

Annex D - Proposed amendments to the Capacity Market Rules 2019

This Annex sets out amendments to implement CP279, CP289, CP290, and Of12. We have delayed the introduction of these amendments due to their substantial system impacts, and therefore we are not laying them in Parliament as part of this year's changes. We plan to implement these changes next year in time for the 2019/20 Delivery Year. The tables below show our amendments in red.

Amendments to implement CP279, CP289, and CP290

8.5.2	<p>Adjusted Load Following Capacity Obligation (ALFCO)</p> <p>The Adjusted Load Following Capacity Obligation of a Capacity Committed CMU "i" in Settlement Period "j" is a Volume in MWh calculated as follows:</p> <p>(a) for a Generating CMU comprised of BM Units:</p> $ALFCO_{ij} = LFCO_{ij} + \sum_{k \in i} \{ (1 - \beta_{kj}) QBOA_{kij} + (1 - \beta_{kj}) \min(QAS_{kij}, 0) - \beta_{kj} (QBSCCC_{kij}) \}$ <p>where:</p> <p>LFCO_{ij} has the meaning given in Rule 8.5.3 below;</p> <p>QBOA_{kij} has the meaning given in Rule 8.5.4(a) below;</p> <p>QAS_{kij} has the meaning given in Rule 8.5.4(b) below;</p> <p>$\beta_{kj} = 1$ where Generating Unit "k" provided a Relevant Balancing Service is provided in Settlement Period "j" by any Generating Unit i comprised in the CMU and 0 otherwise;</p> <p>the summation is over all BM Units "k" comprised in CMU "i"; and</p> $QBSCCC_{kij} = \max(0, MEL_{kij} - QME_{kij})$ <p>where:</p> <p>MEL_{kij} is the aggregate of the Maximum Export Limit for each BM Unit "k" comprised in the CMU which is providing a Relevant Balancing Service in Settlement Period "j" (expressed in MWh); and</p>
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	<p>QME_{kij} is the aggregate of the "Period Expected Metered Volume" (as defined in in the BSC) for each BM Unit "ki" comprised in the CMU which is providing a Relevant Balancing Service in Settlement Period "j";</p> <p>(b) for a CMU which is a DSR CMU or a Generating CMU that is not comprised of BM Units:</p> $ALFCO_{ij} = LFCO_{ij} - \sum_{k \in i} (\beta_{kj} (QBSCCC_{kij}))$ <p>where:</p> <p>$\beta_{kj} = 1$ where Generating Unit or DSR CMU Component "k" provided a Relevant Balancing Service is provided in Settlement Period "j" by any Generating Unit or DSR Component i comprised in the CMU and 0 otherwise; the summation is over all Generating Units or DSR CMU Components "k" comprised in CMU "i";</p> <p>QBSCCC_{kij} is the aggregate of ((Declared_Availability_{kij}) - (Contracted_Output_{kij})) for each Generating Unit or DSR CMU Component "ki" comprised in the CMU which is providing a Relevant Balancing Service in Settlement Period "j"; and</p> <p>"Declared_Availability" and "Contracted_Output" have the meaning given to them in Schedule 4.</p> <p>(c) in the case of Rule 8.5.2(a) and (b), QBSCCC_{kij} must be set to 0 where Rule 8.5.4(c) applies.</p>
8.5.4	<p>Adjustments to LFCO to account for Balancing Services</p> <p>The Load Following Capacity Obligation of that Capacity Committed CMU in a Settlement Period must be reduced to account for the aggregate provision and successful delivery by each Generating Unit (in its capacity as a BM Unit) of Balancing Services to the System Operator as follows:</p> <p>(a) Reduced output pursuant to Negative Bid-Offer Acceptances (QBOA)</p> <p>A Generating Unit "ki" that is operating at reduced output during Settlement Period "j" because it has, in its capacity as a BM Unit, been instructed to operate at such output by the System Operator through a Bid-Offer Acceptance in the Balancing Mechanism must be accounted for by use of the factor QBOA_{kij} which is calculated as follows:</p> $QBOA_{kij} = \sum_{n < 0} (QA0_{kij}^n + QAB_{kij}^n)$ <p>where:</p> <p>n has the meaning given to "Bid-Offer Pair Number" in Annex X-2 of the BSC;</p> <p>QA0_{kij}ⁿ has the meaning given to "Period BM Unit Total Accepted Offer Volume" in Annex X-2 of the BSC; and</p>

