

Capacity Market

Weekly Guidance Update – 08 August 2016



- 8th August 2016
 - Planning Consents
 - Credit Cover
 - Holding Company and Secondary Trading Details
 - Fuel Type
 - Cloning of Components
 - Deferral of TEC

Planning Consents

- At the [Webinar on 3rd August](#) 2016 Matt Magill stated a requirement for some linkage between planning consents and the applicant
- To clarify;
 - It should be possible to determine from the provided information that the planning consent is linked to the applicant
 - This should either be through
 - details on the planning consents
 - If this is not clear, it is also possible to provide supporting information through the portal
- Any Questions, please contact us

- There has been an amendment to the regulations in relation to credit cover.
 - 17.2. “(a) in the case of an application to prequalify for a T-4 auction or a T-1 auction—
 - (i) if CMU i is an unproven demand side response CMU, an amount equal to £5,000 per MW of the de-rated capacity of CMU i; and
 - (ii) if CMU i is not an unproven demand side response CMU, an amount equal to £10,000 per MW of the de-rated capacity of CMU i;”.
- For CMUs which already have credit cover in place from previous years at £5,000/MW there will be a requirement to top-up the credit cover to £10,000/MW
- In an update to last year’s Rules, credit cover is per CMU not per application
- For the TA auction the credit cover remains at £500/MW

- Amendments made to this years rules included a requirement to provide the delivery body with;
- 19.1 For Rule 3.4.1(c) substitute:
 - “(c) contact details, including registered address of the Applicant and:
 - (i) name of the authorised contact person at the Applicant or Agent who is responsible for liaising with the Delivery Body in relation to the Application and any resulting Capacity Agreement; and
 - (ii) an email address and telephone number that can be used by a person wishing to discuss secondary trading in relation to the CMU which is the subject of the Application;
 - (ca) where the Applicant is a member of a Group, the name of the direct Holding Company for the Applicant;”.
- There is a footnote associated with these changes (22)
 - The amendments to Chapter 3 made by paragraph 19 of this Schedule do not apply in respect of a Capacity Auction, or a Capacity Agreement awarded as a result of a Capacity Auction, held before 1st September 2017: see Rule 2.3.
- We would welcome submissions in relation to these items during this years prequalification if possible

Fuel Type

- Amendments made to this years rules included a requirement to provide the delivery body with;
 - 19.2 After Rule 3.4.5 insert:
 - “3.4.5A Primary Fuel Type In the case of a Generating CMU, each Application must state the Primary Fuel Type which it is intended at the time the Application is made will be used for the CMU at the beginning of the Delivery Year.”.
- As such we have the following 3 new CMU Types
 1. OCGT and Reciprocating Engines: Diesel
 2. OCGT and Reciprocating Engines: Gas
 3. OCGT and Reciprocating Engines
- For units where the fuel type is known please use 1 or 2, if the fuel type is unknown, please use 3
- There is a footnote associated with these changes (22)
 - The amendments to Chapter 3 made by paragraph 19 of this Schedule do not apply in respect of a Capacity Auction, or a Capacity Agreement awarded as a result of a Capacity Auction, held before 1st September 2017: see Rule 2.3.
- We would welcome submissions in relation to these items during this years prequalification if possible

Cloning of Components

- Due to the design of the capacity Market systems, there is a requirement to clone a CMU when changing the CMU Type.
- Doing this creates a new CMUID for the unit
- There is a requirement to change component type for
 - Unproven DSR to Proven DSR
 - New Build to Existing
- We are aware of issues this may have in relation to documentation and reference to CMUIDs (credit cover etc) and are working with other delivery partners to provide a pragmatic approach to these issues.

- In our [2016 guidance document](#) Para 34 Page 10, we incorrectly stated that:
 - 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 they will secure the required TEC no later than 18 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 2018. If TEC is deferred credit cover of £10000/MW has to be lodged with the Settlement Body.
- This should have read
 - 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.
 - 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 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.

Deferral of TEC (cont)

- The Admin System CMU input page incorrectly references Rule 3.6.3(b) for Transmission Entry Capacity Deferral
- The correct reference is to Rule 3.10A.2, with the associated declaration being that the Applicant *will provide the required copy of the Grid Connection Agreement by the date falling 6 months prior to the commencement of the relevant Delivery Year, with such an agreement being in force by that date.*
- Please still tick this box for Rule 3.10A.2 deferrals
- If you have deferred and need to provide an existing Grid Connection Agreement for submission of CEC, please upload this as a single document within the *Other Metering* section