



Department  
of Energy &  
Climate Change

# Collaborative Development workshops

Capacity Mechanism programme

# Programme overview



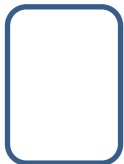
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The programme of workshops to prepare industry for the introduction of the Capacity is based on the following format:

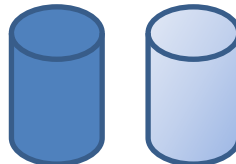
Schedule of 5 workshop topics, each comprising

- Introductory session to the topic and process mapping
- Half-day session for each topic component
- Wash-up for each topic to review findings, outputs and way forward

KEY:



WORKSHOPS



DECC/FACILITATOR REVIEWS

# Agenda for each session (weeks 1-4)



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## Agenda for CM overview session

Overview of the CM approach  
A-Z of Process architecture  
Interdependencies and key industry milestones  
Implementation timescale  
Collaborative development process and timelines

## Agenda for each workshop session

### Introduction to topic:

Overview of the process  
Where the process fits into the Capacity Market process architecture  
The links the process has with other processes in the Capacity Market, i.e. how those links work / interact with each other in implementing the Capacity Market

### Partners involved in the process

### In-depth review of each stage of the process:

Actions – what does the action actually do  
Decisions – how is that decision made and what information needs to be at hand to make it  
Parallel actions / threads  
Interactions

### Ensuring we can deliver the process

What is needed to prepare for delivery  
What does industry require ahead of Capacity Market implementation  
Can any existing practices / processes be utilised  
How should we take forward preparation for this process (e.g. implementation timetable)

### Summary of issues raised and next steps

### Partners involved in the process



## **CM overview session**

Overview of the CM approach  
A-Z of Process architecture  
Interdependencies and key industry milestones  
Implementation timescale  
Collaborative development process and timelines

## **Demand Side Response sessions**

### **Introduction**

Overview of the process  
Where the process fits into the Capacity Market process architecture  
The links the process has with other processes in the Capacity Market, i.e. how those links work / interact with each other in implementing the Capacity Market

### **Pre-qualification**

Option 1: demonstration of capability, either by testing in pre-qualification or by Option 2: defined list of meter numbers or a business plan, supported by a bid bond

To discuss

What are the testing parameters (e.g. can DSR nominate windows to be tested in given they may not be able to do 24/7? How many times can they take a test before they are deemed to have failed and lose their agreement? )?  
How long is 'previous performance' valid for (e.g. 6 / 12 months)?  
What format do the meter numbers need to be presented in and to whom?  
What format and content needs to be in the business plans?  
What forms can the bid bond take?