	<p style="text-align: center;">QAB_{kij}^n has the meaning given to "Period BM Unit Total Accepted Bid Volume" in Annex X-2 of the BSC.</p> <p>(b) Reduced output pursuant to the delivery of a Balancing Service (QAS)</p> <p>A Generating Unit "k" that is operating at reduced output during Settlement Period "j" because it has, in its capacity as a BM Unit, delivered energy reductions through the provision of Balancing Services must be accounted for by the factor QAS_{kij} which has the meaning give to "BM Unit Applicable Balancing Services Volume" in Annex X-2 of the BSC.</p> <p>(c) Sterilised capacity pursuant to a Balancing Services agreement (QBSCCC)</p> <p>If:</p> <p>(i) the Capacity Provider has not notified the System Operator at the time of entering into such balancing services contract (or, if later, on Prequalification) that a Generating Unit is participating in the Capacity Market; or</p> <p>(ii) the Lead Party of the BM Unit which corresponds to a Generating Unit has given the System Operator notice in accordance with paragraph 6.4.5 of section Q of the Balancing and Settlement Code that it does not wish any volumes of Active Energy to be submitted for the BM Unit (pursuant to paragraph 6.4.5 of Section Q of the Balancing and Settlement Code),</p> <p style="text-align: center;">$QBSCCC_{kij}$ for Capacity Committed CMU "i" must be set to zero.</p>
8.6.1	<p>in the case of a Generating CMU other than a Generating CMU that constitutes a Storage Facility:</p> <p>(d) the aggregate Metered Volume in MWh to three decimal places of each Generating Unit comprised in that Generating CMU; or</p> <p>(e) if the Generating CMU is connected to the GB Transmission System, the lower of:</p> <p>(i) the aggregate Metered Volume in MWh to three decimal places of each Generating Unit "k" comprised in that Generating CMU "i"; and</p> <p>(ii) the aggregate of QME_{kij} (as defined in Rule 8.5.2(a)) for each Generating Unit "k" comprised in that Generating CMU "i";</p>
14.4.2	<p>The System Operator must provide to the CM Settlement Body in respect of each Settlement Period in which a System Stress Event occurs, for each Capacity Committed CMU which is a Generating CMU not (comprised of BM Units, or not):</p> <p>(a) details of whether the CMU components comprised in that CMU waswere providing a Relevant Balancing Service in that Settlement Period and, if so, which Relevant Balancing Service;</p>

	<p>(b) values for “Declared_Availability” and “Contracted_Output” for the CMU components comprised in that CMU in accordance with Schedule 4; and</p> <p>(c) any other values, except those referred to in Rule 14.4.1(a) and Rule 14.4.2(c), required for the calculation of ALFCO for thatthe CMU components comprised in that CMU.</p>
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Amendments to implement Of12 – DSR Component Reallocation

4.4.4	The configuration of Generating Units or DSR CMU Components (as applicable) that comprise a CMU must not be changed once that CMU has Prequalified.
4.4.5	Subject to changes made in accordance with Rule 8.3.4, the configuration of Proven DSR CMU Components that comprise a DSR CMU must not be changed once that CMU has Prequalified.
7.4.1 (d) (xv)	for a DSR CMU, the status of the Components comprising the relevant CMU, which by default shall be listed as “Live” until such times as Rules 8.3.4(k) or 8.3.4(l) apply.
8.3.2A	<p>DSR Tests during a Delivery Year</p> <p>Where a Capacity Provider has requested to add and/or remove components from a Proven DSR CMU pursuant to Rule 8.3.4, the DSR Test Certificate will no longer be valid for a subsequent Delivery Year and Capacity Providers that have added and/or removed components from a Proven DSR CMU pursuant to Rule 8.3.4, which has a Capacity Agreement for a subsequent Delivery Year, must obtain a new DSR Test Certificate, subsequent to the final component addition or removal during a Delivery Year and no less than six weeks prior to the start of that subsequent Delivery Year.</p>
8.3.3(c)	<p>Following the completion of a Metering Assessment pursuant to Rule 8.3.3(a), (b) or (ba), or 8.3.4(h)(i)(b) the Delivery Body must:</p> <p>(i) notify the relevant Capacity Provider whether or not, based on such Metering Assessment, the metering arrangements for such CMU will be subject to a Metering Test</p> <p>(ii) send a copy of any completed Metering Assessment to the CM Settlement Body.</p>
8.3.3 (e)(v)	In the case of a Proven DSR CMU that is adding components within a Delivery Year pursuant to Rule 8.3.4, within the period specified in accordance with Rule 8.3.4(h).
8.3.4 (a)	Subject to Rule 8.3.4(b) and Rule 8.3.4(e) , a Capacity Provider must not change the DSR Components of:
8.3.4 (b)	A Capacity Provider may notify the Delivery Body and the CM Settlement Body that it wishes to remove one or more DSR CMU Components from a DSR CMU that is a Capacity Committed CMU

