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**Version Control**

The table below will record the page numbers of any new changes to the document for each version. The new changes will be highlighted in yellow throughout the guidance document.

<table>
<thead>
<tr>
<th>#</th>
<th>Changes</th>
<th>Pages</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Original document</td>
<td>-</td>
<td>23/05/2019</td>
</tr>
</tbody>
</table>
Contents

1 Prospective CMU milestone deadlines
2 What are Construction progress reports?
3 Construction progress reports - checklist
4 When are Construction progress reports due?
5 How are Construction reports submitted?
6 Appendix – process summary
1. Prospective CMU milestone deadlines

Prospective CMUs are required to meet several key milestones before becoming fully operational.

Certain key milestone documents such as Relevant Planning Consents, Distribution Connection Arrangements (T-4 Distribution CMUs only, not T-1 or TEC), Financial Commitment Milestone and Metering Assessment can be deferred from Prequalification. **Deferring milestone(s)** requires Applicants to submit credit cover* until certain obligations are met.

**Capacity Market deadlines** including dates for deferred milestones are available to view [here](#).

Below are key milestone requirements for Prospective CMUs from Prequalification until Long Stop Date:

<table>
<thead>
<tr>
<th>Planning</th>
<th>Connection</th>
<th>Reports</th>
<th>FCM</th>
<th>Metering</th>
<th>SCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to defer? – Yes</td>
<td>Option to defer? – Yes, Deadline – For T-4 Distribution CMUs only - 18 months prior to Delivery Year start date</td>
<td>Option to defer? – No Deadline – 3/9 months from Capacity Auction (first year only) 6 monthly until SCM achieved</td>
<td>Option to defer? – Yes Deadline – T-1, 3 months, and T-4, 18 months, from Auction Results Day</td>
<td>Option to defer? – Yes Deadline – T-1 and T-4 with single year agreement by Delivery Year T-4 with multiple year agreement by Long Stop Date</td>
<td>Option to defer? – No Deadline – T-1 – by start of Delivery Year T-4 – by Long Stop Date</td>
</tr>
</tbody>
</table>

**Please note** - National Grid ESO, in its role as Delivery Body, is continuing to administer the capacity market and as part of this shall support capacity providers with meeting their current obligations. However, capacity payments shall not be made to capacity agreement holders by the Settlement Body (the Electricity Settlements Company) until State aid approval has been granted. Continuing to meet obligations under existing capacity agreements will enable capacity providers to be in a position to be eligible for any deferred payments due in relation to the standstill period should State aid approval be granted.
2. What are Construction progress reports?

Monitoring of construction progress is required to ensure that all Prospective CMUs are on track to deliver capacity (CM Rule 12).

General Principles

Construction progress reports are required at 3, 6 and 9 months (and thereafter at 6 months until the Substantial Completion Milestone has been met).

All new six-monthly reports are due on 1 June and 1 December.

The Delivery Body is required to provide copies of each report to BEIS and Ofgem within 5 Working Days of receipt.
3. Construction progress reports - checklist

Checklist - What is required?

All Reports (3, 6 and 9 months) must include:

- A schedule identifying the earliest and latest dates on which each of the Construction Milestones are expected to be achieved (see CM Rule 3.7.2(b) for specific milestones);
- An explanation of any material changes to dates (if milestone is 2 months early or late) since the last report;
- Details of any material changes to the works described in the Construction Plan;
- A certificate from two Directors stating that the report gives a fair view of the matters described within.

In addition to the above, if there have been any material changes to the dates/works, 6 monthly reports must also contain:

- A remedial plan (only if delays to the Construction Plan impact the start of the Delivery Year – see CM Rule 12.2.4).
4. When are Construction progress reports due? (1/3)

6 monthly Reports (Rule 12.2.1)

All Prospective CMUs that have not yet achieved SCM are required to provide a regular 6 monthly progress report specifying a schedule of milestones, overarching technical summary of progress and directors certificate, from the date of the Capacity Auction. Reports must be provided by 1 June and 1 December of each year until the SCM is met.

3 and 9 month Reports (Rule 12.2.1B)

In the first year after the Auction, all Prospective CMUs are required to provide an additional 3 and 9 month schedule or milestones and directors certificate from the date of the Capacity Auction.

If the period between the three-month report and the 1 June, or the nine month report and the 1 December, is less than 40 Working Days the Capacity Provider will be required to submit only the report due on 1 June, or 1 December, as applicable.
## 4. When are Construction progress reports due? (2/3)

### Summary of Construction progress report deadlines (next 12 months)

<table>
<thead>
<tr>
<th>Delivery Year</th>
<th>Date of Capacity Auction</th>
<th>6 month due date</th>
<th>9 month due date</th>
<th>6 month due date</th>
<th>6 month due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-4 2019</td>
<td>8 Dec 2015</td>
<td>1 Jun 2019</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>T-4 2020</td>
<td>6 Dec 2016</td>
<td>1 Jun 2019</td>
<td>N/A</td>
<td>1 Dec 2019</td>
<td>1 Jun 2020</td>
</tr>
<tr>
<td>T-4 2021</td>
<td>6 Feb 2018</td>
<td>1 Jun 2019</td>
<td>N/A</td>
<td>1 Dec 2019</td>
<td>1 Jun 2020</td>
</tr>
</tbody>
</table>
4. When are Construction progress reports due? (3/3)

Please find below the correct Construction progress report upload slots* to use for submitting in the EMR DB Portal (next 12 months):

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Report #</td>
<td>Deadline</td>
</tr>
<tr>
<td>Long stop date</td>
<td>30 Sep 2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Report #</td>
<td>Deadline</td>
</tr>
</tbody>
</table>

*Upload slots for Construction Reports are closed once the milestone deadline has passed – please ensure that reports are submitted on time.
5. How are Construction reports submitted?

Submitting Construction progress reports for Delivery Body review
All CM documents should be submitted via the EMR Delivery Body Portal for review:

Log into EMR Delivery Body Portal
Locate CMU in ‘My Agreements’
Select ‘Milestones’
Go to Six-Monthly Reporting*
Upload doc(s) under ‘Submit Construction Report for 6-monthly report’

Applicants must submit documents in the ‘Milestones’ section of the Portal to notify the Delivery Body that checks can commence. Submissions via email shall not be accepted by the Delivery Body.

Once received, the Delivery Body shall make an assessment within 5 Working Days and provide a response in the EMR DB Portal and via email notification.

Delivery Body reporting obligations
The Delivery Body provides details of construction progress of CMU components to the Secretary of State and the Authority on a regular basis, within at least 5 Working Days from submission.

Once a CMU has achieved SCM, Construction reports no longer need to be provided.
6. Appendix – process summary

Summary steps below are applicable for all 3/6/9 Monthly Construction progress reports (repeat for each reporting period):

Step 1
Construction Schedule
Provide a construction plan schedule outlining the earliest and latest dates for key milestones (details in CM Rule 3.7.2(b))

Step 2
Construction report
Provide a Construction progress report including details as to whether any material changes to works or timescales.

Step 3
Directors Certificate
Get two Directors to sign a declaration stating that all dates in the report meet their expectations.

Step 4
Upload to EMR DB Portal
Upload required documents to the EMR DB Portal:
My Agreements > Milestones > Construction Reports > Upload > SUBMIT

Step 5
DB Assessment
Wait for the DB to confirm outcome of assessment – 5 Working Days