### **De-rating DSR capacity before the auctions**

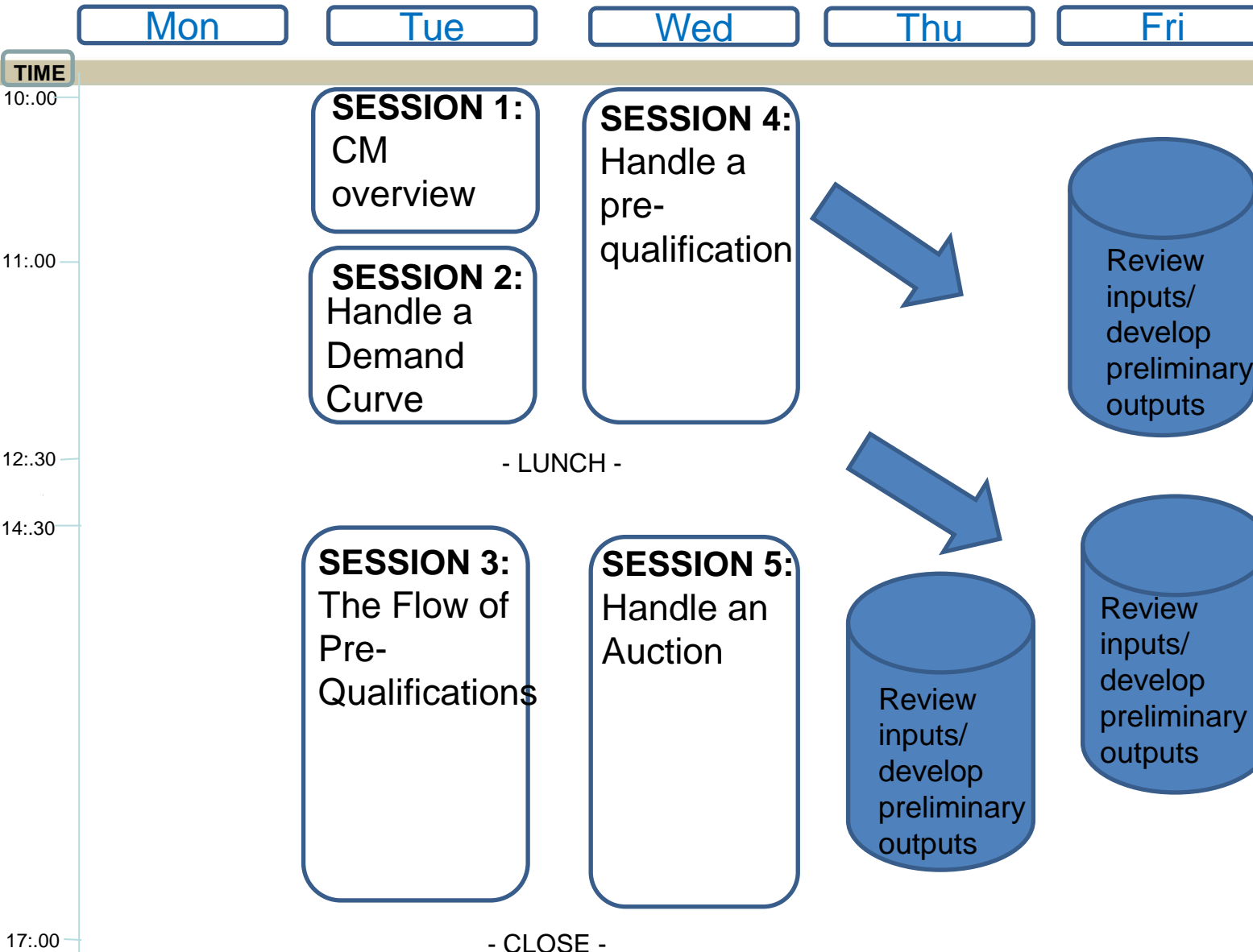
### **Baseline DSR within the delivery year to verify delivery**

### **Dispatch / warning / co-ordination with National Grid on the frequency of Capacity Market events**

# Week 1: Qualification and Auction Process



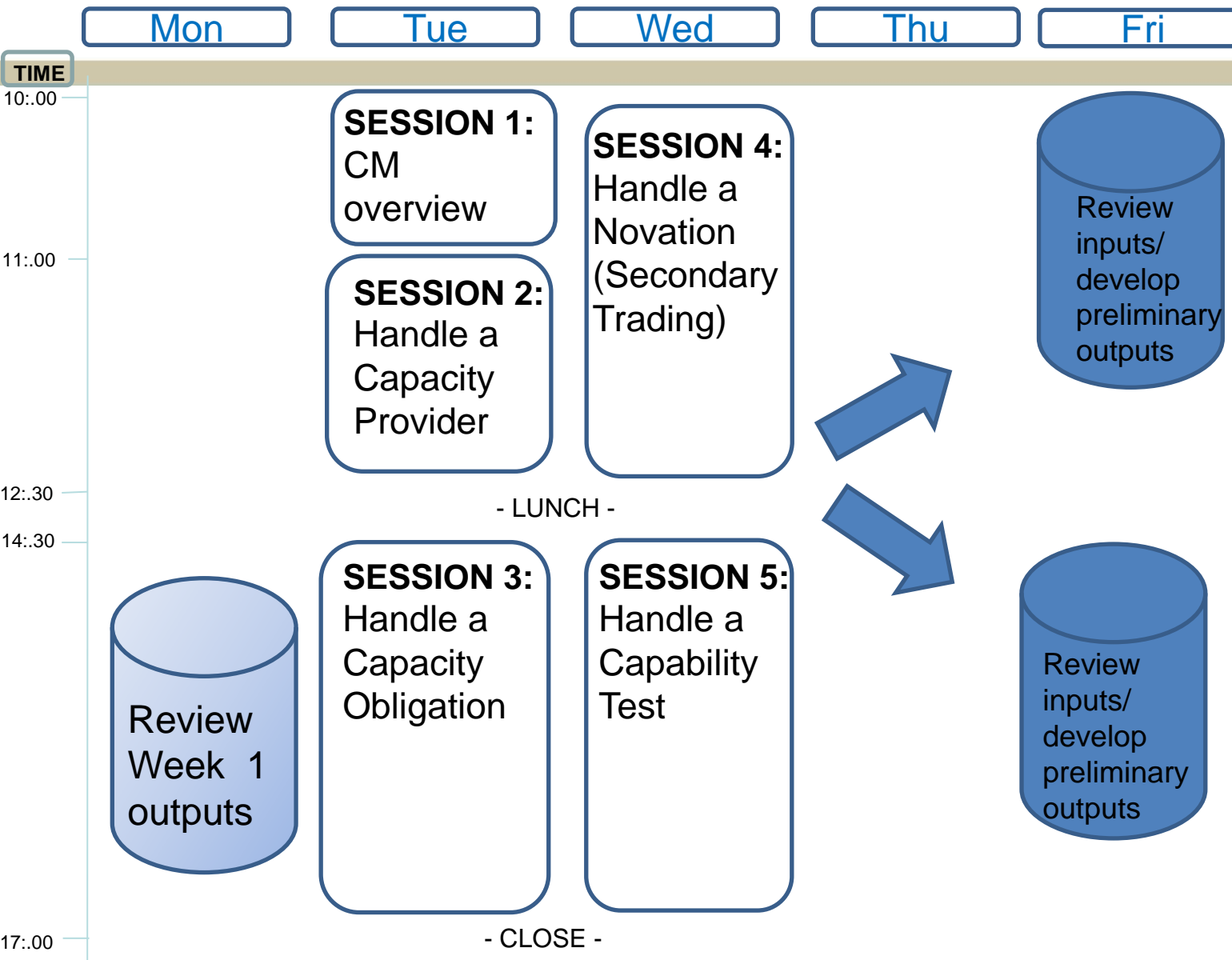
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# Week 2: Managing a Capacity Agreement



