

Consultation

Capacity Market Rule change proposal CP388: Conditional Prequalification for assets that have applied for a revised connection date

Response deadline:	27/06/25
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Response deadline:	18/07/25
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We are issuing an urgent consultation on CP388 - Conditional Prequalification for assets that have applied for a revised connection date. We would like views from people with an interest in the Capacity Market. We particularly welcome responses from Capacity Market participants. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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1. Introduction

Section summary

In this section, we set out the background for the Capacity Market Rules change process, a summary of the change proposal we are consulting on, a brief explanation of why this change proposal has “urgent” status, and the next steps following the publication of this Statutory Consultation.

Background

- 1.1 The Capacity Market is governed by primary legislation (the Energy Act 2013)¹ and secondary legislation through a combination of the Electricity Capacity Regulations² (the Regulations) and the Capacity Market Rules³ (the Rules). The Rules provide the detail for implementing much of the Capacity Market operating framework, set out in the Regulations. Ofgem, in our role as the Gas and Electricity Markets Authority, shares responsibility for the Rules with the Secretary of State and we are granted the power to amend, add to, revoke or substitute Rules under Regulation 77.

What are we consulting on

- 1.2 We are consulting on an urgent Capacity Market rule change proposal, which aims to amend the Rules so that assets with an existing Grid Connection Agreement with a connection date beyond 1 October 2029 that have submitted evidence to the National Energy System Operator (NESO) to request a revised connection date beginning on or before 1 October 2029 in case of receipt of a Gate 2 offer (in accordance with the NESO Evidence Submission Handbook),⁴ can Conditionally Prequalify specifically for the T-4 Auction for the 2029/30 Delivery Year. We would like to hear stakeholder feedback regarding the proposed change, including whether stakeholders agree with the proposed change, any comments they have on the proposed amendments to the legal text, and any unintended consequences they foresee resulting from the implementation of the proposed change.

¹ [Energy Act 2013](#)

² [The Electricity Capacity Regulations 2014](#)

³ [Informal Consolidation of Capacity Market Rules](#)

⁴ [Connections Reform: Evidence Submission Handbook](#)

Urgency request

- 1.3 The proposer has requested that this change proposal be treated as “urgent” in accordance with the guidelines set out in our guidance document.⁵ This urgent status means that the proposal has an accelerated timeline. In order for us to consider a proposal as urgent, it must still be in accordance with our principal objective and general duties and have regard to the Capacity Market Rule change objectives. It should be linked to an imminent or current issue, and one which if not urgently addressed may:
- affect the efficient operation of the capacity market, and/or
 - have a significant commercial impact on capacity market participants, possible capacity market participants, consumers or other stakeholders.
- 1.4 The proposer states that this change was made necessary by Ofgem’s recent decision to approve the TMO4+ package of Connections Reform⁶, subsequently followed by the recent publication of the NESO Connections Reform timeline, and that the changes in response to this need to be made by the end of August, in order to give enough time for CMUs that requested a revised connection date beginning on or before 1 October 2029 to apply during the 2025 Prequalification Window (closing 16 September 2025). They argue that including these transmission connected New Build CMUs would:
- Increase liquidity of the Capacity Market auction, which may reduce costs to consumers and strengthen security of supply by accelerating new capacity in the market.
 - Support realisation of the benefits of the Connections Reform programme.
 - Change the Prequalification decisions for CMUs that are currently ineligible to enter the 2025 Capacity Market Prequalification.
- 1.5 We agree with the proposer that the proposal should proceed under an urgent timeline on the basis that it is linked to an imminent issue (the recent approval of the TMO4+ Connections Reform package) and because, should the rule change be approved, implementation of the change would need to be by the end of August to allow enough time for CMUs that request a revised connection date beginning on or before 1 October 2029 to apply during the Prequalification

⁵ [The Change Process for the Capacity Market Rules](#)

⁶ [TMO4+ Connections Reform Proposals](#)

Window (closing 16 September 2025). We also agree with the proposer's case that the proposal aligns with our principal objective and that not providing this option for possible Capacity Market participants would have significant negative commercial impact.

