

Capacity Market Code

Agreed
Procedure 3
Qualification
and Auction
Process

January 12

2017

Version 1.0

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Document History

Version	Date	Author	Comment
1.0	10/01/2017	I-SEM Project Team	Issued to the Regulatory Authorities

RELATED DOCUMENTS

Document Title	Version	Date	By
Capacity Market Code			
Agreed Procedure 1 “Registration”			

1. INTRODUCTION

1.1 Background and Purpose

This Agreed Procedure supplements the rules set out in the Capacity Market Code (hereinafter referred as the “**Code**”) in relation to the Qualification Processes administered by the System Operators. It sets out procedures with which Parties to the Code must comply.

1.2 Scope of Agreed Procedure

Part A of this Agreed Procedure sets out the procedures in relation to the Qualification Process in particular:

- (a) Pre-qualification activities;
- (b) Application for Qualification;
- (c) Processing of Applications for Qualification;
- (d) Qualification results; and
- (e) Qualification related procedures.

Part B of this Agreed Procedure sets out the procedures in relation to the Capacity Auction process including pre-Capacity Auction and post-Capacity Auction activities.

This Agreed Procedure forms an annex to, and is governed by the Code. It sets out procedures to be followed, subject to the rights and obligations of Parties under the Code. In the event of any conflict between a Party’s obligations set out in the Code and this Agreed Procedure, the Code shall take precedence.

In relation to Part A it is not intended that there be any inconsistency or conflict between section 2 “Overview” and section 3 “Procedural Steps”. However, in the event of any inconsistency or conflict, section 3 “Procedural Steps” shall take precedence.

In relation to Part B, it is not intended that there be any inconsistency or conflict between section 4 “Overview” and section 5 “Procedural Steps”. However, in the event of any inconsistency or conflict, section 5 “Procedural Steps” shall take precedence.

In section 3 “Procedural Steps” and section 5 “Procedural Steps” a corresponding process flow diagram is included for each procedural steps table. Process flow diagrams are for illustrative purposes. It is not intended that there be any inconsistency or conflict between any procedural steps table and process flow diagram however, in the event of any inconsistency or conflict, a procedural steps table shall take precedence.

1.3 Definitions

Words and expressions defined in the Code shall, unless the context otherwise requires or unless otherwise defined herein, have the same meanings when used in this Agreed Procedure.

References to particular sections relate internally to this Agreed Procedure unless specifically noted.

1.4 Compliance with Agreed Procedure

Compliance with this Agreed Procedure is required under the terms as set out in the Code.

Part A Qualification Process

2. OVERVIEW

2.1 Qualification Process

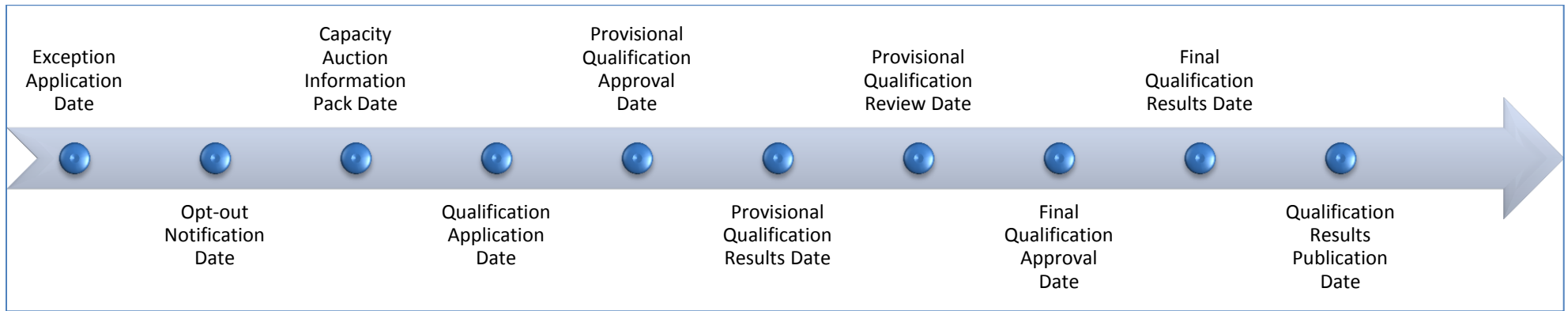
The Qualification Process under the Code consists of a number of stages as set out below. The procedural steps to be followed in the Qualification Process are set out in section 3 below.



Figure 1- Qualification Stages.

2.2 Key Qualification Dates

Qualification Process milestone dates are summarised below. Any timelines given are provisional and these dates are approved by the Regulatory Authorities and may vary for each auction. Key dates in the Qualification Process include:



Exception Application Date: The last time a Participant can apply to the Regulatory Authorities for either a Unit Specific Price Cap in respect of a Capacity Market Unit; or cost recovery beyond the New Capacity Investment Threshold for New Capacity. Note that the Exception Application Date and Opt-out Notification Date may not occur in the exact sequence as illustrated above.

Opt-out Notification Date: The last date a Participant can submit an Opt-out Notification.

Capacity Auction Information Pack Date: The last publication date for the Auction Information Pack.

Qualification Application Date: The last date a Participant can submit an Application for Qualification in respect of a Capacity Year.

Provisional Qualification Submission Date: The date by which the System Operators are expected to provide provisional Qualification results in respect of a Capacity Year to the Regulatory Authorities for approval.

Provisional Qualification Results Date: The date by which the System Operators are expected to inform persons who submit Applications for Qualification of Provisional Qualification Results in respect of a Capacity Year.

Provisional Qualification Review Date: The last date a person who submits an Application for Qualification can apply to the System Operators for a review in respect of Qualification for a Capacity Year.

Final Qualification Submission Date: The date by which the System Operators are expected to provide Final Qualification Results in respect of a Capacity Year to the Regulatory Authorities for approval.

Final Qualification Results Date: The date by which the System Operators are expected to inform persons who submit Applications for Qualification of Final Qualification Results in respect of a Capacity Year.

Qualification Results Publication Date: The date by which the System Operators are expected to publish the total qualified capacity in respect of a Capacity Year. This last date may be earlier in the schedule as shown but it is placed as late as possible to facilitate resolution of reviews and disputes.

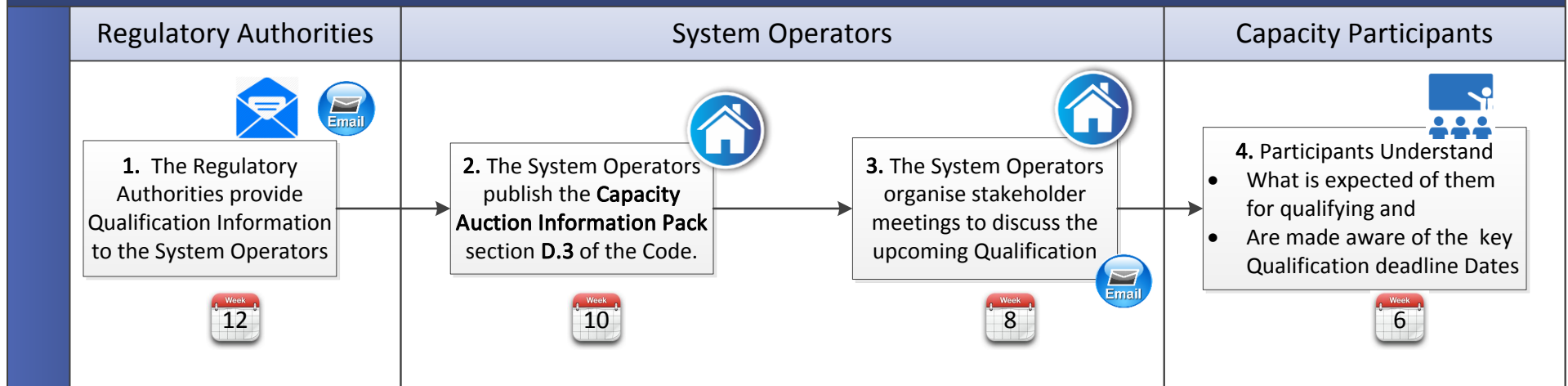
3. PROCEDURAL STEPS

3.1 Pre-Qualification Activities

3.1.1 Auction (Qualification) Information Pack

Step	Step Description	Timing	Method	By From	To
1.	The Qualification Information to be provided by the Regulatory Authorities to the System Operators for inclusion in the Capacity Auction Information Pack is contained in paragraph D.3.1.3 of the Code	12 Weeks prior to Qualification Application Date	Regulatory Authority decision by letter and email to System Operators	Regulatory Authorities	System Operators
2.	The System Operators publish the Capacity Auction Information Pack containing qualification related information in accordance with the Capacity Auction Timetable and section D.3 of the Code	In accordance with Capacity Auction Timetable	System Operators' website and email to Participants	System Operators	Participants and general public
3.	The System Operators organise and schedule stakeholder meetings to discuss the upcoming Qualification Process and Capacity Auction	In accordance with Capacity Auction Timetable	System Operators organise stakeholder meetings	System Operators	Existing and new Participants
4.	Existing and new Participants are briefed about the forthcoming qualification and auction requirements. Participants are also made aware of key deadline dates that may require them to trigger actions prior to the Qualification Process and Capacity Auction	In accordance with Capacity Auction Timetable	Stakeholder meetings	System Operators	Existing and new Participants

Pre Qualification Activities - Auction Information Pack and Stakeholder Engagement

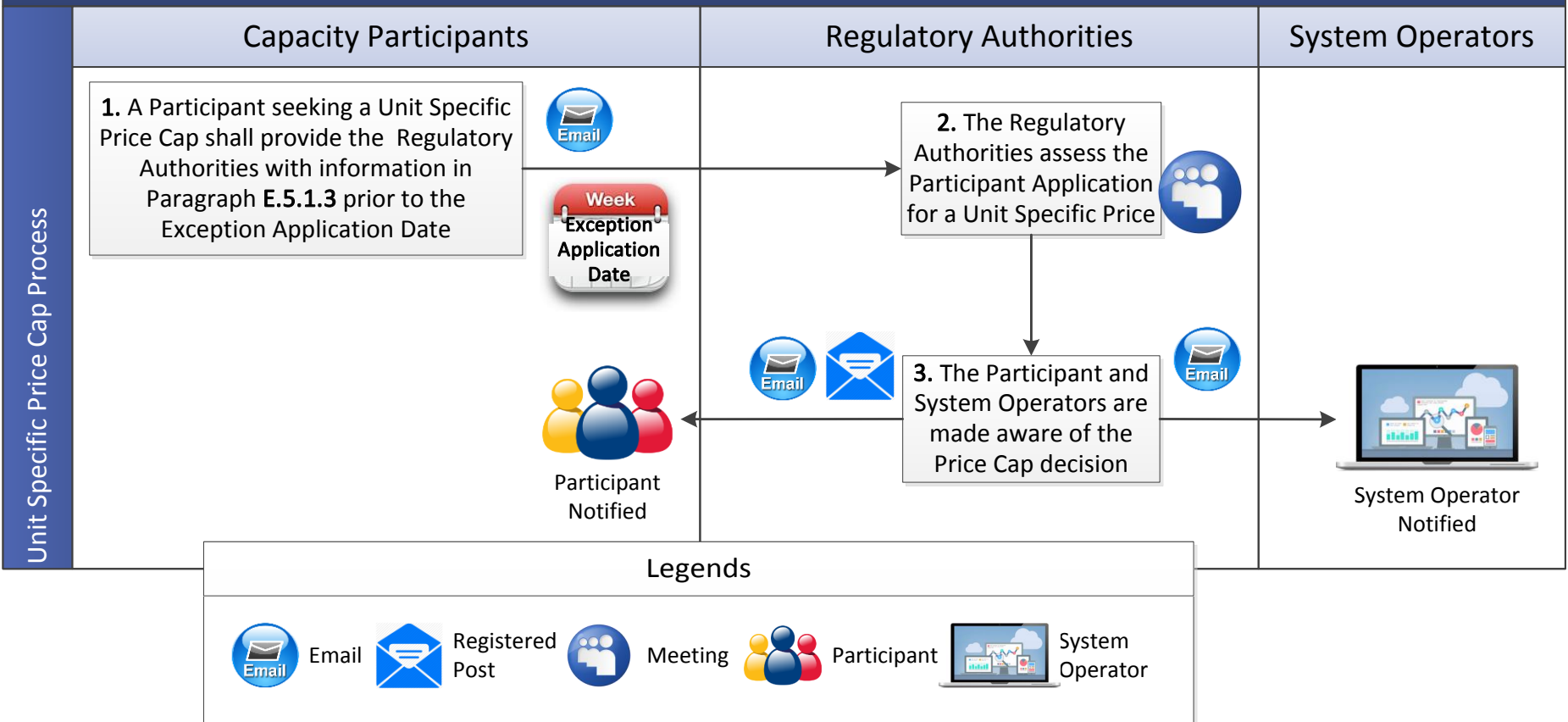


3.1.2 Unit Specific Price Cap

A Participant seeking the approval of the Regulatory Authorities for a Unit Specific Price Cap shall apply to the Regulatory Authorities for such approval prior to the Exception Application Date specified in the Capacity Auction Timetable. Details in relation to Unit Specific Price Cap are set out in section E.5 and in section E.7.6 of the Code.