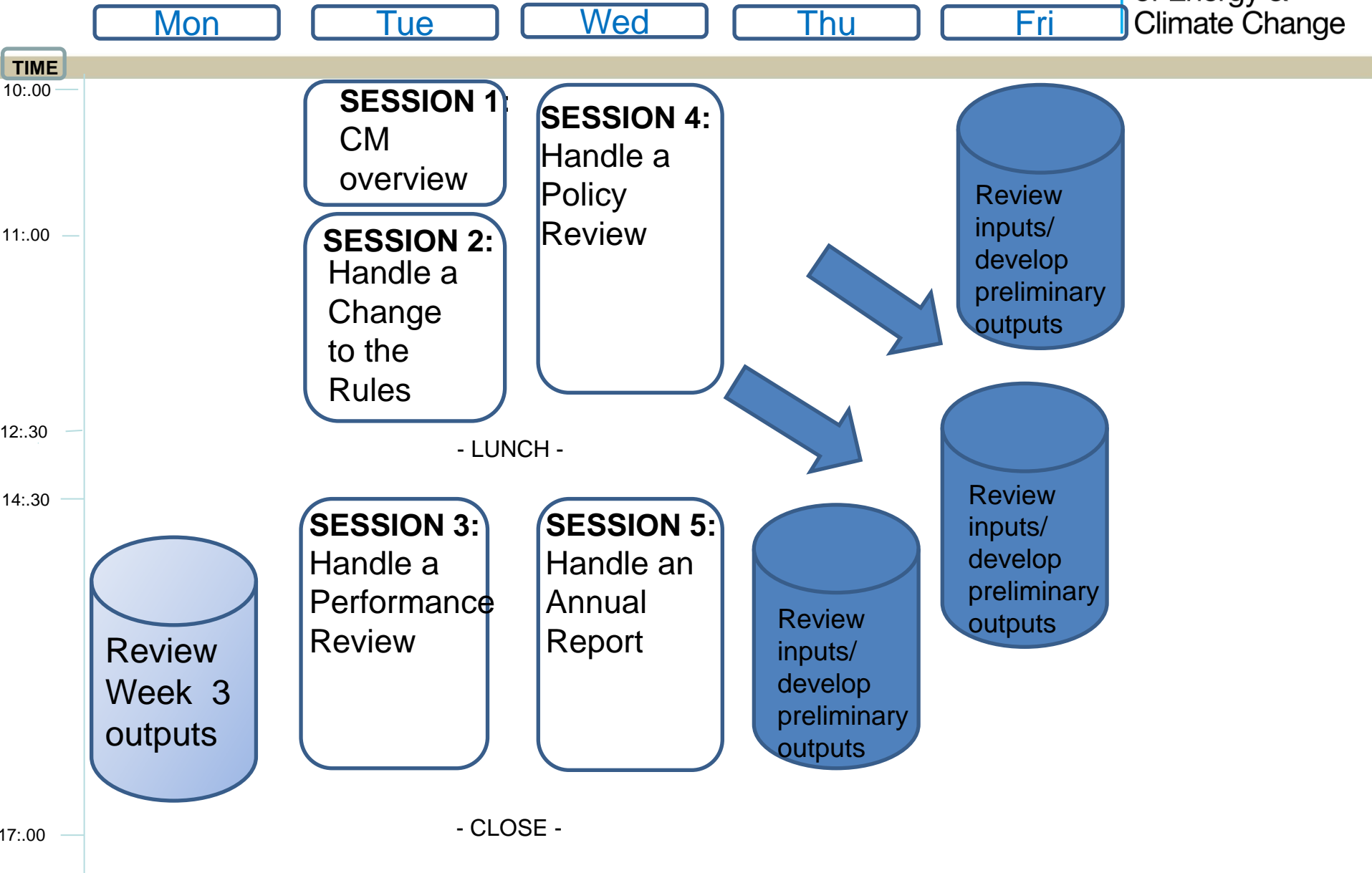
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# Week 3: Governance Process