8.3.4 (d) –
(o)

(d) A DSR CMU Component that is the subject of a notice pursuant to Rule 8.3.4(b) cannot be reinstated as part of a DSR CMU in the same Delivery Year.

(e) A Capacity Provider may notify the Delivery Body and the CM Settlement Body, during the relevant Delivery Year and no later than two months prior to the subsequent Delivery Year, that it wishes to add one or more DSR CMU Component to a DSR CMU that is a Capacity Committed CMU,

(f) When the Capacity Provider has notified Delivery Body and the CM Settlement Body in accordance with Rule 8.3.4(e), the Capacity Provider must provide the Delivery Body with the information for the new component(s), in accordance with Rules 8.3.3A(a)(i) and 8.3.3A(a)(ii).

(g) With effect from the date falling twenty-one Working Days after receipt by the CM Settlement Body of a notice pursuant to Rule 8.3.4(e), and only where the conditions of Rule 8.3.4(h) have been met:

- (i) an estimation of Baseline Demand; and
- (ii) an estimation of Metered Volume in MWh to three decimal places,

of the DSR CMU Component(s) referred to in the notice, shall be included in any determination of the DSR Volume of the DSR CMU in which the DSR CMU Component(s) is to be comprised. The updated DSR Volume does not impact the Capacity Obligation of the CMU, nor the DSR Capacity of the CMU.

(h) Where Rule 8.3.4(e) applies, within five Working Days of notification to the Delivery Body and the CM Settlement Body:

(i) A Capacity Provider must, for each DSR CMU Component being added to the relevant DSR CMU:

(a) provide detailed line diagrams showing electrical configurations and metering sites at which the DSR CMU Components are located; and

(b) complete a Metering Assessment in relation to that CMU.

(ii) Where a Capacity Provider has been informed a Metering Test is required pursuant to Rule 8.3.3(c)(i) a Capacity Provider must provide a Metering Test Certificate within forty Working Days from the date of notification in accordance with Rule 8.3.3(c)(i)

during which period the relevant DSR CMU will remain a Proven DSR CMU.

(i) A Capacity Provider may make notifications pursuant to Rules 8.3.4(b) and 8.3.4(e) jointly or separately for more than one component, and where applicable one or more CMUs, as part of one notification to the Delivery Body and CM Settlement Body.