Step	Step Description	Timing	Method	By From	To
1.	A Participant seeking a Unit Specific Price Cap in respect of Existing Capacity shall provide the Regulatory Authorities with information in Paragraph E.5.1.3 prior to the Exception Application Date specified in the Capacity Auction Timetable.	In accordance with Capacity Auction timetable.	Email on template provided by System Operators	Participant	Regulatory Authorities
2.	The Regulatory Authorities assess the Participant Application for a Unit Specific Price Cap.	Prior to the Exception Application Date	Regulatory Authority Meeting	Regulatory Authorities	
3.	The Participant and System Operators are made aware of the Price Cap decision	Prior to the Exception Application Date	Regulatory Approval Letter	Regulatory Authorities	Participant and System Operators

Unit Specific Price Cap

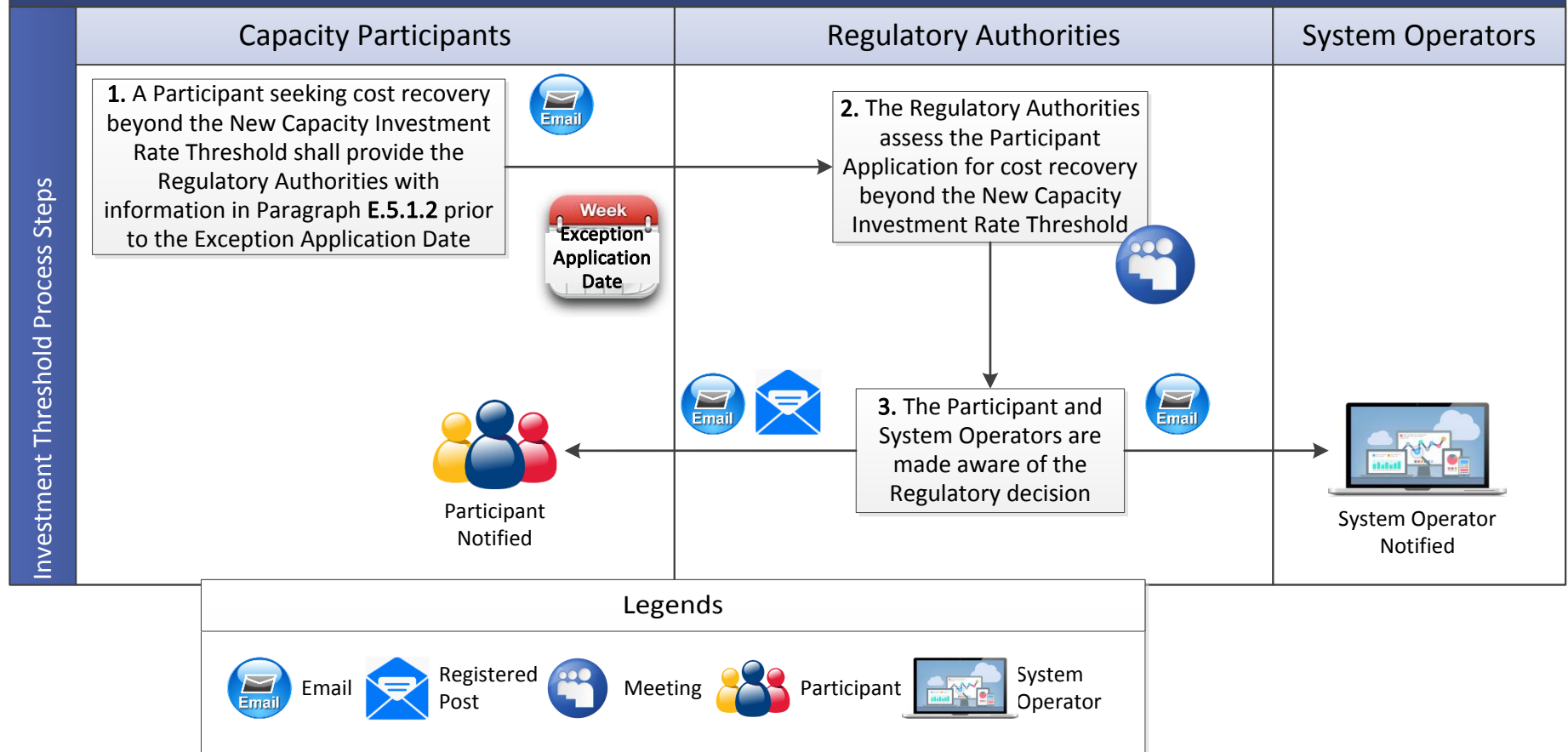


3.1.3 Cost recovery beyond the New Capacity Investment Rate Threshold

A Participant seeking cost recovery beyond the New Capacity Investment Rate Threshold needs to follow the process steps outlined below. Note this process requires interaction and engagement with the Regulatory Authorities and an approval is required prior to the Exception Application Date specified in the Capacity Auction Timetable. Information on cost recovery beyond the New Capacity Investment Rate Threshold can be found in section E.5 and section E.7.5 of the Code.

Step	Step Description	Timing	Method	By From	To
1.	A Participant seeking cost recovery beyond the New Capacity Investment Rate Threshold shall provide the Regulatory Authorities with information in Paragraph E.5.1.2 prior to the Exception Application Date specified in the Capacity Auction Timetable.	In accordance with Capacity Auction timetable.	Email on template provided by System Operators	Participant	Regulatory Authorities
2.	The Regulatory Authorities assess the Participant Application for cost recovery beyond the New Capacity Investment Rate Threshold.	Prior to the Exception Application Date	Regulatory Authority meeting	Regulatory Authorities	
3.	The Participant and System Operators are made aware of the New Capacity Investment Rate Threshold decision.	Prior to the Exception Application Date	Letter of approval from the Regulatory Authorities	Regulatory Authorities	Participant and System Operators

Investment Threshold Amendment

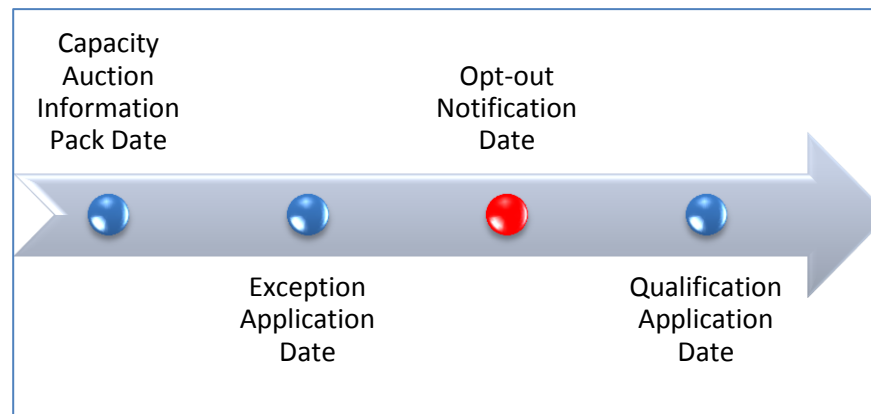
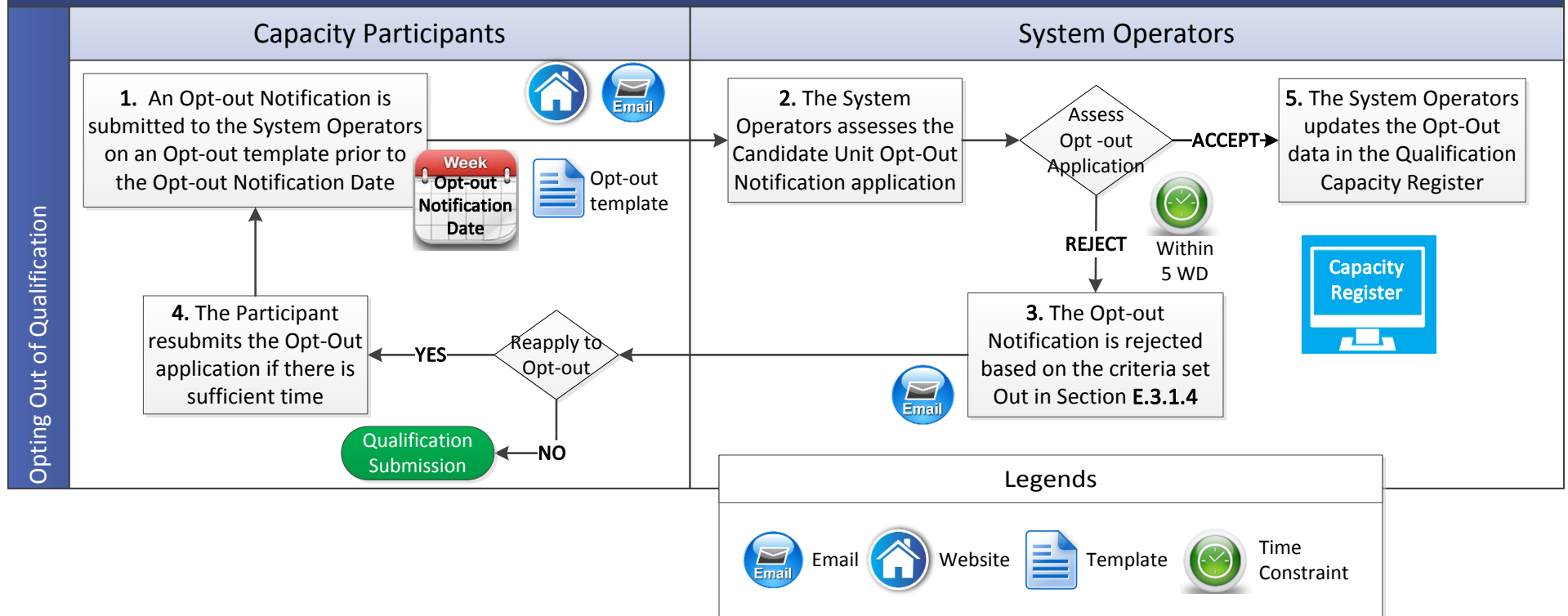


3.1.4 Opt-out Notification

An Opt-out Notification is a notification provided by a Participant to the System Operators that a Generator Unit or Interconnector of that Participant shall not be included in an Application for Qualification in respect of a Capacity Auction. The rules in relation to Opt-out Notifications are set out in section E.3 of the Code.

