Single Electricity Market

(SEM)

Capacity Remuneration Mechanism

T-1 2027/2028 Capacity Auction Exception Application

Unit Specific Price Cap and Intermediate Length Contract Application Template Guidance Note

SEM-26-76

CONTENTS

1. Introduction 3
2. Information Collected By The Template 3
   2.1 ILC Application Template 3
   2.2 USPC Application Template 3
3. How To Complete The Application Templates 4
   3.1 ILC Application Template 4
   3.2 USPC Application Template 5
4. Information The Applicant Must Provide 5
   4.1 Supporting Evidence Standards 6
   4.2 Currency And Indexation 6
   4.3 Sign Convention 7
   4.4 What Applicants Must Not Change 7
5. Submission Quality Check 8

1. INTRODUCTION

This Guidance Note provides information on the updated application templates to be completed by applicants for Unit Specific Price Caps (USPC) and Intermediate Length Contracts (ILC) in future Capacity Market Auctions.

2. INFORMATION COLLECTED BY THE TEMPLATE

2.1 ILC APPLICATION TEMPLATE

2.1.1 The ILC Application Template is designed to assess an application for an ILC and the associated multi-year/5-year USPC under the Capacity Remuneration Mechanism. The template asks for:

- Unit and applicant details;
- Historic cost information;
- Forecast cost information;
- Refurbishment investment information;
- Unavoidable Future Investment (UFI) information;
- Supporting invoices, quotes, estimates, and evidence;
- Currency and price-basis information;
- Explanations where values are not directly available or require judgement.

2.2 USPC APPLICATION TEMPLATE

2.1.1 The USPC Application Template is designed to assess an application for a one-year USPC under the Capacity Remuneration Mechanism. The template asks for:

- Unit and applicant details;
- Historic cost information;
- Forecast cost information;
- UFI information;
- Supporting invoices, quotes, estimates, and evidence;
- Currency and price-basis information;
- Explanations where values are not directly available or require judgement.

The updated templates separate three things:

Area	Purpose
Applicant inputs	Values and explanations completed by the applicant
Supporting evidence	Documents, references, notes, and reconciliation to submitted values
Formula-driven calculations	Template calculations based on the applicant's inputs

3. HOW TO COMPLETE THE APPLICATION TEMPLATES

3.1 ILC APPLICATION TEMPLATE

ILC Application Template		
Template tab/area	**What the applicant must do**	**Key points to check before submission**
Unit and Contact details	Complete participant, unit, contact, currency zone, financial year end, technology class, and capacity information.	Confirm the unit name, Capacity Market Unit reference, jurisdiction/currency zone, and de-rated capacity are correct.
Investment Spend Detail	Complete the requested investment and implementation plan information.	Check that all required light-yellow cells are complete and that milestones, outage information, and investment details are consistent with the application.
ILC Submission & Historic Cost	Enter historic and forecast cost information in the basis requested by the template.	Check whether the relevant table asks for historic values, auction application-year (i.e. 2027) real values, Capacity Year-real values, or nominal values. Do not overwrite formula cells.
Supporting info for refurb	Provide invoice/quote level support for refurbishment investment.	Each material value must be traceable to a document name, page reference, currency, quote year and explanation where needed.
refurb. inv. for CY202728	This tab calculates refurbishment investment recovery using inputs from 'Supporting info for refurb'.	Applicants must not overwrite formula cells. Check that outputs look consistent with the supporting refurbishment evidence.
Support info UFI: CY202728 CY202627 CY202526 CY202425 CY202324	Provide invoice/quote/estimate level support for new UFI projects for the relevant prior Capacity Year.	Each support tab asks for invoice amounts for the CY in the tab name and the five prior Capacity Years. Complete one row per invoice/quote/estimate.
UFI for: CY202728 CY202627 CY202526 CY202425	Complete required UFI project information, prior approval information, and repayment/credit-to-market information where applicable.	These tabs calculate required UFI recovery amounts. Complete only light-yellow applicant input cells (where applicable). Do not overwrite formula-driven calculations.

ILC Application Template		
Template tab/area	**What the applicant must do**	**Key points to check before submission**
CY202324		
Fixed inputs	This tab holds fixed assumptions, currency, indexation, ICIRT, WACC, and calculation-basis inputs.	Applicants must not change fixed assumptions unless instructed to do so by the RAs.

3.2 USPC APPLICATION TEMPLATE

USPC APPLICATION TEMPLATE		
Template tab/area	**What the applicant must do**	**Key points to check before submission**
Unit and Contact details	Complete participant, unit, contact, currency zone, financial year end, technology class, and capacity information.	Confirm the unit name, Capacity Market Unit reference, jurisdiction/currency zone, and de-rated capacity are correct.
USPC Submission & Historic Cost	Enter historic and forecast cost information in the basis requested by the template.	Check whether the relevant table asks for historic values, auction application-year (i.e. 2027) real values, Capacity Year-real values, or nominal values. Do not overwrite formula cells.
Support info UFI: CY202728 CY202627 CY202526 CY202425 CY202324	Provide invoice/quote/estimate level support for UFI projects, where relevant.	Each support tab asks for invoice amounts for the CY in the tab name and the five prior Capacity Years. Complete one row per invoice/quote/estimate.
UFI for: CY202728 CY202627 CY202526 CY202425 CY202324	Complete required UFI project information, prior approval information, and repayment/credit-to-market information where applicable.	These tabs calculate required UFI recovery amounts. Complete only light-yellow applicant input cells (where applicable). Do not overwrite formula-driven calculations.
Fixed inputs	This tab holds fixed assumptions, currency, indexation, WACC, and calculation-basis inputs.	Applicants must not change fixed assumptions unless instructed to do so by the RAs.

