

Capacity Market - agreement management milestones v1.0

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1. Agreement management overview

Summary

Agreement management is the administration of milestone obligations that a Capacity Provider must complete once they have been awarded a Capacity Agreement Notice (CAN) following a Capacity Auction.

Milestone activities vary depending on the type of CMU and the duration of the Capacity Agreement awarded, certain obligations such as the completion of a Metering Assessment and Satisfactory Performance Days are common to all types of CMU. Certain milestone obligations can be deferred from Prequalification and in most cases must be completed either before the commencement of a Delivery Year or within the year itself (i.e. Satisfactory Performance Days).

This document outlines the current requirements and obligations for Capacity Providers over the coming months up until the start of the next Delivery Year (1 October 2019). For a more detailed overview of all Capacity Market deadlines for all Auctions, click [here](#).

Capacity Market standstill

The Delivery Body shall continue to support Capacity Providers with meeting their current obligations during the standstill period. However, capacity payments shall not be issued until State Aid approval for the CM has been granted.

Below is a general timeline for the overall Capacity Market process:





2. Agreement management milestones

Capacity Provider milestone deadlines until the start of the next Delivery Year (1 October 2019)*:

Agreement management activity	CMU Type	Auction/Delivery Year	Deadline
Capital Expenditure (Total Project Spend)	New Build / Refurb	T-4 2018	1 January 2019
FCM credit cover increase**	New Build / Refurb	T-4 2021	13 March 2019*
Metering Test	Existing / Proven DSR	T-4 2020	29 March 2019*
Connection Agreement (Distribution only)	New Build / Refurb	T-4 2020	29 March 2019*
Satisfactory Performance Days (SPDs)	All CMUs in delivery	T-1 2018 / T-4 2018	30 April 2019
Metering Assessment	Unproven DSR	T-4 2019	31 May 2019*
Six monthly progress report	New Build / Refurb	T-4 2019 / T-4 2020 / T-4 2021	1 June 2019
Financial Commitment Milestone (FCM)	New Build / Refurb	T-4 2021	20 June 2019*
DSR Test	Unproven DSR	T-4 2019	30 August 2019
Substantial Completion Milestone (SCM)	New Build / Refurb	T-4 2019	30 September 2019

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*Note – these milestone deadlines are subject to change based on the outcome of the CM technical amendments consultation.

**Note – there is a requirement for the DB to update the CM Register with new credit cover values in accordance with the CM Rules - not currently a requirement for Capacity Providers to post credit cover during the standstill period.



3. Agreement management activities (1/4)

Capacity Provider milestone requirements including summary and DB processing service levels (SLA):

Process	Summary	CP requirements	DB SLA	Next deadline
Relevant Planning Consents	Confirmation that a CMU has the legal right to use the land on which it is situated and has Relevant Planning Consents	<ul style="list-style-type: none">- Declaration from directors- Documentary evidence of planning	<i>15 Working Days before any Capacity Auction</i>	<i>22 Working Days before any Capacity Auction</i>
Evidence of Total Project Spend	Report to determine whether a CMU meets Qualifying £/kW Capital Expenditure to allow for a multi-year Capacity Agreement duration	<ul style="list-style-type: none">- ITE certificate stating that the Total Project Spend incurred exceeds relevant £/kW thresholds (outlined in the relevant Auction Guidelines)	5 Working Days from submission	1 January 2019
FCM credit cover increase*	A requirement for a Capacity Provider to post an additional £5000/MW where a CMU has not yet met FCM. Values updated on the relevant CM Register	<ul style="list-style-type: none">- Following notification from the DB that additional credit cover is required (updated on CM Register) Capacity Provider to make arrangements with the EMR Settlement Body	N/A	13 March 2019 <i>(subject to change based on consultation)</i>

3. Agreement management activities (2/4)



Process	Summary	CP requirements	DB SLA	Next deadline
Metering Test	Following Metering Assessment, some CMUs may be required to complete a Metering Test with the EMR Settlement Body. Proof that the test has been completed needs to be provided to the DB	<ul style="list-style-type: none">- Metering Test Certificate uploaded to the EMR DB Portal to confirm that a metering test has been successfully completed	5 Working Days from submission	29 March 2019 <i>(subject to change based on consultation)</i>
Distribution Connection Arrangements	Capacity Provider to confirm that a Connection Agreement has been entered into with a Distribution Network for relevant Delivery Years for their CMU	<ul style="list-style-type: none">- Provide the DB with a copy of a Distribution Connection Agreement or connection offer (with evidence of acceptance)	5 Working Days from submission	29 March 2019 <i>(subject to change based on consultation)</i>
Satisfactory Performance Days (SPDs)	Capacity Committed CMU to demonstrate capacity equal to or greater than its Capacity Obligation (or aggregate Capacity Obligations) on three separate days during the Winter of the relevant Delivery Year	<ul style="list-style-type: none">- Select and submit three separate settlement dates for assessment in the EMR DB Portal (one must occur during the period from 1 January to 30 April – <i>agreements awarded after December 2017 only</i>)	10 Working Days from submission*	30 April 2019