	<p>(j) A Capacity Provider may make a notification pursuant to Rule 8.3.4(e) no more than five times within a Delivery Year, and must in total add no more than twenty new DSR components within one Delivery Year.</p> <p>(k) Following receipt of a notification pursuant to Rule 8.3.4(b) or Rule 8.3.4(e), the Delivery Body must update the Capacity Market Register within two Working Days to reflect the status of the relevant DSR CMU Components, as appropriate, as either:</p> <ul style="list-style-type: none"> (i) "Notified Addition"; or (ii) "Notified Removal". <p>(l) Where the requirements of Rule 8.3.4(c) and Rule 8.3.4(g) have been met, the Delivery Body must update the Capacity Market Register within two Working Days to reflect the status of the relevant DSR CMU Components, as appropriate, as either:</p> <ul style="list-style-type: none"> (i) "Added - Live"; or (ii) "Removed". <p>(m) Pursuant to Rule 8.3.2A the CMU must undergo a new DSR Test in accordance with Rule 13.2, or a new DSR Joint Test in accordance with Rule 13.2B, if that CMU has a Capacity Agreement for a subsequent Delivery Year.</p> <p>(n) Where a notification(s) has been made pursuant to Rule 8.3.4(b) or Rule 8.3.4(e), the DSR Test Certificate for the relevant DSR CMU shall:</p> <ul style="list-style-type: none"> (i) remain valid for the Relevant Delivery Year; and (ii) not be valid for the subsequent Delivery Year, and a new DSR Test Certificate will be required if the CMU is to participate in the subsequent Delivery Year, no less than six weeks prior to that Delivery Year. <p>(o) Where a notification(s) has been made pursuant to Rule 8.3.4(b) or Rule 8.3.4(e), and the CMU in question has a Capacity Agreement for a subsequent Delivery Year, that CMU shall be subject to Rule 8.3.2 in the subsequent Delivery Year.</p>
13.2.2 (c)	<p>13.2.2 A DSR CMU can participate in a DSR Test either:</p> <ul style="list-style-type: none"> (a) prior to the commencement of the Prequalification Window for a Capacity Auction (in which case the DSR CMU may submit an Application for Prequalification as a Proven DSR CMU); or (b) after the award of a Capacity Agreement but by no later than one month prior to the commencement of the Delivery Year for that Capacity Agreement (in which case the DSR CMU must submit an Application for Prequalification as an Unproven DSR CMU); and/or (c) where Rules 8.3.4(b) or 8.3.4(e) apply, prior to the commencement of the subsequent Delivery Year, and after the final notification of component additions and/or removals.

13.2.12	A DSR Test Certificate issued pursuant to this Rule 13.2 will only be valid for the DSR CMU for so long as the details relating to the configuration of such DSR CMU as detailed pursuant to Rule 13.2.5 remain valid. (provided that the addition of new DSR CMU Components will not be deemed to change such configuration) . In the event that the DSR CMU configuration changes, such DSR CMU will be deemed to be an Unproven DSR CMU, subject to Rule 8.3.4(m) and 8.3.4(n) , until such time as a new DSR Test Certificate has been issued.
13.2.12A.	Subject to Rule 13.2.12 and 13.2.14, a DSR Test Certificate issued pursuant to this Rule 13.2 will remain valid if the Applicant in respect of a DSR CMU submits an Application for the same resource in a subsequent Capacity Auction and provides confirmation in accordance with Rule 3.10.3 unless one or more DSR CMU components have been added to and/or removed from the DSR CMU pursuant to Rule 8.3.4 since the DSR Test Certificate was issued.
13.2B.18	For DSR CMUs that have undertaken a Joint DSR Test, the DSR Test Certificates issued pursuant to this Rule 13.2B will only be valid for so long as the details relating to the configuration of each DSR CMU, as detailed pursuant to Rule 13.2B.5, remain valid (provided that the addition of new DSR CMU Components will not be deemed to change such configuration) . In the event that a relevant DSR CMU configuration changes, each DSR CMU involved in the relevant Joint DSR Test will be deemed to be an Unproven DSR CMU, subject to Rule 8.3.4(m) and 8.3.4(n) , until such time as a new DSR Test Certificate has been issued.
13.2B.18A	Subject to to Rule 13.2B.12 and 13.2B.15, a DSR Test Certificate issued pursuant to this Rule 13.2B will remain valid if the Applicant in respect of a DSR CMU submits an Application for the same DSR CMU Components in a subsequent Capacity Auction and provides confirmation in accordance with Rule 3.10.3 for each of the DSR CMUs that were nominated for this Joint DSR Test, unless one or more DSR CMU components have been added to and/or removed from any of those CMUs pursuant to Rule 8.3.4, since the DSR Test Certificate was issued.
Schedule 2	<p>...</p> <p>as evidenced to the CM Settlement Body and ignoring:</p> <p>2.1.4 any such equivalent Settlement Period or DSR Alternative Delivery Period for which there is no data available; and</p> <p>2.1.5 any such Settlement Period or DSR Alternative Delivery Period which falls while a Capacity Market Notice is in force;</p> <p>where a Capacity Provider has notified the addition of one or more components during a Delivery Year pursuant to Rule 8.3.4, the data points as described in paragraphs 2.1.1, 2.1.2 and 2.1.3 of Schedule 2 shall be those for all components in the CMU listed as "Live" and "Added – Live" on the day of the Settlement Period or DSR Alternative Delivery Period</p> <p>(each such data point in a Settlement Period or DSR Alternative Delivery Period being a "Demand Sample").</p>