4. INFORMATION THE APPLICANT MUST PROVIDE

Applicants must **complete all light-yellow input cells** that apply to the application.

Applicants **must not leave required fields blank** (unless in the case applicants already included all relevant invoices in the ‘Support info’ tabs, in which case additional rows for invoices can be left blank). If a field does not apply, applicants should enter “0” (for cells which require a numerical entry) or “N/A” (otherwise).

Applicants must provide historic cost data for the requested historic reporting periods. The template may require historic values in historic-year real terms or another specified basis. Applicants must follow the stated price basis in each table.

Applicants must provide forecast cost data on the basis stated in the template. Some forecast values may be requested in auction application-year (i.e. 2027) real terms. Other values may be requested in nominal terms. Applicants must not assume the same basis applies to every table.

For consistency, the draft and final inflation figures are set out in the 'Fixed Inputs' tab of the application. For units in Northern Ireland, the RAs have applied actual inflation rates from the Office for National Statistics and forecast rates from the Office for Budget Responsibility. For units in Ireland, the RAs have applied actual rates from the Central Statistics Office and forecast rates from the Central Bank of Ireland.

Applicants must provide enough detail for the RAs to trace each material value from the template to the underlying source. Where a value cannot be traced clearly, the RAs may adjust or disallow the amount if the value is not sufficiently evidenced.

If an application tab is marked "FALSE", indicating that it is incomplete, the RAs reserve the right not to accept the application.

4.1 SUPPORTING EVIDENCE STANDARDS

Applicants must provide evidence for all material costs and investment values.

Supporting evidence is expected for:

- Refurbishment investment (relevant for ILC Application template only);
- New UFI;
- Previously approved or carried-forward UFI;
- Repayment/credit-to-market items;
- Material cost items where the template asks for evidence or notes;
- Any value that differs from the amount shown in the underlying document.

Evidence must be specific. It should allow the RAs to find the relevant number quickly.

4.2 CURRENCY AND INDEXATION

Applicants should generally report values in the currency of the relevant jurisdiction, unless the template asks otherwise.

- For Northern Ireland, this is generally GBP.
- For Ireland, this is generally EUR.

In invoice and quote tables, applicants should report the currency of the invoice or quote and may differ from the jurisdiction currency if the invoice or quote is in another currency allowed

by the template. This may be GBP, EUR or USD. Applicants must ensure that the amount entered in the template matches the amount in the source document, unless an adjustment is clearly explained.

The template may convert values using currency and indexation assumptions included in the template. Applicants must not overwrite these formulas. When the TSOs publish the **Initial Auction Information Pack**, applicants should update the **GBP-EUR and EUR-GBP exchange rates** inputting the official exchange rates provided in the pack.

Applicants must follow the stated price basis in each table. In particular:

- If the template asks for quote-year real terms, applicants must enter the value in the price base of the quote or invoice;
- If the template asks for auction application-year real terms (i.e. 2027 terms), applicants must use the stated auction application-year price base (i.e. 2027 price base);
- If the template asks for nominal values, applicants should enter the nominal value for each Capacity Year from the relevant source or decision document.

Applicants must not assume the same price basis applies across all tabs.

4.3 SIGN CONVENTION

Applicants must follow the sign convention stated in the template.

The template generally treats:

- Charges and costs as negative values;
- Revenues as positive values;
- Proposed credits/repayments as positive values where the relevant table asks for positive credits.

Applicants must not reverse signs manually unless the template specifically asks them to do so.

For invoice and quote tables, cost amounts must be entered with the sign requested by the table, i.e. cost input fields in the refurbishment and UFI support tables are intended to be entered as negative values.

If the required sign is unclear, applicants should raise the issue rather than changing formulas or sign conventions.

4.4 WHAT APPLICANTS MUST NOT CHANGE

Applicants must not:

- Add rows or columns in core tables;
- Delete rows or columns in core tables;

- Rename tabs;
- Change formulas;
- Change labels;
- Move or delete guidance boxes;
- Change validation rules;
- Change template structure;
- Overwrite formula cells;
- Paste values over protected or formula-driven areas;
- Hide or unhide rows or columns unless the template guidance allows it.

If a cost or evidence item does not fit the available categories, applicants must use the relevant “Other”, notes, or supporting-information fields. Applicants must not create new categories by changing table labels or adding rows.

5. SUBMISSION QUALITY CHECK

Before submitting, applicants should confirm that:

- All applicable light-yellow cells are complete;
- All required fields are completed or marked “0” or “N/A”;
- All costs have evidence references where required;
- All invoice and quote rows (where applicable) include document name and page reference;
- All currency assumptions are clear;
- All price-base assumptions are clear;
- Any differences between template values and evidence documents are explained;
- Any Capacity Year or Calendar Year allocation approach is explained;
- Proposed credits are entered using the sign convention requested by the template;
- Cost values are entered using the sign convention requested by the template;
- No formulas have been overwritten;
- No rows or columns have been added or deleted;
- No labels, comments, or guidance boxes have been changed;
- All template completion checks are TRUE, where applicable.

The completed application template must be submitted with all supporting documents clearly labelled. The supporting document file names must match the document names entered in the relevant evidence fields within the template.