Step	Step Description	Timing	Method	By From	To
1.	A Participant may submit an Opt-out Notification to the Regulatory Authorities prior to the Opt-out Notification Date. A Participant seeking approval to opt-out of a forthcoming Capacity Auction must provide supporting evidence. An Opt-out Notification must therefore include all the required information and supporting documentation under paragraph E.3.1.4 of the Code	In accordance with Capacity Auction timetable.	Email on template provided by System Operators	Participant	System Operators
2.	The System Operators assess the Candidate Unit Opt-out Notification application. Within [x] days of receipt, the System Operators shall either confirm receipt of a valid notification or request additional information or documentation.	Within 5 Working Days of the Submission	Assessment of the Opt-out Notification data	System Operators	
3.	The System Operators shall reject an Opt-out Notification based on the criteria outlined in paragraph E.3.1.5 of the Code.	Within 5 Working days of the Submission	Email	System Operators	Participant
4.	The Participant may resubmit the Opt-out Notification if there is sufficient time. If they choose not to resubmit the Opt-out Notification the Participant should commence the Qualification Process as normal.	In accordance with Capacity Auction Timetable.	Email on template provided by System Operators	Participant	System Operators
5.	The System Operators update the Qualification Capacity and Trade Register with the opt-out information provided by the Participant.	On acceptance of the Opt-out Notification	System update	System Operators	Participants

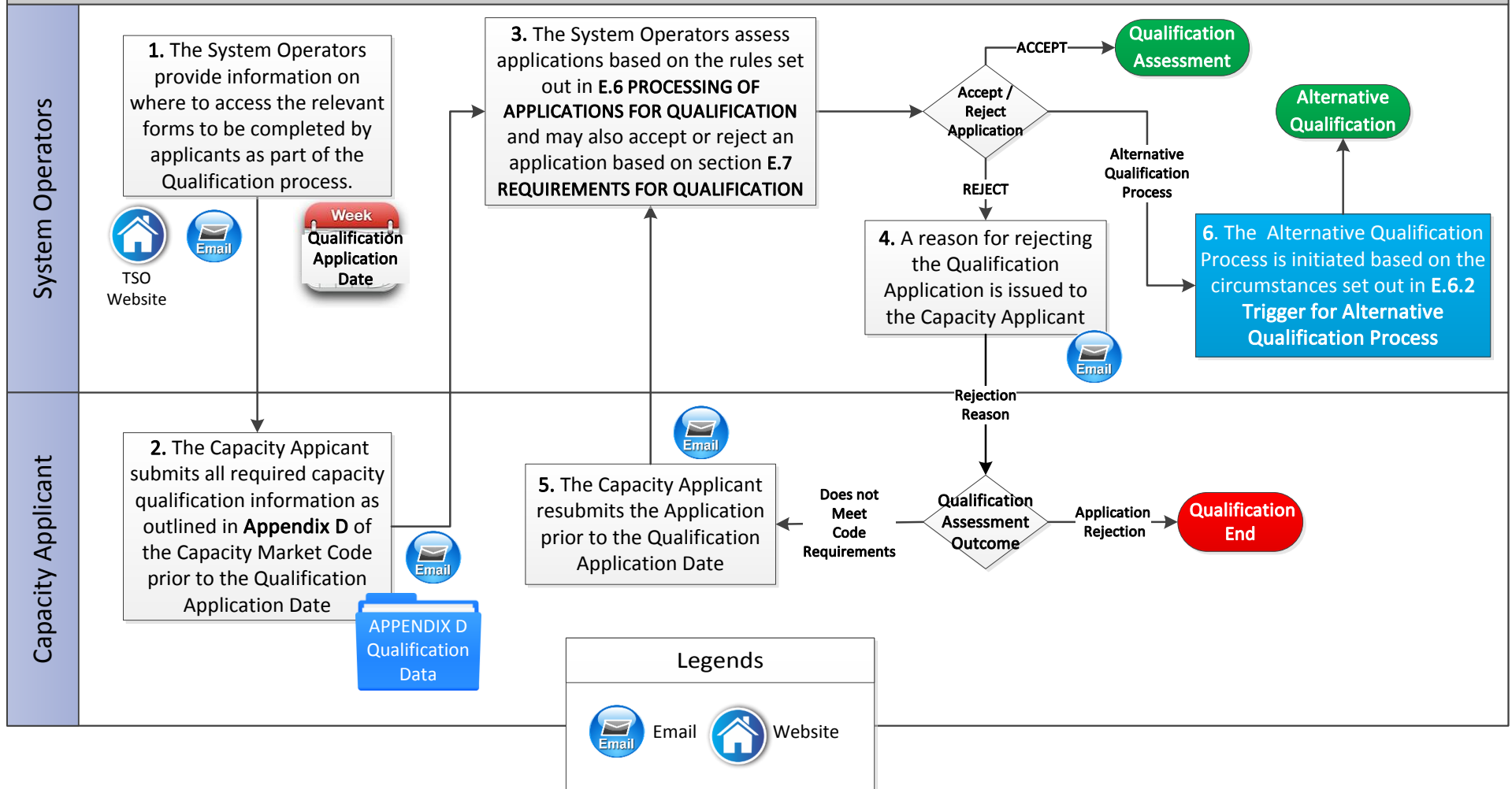
Opt-out Notification Process



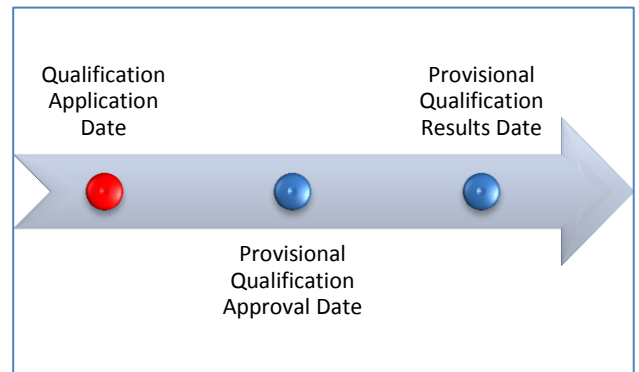
3.2 Qualification Submission

Step	Step Description	Timing	Method	By From	To
1	The System Operators shall provide Information on where to access the relevant forms to be completed by applicants as part of the Qualification process.	Contained in Auction Information Pack	Website / Email if requested	System Operators	Applicants
2	The Participant submits all required capacity Qualification Information in the prescribed format for each Capacity Market Unit whether the capacity of the Capacity Market Unit is Existing Capacity, New Capacity, or a mix of both. Information required for Qualification is outlined in Appendix D of the Code	Prior to the Qualification Application Date	Email	Applicants	System Operators
3	The System Operators shall conduct assessments based on information provided in Applications for Qualification except to the extent that the Code allows them to use other information. The System Operators carry out an initial assessment based on the rules set out in section E.6 of the Code and may also accept or reject an application based on the requirements outlined in section E.7 of the Code	Prior to the Qualification Application Date	Controller data submission check	System Operators	
4	An Application for Qualification may be rejected by the System Operators where a Participant does not meet the Qualification requirements outlined in the Code. A reason for rejecting the Qualification Assessment is provided in the communication between the System Operator and the party seeking Qualification.	Prior to the Qualification Application Date	Email	System Operators	Applicants
5	The Capacity Applicant updates its Qualification Information and resubmits the Application prior to the Qualification Application Date for submission	Prior to the Qualification Application Date	Email to the System Operators	Applicants	System Operators
6	The Alternative Qualification Process shall apply in the circumstances set out in paragraph E.6.8.1 of the Code	Prior to the Qualification Application Date	Alternative Qualification Process	System Operators	Applicants

Qualification Submission

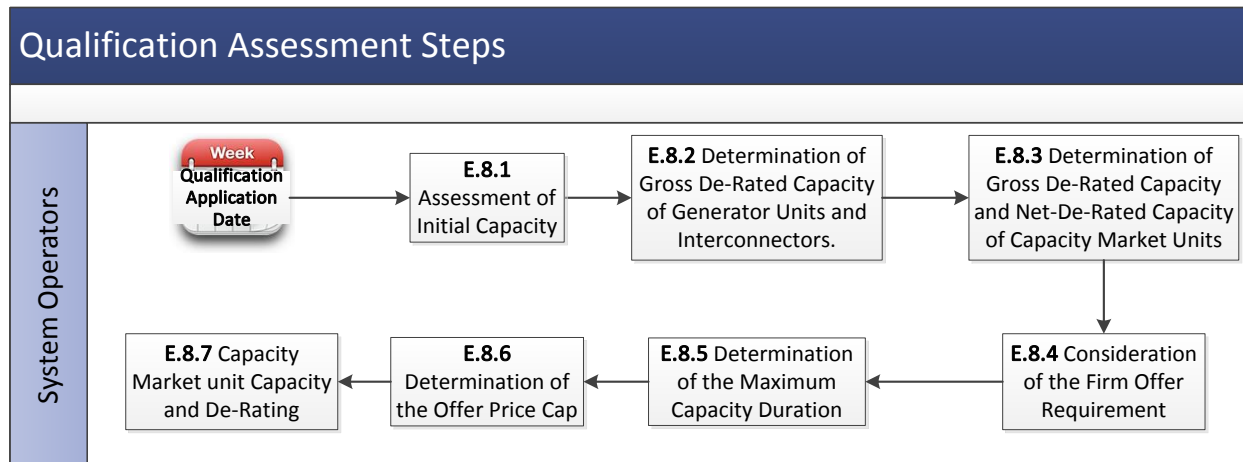


3.3 Qualification Assessment



Having received qualification data, the System Operators shall run the qualification calculation process to determine how many MW of each Capacity Market Unit has Qualified. The System Operators must assess applications for qualification in respect of a Capacity Market Unit and apply the rules in approving Existing Capacity and New Capacity as Qualified and for setting the Final De-rating Factors and Maximum Capacity Durations in respect of Existing Capacity and New Capacity that has qualified. The Qualification Calculations are contained in section E.8 of the Code

The high level qualification calculation steps are illustrated in the diagram below.



3.4 Notification of Qualification Decisions

The Qualification Information Results will contain the information outlined Section E.9.1 of the Code.