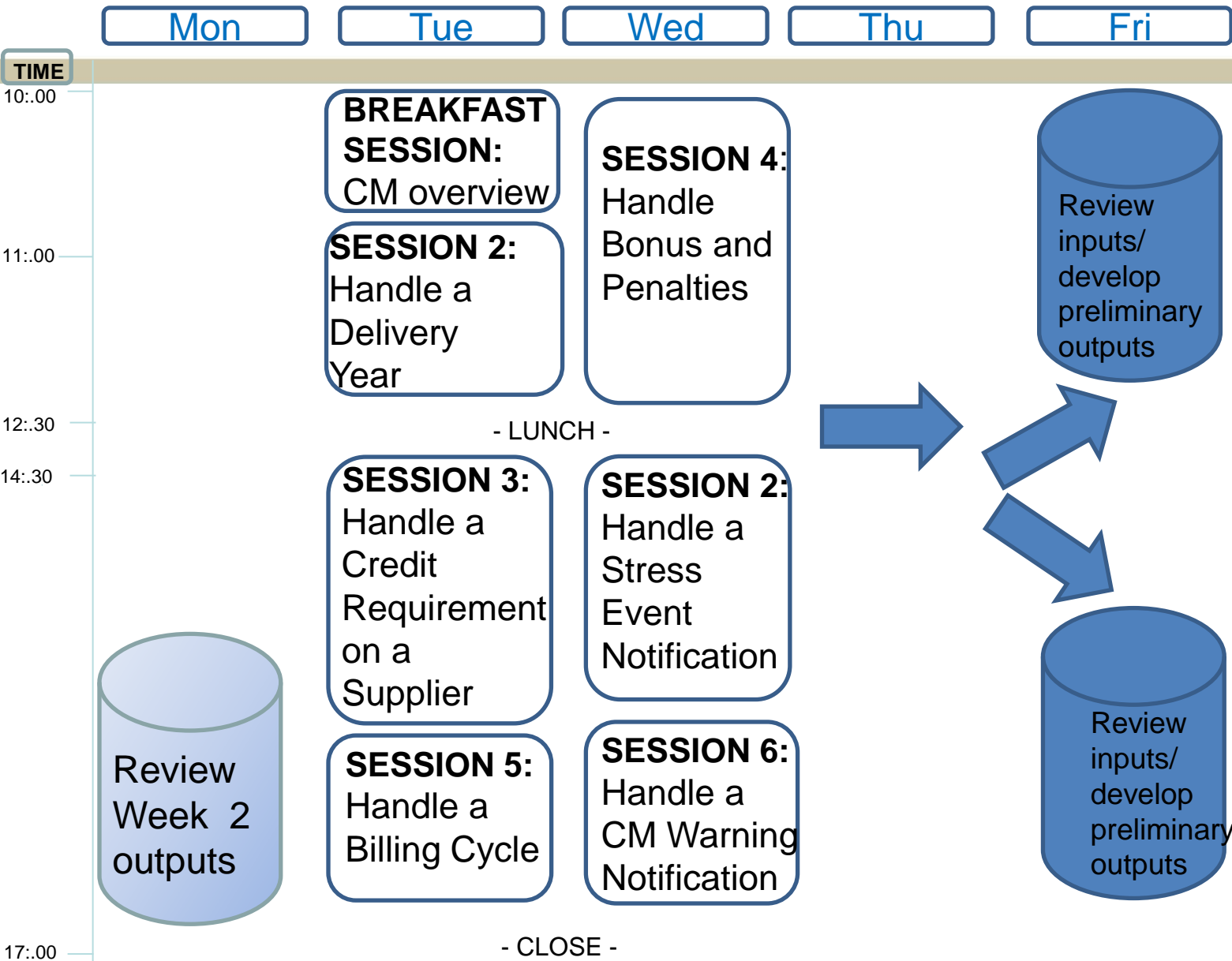
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# Week 4: Money Management



