

DETERMINATION PURSUANT TO REGULATION 71(3)(b) OF THE ELECTRICITY CAPACITY REGULATIONS 2014 (AS AMENDED) FOLLOWING AN APPEAL MADE TO THE AUTHORITY PURSUANT TO REGULATION 70(1)(a)

Introduction

1. This Determination relates to the Appeal made by Warrington Renewables (York) Ltd (“Warrington Renewables (York)”, “the Applicant”) against a reconsidered decision made by the Electricity Market Reform Delivery Body (“Delivery Body”) in respect of the following Capacity Market Unit (“CMU”):
 - a) BOSC01 (T-1 Auction)
2. Pursuant to Regulation 71(3) of the Electricity Capacity Regulations 2014 (as amended) (the “Regulations”), where the Authority¹ receives an Appeal Notice that complies with Regulation 70, the Authority must review a reconsidered decision made by the Delivery Body and determine whether the reconsidered decision was correct on the basis of the information before the Delivery Body when it made its decision.

Appeal Background

3. Warrington Renewables (York) submitted an Application for Prequalification for the CMU in Paragraph 1 in respect of the 2025 T-1 Auction.
4. For the CMU listed in Paragraph 1, the Delivery Body issued a Notification of Prequalification Decision dated 12 November 2024 (the “Prequalification Decision”). The Delivery Body Rejected the CMU on the following grounds:

This Application has not met the requirements of the Capacity Market Rules due to the following reason(s):

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

F2-11 Invalid Prequalification (Exhibit A): An Invalid Exhibit A has been provided

Capacity Market Rule 3.12.3 requires all Applications to be accompanied by a Prequalification Certificate (Exhibit A). The Prequalification Certificate submitted as part of this Application does not conform with the text as set out in the Capacity Market Rules, or is using an outdated version of the Exhibit.

F2-17 Invalid Prequalification (Exhibit A): An incorrect Company address has been provided

Capacity Market Rule 3.12.3 requires all Applications to be accompanied by a Prequalification Certificate (Exhibit A). The Company Address as included on the Prequalification Certificate (Exhibit A) does not sufficiently match the registered Company details. As such, this does not sufficiently address the matters as set out in the Prequalification Certificate under Capacity Market Rule 3.12.3.

F2-36 Invalid Certificate of Conduct (Exhibit C): An incorrect Company address has been provided

Capacity Market Rule 3.12.4 requires that a Certificate of Conduct (Exhibit C) is provided with each Application. The Company Address on the Certification of Conduct does not sufficiently match the registered Company details. As such, this does not sufficiently address the matters as set out in the Prequalification Certificate as required under Capacity Market Rule 3.12.4.

F3-1 An Agent Nomination Form (Exhibit E) has not been submitted

Capacity Market 3.4.1(f) states that if an Application is submitted by and Agent, Agent Nomination Form (Exhibit E) must be provided, however no Agent Nomination Form has been submitted with this Application

F4-40 Aggregated Connection Capacity exceeds the maximum capacity

Capacity Market Rule 3.5.1A requires all Generating Units comprised in a Generating CMU to provide an aggregate Connection Capacity not exceeding the sum of the Maximum Export Capacity (MEC)/ Transmission Entry Capacity (TEC) value relevant to each of the Generating Units in that Generating CMU. The aggregate Connection Capacity provided as part of this Application exceed the sum of the MEC/TEC value as applicable, therefore the requirements of this rule have not been met.

5. Warrington Renewables (York) submitted a request for reconsideration of the Prequalification Decision on 13 November 2024.
6. The Delivery Body issued a Notice of Reconsidered Decision on 10 December 2024 which rejected the dispute on the following grounds:

F4-40 Aggregated Connection Capacity exceeds the maximum capacity

CM Rule 3.5.1A requires all Generating Units comprised in a Generating CMU to provide an aggregate Connection Capacity not exceeding the sum of the Maximum Export Capacity (MEC)/Transmission Entry Capacity (TEC) value relevant to each of the Generating Units comprised in that Generating CMU. The aggregate Connection Capacity provided as part of this Application exceeds the sum of the MEC/TEC value as applicable, and therefore the requirements of this rule have not been met.