3.4.1 Provisional Qualification Decisions

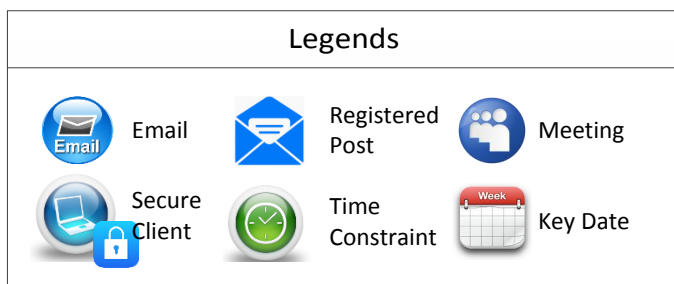
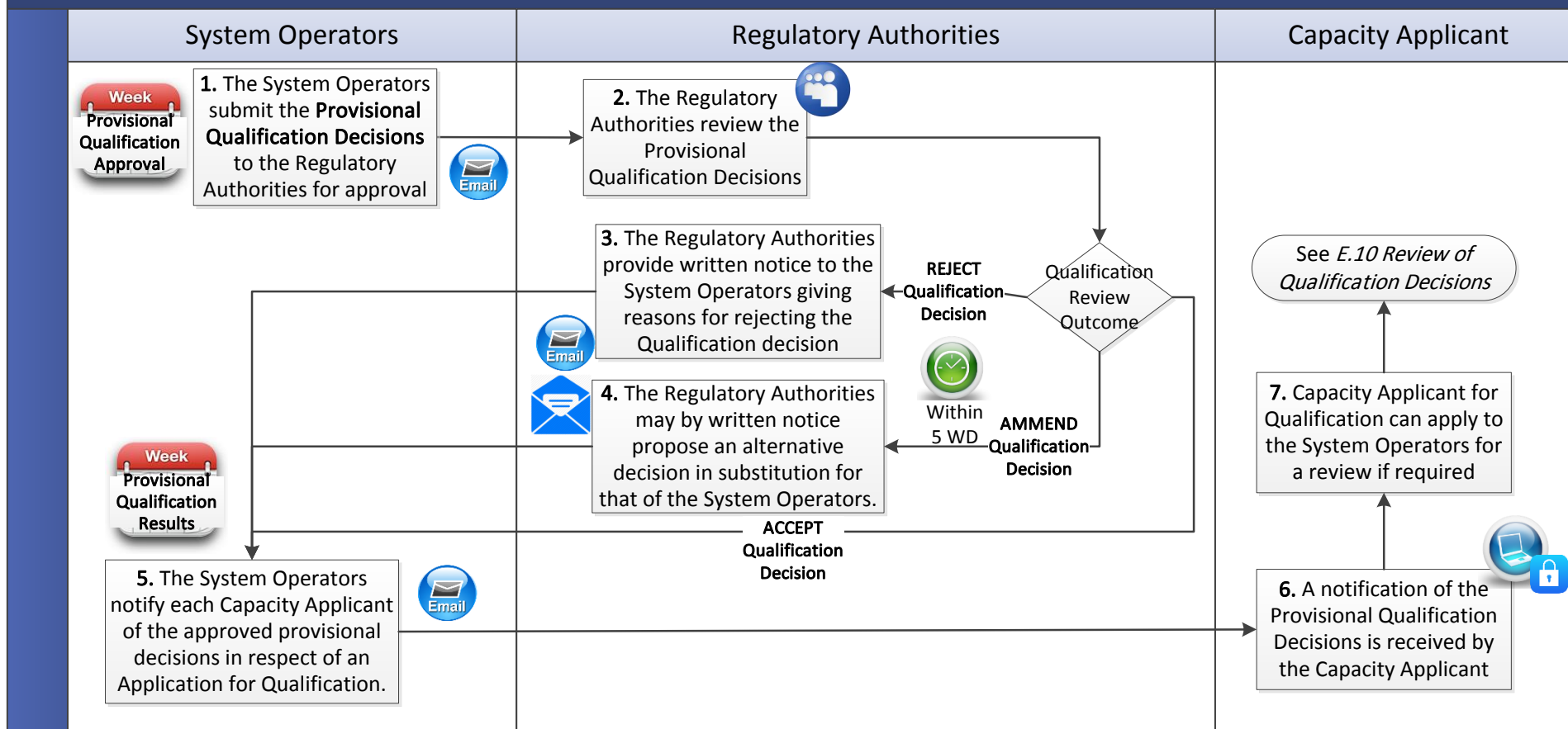
System Operators are to provide Provisional Qualification results in respect of a Capacity Year to the Regulatory Authorities for approval by the Provisional Qualification Approval Date. The System Operators are expected to inform persons who submit Applications for Qualification of Provisional Qualification Results in respect of a Capacity Year by the Provisional Qualification Results Date.

Step	Step Description	Timing	Method	By From	To
1.	The System Operators shall submit to the Regulatory Authorities for approval the System Operators' provisional decisions ("Provisional Qualification Decisions") in relation to the Qualification Process in respect of a Capacity Auction (including Qualification Information for each Capacity Market Unit, Generator Unit and/ or Interconnector (as applicable)).	Between the Qualification Application Date and the Provisional Qualification Approval Date	Email	System Operators	Regulatory Authorities
2.	The Regulatory Authorities review the Provisional Qualification Decisions.		Meeting		
3.	The Regulatory Authorities may approve or reject one or more Provisional Qualification Decisions provided by the System Operators under paragraph E.9.2.1 of the Code by written notice to the System Operators (giving reasons in the case of rejection).	1 week before the Provisional Qualification Results Date	Email and written decision	Regulatory Authorities	System Operators
4.	If the Regulatory Authorities reject ¹ a Provisional Qualification Decision provided by the System Operators under paragraph E.9.2.1 of the Code, then the Regulatory Authorities may by written notice to the System Operators propose an alternative decision in substitution for that of the System Operators.	1 week before the Provisional Qualification Results Date	Email and written decision	Regulatory Authorities	System Operators
5.	The System Operators shall notify each Participant of the approved provisional decisions in respect of an Application for Qualification. A notification under paragraph E.9.2.5 of the Code must be given by the later of the Provisional Qualification Results Date specified in the applicable Capacity Auction Timetable and a date being [x] Working Days after the Regulatory Authorities have approved the Provisional Qualification Decisions. The System Operators shall include in the notification given under paragraph	Prior to the Provisional Qualification Results Date or within [X]days of the decision of the Regulatory	Email	System Operators	Applicant

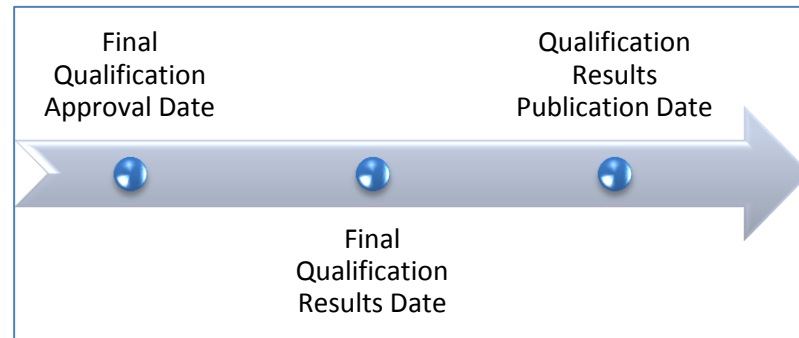
¹ **NOTE** If the Regulatory Authorities do not notify the System Operators that they reject a proposed Provisional Qualification Decision within [x] Working Days after the System Operators have submitted that decision under paragraph E.9.2.1 of the Code, then they will be taken to have approved the decision submitted by the System Operators.

E.9.2.5 of the Code, the provisional Qualification Information in respect of the Capacity Market Unit.					Authorities.
6.	A notification Provisional Qualification Decisions is received by the Applicant. The Capacity Applicant may also view the Provisional Qualification Decisions through online access of the Capacity Register	Before the Provisional Qualification Results Date	Secure Browser	Applicant	Qualification system
7.	An Applicant for Qualification can apply to the System Operators for a qualification review if required in accordance with section E.10 of the Code.				

Provisional Qualification Decision



3.4.2 Final Qualification Decisions



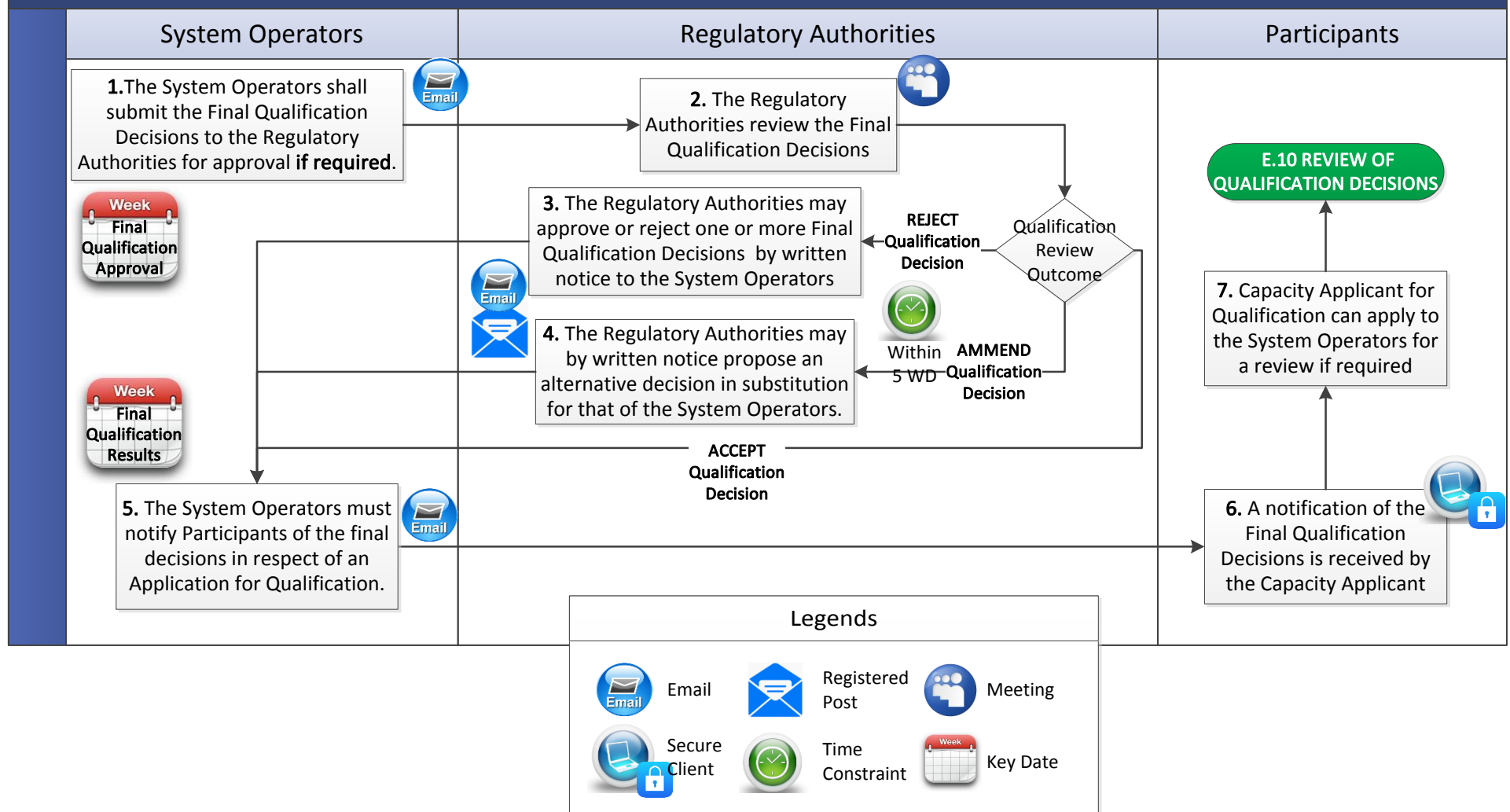
Where there is any material difference between the System Operators' Provisional Qualification Decisions and final decisions in relation to the Qualification Process ("Final Qualification Decisions") in respect of a Capacity Auction (including Qualification Information for each Capacity Market Unit, Generator Unit and/ or Interconnector (as applicable), the System Operators shall submit the Final Qualification Decisions to the Regulatory Authorities for approval. The Final Qualification Approval Date is the date by which the System Operators must provide Final Qualification Results in respect of a Capacity Year to the Regulatory Authorities for approval if required. The Final Qualification Results date is the expected date by which the System Operators must inform persons who submit Applications for Qualification of Final Qualification Results in respect of a Capacity Year. The Qualification Results Publication Deadline is the date by which the System Operators are expected to publish the total qualified capacity in respect of a Capacity Year.

Step	Step Description	Timing	Method	By From	To
1.	Where there is any material difference between the System Operators' Provisional Qualification Decisions and Final Qualification Decisions (E.9.3 of the Code) the System Operators shall submit the Final Qualification Decisions to the Regulatory Authorities for approval.	Between the Provisional Qualification Results Date and the Final Qualification Approval Date	Email	System Operators	Regulatory Authorities
2.	The Regulatory Authorities review the Final Qualification Decisions	-	Meeting	-	-
3.	The Regulatory Authorities may approve or reject ² one or more Final Qualification Decisions issued by the System Operators in accordance with section E.9.3.1 of the Code by written notice to the System Operators (giving reasons in the case of rejection).	1 week before the Final Qualification Results Date	Email and written decision	Regulatory Authorities	System Operators
4.	If the Regulatory Authorities reject a Final Qualification Decision provided by the System Operators under paragraph E.9.3.1 of the Code,	1 week before the Final Qualification Results Date	Email and written	Regulatory Authorities	System Operators

² If the Regulatory Authorities do not notify the System Operators that they reject a proposed Final Qualification Decision within [x] Working Days after the System Operators have submitted that decision under paragraph E.9.3.1 then they will be taken to have approved the decision submitted by the System Operators.

