

Capacity Market – Frequently Asked Questions

This document sets out clarifications to the Capacity Market Rules where necessary.

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These FAQs are for information only and do not supersede or replace the requirements contained in The Capacity Market Rules 2014 and The Electricity Capacity Regulations 2014.

	Question	Answer
Q1	Can a participant who opted-out of the T-4 auction, but intended to remain open, participate in the T-1 auction?	We published an open letter to clarify this, which can be found here: https://www.ofgem.gov.uk/publications-and-updates/open-letter-capacity-market-opt-out-notifications
Q2	In what unit should connection capacity be stated for the purposes of Rule 3.5.3 (using average highest output)?	Connection capacity should be stated in MW to three decimal places. We intend to clarify this in the next round of rule changes.
Q3	Rule 3.6.1 (c) (i) (aa): What should the letter from the DNO say?	Their letter should indicate which Line Loss Factor (LLF) methodology statement(s) relate to the three settlement periods identified by the applicant, and provide the respective LLF values for each of those three settlement periods. (The letter from the DNO does not need to include the calculations of the LLF values, but simply the LLF values.)
Q4	Rule amendment Of7: does this Rule amendment prevent capital expenditure from being considered for a multi-year agreement in the case where the relevant CMU has previously been awarded any capacity agreement, or only where the CMU has previously been awarded a multi-year capacity agreement?	As stated in our decision on the statutory consultation, the purpose of this Rule change is to prevent a CMU which has gained a multi-year capacity agreement from citing the same capital expenditure in order to qualify for a second multi-year capacity agreement. Decision: https://www.ofgem.gov.uk/publications-and-updates/decision-statutory-consultation-amendments-capacity-market-rules-0