



Energy for  
generations

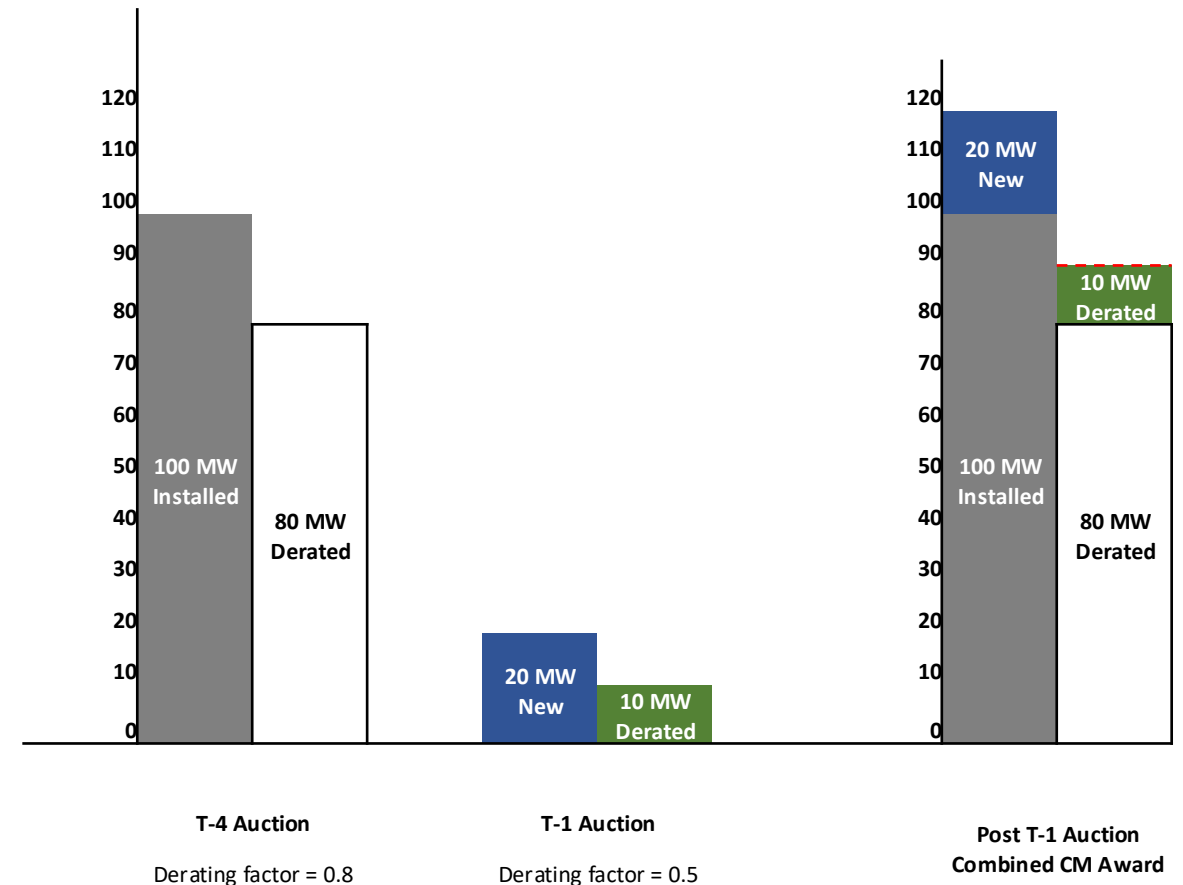
## CMC\_12\_24 Proportion of Delivered Capacity in respect of incremental New Capacity