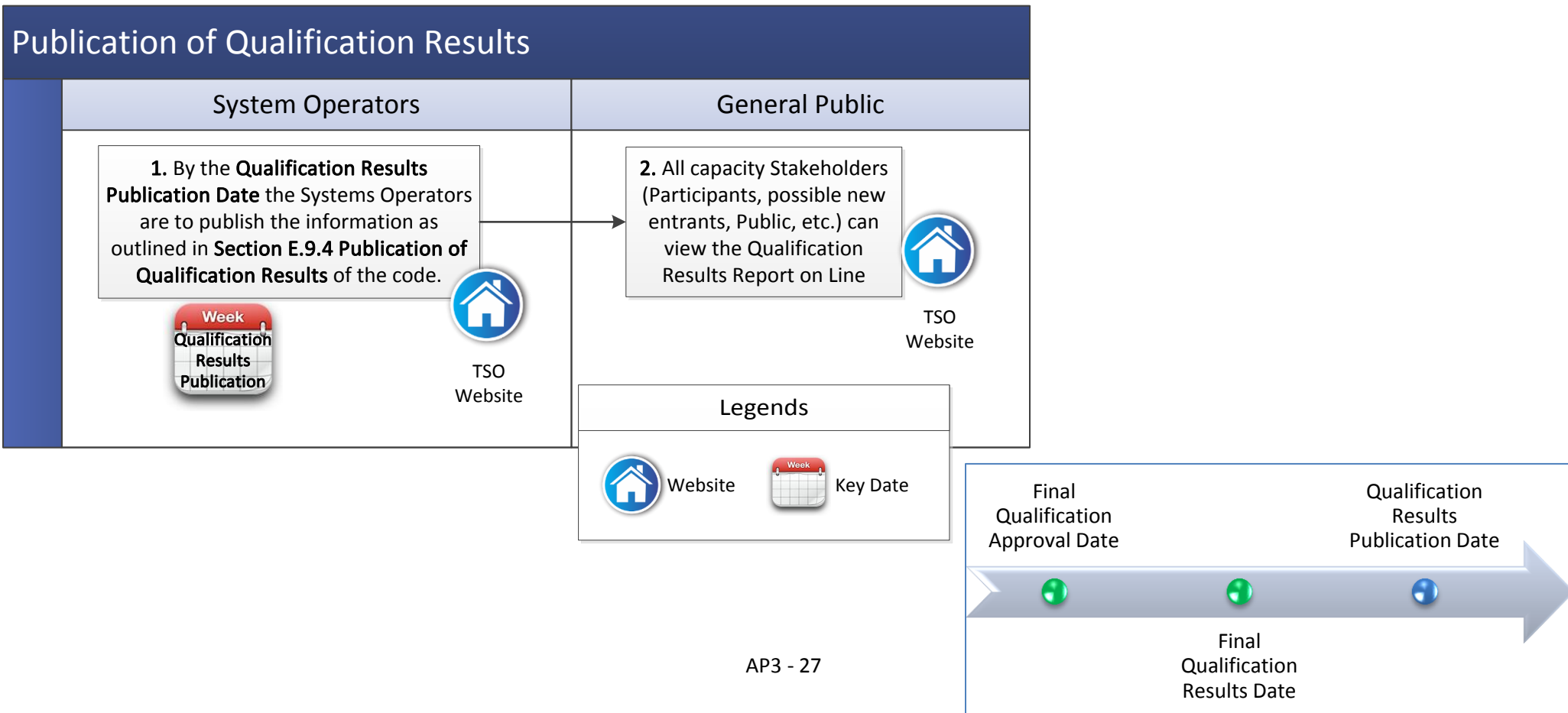
then the Regulatory Authorities may by written notice to the System Operators propose an alternative decision in substitution for that of the System Operators.		Date	decision		
5.	The System Operators shall notify Participants of the Final Qualification Decisions. A notification under paragraph E.9.3.5 of the Code must be given by the Final Qualification Results Date specified in the applicable Capacity Auction Timetable	Prior to the Final Qualification Results Date or within [X] days of the decision of the Regulatory Authorities.	Email	System Operators	Applicant
6.	A notification of the Final Qualification Decisions is received by the Applicant. The Applicant may also view the Final Qualification Decisions through online access of the Capacity and Trade Register	Before the Final Qualification Results Date	Secure browser	Applicant	Qualification System
7.	An Applicant can apply to the System Operators for a review of the Qualification Decision if required in accordance with section E.10 of the Code.	-	In accordance with section E.10 of the Code	System Operators	Applicant

Final Qualification Decisions



3.4.3 Publication of Qualification Results

Step	Step Description	Timing	Method	By From	To
1.	Before the Qualification Results Publication Date the Systems Operators shall publish the information as outlined in section E.9.4 of the Code.	On the Qualification Results Publication Date	System Operators' website	System Operators	General public
2.	All capacity stakeholders (Participants, possible new entrants, public, etc.) can view the Qualification Results Report online.	Post Qualification Results Publication	System Operators' website	General public	-



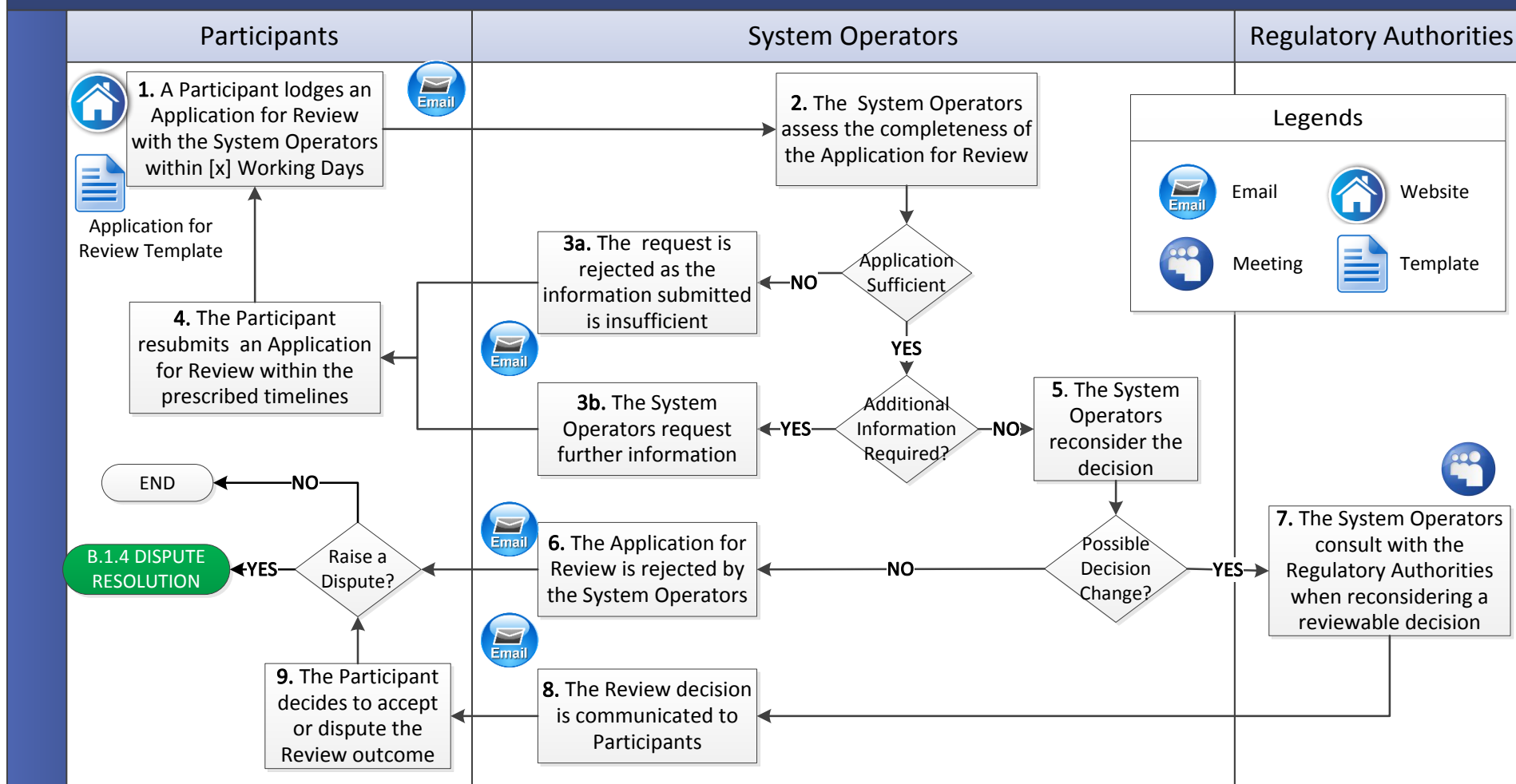
3.4.4 Review of Qualification Decisions

This procedure relates to both Provisional Qualification Decisions and Final Qualification Decisions.

Step	Step Description	Timing	Method	By From	To
1	A Participant that has had an Application for Qualification rejected by the System Operators; or who disagrees with an aspect of the Qualification Information may request the System Operators to review the rejection or that aspect of the Qualification Information by lodging an Application for Review with the System Operators. An Application for Review must contain the information outlined in paragraph E.10.2.2 of the Code	Within [x] Working Days of being notified of the reviewable decision.	Email using the template provided by the System Operators	Capacity Participant	System Operators
2	The System Operators assess the completeness of the Application for Review.				
3a	If the Application for Review contains insufficient information the System Operators shall, within [x] Working Days after receiving an Application for Review which does not comply with paragraph E.10.2.2 of the Code, give notice to the Participant lodging the application that the request is rejected as not complying with that paragraph, and give the reason why.	Within [x] Working Days after receiving an Application for Review	Email	System Operators	Participant
3b	If further information is required the System Operators shall request further information in order to reconsider the reviewable decision the subject of the Application for Review, then the Participant shall provide that information.	Within [x] Working Days after receiving an Application for Review	Email	System Operators	Participant
4	The Participant resubmits an Application for Review within the prescribed timelines.		Email using the template provided by the System Operators	Participant	System Operators
5	Reconsideration of Reviewable Decision The System Operators reconsider the reviewable decision within [X] Working Days, informing the Participant of the outcome of the reconsideration.	Within [x] Working Days after receiving an Application for Review			
6	Decision NO	Within [x] Working	Email	System	Participant

	The Application for Review is rejected by the System Operators along with the reason why. If an Application for Review is rejected by the System Operators in whole or in part, the applicant may raise a Dispute in accordance with section B.14 of the Code.	Days after receiving an Application for Review		Operator s	
7	Decision YES The System Operators consult with the Regulatory Authorities when reconsidering a reviewable decision. The System Operators' reconsideration response will include the information referenced in Paragraphs E.10.3.3 of the Code.	Within [x] Working Days of being notified of the reviewable decision.	Email	System Operator s	Regulatory Authorities
8	The reconsidered decision is communicated to the Participant	Within [x] Working Days of being notified of the reviewable decision.	Email	System Operator s	Participant
9	Based on the Review outcome the Participant may decide to accept the review outcome or raise a Dispute in accordance with section B.14 of the Code.				

