon which the affected person relies

Please provide a summary of the grounds for disputing the item selected above

Please provide a succinct presentation of the arguments supporting each of the grounds for dispute

Supporting documentation
There are no documents uploaded.
[Add file](#)
 No file chosen

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Appendix B – Notice of a Reconsidered Decision by the Delivery Body



National Grid House
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA

am1j mainadmin
AM1J (the Applicant)
Gallows way
Warwick
CV34 6DA

Capacity Market Team
emr@nationalgrid.com
Direct tel +44 (0)1926 655300

tim.gregory@nationalgrid.com

Date: 01/09/2016

www.nationalgrid.com

Dear am1j,

Application Ref: A-TR-2017-AEXG21-00002
Notification of Reconsidered Decision for the 2017 Transitional (TR) Capacity Market Auction

Dispute Decision	Accepted
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Thank you for submitting your dispute notice(s) for review of the Prequalification Decision for the 2017 TR Capacity Market Auction. We have re-assessed your application(s) in accordance with The Electricity Capacity Regulations 2014, The Capacity Market Rules 2014, the Capacity Market (Amendment) Rules 2014 and the 2014 Capacity Market Auction Guidelines.

The table below shows the Reconsidered Decision for the CMU(s) listed in your dispute notice(s). The specific components of the Reconsidered Decision(s) are provided as Annex A to this letter.

CMU ID	Reconsidered Decision
AEXG21	Prequalified

Capitalised terms in this letter have the same meaning as set out in the Capacity Market Rules 2016.

Any changes to the Capacity Market Register, as a consequence of the Reconsidered Decision will be carried out in accordance with Regulation 73 of The Electricity Capacity Regulations. The Capacity Market Register can be found at www.emrdeliverybody.com.

In accordance with Regulation 70 of The Electricity Capacity Regulations 2016, an Applicant may appeal to the Authority if

- (a) the Applicant disputes the Reconsidered Decision; or
- (b) the request for reconsideration has been rejected by the Delivery Body on the grounds that it did not comply with Regulation 69(2)

If you wish to discuss your Reconsidered Decision further, please do not hesitate to get in touch with the Capacity Market team using the contact details above.

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Annex A

Notice of Reconsidered Decision 2017 Transitional (TR) Capacity Market Auction	
Reconsidered Decision	Prequalified
Identity of CMU	AEXG21
Type of CMU	Existing Generating CMU
De-rated Capacity (if applicable)	490 MW
Pre Refurbishment De-rated Capacity (if applicable)	0 MW
Post Refurbishment De-rated Capacity (if applicable)	0 MW
Whether the unit is currently prequalified as a Price-Maker or Price-Taker	Price Taker
If successful at Auction is the CMU subject to a Metering Test	Yes
The Maximum Obligation Period of the Capacity Agreement it may bid for	1
Conditional Prequalification Reason (if applicable)	Not Applicable
Credit Cover Required	No
Credit Cover Amount	0
Additional Information	The dispute has been accepted on the grounds that the additional documentation supplied as part of the dispute rectifies the omissions in the original prequalification application.

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Appendix C – Disputes Window Timeline 2016