20<sup>th</sup> November 2024

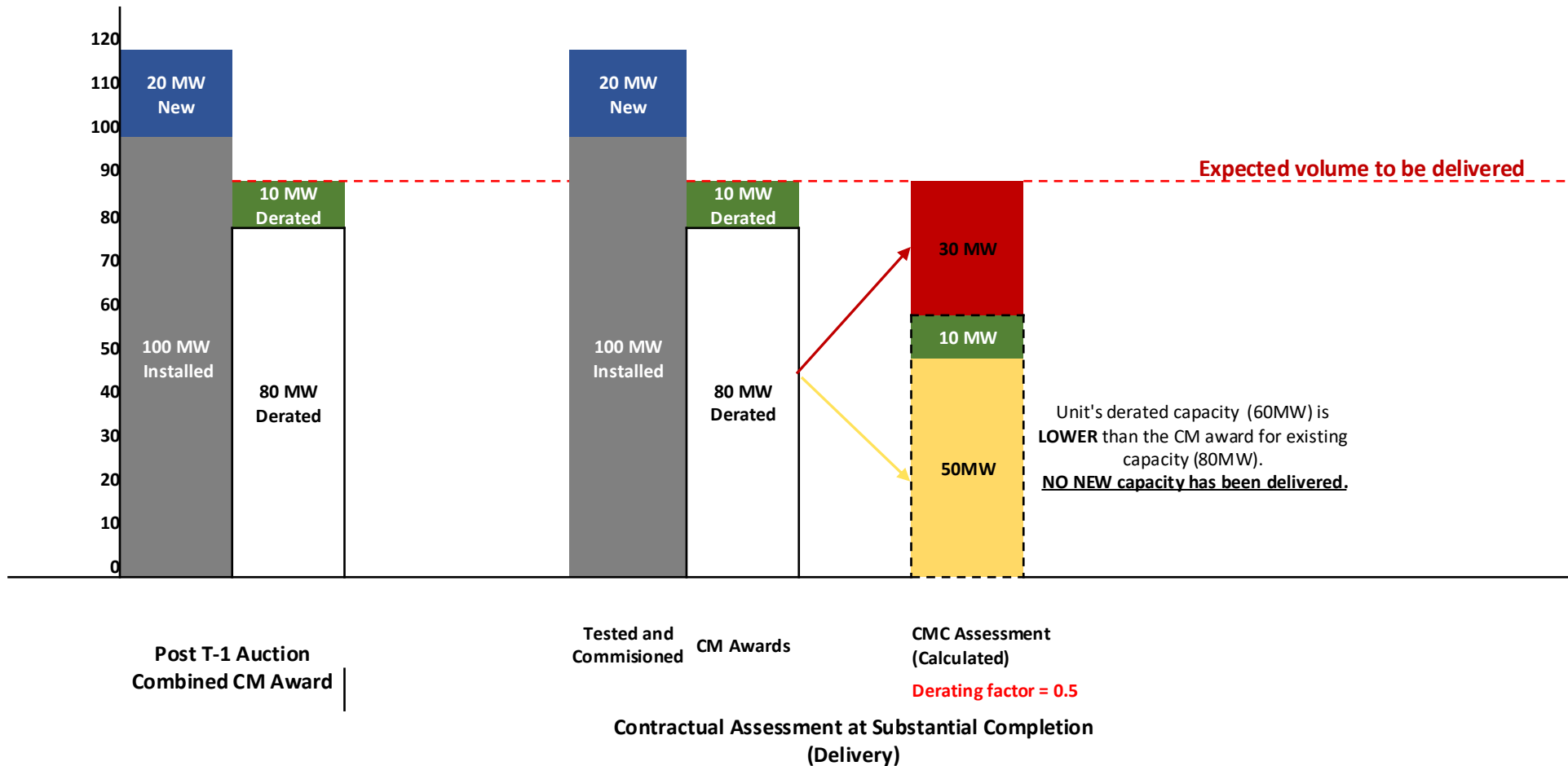


# Cause of identified issue = Differences between Physical and Contractual Delivery of Capacity

1. The Capacity Market Code assesses the contractual delivery of capacity using de-rating factors which change between each auction based on SO calculations
2. The de-rating factor that applies at Substantial Completion stage for existing capacity is therefore different to what the unit was previously awarded in a different auction
3. Where the derating factor drops between auctions for the same delivery year it can be impossible for the calculated capacity of the existing + new capacity to exceed the previously awarded capacity
  - The Delivered New Capacity may be able to achieve only minimum completion (at least 50%) or may be terminated in full although it was physically delivered (tested and commissioned)
4. This result in a unit getting no credit for the physically delivered new capacity



# Example



# Proposed solution

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## Principle: Consistency in usage of derating factors

G.3.1.4 The Proportion of Delivered Capacity in respect of Awarded New Capacity at a given time is a percentage value being:

(a) the greater of:

(i) zero; and

(ii) the lesser of:

(A) the De-rated Grid Code Commissioned Capacity; and

(B) the Awarded Capacity ;

less the ~~Awarded Existing Capacity~~ De-Rated Initial Capacity (Existing);

(b) divided by:

(i) the Awarded Capacity ; less

(ii) the Awarded Existing Capacity,

...

**G.3.1.4B** For the purpose of calculating the Proportion of Delivered Capacity in respect of New Capacity at a given time, the De-Rated Initial Capacity (Existing) of the Capacity Market Unit shall be the value of the Initial Capacity (Existing) with which the Capacity Market Unit qualified in the Capacity Auction, and where the relevant New Capacity has been awarded, multiplied by the De-Rating Factor applicable to the unit as specified in the Initial Auction Information Pack for the same Capacity Auction.

Both values using the latest derating factor