Review of Qualification Decisions



3.5 Other Qualification Related Process

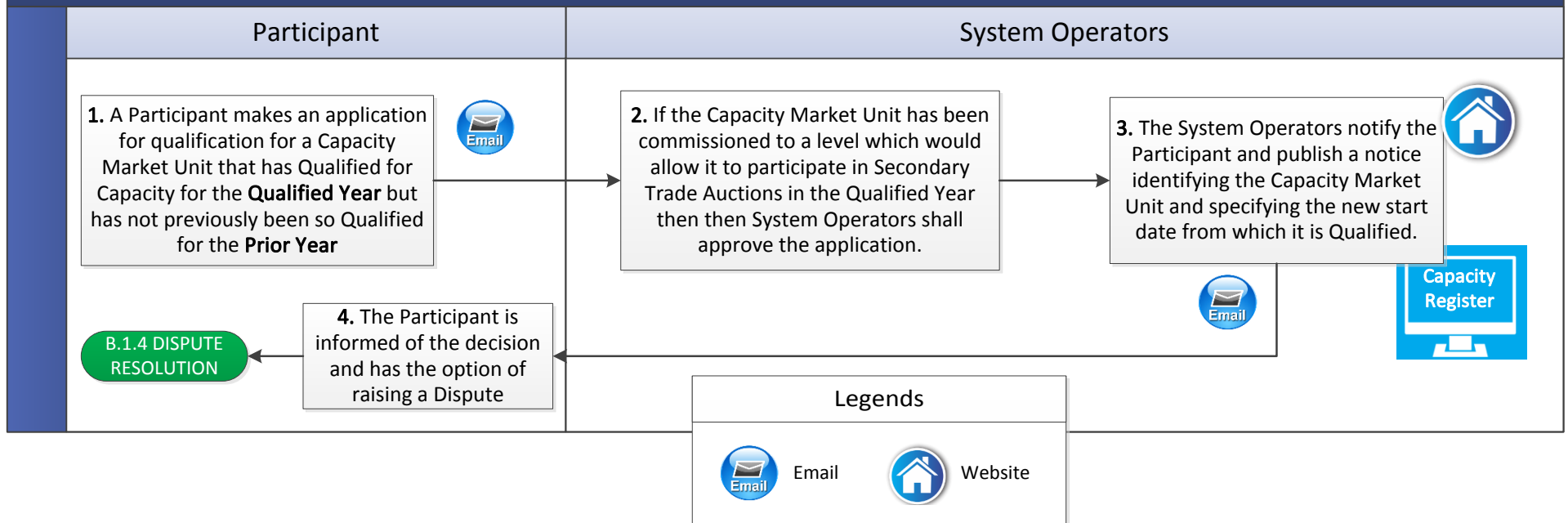
3.5.1 Extended Qualification for Secondary Trade - Early Start

Secondary trading allows a Participant for a Capacity Market Unit that is undergoing an outage, to purchase a Product through a Secondary Trade Auction that will allow it to offset Awarded Capacity in respect of a Capacity Market Unit, with another Capacity Market Unit providing replacement capacity in its place. The buyer of a Secondary Trade is effectively offsetting the capacity it has "sold" previously, and the seller of a Secondary Trade takes on the obligation to provide the capacity traded.

Where Existing Capacity has been Qualified in respect of a Capacity Year (or "Qualified Year") a Participant may apply to the System Operators to have the start date for Qualification modified so as to commence at a specified date in the prior Capacity Year (called the "Prior Year") for the purposes of allowing the relevant Capacity Market Unit to participate in Secondary Trade Auctions from that earlier date.

Step	Step Description	Timing	Method	By From	To
1	Participant submits an Application for Qualification for a Capacity Market Unit that has Qualified for Capacity for the Qualified Year but has not previously been so Qualified for the Prior Year using the Secondary Trade Early Start Template and emailing the System Operators.	After successful qualification for a Qualified Year	Email using the Template provided by the System Operators	Participant	System Operators
2	If the Capacity Market Unit has been commissioned to a level which would allow it to participate in Secondary Trade Auctions in the Qualified Year then then System Operators shall: (a) approve the application; and (b) deem the qualified values that apply in the Qualified Year to apply in the Prior Year from the specified date.	Within [x] Working Days after receiving the Secondary Trade Early Start			
3	The System Operators shall: (a) notify the Participant accordingly; and (b) publish a notice identifying the Capacity Market Unit and the Qualified Year and specifying the new start date from which it is Qualified.	Within [x] Working Days after receiving the Secondary Trade Early Start	Email	System Operators	Participant
4	The Participant is informed of the decision. The Participant has the option to raise a Dispute if necessary.				

Extended Qualification for Secondary Trade - Early Start



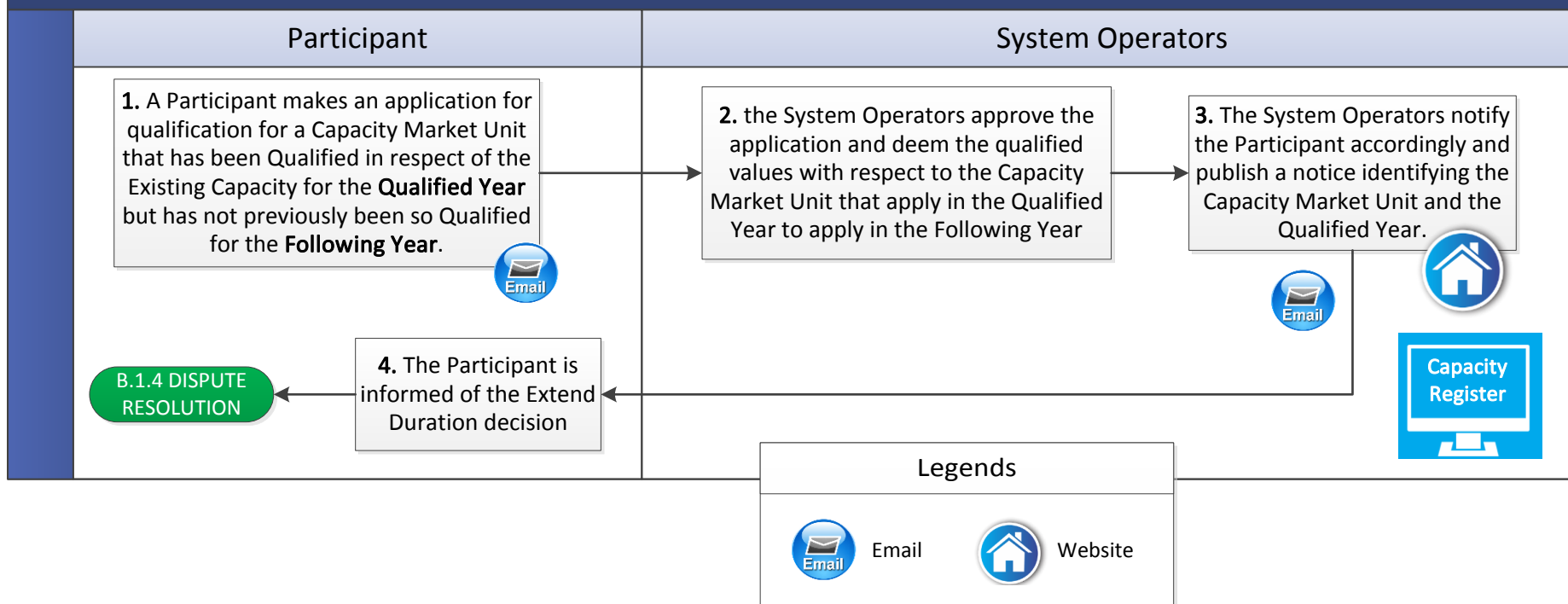
3.5.2 Extended Qualification for Secondary Trade – Extended Duration

Where Existing Capacity has been Qualified in respect of a Capacity Year (called the “Qualified Year”) and the relevant Participant intends to Close the relevant Capacity Market Unit during the following Capacity Year (called the “Following Year”), the Participant may apply to the System Operators to have the end date for Qualification modified so as to end at a specified Closing date in the Following Year for the purposes of allowing the relevant Capacity Market Unit to participate in Secondary Trade Auctions until that specified Closing date.

Step	Step Description	Timing	Method	By From	To
1.	A Participant makes an application for qualification for a Capacity Market Unit that has been Qualified in respect of the Existing Capacity for the Qualified Year but has not previously been so Qualified for the Following Year. The Participant undertakes in the application not to participate in Secondary Trade Auctions with respect to that Capacity Market Unit beyond the Closing Date specified in the application	After successful qualification for a Qualified Year	Email using the template provided by the System Operators	Participant	System Operators
2.	The System Operators shall: (a) approve the application; and (b) deem the qualified values with respect to the Capacity Market Unit that apply in the Qualified Year to apply in the Following Year until the specified Closing Date.	Within [x] Working Days after receiving the Secondary Trade Extended Duration			
3.	The System Operators (a) notify the Participant accordingly; and (b) publish a notice identifying the Capacity Market Unit and the Qualified Year and specifying the Closing Date.	Days after receiving the Secondary Trade Extended Duration	Email	System Operators	Participant
4.	The Participant is informed of the decision. The Participant has the option to raise a Dispute if necessary.				

For the avoidance of doubt, any extension of Qualified status to apply in the Prior Year or Following Year will allow participation of that Capacity Market Unit in Secondary Trade Auctions but does not allow participation in any Capacity Auction.

Extended Qualification for Secondary Trade - Extended Duration



3.6 The Alternative Qualification Process

Section E.7.8 of the Code outlines the steps that the System Operators are required to follow to determine the Qualification Results for a Capacity Market Unit using the Alternative Qualification Process.

Where the System Operators are required to determine Qualification results for a Capacity Market Unit using the Alternative Qualification Process, they shall apply the principles outlined in section E.7.8.1 of the Code

In determining the Gross De-Rated Capacity (Existing) and Gross De-Rated Capacity (New) of the Capacity Market Unit, the System Operators shall use the methodology set out in sections E.8.2 and E.8.3 of the Code.

Part B Auction Process

4. OVERVIEW

4.1 Capacity Auction Process

The System Operators are responsible for discharging the auctioneer function as set out in the Code and offer support to Participants during the Capacity Auction process. The procedures outlined in this document consist of a number of Pre-Auction and Post-Auction steps that inform the Participant of the Capacity Auction timelines, data requirements and the Auction Results publication process.



Pre Auction

- Information and Stakeholder Engagement (Price Cap, Investment Threshold Amendment, Opt Out / In Notifications, Final Auction Parameters)

Post Qualification Pre Auction

- Demand curve publication
- Auction System Access
- Participant Bid Submission
- Auction Monitoring

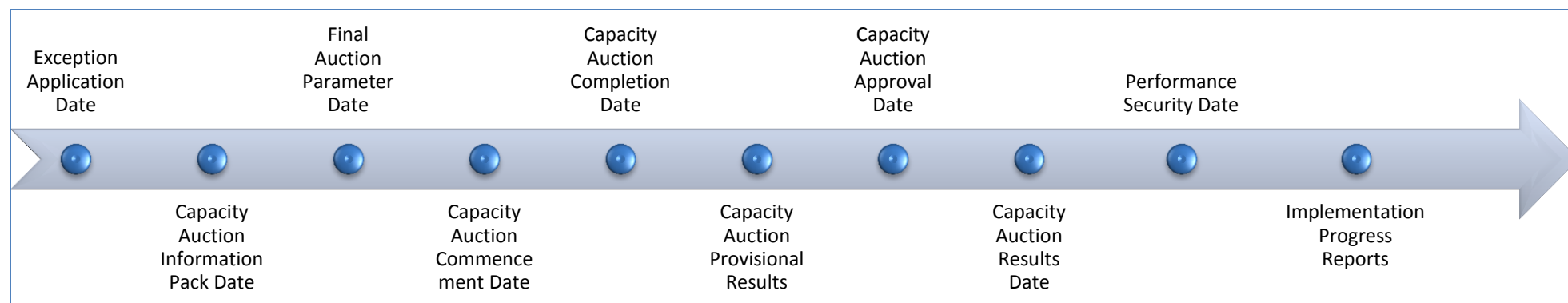


Post Auction

- Provisional Auction Results
- Auction Audit Report
- Regulatory Approval
- Final Auction Results Publication

4.2 Key Capacity Auction Dates

This section provides an overview of the sequence of Auction events. Any timelines given are indicative as these dates are approved by the Regulatory Authorities and may vary for each Capacity Auction. Key Capacity Auction dates are set out below.



