

# Proposal for a Capacity Market Rules Change



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Reference number (to be completed by Ofgem):  
**CP109**

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| <b>Name of Organisation(s) / individual(s):</b><br>DECC – Stephen Bee/Thomas Slater/Charles Phillips  | <b>Date Submitted:</b><br>15/01/2016   |
| <b>Type of Change:</b><br><br><input checked="" type="checkbox"/> Amendment<br><br><input type="checkbox"/> Addition<br><br><input type="checkbox"/> Revoke<br><br><input type="checkbox"/> Substitution  | <b>If applicable, whether you are aware of an alternative proposal already submitted which this proposal relates to:</b><br><br>No |
| <b>Description of the issue that the change proposal seeks to address:</b><br><br>During the prequalification process [for the first T-4 auction?], National Grid (“NG”) received a number of queries about metering requirements. Given metering requirements are aligned with settlement activities which the Settlement Body (“SB”) is responsible for, NG felt these requirements should be moved to post auction.<br><br>We propose that applicants are only required to submit information as part of their application which is materially significant to determining their prequalification status. Therefore, we suggest removing metering related requirements (with the exception of MPANs) from the prequalification stage to post auction. Both the SB and NG agree with this proposal.  |  |
| <b>If applicable, please state the proposed revised drafting (please highlight the change):</b><br><br><p><b>Rule 3.4.3 (a) (ii) - all relevant meters and MPANs for the relevant meters</b> –no change required. - We need applicants to provide information about all relevant meters and MPANs as part of the prequalification process because they provide assurance that there is a site and will also inform us if two resources have been entered into multiple applications</p> <p><b>Rule 3.4.3 (a) (v) – applicants confirm which Metering Configuration Solution is used</b> – <b>move this requirement to post auction</b>. This requirement is linked with the Metering Assessment and would be better asked along with the requirement to undertake a Metering Assessment.</p> <p><b>Rule 3.4.3 (a) (vi) – applicants specify that their metering arrangements have not changed</b> – <b>move this requirement to post auction</b>. This Rule aims to simplify the Metering Assessment process in the future, by removing the need for CMUs to undertake another Metering Assessment and Metering Test (if their metering arrangements have not changed). This requirement belongs with the Metering Assessment and therefore should be moved to post auction.</p> <p><b>Rule 3.4.3 (b) – applicants specify why MPANs may be registered to another application or existing CMU for the same delivery year</b> -no change required. – This requirement is linked to Rule 3.4.3 (a) (ii) and if there is a reason for sharing MPANs this needs to be understood.</p> |  |

**Rule 3.5.1 (b) (xi) – whether an Existing generating CMU or Proven DSR CMU, given their Metering Assessment - will be subject to a Metering Test after receiving a Capacity Market Agreement - this requirement should be removed** given that Metering Assessments will occur after Capacity Market Agreements have been awarded.

**Rule 3.6.4(a) (i) and 3.9.4 (a) (i) – line diagrams – move these requirements to post auction** – these requirements are linked to the Metering Test and should be submitted at the same time as the Metering Statement (Rule 13.3.2) to the SB.

**Rule 3.6.4 (a) (ii) and 3.9.4 (a) (ii) – Metering Assessment – move these requirements to post auction and amend.** We propose that all CMUs (except unproven DSR and new build plant) that were successful in the auction should complete a Metering Assessment within 1 month of receiving their CM Agreement Notice. National Grid will need to update the CM Register as to whether a Metering Test is needed and inform the CMU and SB.

**Rule 3.6.4 (c) (i) and 3.9.4 (c) (i) – DB to send SB results of Metering Assessment and other information - move this requirement to post auction and amend.** The Delivery Body needs to inform the Settlement Body of the results, but there is no need for additional materials to be sent to the DB, because the line diagrams and Metering Statement would be sent directly to the SB.

**Rule 3.11.2 (d) – Opt-out notification – must include MPANs for all the relevant Meter(s) – no change required.**

**Rule 4.4.2 (c) – DB must not prequalify an applicant that has used the same resource in two applications unless the applicant includes a declaration under Rule 3.4.3(b) – no change required.** – We need to be able to verify that a resource has not been entered multiple times in different CMUs (further to Rule 3.4.3 (a) (ii)).

**Rule 7.4.1 (a)(iv) – Contents of the CM Register to include the MPANs for the relevant Meters relating to the CMU - no change required.**

**Rule 7.4.1 (d)(vii)(xi) – Contents of the CM Register to include the results of the Metering Assessment for the CMU – move this requirement to post auction.** We suggest this is moved to post auction since, following the proposed amendments above, the results of the Metering Assessment would now be known after the auction.

**Rule 7.4.5 (l) – update of CM Register, no later than 5 working days after a CM Agreement Notice is sent – no change required.** – Whilst the CM Register will show that all providers need to complete the Metering Assessment it will set out the specific timeframes for each CMU.

**Rule 7.5.1 (k) and (l) - updates to the CM Register with results of Metering Assessment and – record the issue of a Metering Test Certificate - no change required.**

**Rule 8.3.3 (c) and (d) - DB to inform a CMU of the result of the Metering Assessment and whether a Metering Test is required – no change required.** – As the DB's IT portal is being used, the DB will continue to inform the CMUs to undertake a Metering Test.

**Rule 8.3.3.(f) (i) – ensure the accurate submission of metering information - the references to Rules 3.6.4 and 3.9.4 will need to be amended** to take into account the new request for the Metering Statement and line diagrams (maybe in Rule 13.3.2).

**Rule 8.3.3.A (a) (ii) – unproven DSR components must specify all relevant Meters and MPANs for those Meters if applicable – no change required.** – This requirement should remain part of the prequalification process for the same reasons as detailed for Rule 3.4.3 (a) (ii).

**Rule 9.2.5(b) – align requirements to obligation trading rules – amendment required.** If, as we propose, the requirement to complete a Metering Assessment and provide line diagrams is moved to post auction a Prequalification Certificate will no longer be proof of having submitted line diagrams and completed a Metering Assessment). A new requirement is needed that a transfer under Rule 9.2.4(a) can

only be effected where the CMU Transferee has completed a Metering Assessment, and received notification from the Delivery Body of such (suggested drafting enclosed).

**Rule 13.2.5 (a) – requirement to provide MPANs in order for the DB to carry out a DSR Test** – no change required.

**Rule 13.3.2 – Information to be provided by a Capacity Provider that is subject to a Metering Test – amendment required to include reference to line diagrams.**

**Schedule 1: template capacity agreement notice** – no change required.

**Schedule 6: Metering Statement** – no change required.

**Analysis and evidence on the impact on industry and/or consumers including any risks to note when making the revision - including, any potential implications for industry codes:**

N/A

**Details of Proposer** *(please include name, telephone number, email and organisation):*

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