In the further information section, the Delivery Body stated:

This CMU consists of two components with stated Connection Capacities of 27.000MW each, producing an aggregated Connection Capacity of 54.000MW. The Maximum Export Capacity stated on the Connection Agreement is 27MW.

The requested Connection Capacity is reached by aggregating the connection capacity of the components within the CMU. As the dispute did not provide amended values for these units, the total Connection Capacity could not be amended to comply with CM Rule 3.5.1(a), and so cannot be Prequalified.

7. Warrington Renewables (York) then submitted an Appeal Notice to the Authority on 14 December 2024 under Regulation 70 of the Regulations.

Warrington Renewables (York)’s Grounds for Appeal to the Authority

8. Warrington Renewables (York) disputes the decision on the following grounds:

Ground 1

The CMU’s connection capacity is 27MW in accordance with the Connection Agreement with the District Network Operator (DNO) that is included on the Electricity Market Reform (EMR) portal. The two CMU components BOSCES & BOSCPV (each totalling 27MW) can only operate at the Transmission Entry Capacity of 27MW, which is in accordance with the information submitted with the application.

Ground 2

The CMU has been prequalified for a number of T-1 auctions and successfully bid into those auctions and no changes have been made to the CMU since the last Connection Agreement. The Applicant further states that they were not advised of the policy changes in regards to treatment of this CMU and its CMU components since their last successful application to the 2023 T-1 Auction.

The Legislative Framework

9. The Regulations were made by the Secretary of State under the provisions of section 27 of the Energy Act 2013. The Capacity Market Rules 2014 (as amended) (“Rules”) were made by the Secretary of State pursuant to powers set out in section 34 of the Energy Act 2013.

The Regulations

10. The Regulations set out the powers and duties of the Delivery Body which it must rely upon when it determines eligibility. Regulation 22(a) specifies that each Application for Prequalification must be determined in accordance with the Capacity Market Rules.

11. Regulations 68 to 72 set out the process and powers in relation to dispute resolution and appeals.

Capacity Market Rules

12. Rule 3.5.1A sets out the requirement for the connection capacity and states that:

The aggregate Connection Capacity of all Generating Units comprised in a Generating CMU must not exceed the sum of the Transmission Entry Capacity (TEC) and Maximum Export Capacity (MEC) (as applicable) which apply to each of the Generating Units comprised in that Generating CMU.

13. Rule 1.2.1 defines:

Generating Unit

Means any equipment in which electrical conductors are used or supported or of which they form part which produces electricity, and includes such equipment which produces electricity from storage

14. Rule 4.2.4 sets out that each application is treated individually (and the Delivery Body is not bound by its failure to reject material or information in historic applications so that it constitutes as satisfying the requirements of the Rules) and states that:

Any evidence which does not meet the requirements of the Regulations, the Rules or the Auction Guidelines or such other requirements as specified by the Delivery Body under Rule 3.3.7(b)(iii) may be rejected by the Delivery Body. However, failure by the Delivery Body to reject evidence does not constitute, and must not be taken as constituting, a representation that such evidence satisfies the aforementioned requirements.

15. Rule 3.3.7(b)(iii) states that an Application will not be considered or accepted unless it is submitted in accordance with such other requirements as may be specified by the

Delivery Body from time to time.

Our Findings

16. We have assessed Warrington Renewables (York)'s Grounds for Appeal, which are summarised below.

Ground 1

The Connection Agreement supplied by Warrington Renewables (York) at both the Application for Prequalification and in their request for reconsideration of Prequalification Decision state that the MEC for the CMU is 27MW. The Connection Agreement states that there are two components that comprise the single CMU - a PV Inverter and a Battery Energy Storage System ("BESS"), both of which meet the definition of 'Generating Unit' in the Rules. Both these components, the PV Inverter and the BESS, each have Connection Capacities of 27MW, resulting in an aggregate Connection Capacity of 54MW for the CMU. Rule 3.5.1A states the aggregate Connection Capacity of all Generating Units within a CMU must not exceed the Maximum Export Capacity ("MEC") or Transmission Entry Capacity ("TEC") value.

