

Guidance

Providing a Price-Maker Memorandum to the Authority

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This document contains guidance for Existing Generating CMUs on providing a Price-Maker Memorandum to Ofgem, as stated in the Capacity Market Rules.

This guidance document has been updated to reflect the revised Price-Maker Memorandum submission process.

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1. Introduction

1.1. All Applicants for an Existing Generating Capacity Market Unit (“CMU”), or Interconnector CMU, which have been notified by the Electricity Market Reform Delivery Body (“Delivery Body”) that it has Prequalified will automatically become Price-Takers. This means that Existing Generating CMUs, or Interconnector CMUs, can only bid up to a threshold set to allow the majority of existing plants to participate in the auction as Price-Takers. Existing Generating CMUs, or Interconnector CMUs, that wish to bid above the Price-Taker threshold, i.e. wish to become a Price-Maker, must sign a Price-Maker Certificate as well as provide a Price Maker Memorandum in accordance with Capacity Market Rules 2014 (as amended) (“Rules”), Rule 4.8.

1.2. This document provides guidance on how Applicants may lodge a Price-Maker Memorandum with the Authority for the purposes of the Rules (4.8.1(a)).

1.3. The Rules define a Price-Maker Memorandum as:

.. for an Applicant and Capacity Auction, a memorandum which includes evidence of:

(a) the decision by the board of directors (or the officers, in the case of an Applicant other than a company) to nominate the Applicant as PriceMaker in that Capacity Auction; and

(b) the reasons for that decision, including any information and analysis which the board or the officers consider key to the decision

1.4. Applicants are reminded that the Authority’s Price-Maker Memorandum receipt and the Price-Maker Certificate must be submitted to the Delivery Body no later than 10 Working Days prior to the commencement of the first Bidding Round of the relevant Capacity Auction (Rule 4.8.1(b)). It is the responsibility of the applicant to ensure the Price Maker Memorandum is lodged in sufficient time for receipt to be given.

2. Submitting a Price-Maker Memorandum

Advance Notice

2.1. In order that Ofgem can process the received Price Maker Memorandum and issue the Applicant with a receipt in a timely manner Applicants must **notify Ofgem** that the Price-Maker Memorandum is being prepared, and will be sent. It is asked that Applicants detail when the Price-Maker Memorandum is expected to be issued to Ofgem. Notification must be provided via e-mail to the following address:

- NotifyEMR@ofgem.gov.uk.

2.2. Ofgem will subsequently acknowledge your notification and await your submission.

Formatting

2.3. The Price-Maker Memorandum submission must be provided to the Authority in the following form:

- In an encrypted folder attached to an email sent to NotifyEMR@ofgem.gov.uk
- The associated encryption password required to access the submission issued in parallel to EMR_DR@ofgem.gov.uk.

2.4. The subject of both emails must be "**Price-Maker Memorandum submission**". **Please do not include any CMU details or the associated encryption password in the subject of either emails.**

Accompanying Information Form

2.5. Accompanying information must be provided alongside the Price-Maker Memorandum, which will help us log your submission and process your receipt. Please complete and append the Accompanying Information Form provided in Appendix 1 below and send together with the Price-Maker Memorandum to the Authority via the email submission process outlined above. It is an Applicant's responsibility to make sure that the details completed in the form are correct including any email addresses.

Sending the Price-Maker Memorandum and Information to Ofgem

- 2.6. Having given advance notice of your intent to submit a Price-Maker Memorandum, your submission should be sent to the following email addresses:
- NotifyEMR@ofgem.gov.uk (for the encrypted folder containing the Price-Maker Memorandum submission)
 - EMR_DR@ofgem.gov.uk (for the password associated with the above encrypted folder required for access).
- 2.7. The subject of both emails must be "**Price-Maker Memorandum submission**". **Please do not include any CMU details or the associated encryption password in the subject of either emails.**
- 2.8. Please do not send hard copies of the Price-Maker Memorandum or Accompanying Information Form to us.

Price-Maker Memorandum receipt

- 2.9. Once your submission has been received a formal electronic receipt will be processed and sent to the e-mail address provided on the Accompanying Information Form. It is an Applicant's responsibility to make sure that any information required is sent to the correct email address.
- 2.10. This process is not expected to take longer than five working days. However, please take care to submit well in advance of the deadlines laid out in the Capacity Market Rules in case of delay. We suggest that documents be submitted to Ofgem no later than 8 working days prior to the deadline for submission of receipts and certificates to the Delivery Body.

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Appendix 1

ACCOMPANYING INFORMATION FORM – Price-Maker Memorandum Submission

Please give the following information so that we may process your Price-Maker Memorandum submission.

Name of Applicant (Company)

Date of Submission

Name of Relevant CMU

Company Registered Address:

Return E-mail Address (*This is the address to which your receipt will be sent, please check before sending*)

Contact E-mail:

Further Contact Details

Contact Name:

Contact Address:

Contact Telephone: accompanying