Capacity Auction Information Pack Date: The last publication date for the Auction Information Pack.

Final Auction Parameter Date: The date by which the System Operators are expected to publish the Final Auction Parameters in respect of a Capacity Auction.

Capacity Auction Submission Commencement: The earliest date and time from which Participants will be able to submit Capacity Auction Offers in respect of Capacity Market Units Qualified to participate in the Capacity Auction;

Capacity Auction Submission End: The last date and time until which Participants will be able to submit Capacity Auction Offers in respect of Capacity Market Units Qualified to participate in the Capacity Auction;

Capacity Auction Completion Date: The date by which the System Operators are expected to complete the Capacity Auction (including Capacity Auction Monitor review);

Capacity Auction Provisional Results Date: The date by which the System Operators are expected to provide preliminary Capacity Auction results to Participants;

Capacity Auction Approval Date: The date by which the Regulatory Authorities are expected to approve the Capacity Auction results;

Capacity Auction Results Date: The date the System Operators are expected to publish the Capacity Auction results.

The Performance Security Date: The last date for Participants to provide Performance Securities to the System Operators for Awarded New Capacity in respect of a Capacity Year;

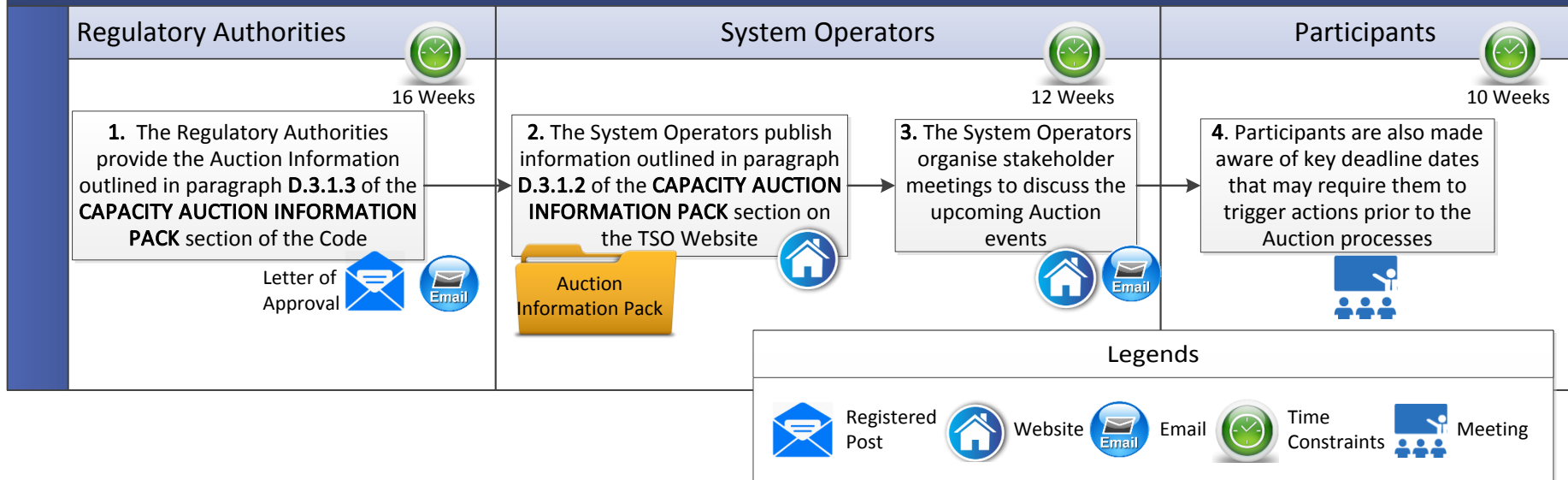
The milestone dates for which Implementation Progress Reports are required from Participants in respect of Awarded New Capacity resulting from the Capacity Auction.

5. PROCEDURAL STEPS

5.1 Pre-Auction Activities

Step	Step Description	Timing	Method	By From	To
1.	The Regulatory Authorities shall provide Capacity Auction information to the System Operators to be included in the Capacity Auction Information Pack as set out in in paragraph D.3.1.3 of the Code.	16 weeks prior to the Capacity Auction	Email and Letter of approval from Regulatory Authorities	Regulatory Authorities	System Operators
2.	The System Operators publish a Capacity Auction Information Pack containing the information received at step 1 along with any additional information outlined in paragraph D.3.1.2 of the Code.	In accordance with Capacity Auction Timetable	System Operators' website	System Operators	Participants
3.	The System Operators organise stakeholder meetings to discuss the upcoming Capacity Auction events.	12 weeks prior to the Capacity Auction	System Operators' website and email	System Operators	Participants
4.	Existing and potential new Participants are briefed about the forthcoming Capacity Auction requirements. Inform Participants of key deadline dates that may require them to trigger actions prior to the Qualification Process and Capacity Auction processes.	10 weeks prior to the Capacity Auction	Stakeholder meetings	System Operators	Participants

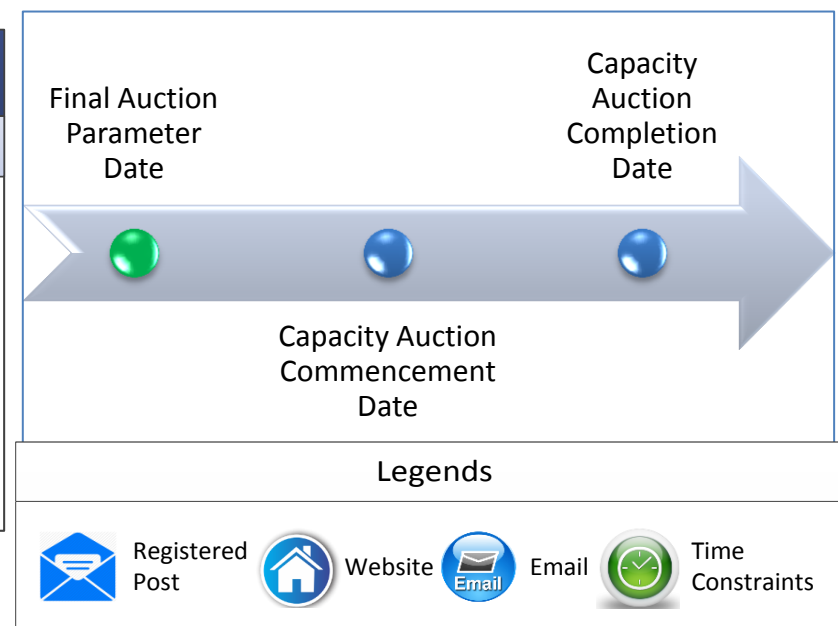
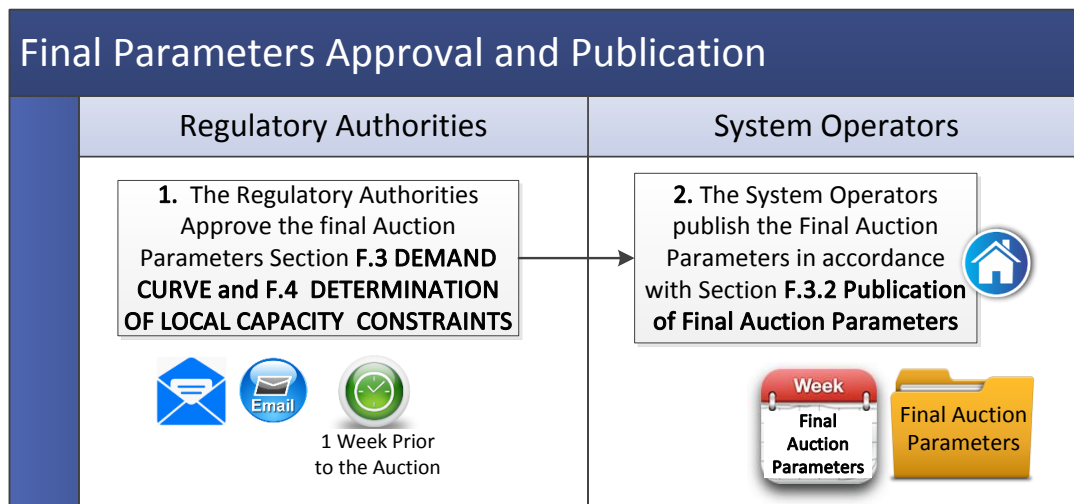
Pre Auction Information Pack and Stakeholder Engagement



5.2 Post Qualification - Pre Auction

5.2.1 Final Auction Parameters Publication

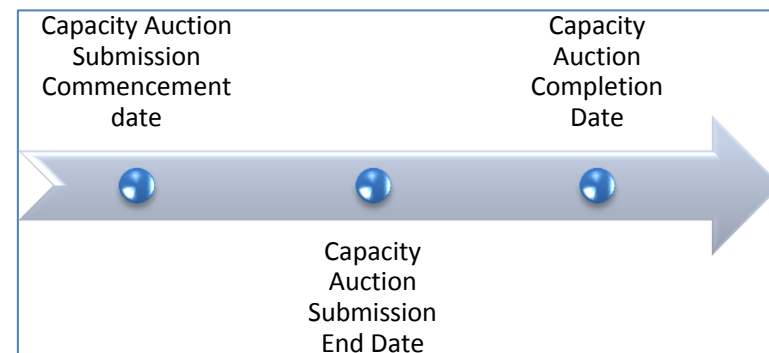
Step	Step Description	Timing	Method	By From	To
1.	The Regulatory Authorities shall approve Final Auction Parameters (the Demand Curve in accordance with section F.3 of the Code and Local Capacity Constraints in accordance with section F.4 of the Code) to be employed in a Capacity Auction, and shall provide it to the System Operators.	1 week prior to Final Auction Parameter Date	Formal Letter to the System Operators	Regulatory Authorities	System Operators
2.	At the time specified in the applicable Capacity Auction Timetable, the System Operators shall publish the Final Auction Parameters for the Capacity Auction which shall include the data outlined in section F.5.1.2 of the Code	In Accordance with the Capacity Auction Timetable	System Operators' website	System Operators	Participants



5.2.2 Participant Auction System Access and Offer Submissions

A Participant offering quantities into a Capacity Auction must use the Capacity Market Platform and comply with any procedures issued by the System Operators for using the Capacity Market Platform.