Next steps

- 1.6 Once this consultation is closed, we will consider all responses. We want to be transparent in our consultation. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).

2. CP388 - Conditional Prequalification for assets that have applied for a revised connection date

Section summary

This section outlines the urgent change proposal we are consulting on, which aims to amend the Rules so that assets with an existing Grid Connection Agreement with a connection date beyond 1 October 2029 that have submitted evidence to NESO to request a revised connection date beginning on or before 1 October 2029 in case of receipt of a Gate 2 offer have the option to Conditionally Prequalify, but only for the 2029/30 T-4 Auction. We present background on the Rule change, Ofgem's current position, and our consultation questions.

Background

State of the Rules

- 2.1 Currently, in order to be an eligible Applicant for Prequalification of a Capacity Auction, Rule 3.7.3(a) states that a New Build CMU that is – or will be – connected to the Transmission Network must confirm the following: one or more Grid Connection Agreements have been entered into which secure – for the relevant Delivery Years for the Generating Units comprised in that CMU – Transmission Entry Capacity which is at least equal, in aggregate, to the Anticipated De-rated Capacity of all the CMUs to which such a Grid Connection Agreement applies; and provide a copy of each Grid Connection Agreement. This confirmation must be made at Prequalification.

Issue

- 2.2 In November 2023, Ofgem and DESNZ published our joint Connections Action Plan (CAP).⁷ This set out a framework of actions and further ambitions needed to tackle the growing delays customers are experiencing when seeking network connections. In April 2025, Ofgem approved the TMO4+ package of reforms. These reforms enable a new connections process that reforms the existing queue to prioritise those projects in a firm Gate 2 connections queue that are 1) 'ready' and 2) 'needed' (i.e. meeting Strategic Alignment Criteria) under the CP2030 Action Plan and deprioritises those to an indicative Gate 1 queue that do not meet those criteria. The new process will also potentially enable the

⁷ [TMO4+ Connections Reform Proposals](#)

acceleration of large demand projects in the queue into capacity gaps created by other projects being deprioritised.

- 2.3 This means that, where a project has submitted evidence to NESO to request an advancement of their existing connection date in case of receipt of a Gate 2 offer, the date at which it is expected to connect to the Transmission Network may be updated to reflect its readiness and alignment with the Government's strategic objectives. New Build assets will be informed of their indicative position in the reformed connection queue by September 2025 at the earliest, at which point the Prequalification Window, as set out in the Capacity Market Operational Plan,⁸ will have already closed.
- 2.4 Under Rule 8.3.1(a) and 8.3.1(b), New Build CMUs that are or will be connected to a Distribution Network can defer provision of their connection agreement until 18 months before their first Delivery Year. However, there is no such provision for Transmission Network connected CMUs.
- 2.5 Therefore, any New Build CMU on the Transmission Network with an existing Grid Connection Agreement with a connection date after 1 October 2029 would not be an eligible Applicant for Prequalification for the 2029/30 T-4 Auction, even if they have applied for and subsequently receive a Gate 2 offer with a revised connection date beginning on or before 1 October 2029.
- 2.6 A change to the Rules is therefore required, for this Prequalification Window only, to enable assets that do receive a revised connection date beginning on or before 1 October 2029 to enter the T-4 Auction for the first Delivery Year of their Connection Agreement.

Proposed solution

- 2.7 The solution proposed is to allow Transmission Network connected New Build CMUs that do not currently have a Grid Connection Agreement that would allow them to be connected by 2029/2030, but have requested from NESO a revised connection date beginning on or before 1 October 2029, to submit an Application to the 2025 Prequalification Window which declares the aforementioned situation, and be granted Conditional Prequalification Status, allowing them to participate in the T-4 Auction dependent on them providing a revised Connection Agreement before the Auction. This rule will only apply to

⁸ [Capacity Market Operational Plan](#)

the T-4 Auction for the 2029/30 Delivery Year, due to the specific timings of this year's connection queue reform process and the Capacity Market prequalification window.