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# Week 5: Wash-up sessions



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Day 1

TIME

10:00

Qualification  
and Auction  
Process -  
wash-up/  
review of  
outputs

12:30

- LUNCH -

14:30

Managing a  
Capacity  
Agreement -  
wash-up/  
review of  
outputs

17:00

- CLOSE -

# Week 6: Demand Side Response (DSR)



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## DAY ONE

**10:00 - SESSION:**  
CM overview  
Introduction to session

**11:00 - SESSION 2:**  
De-rating DSR capacity  
before the auctions

**14:30 - SESSION 3**  
Pre-qualification

Review  
Week 4  
outputs

## DAY TWO

**10:00 - SESSION 4:**  
Metering arrangements

**11.30 - SESSION 5:**  
Baselining DSR within  
delivery year to  
verify delivery.

12:30-14:30 - LUNCH

17:00 - CLOSE

Review  
inputs/  
develop  
preliminary  
outputs

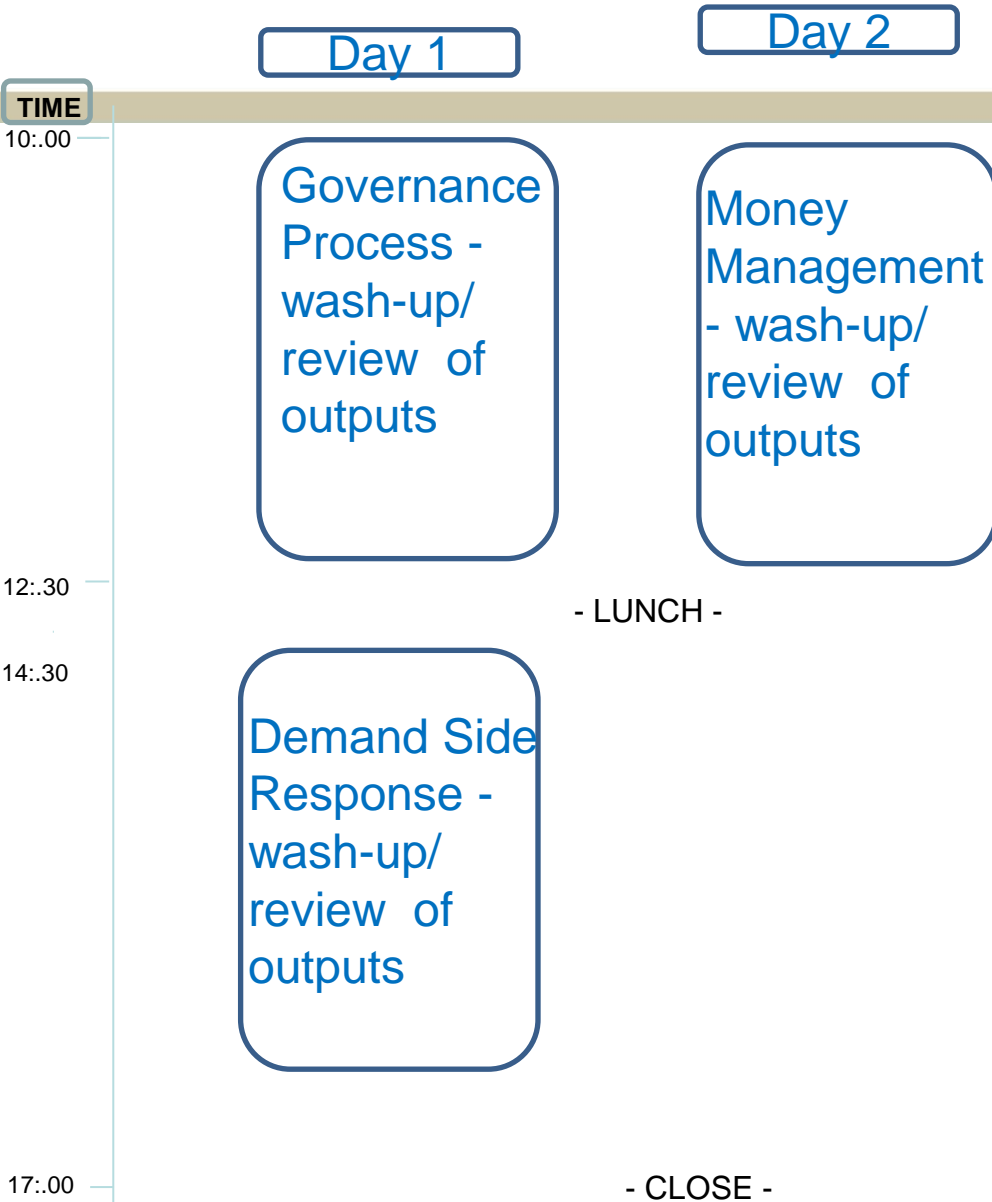
Review  
inputs/  
develop  
preliminary  
outputs

