

SCHEDULE 1

Amendments to the Electricity Capacity Regulations 2014

PART 2

Demand Side Response, Metering, and other amendments

Regulation 2 (interpretation)

12. In regulation 2(1), for the definition of “half hourly meter” substitute—

““half hourly meter” means a meter which measures import or export of electricity (or, in the case of an electricity interconnector, measures net output)—

- (a) on a half hourly basis; or
- (b) on a basis which enables meter readings to be aligned with a settlement period;”.

Regulation 4 (“generating CMU”)

13.—(1) In regulation 4(3)—

- (a) in sub-paragraph (b), omit “and owned by the same person”; and
- (b) after that sub-paragraph insert—

“(ba) subject to paragraph (4A), the generating units are all owned by the same person;

(2) After regulation 4(4) insert—

“(4A) The condition in paragraph (3)(ba) does not apply where the aggregate connection capacity of all the generating units is less than 50 MW.”.

(3) In regulation 4(8), in the definition of “registered trading unit”, after “base trading unit” insert “or sole trading unit”.

(4) In regulation 4(9), after ““metering system;”, omit “and” and insert ““sole trading unit;”,.”.

Regulation 15 (general eligibility criteria)

14. In regulation 15, for paragraph (4) substitute—

“(4) The second condition is—

- (a) in the case of a generating CMU or an interconnector CMU, that the connection capacity of the CMU is equal to or greater than 2MW (the “minimum capacity threshold”); or
- (b) in the case of a demand side response CMU, that the DSR capacity of the CMU is equal to or greater than the minimum capacity threshold.”.

Regulation 29 (DSR transitional auctions)

15.—(1) After regulation 29(9) insert—

“(9A) The Delivery Body must not prequalify a CMU (“CMU i”) for the DSR transitional auction held under paragraph (2)(a) if CMU i is subject to an EDR participant agreement which applies for any of the delivery period.

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(9B) The Delivery Body may request an applicant or the Secretary of State to provide it with such information as it may require for the purposes of paragraph (9A) and the applicant or the Secretary of State must, to the extent that it holds the information, comply with such a request as soon as reasonably practicable.”.

(2) After regulation 29(10) insert—

“(10A) Regulation 69(5) does not apply in relation to the reconsideration of a prequalification decision for the DSR transitional auctions held by the Delivery Body under paragraph (2).”.

(3) For regulation 29(11) substitute—

“(11) In this regulation—

“delivery period” has the meaning given in regulation 19;

“EDR participant agreement” means an agreement entered into between the Secretary of State and the applicant under a pilot scheme for electricity demand reduction established under section 43 of the Act;

“non-CMRS distribution CMU” means a CMU consisting of one or more non-CMRS distribution units, within the meaning given in regulation 4(8).”.

New regulations 43B and 43C

16. After regulation 43A (non-completion fee), inserted by paragraph 8, insert—

“Repayment of capacity payments: termination

43B.—(1) A capacity provider must repay capacity payments to the Settlement Body if—

(a) a capacity agreement is terminated on a ground specified in capacity market rules; and

(b) capacity market rules specify that capacity payments are repayable in the event of the capacity agreement being terminated on that ground.

(2) The Settlement Body must, as soon as reasonably practicable after receiving final notice of termination of the capacity agreement—

(a) determine the amount in pounds of the capacity payments that are repayable; and

(b) issue to the capacity provider an invoice for that amount.

(3) Where capacity market rules specify that capacity payments are repayable in respect of—

(a) the period TP1, the capacity payments that must be repaid are those made in respect of the period beginning with the date of the termination notice and ending with the date of termination of the relevant capacity agreement;

(b) the period TP2, the capacity payments that must be repaid are those made in respect of the period beginning with the date of the termination event and ending with the date of termination of the relevant capacity agreement.

(4) In this regulation—

(a) “final notice of termination” means a notice given by the Delivery Body in accordance with capacity market rules that the capacity agreement has terminated; and

(b) “termination event” and “termination notice” have the meaning given in the Rules.

Repayment of capacity payments: metering fault

43C.—(1) A capacity provider must repay capacity payments to the Settlement Body if—

- (a) a metering test certificate or DSR test certificate is, in accordance with capacity market rules, determined to be invalid on a ground specified in those rules; and
- (b) capacity market rules specify that capacity payments are repayable in the event that a metering test certificate or DSR test certificate is determined to be invalid on that ground.

(2) The Settlement Body must, as soon as reasonably practicable after the relevant date—

- (a) determine the amount in pounds of the capacity payments that are repayable; and
- (b) issue to the capacity provider an invoice for that amount.

(3) In paragraph (2) the “relevant date” means the date on which, in accordance with capacity market rules—

- (a) in the case of a metering test certificate, the certificate was determined by the Settlement Body to be invalid; or
- (b) in the case of a DSR test certificate, the Settlement Body received notice of the invalidity of the certificate.

(4) Where capacity market rules specify that capacity payments are repayable in respect of—

- (a) the period MP1, the capacity payments that must be repaid are those made in respect of the period beginning with the relevant invalidation date and ending with the date on which the relevant metering recovery payment notice is issued;
- (b) the period MP2, the capacity payments that must be repaid are those made in respect of the period beginning with the relevant invalidation date and ending with the date on which the relevant completion notice is issued;
- (c) the period MP3, the capacity payments that must be repaid are those made in respect of the period beginning with the first day of the relevant delivery year and ending with the date on which the relevant metering recovery payment notice is issued.

(5) In this regulation, “completion notice”, “invalidation date”, “metering recovery payment notice” and “metering test certificate” have the meaning given in the Rules.”.

Regulation 50 (reducing capacity payments: failure to demonstrate satisfactory performance)

17. In regulation 50—

(a) after paragraph (2) insert—

“(2A) If C complies with the satisfactory performance requirement during May in year X, no monthly capacity payment is to be paid in respect of CMU i for that month.”;

(b) in paragraph (3), after “relevant month”, in the first place in which it occurs, insert “other than May”; and

(c) in paragraph (5)(a), after “paragraph (2)” insert “or paragraph (2A)”.

Regulation 69 (requesting reconsideration by the Delivery Body)

18. In regulation 69(5), for “regulation 87(7)” substitute “regulations 29(10A) and 87(7)”.

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Regulation 73 (consequences of successful review or appeal)

19.—(1) For regulation 73(6)(b) substitute—

“(b) for—

- (i) the de-rated capacity of the CMU (which, if not previously determined, must be determined by the Delivery Body in accordance with capacity market rules); or
- (ii) in the case of a demand side response CMU, the capacity (if less than that de-rated capacity) nominated by the applicant for the purposes of this paragraph (ii) in accordance with capacity market rules;”.

(2) After regulation 73(6) insert—

“(6A) The capacity nominated for the purposes of paragraph (6)(b)(ii) is to be treated as the DSR bid capacity for purposes of regulations 32 and 60.”.

New regulation 87A

20. After regulation 87 insert—

“Transitory provisions: the second T-4 auction

87A.—(1) Paragraph (2) applies if the Secretary of State determines under regulation 10(1)(b) that a capacity auction is to be held in the auction window starting on 1st September 2015 (“the second T-4 auction”).

(2) Where this paragraph applies, paragraphs (5) to (8) of regulation 87 have effect as if both references to the “first T-4 auction” were references to the second T-4 auction.”.