2.8 As part of this declaration, the relevant CMUs will need to provide:

- a valid Grid Connection Agreement with a connection date which is after 1 October 2029
- proof they have submitted evidence to NESO's connections reform evidence portal that they are eligible for and have applied for a revised connection date which is on or before 1 October 2029 in case of receipt of a Gate 2 offer.

2.9 The Delivery Body will provide guidance as to what constitutes a valid receipt of a request for advancement of their connection date from the NESO connections reform evidence portal.

2.10 Subject to the Delivery Body's assessment of the rest of their prequalification Application, Transmission Network connected New Build CMUs will be Conditionally Prequalified for the T-4 Auction for the 2029/30 Delivery Year. To become fully prequalified, CMUs will be required to provide their signed Connection Agreement no later than 22 working days before the first bidding round in the relevant Auction.

Current Ofgem Position

2.11 As previously mentioned, any New Build CMU on the Transmission Network with an existing Grid Connection Agreement with a connection date after 1 October 2029 would not be an eligible Applicant for Prequalification for the 2029/30 T-4 Auction, even if they subsequently received an advanced Grid Connection Agreement with a revised connection date on or before 1 October 2029 at Gate 2 Phase 1.

2.12 This rule change ensures that the benefits of NESO's Connections Reform package are realised in the Capacity Market by providing assets that have applied to have their revised connection dates begin on or before 1 October 2029 the opportunity to Prequalify for the relevant Auction.

2.13 We are therefore minded to approve this rule change. By enabling Prequalification to the T-4 Auction for the 2029/30 Delivery Year for an additional set of CMUs capable of delivering capacity during this period, this rule

change potentially facilitates the acquisition of new capacity, and simultaneously increases liquidity in the relevant Auction, increasing value for money and helping to ensure security of supply.

Questions

- Q1. Do you agree with the proposal to amend the Rules so that assets with an existing Grid Connection Agreement with a connection date beyond 1 October 2029 that have submitted evidence to NESO to request a revised connection date beginning on or before 1 October 2029 in case of receipt of a Gate 2 offer have the option to Conditionally Prequalify, but only for the 2029/30 T-4 Auction?
- Q2. Do you have any comments on the specific changes to the legal text of the Rules proposed in Appendix 1?
- Q3. Do you foresee any unintended consequences as a result of implementing this proposal?

3. Your response, data and confidentiality

Consultation stages

- 3.1 The consultation will be open until 18/07/25. Responses will be reviewed and the consultation decision will be published in 25/07/25.

Stage 1

- 3.2 Consultation opens 27/06/25.

Stage 2

- 3.3 Consultation closes (awaiting decision). Deadline for responses 18/07/25.

Stage 3

- 3.4 Responses reviewed and published 25/07/25.

Stage 4

- 3.5 Consultation decision.

How to respond

- 3.6 We want to hear from anyone interested in this consultation. Please send your response to EMR_CMRules@ofgem.gov.uk.
- 3.7 We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 3.8 We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, your data and confidentiality

- 3.9 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 3.10 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with

you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

- 3.11 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 3.12 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

- 3.13 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:
1. Do you have any comments about the overall process of this consultation?
 2. Do you have any comments about its tone and content?
 3. Was it easy to read and understand? Or could it have been better written?
 4. Were its conclusions balanced?
 5. Did it make reasoned recommendations for improvement?
 6. Any further comments?
- 3.14 Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

- 3.15 You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit. [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations)

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name will appear here? subscribe to notifications:

Email*

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- 3.16 Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:
Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

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Appendix 1 – Proposed amendments to the Rules

CP388 - Conditional Prequalification for assets that have applied for a revised connection date

- Amendments to Chapter 3

Insert paragraph 3.7.3(d) as follows:

3.7.3(d): For the Prequalification Window during 2025 only, an Applicant for a T-4 Auction which is unable to give the confirmation in Rule 3.7.3(a)(i), may, instead of complying with Rule 3.7.3(a):

- (i) provide with their Application both:
 - (a) a copy of the current Grid Connection Agreement for each Generating Unit comprising the CMU; and
 - (b) confirmation of receipt from the System Operator of an application made in respect of an advancement of their existing connection date under that Grid Connection Agreement that would enable each Generating Unit comprising the CMU to comply with the requirements under Rule 3.7.3(a)(i).
- (ii) on or before the date that is 22 working days prior to the commencement of the first Bidding Window for the T-4 Auction for 2029/2030 Delivery Year, provide a copy of the revised Grid Connection Agreement with a connection date that would enable the Generating Units comprising the CMU to comply with requirements under rule 3.7.3(a)(i).

- Amendments to Chapter 4

Insert paragraph 4.5.1(b)(xii) as follows:

(xii): if the Applicant has provided evidence pursuant to Rule 3.7.3(d)(i)(b) that its Prequalification is conditional upon the Applicant satisfying the requirement in Rule 4.7C.1

Insert paragraph 4.7C and 4.7C.1 as follows:

4.7C - Conditional Prequalification for Transmission CMUs that have requested an advancement of their existing connection date in a revised connection agreement

4.7C.1: An Applicant that has provided with its Application evidence pursuant to Rule 3.7.3(d)(i)(b) must provide to the Delivery Body no later than 22 working days prior to the first Bidding Window for the T-4 Auction for the 2029/2030 Delivery Year:

- (a) confirmation that revised Grid Connection Agreements have been entered into which secure Transmission Entry Capacity for the relevant Delivery Years for the Generating Units comprised in that CMU at least equal, in aggregate, to the Anticipated De-rated Capacity of that CMU and any other CMUs to which any such Grid Connection Agreement applies; and
- (b) a copy of the revised Grid Connection Agreement for each Generating Unit comprised in the CMU with the confirmation.

Appendix 2 – Submitting Capacity Market Rule Change Proposals to CMAG

To raise a change, you can complete the Capacity Market rule change proposal form and submit it to CMAG@Elexon.co.uk. The CMAG Secretariat will provide all Proposers with 'critical friend' support to ensure there is appropriate level of detail in the change proposal to ensure productive CMAG prioritisation and development. Alongside the CMAG Secretariat's 'critical friend' work, Capacity Market Delivery Partners and Ofgem will complete their own assessment of the proposal form.

Proposers will be invited to attend a CMAG meeting to present their Capacity Market rule change proposal form to CMAG. CMAG will prioritise the change in line with other active changes, and it will be added to the CMAG forward work plan. CMAG will assess the issue and solution presented, confirming any impacts to both participants and consumers. Proposers will be invited to attend all CMAG meetings where their proposal is being discussed. CMAG will answer a list of standard change proposal questions during the development stage and confirm if any specific questions are required for the proposal. Proposers will be requested to share their responses to the standard and specific questions relating to their change proposal.

The CMAG Secretariat will work with the Delivery Partners to complete an impact assessment of all Capacity Market rule change proposals. This impact assessment will consider: the technical feasibility of the solution, implementation, ongoing costs for implementation, expected impacts to Delivery Partners and expected timescales for implementation.

CMAG will look to make a recommendation to Ofgem to approve or reject for each Capacity Market rule change proposal it receives. The recommendation will be noted within the Capacity Market rule change proposal report, which CMAG produces to accompany each of the Capacity Market rule change proposals it submits to Ofgem.

All Capacity Market rule change proposals will be consulted on by Ofgem via a statutory consultation, giving interested stakeholders the opportunity to share their feedback on the proposals, including where appropriate on the proposed drafting of the legal text.

Appendix 3 – Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. Your personal data will not be shared outside of Ofgem.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for 12 months after the consultation has closed.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services

- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information For more information on how Ofgem processes your data, click on the link to our "[ofgem privacy promise](#)".