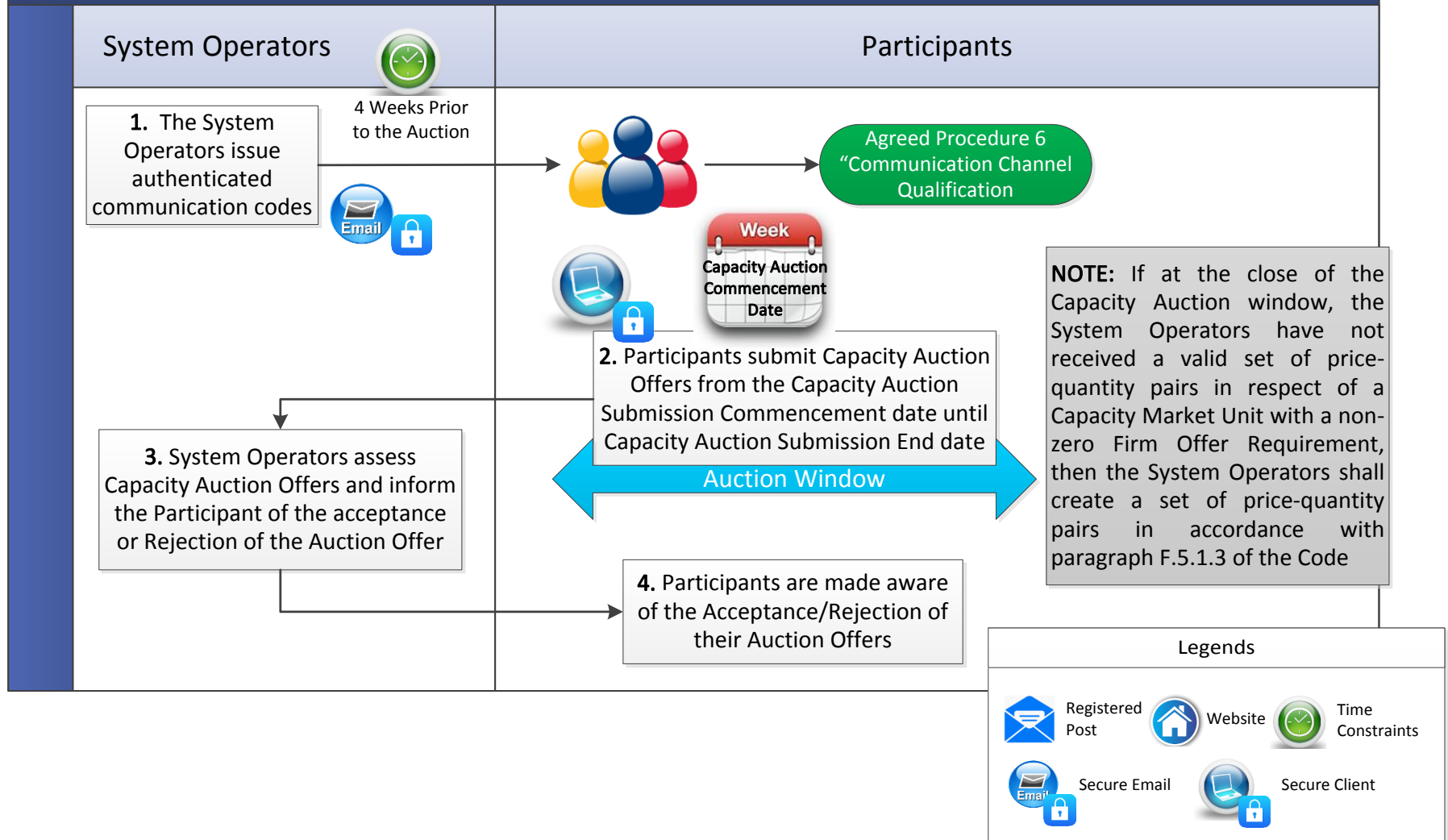
The Auction shall be conducted over the internet. This will allow Authorised Persons to participate in the Capacity Auction from their normal office locations. Bidders shall use the Capacity Market Interface from their own secure client computer connected to the internet, using a browser.



Step	Auction System Access	Timing	Method	By From	To
1.	The System Operators issue authenticated communication codes/instructions necessary for access and submission of Capacity Auction Offers.	4 Weeks prior to Capacity Auction Submission Commencement date	Secure email	System Operators	Participants
Step	Offer Submissions	Timing	Method	By From	To
2.	Participants submit Capacity Auction Offers from the Capacity Auction Submission Commencement date and time until the Auction Submission End date and time as indicated in the Capacity Auction Timetable. Section F.6.2 of the Code provides information on the submission of Capacity Auction Offers. Additional information on the Capacity Auction Offer rules is contained in section F.5 of the Code.	Between the Auction Submission Commencement date and Capacity Auction Submission End date	Secure Client web browser	Participants	System Operators
3.	The System Operators assess Capacity Auction Offers and inform the Participant of the acceptance or rejection of the Capacity Auction Offer.	Throughout the Capacity Auction window	Automated system check	Capacity Market Platform	
4.	The Participants are made aware of the acceptance/rejection of the Capacity Auction Offers submitted by Participants.	Throughout the Capacity Auction window	Capacity Market Interface	System Operators	Participants

Note	No Offer Submitted	Timing	Method	By From	To
	NOTE: If at the close of the Capacity Auction window, the System Operators have not received a valid set of price-quantity pairs in respect of a Capacity Market Unit with a non-zero Firm Offer Requirement, then the System Operators shall create a set of price-quantity pairs in accordance with paragraph F.7.1.3 of the Code	After the Capacity Auction Submission End date	In accordance with paragraph F.5.1.3 of the Code	System Operators	Participants

Participant Auction System Access and Offer Submissions



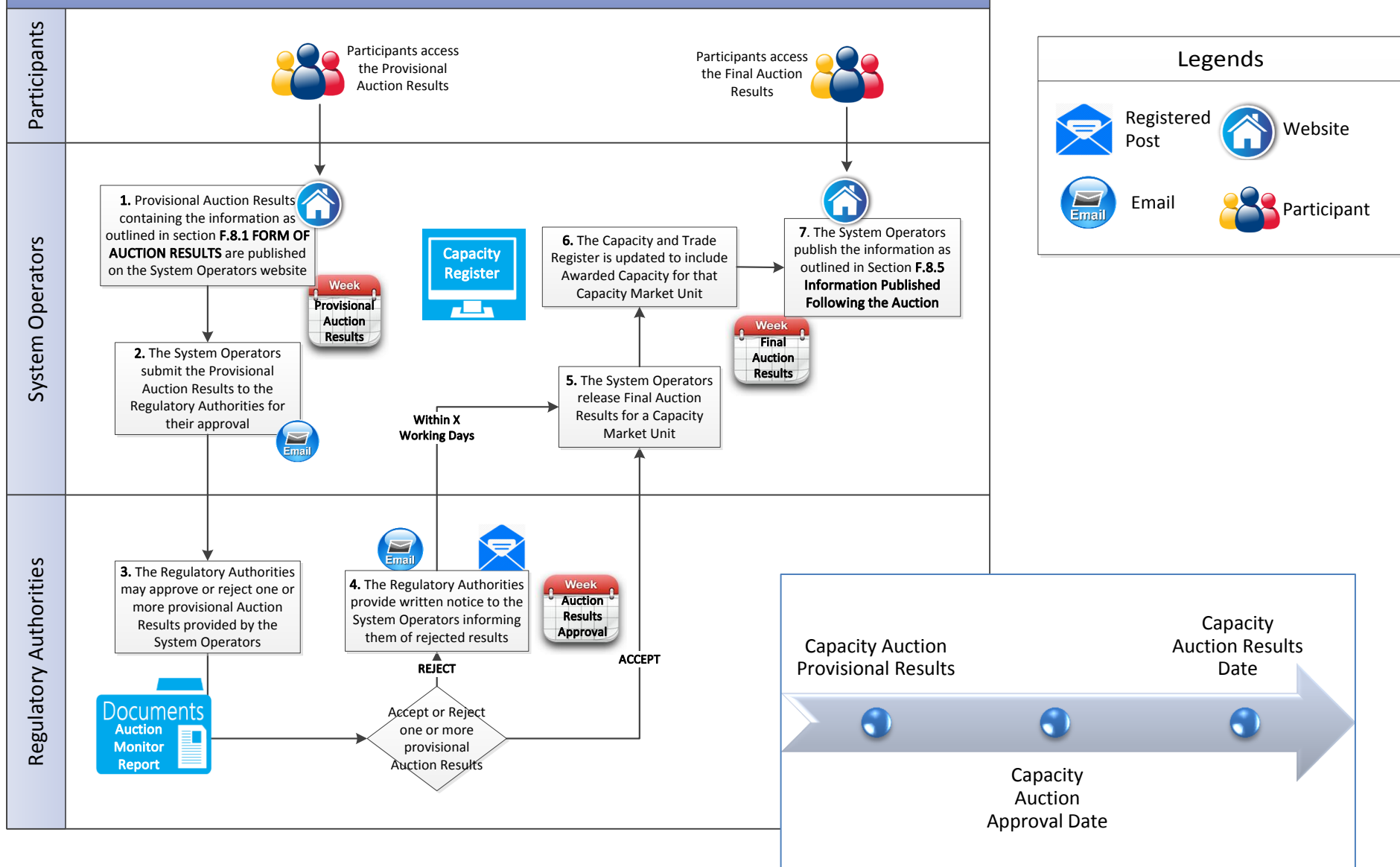
5.3 Post Auction

5.3.1 Provisional and Final Auction Results

Step	Provisional Auction Results	Timing	Method	By From	To
1.	The System Operators shall provide provisional Auction Results to the applicable Participant by the Capacity Auction Provisional Results Date. Provisional Auction Results will contain the information as outlined in section F.9.1 of the Code and are published on the System Operators' website for Participants to access.	Capacity Auction Provisional Results Date	System Operators' website	System Operators	Participants
2.	The System Operators submit the provisional Auction Results for all Capacity Market Units in respect of a Capacity Auction to the Regulatory Authorities for approval.	Capacity Auction Provisional Results Date	Email	System Operators	Regulatory Authorities
3.	The Regulatory Authorities may approve or reject one or more provisional Auction Results provided by the System Operators under paragraph F.9.2.1 by written notice to the System Operators (based on the Capacity Auction Monitor's report in relation to the Capacity Auction provided to the Regulatory Authorities in accordance with section B.10.4 of the Code).	Before the provisional Auction Results	Meeting	Capacity Auction Monitor	Regulatory Authorities
Step	Final Auction Results	Timing	Method	By From	To
4.	The Regulatory Authorities notify the System Operators of their provisional Auction Results decision within [x] Working Days after the System Operators have submitted those results under paragraph F.9.3.1 of the Code.	Capacity Auction Approval Date	Email and letter	Regulatory Authorities	System Operators
5.	The System Operators release final Auction Results for a Capacity Market Unit to the applicable Participant by the later of the Capacity Auction Results Date specified in the applicable Capacity Auction Timetable and a date being [x] Working Days after the Regulatory Authorities have approved the Auction Results.	Capacity Auction Results Date	System Operators' Website	System Operators	Participants
6.	The System Operators shall record the Awarded Capacity and associated information in respect of a Capacity Market Unit in the Capacity and Trade Register in accordance with paragraph F.9.3.5 of the Code and subject to	Capacity Auction	Capacity and Trade	System Operators	Participants

	paragraph G.2.1.4 of the Code the status of “pending”.	Results Date	Register		
Step	Information Published Following the Auction	Timing	Method	By From	To
7.	The System Operators publish the information as outlined in Section F.9.5 of the Code by the later of the Capacity Auction Results Date specified in the applicable Capacity Auction Timetable and a date being [x] Working Days after the Regulatory Authorities have approved the Auction Results	Capacity Auction Results Date	System Operators' Website	System Operators	Participants

Auction Results Approval and Publication



5.3.2 Post Auction Conditions for Awarding Capacity

Step	Step Description	Timing	Method	By From	To
1.	Capacity allocated to a new or existing Capacity Market Unit as a result of a Capacity Auction becomes Awarded Capacity when it meets the conditions outlined in section F.9.4 of the Code.	Performance Security Date and or Implementation Progress dates	-	Participants	System Operators
2.	Additional Conditions for New Capacity include agreeing to the Implementation Plan and providing a Performance Security	Within 20 Working Days of the Capacity Auction Results Date	Agreements and Performance Security	Participants	System Operators
3.	The Participant is deemed to accept the final Auction Results unless the Participant notifies the System Operators that it does not accept those results within 20 Working Days of the Capacity Auction Results Date	Within 20 Working Days of the Capacity Auction Results Date	-	Participants	System Operators
4.	The System Operators update the status of the Awarded Capacity in the Capacity and Trade Register to “active”.	After the 20 Working Days of the Capacity Auction Results Date or Performance Security and Implementation Dates	System status updates	System Operators	-

Post Auction Conditions for Awarding of Capacity