17. As the aggregate Connection Capacity of all the Generating Units in the CMU is 54MW, this exceeds the MEC of 27MW. Therefore, we conclude that the Delivery Body was correct in stating that the Applicant did not comply with Rule 3.5.1A.

Ground 2

18. In the Applicant's previously approved T-1 application for the CMU (dated 1 November 2022), in the section 'Further Information relevant to the Application', there is a note that the *"Connection Capacity for the CMU was amended in assessment as the Connection Capacity entered is higher than the CEC. CEC Values used to apply de-rating factor, therefore, it is 27.0000MW before de-rating"*.
19. In previous years prior to 2023, the Delivery Body determined the base connection

capacity on the Connection Entry Capacity (CEC) for transmission CMUs. In the Applicant's previous Applications for Prequalification for the CMU, the Delivery Body has reduced the capacity for being higher than the CEC value.

20. The Department for Energy Security & Net Zero ("DESNZ") undertook the Capacity Market 2023 consultation between 9 January and 3 March 2023.² Following this consultation, DESNZ issued a response document in June 2023³ that stated proposals for reform, including the way in which Connection Capacity is determined to ensure it better reflects export capability and how the Rules would be changed for the 2024 Capacity Market Auction.
21. As a result, Rule 3.5.1A, as stated in paragraph 12, was introduced⁴⁵.
22. The changes in the Rules were communicated by the Delivery Body at the 2023 Launch Event (for the 2024 Prequalification) and documented in recordings and materials from two events.⁶ The changes in the Rules were also communicated by DESNZ and labelled specifically as a rule change in the Delivery Body's guidance set out for that year.
23. It is understood that the Applicant did not submit an Application for Prequalification in 2023. However, the updated Rules were also captured in this year's (2025 Prequalification T-1) guidance prepared by the Delivery Body, within the "Method of Calculation and Capacity" module on the EMR website.⁷ Furthermore, the Delivery Body highlighted that this was a common stumbling block in the 2024 Launch Event within the 'Common Failure Reasons at Prequalification' breakout session.
24. Therefore, we consider that Rules were updated and publicly available for the Applicant prior to their Application for Prequalification. Whilst the Applicant has previously met the requirements of the Rules and Prequalified in previous auctions prior to 2023, the Rule changes concerning the Delivery Body's change of approach has resulted in the Applicant

² [Capacity Market 2023 consultation](#)

³ [Capacity Market 2023 Consultation: Government response](#)

⁴ [Informal Consolidated Version of the Capacity Market Rules July 2023](#)

⁵ [The Capacity Market \(Amendment\) Rules 2023](#)

⁶ [EMR Customer Event](#)

⁷ [Method of Calculation and Capacity](#)

not complying with Rule 3.5.1A. As such the Delivery Body was correct to reject the CMU in paragraph 1 from Prequalification.

Conclusion

25. The Delivery Body reached the correct reconsidered decision to not Prequalify the CMU for the T-1 Auction on the basis that:

- a) At Prequalification stage, the Applicant provided a Connection Agreement that states a MEC of 27MW. Both Generating Units within the CMU, the PV Inverter and the BESS, each have Connection Capacities of 27MW, resulting in an aggregate Connection Capacity of 54MW for the CMU which exceeds the MEC. This results in the Applicant not complying with Rule 3.5.1A.
- b) At reconsideration of Prequalification stage, the Applicant maintained that their CMU components have a capacity of 27MW for the PV inverter and 27MW for the BESS but that these should not be added together to make a Connection Capacity of 54MW.
- c) The information provided by the Applicant in their request for reconsideration of the Prequalification Decision does not demonstrate that they meet the criteria set out in Rule 3.5.1A.

Determination

26. For the reasons set out in this Determination, the Authority hereby determines pursuant to Regulation 71(3) that the Delivery Body's Reconsidered Decision to reject Warrington Renewables (York) for Prequalification be upheld in respect of the CMU listed in Paragraph 1 for the T-1 Auction.

Maryam Khan

For and on behalf of the Gas and Electricity Markets Authority

Date 10 February 2025