Review  
inputs/  
develop  
preliminary  
outputs

# Week 7: Wash-up sessions



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# Capacity Market workshops – programme overview



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|   |  | AM                                      | PM   |
|---|--|---|--|
| W/c 12 Aug  | <b>QUALIFICATION AND AUCTION PROCESS</b> |   |  |
|   | Tue 13                                   | CM overview                             | Handle a demand curve                                    |
|   | Wed 14                                   | Handle a pre-qualification              | The flow of pre-qualifications<br>Handle an auction      |
| <b>DECC/FACILITATORS REVIEW INPUTS AND DEVELOP PELIMINARY OUTPUTS</b> |  |   |  |
| W/c 19 Aug  | <b>MANAGING A CAPACITY AGREEMENT</b>     |   |  |
|   | Tue 20                                   | CM overview                             | Handle a capacity provider                               |
|   | Wed 21                                   | Handle a novation                       | Handle a capacity obligation<br>Handle a capability test |
| <b>DECC/FACILITATORS REVIEW INPUTS AND DEVELOP PELIMINARY OUTPUTS</b> |  |   |  |
| W/c 26 Aug :  | <b>GOVERNANCE PROCESS</b>                |   |  |
|   | Tue 27                                   | CM overview                             | Handle a change to the rules                             |
|   | Wed 28                                   | Handle a policy review                  | Handle a performance review<br>Handle an annual report   |
| <b>DECC/FACILITATORS REVIEW INPUTS AND DEVELOP PELIMINARY OUTPUTS</b> |  |   |  |
| W/c 2 Sep   | <b>MONEY MANAGEMENT</b>                  |   |  |
|   | Tue 3                                    | CM overview                             | Handle a delivery year                                   |
|   | Wed 4                                    | Handle bonus & penalties                | Handle a credit requirement<br>Handle a stress event     |
|   |  |   | Handle billing cycle<br>Handle a CM warning              |
| <b>DECC/FACILITATORS REVIEW INPUTS AND DEVELOP PELIMINARY OUTPUTS</b> |  |   |  |
| W/c 9 Sep   | Tue 10                                   | Washup: Qualification & Auction process |  |
|   |  | Washup: Managing a Capacity Agreement   |  |
| W/c 16 Sep  | <b>DEMAND SIDE RESPONSE</b>              |   |  |
|   | Tue 17                                   | CM overview                             | De-rating DSR capability                                 |
|   | Wed 18                                   | Metering arrangements                   | Pre-qualification<br>Baselining DSR to verify delivery   |
| <b>DECC/FACILITATORS REVIEW INPUTS AND DEVELOP PELIMINARY OUTPUTS</b> |  |   |  |
| W/c 23 Sep  | Tue 24                                   | Washup: Governance process              |  |
|   | Wed 25                                   | Washup: Money management                |  |
|   |  | Washup: Demand side response            |  |