3. Agreement management activities (3/4)



Process	Summary	CP requirements	DB SLA	Next deadline
Extended performance	Capacity Committed CMUs with a Storage Generating Technology Class and a Capacity Agreement awarded after 21 December 2017 need to demonstrate extended performance during at least one Satisfactory Performance Day in the Winter	<ul style="list-style-type: none"> - Select and submit a settlement date in the period from 1 October to 30 April in the EMR DB Portal 	10 Working Days from submission	30 April 2019
Metering Assessment	Mandatory requirement for all CMUs to undertake a Metering Assessment to confirm on site metering arrangements (including provision of a Single Line Diagram)	<ul style="list-style-type: none"> - Metering Assessment to be completed in the EMR DB Portal - Single Line Diagram to be uploaded to the EMR DB Portal for review 	5 Working Days from submission	31 May 2019 <i>(subject to change based on consultation)</i>
Six monthly progress report	Update of Construction Milestones from Capacity Providers for Prospective CMU's. If any material changes to works should include an ITE Report (including remedial plan as applicable)	<ul style="list-style-type: none"> - Schedule of earliest and latest construction milestone dates - Directors certificate - <i>ITE Report if any material changes to dates</i> 	5 Working Days from submission	1 June 2019

3. Agreement management activities (4/4)



Process	Summary	CP requirements	DB SLA	Next deadline
Financial Commitment Milestone (FCM)	Report to confirm that 10% of Capital Expenditure has been incurred and that a Final Investment Decision has taken place for a New Build CMU. Any Relevant Expenditure to be declared too	<ul style="list-style-type: none"> - ITE Report confirming 10% of Capital Expenditure incurred - Directors certificate confirming final investment decision taken place - Relevant Expenditure form completed 	5 Working Days from submission	20 June 2019
DSR Test	Undertake a DSR test to confirm that the CMU is able to meet capacity obligation	<ul style="list-style-type: none"> - Update MPAN details in the Portal - Select and submit a settlement date and settlement period in the Portal 	15 Working Days from submission	30 August 2019
Extended Years Criteria	New Build CMUs awarded agreement of more than three delivery years to confirm additional requirements have been met.	<ul style="list-style-type: none"> - ITE Certificate to confirm that the Extended Years Criteria have been met, uploaded to the Portal. 	5 Working Days from submission	30 September 2019
Substantial Completion Milestone (SCM)	Confirmation that a New Build CMU has been commissioned and is Operational	<ul style="list-style-type: none"> - ITE Report confirming that CMU is commissioned and operational to at least 90% of its Capacity Obligation - Metering Assessment completed 	5 Working Days from submission	30 September 2019

4. Capacity Provider requests (1/2)



Process	Summary	CP requirements	DB service level
CMU Transfer	Request to transfer CMUs from one company to another	Transferee and transferor must meet requirements outlined in Chapter 9 of the CM Rules	5 Working Days
Secondary trading	Allows participants to trade all or part of the Capacity Obligation for a CMU in a Delivery Year	Eligibility requirements in chapter 9	5 Working Days
Security interests	Details of any person who has Security Interest over the rights of a Capacity Committed CMU under a Capacity Agreement to be submitted to the DB and displayed on the relevant CM Register(s)	Capacity Provider to submit a copy of Security Interest to the EMR DB Portal for review. Must be signed by all relevant parties and cite the CMU that the interest is held for	5 Working Days
Company registration	Registration of new company details with the DB to allow for participation in the CM or CFD processes	Company registration form to be completed in the EMR DB Portal and relevant certificates uploaded	2 Working Days
Component updates	Request to update details of CMU components such as MPAN/BMU ID	Requests to be submitted through the EMR DB Portal	5 Working Days

4. Capacity Provider requests (2/2)



Process	Summary	CP requirements	DB service level
Volume reallocation	Capacity Providers may request to register to be a Volume Reallocation participant through the EMR DB Portal allowing the allocation of Traded Capacity Market Volume from one CMU to another	<ul style="list-style-type: none">- Must meet eligibility criteria outlined in Chapter 10 of the CM Rules- Capacity Providers must first register through the EMR DB Portal	N/A
Change of address (location change)	Request from Capacity Provider to change the location of a CMU. Only available to New Build or DSR providers	New location must have achieved all of the milestones of the existing site such as FCM, planning etc. Request to be submitted through the EMR DB Portal	10 Working Days from submission
Credit cover*	Where a Capacity Provider has deferred the submission of a DSR Test, FCM report or Connection Agreement following Prequalification, the DB is required to update the CM Register to display any credit cover requirements	Capacity Providers do not currently have to post credit cover during the standstill period but should be aware of their obligations should the CM be reinstated	N/A



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