

**Attachment 1 – redlined text for issues in TPS review Change Proposal**Issue 1

<b>De-rated Capacity</b>	<p>means, for any Generating CMU or DSR CMU and Capacity Auction, an amount (in MW to three decimal places) equal to the product of:</p> <p>(a) for a Generating CMU, its Connection Capacity <b>and, in the case of a Generating CMU that comprises more than one Generating Technology Class, the applicable Connection Capacity for each Generating Unit [CMAG29 Agreed]</b>; or</p> <p>(b) for a DSR CMU:</p> <p>(i) unless sub-paragraph (ii) applies, its DSR Capacity, or,</p> <p>(ii) if an amount of capacity has been nominated under Rule 5.5.11, that capacity;</p> <p>and the De-rating Factor <b>for the CMU and, in the case of a Generating CMU that comprises more than one Generating Technology Class, the applicable De-rating Factor for each Generating Unit, [CMAG29 Agreed]</b></p> <p>provided that the De-rated Capacity of a Pre-Refurbishment CMU must not exceed the De-rated Capacity of the related Refurbishing CMU;</p> <p>means, for any Interconnector CMU and Capacity Auction, an amount (in MW to three decimal places) equal to the lower of:</p> <p>(a) the product of its Connection Capacity and De-rating Factor; or</p> <p>(b) the total Transmission Entry Capacity secured by Grid Connection Agreements for the relevant Delivery Year and evidenced in accordance with Rule 3.6A</p>
<b>Financial Commitment Milestone</b>	<p>means, for a Prospective CMU, the provision to the Delivery Body of:</p> <p>(a) a report by an Independent Technical Expert meeting the Required Technical Standard confirming the <del>Capital Expenditure</del> <b>Total Project Spend</b> and financial commitment requirements specified in Rule 6.6; and <b>[CMAG29 Agreed]</b></p> <p>(b) a Funding Declaration</p>
<b>Qualifying £/kW Capital Expenditure</b>	<p>means, with respect to a New Build CMU which is a Generating CMU or a Refurbishing CMU which is a Generating CMU or an Unproven DSR CMU, the Total Project Spend divided by the De-rated Capacity of the CMU <del>that is expected in the reasonable opinion of the Applicant[ or Capacity Provider] to result from the Capital Expenditure comprising the Total Project Spend</del> <b>[CMAG29 Agreed]</b></p>

## Issue 2

### 8.3.6 Evidence of Total Project Spend

Where a Prospective Generating CMU or an Unproven DSR CMU has been awarded a Capacity Agreement with a duration exceeding one Delivery Year:

- (a) the relevant Capacity Provider must provide the Delivery Body, no later than the date described in Rule 8.3.6(zaa), with a certificate from an Independent Technical Expert stating the Total Project Spend incurred, and confirming that it is satisfied, on the basis of evidence reviewed, that the ~~Total Project Spend incurred divided by the De-Rated Capacity of the CMU~~ Qualifying £/kW Capital Expenditure [incurred] is:

## Issue 3

### 8.3.6 Evidence of Total Project Spend

Where a Prospective Generating CMU or an Unproven DSR CMU has been awarded a Capacity Agreement with a duration exceeding one Delivery Year:

:

(zaa) the date referred to in Rule 8.3.6(a) is:

(i) in respect of a Prospective Generating CMU, the latest applicable date of:

(aa) the date that is three months after the start of the first Delivery Year;

(bb) the date that the Capacity Agreement takes effect in accordance with Rule 6.7.4(a)(ii) [Not DLS SCM<LSD];

(zcc) the date that the Capacity Agreement takes effect in accordance with Rule 6.7.4(aa) [DLS SCM<LSD]; ~~or~~

(cc) the date that the Capacity Agreement takes effect in accordance with Rule 6.8.5 [New Build MCR<LSD]; ~~or and~~

(dd) the date that the Capacity Agreement takes effect, during a Notice of Intention to Terminate, in accordance with Rules 6.8.2 [not T-1 120WD] or 6.8.2F [T-1 20WD]; and

#### Issue 4 CMAG Preferred Solution

Make the end date of the TPS qualifying period move with any Rule 6.7.7 extension to the LSD. Note that for Prospective CMUs (that are not Declared Long Stop CMUs) the end date is currently the start of the first Delivery Year, rather than the LSD, that policy has not been changed.

Purple text indicates other "housekeeping" changes expected to be made by DESNZ

<p><b>Total Project Spend</b></p>	<p>means, with respect to a New Build CMU, an Unproven DSR CMU or a Refurbishing CMU <del>that is not an Existing Interconnector CMU</del>; [CMAG29 deferred to DESNZ policy intent over R(A)3 2024]</p> <p>the latest estimate of the total amount of Capital Expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Applicant to be incurred (either by the Applicant, Capacity Provider or another person) with respect to the CMU (or, in the case of an Interconnector CMU, the CMU together with the Non-GB Part);-[CMAG29 Agreed]</p> <p>in the period <del>between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates and:</del></p> <p>(a) in the case of a Declared <del>12 Month</del> Long Stop CMU, <del>between the date which is 89 months before the Long Stop Date and</del> the Long Stop Date;</p> <p>(b) <del>in the case of a Declared 24 Month Long Stop CMU, between the date which is 101 months before the Long Stop Date and the Long Stop Date;</del></p> <p><del>(c) in any other case, between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates and</del> the commencement of the first Delivery Year to which the Application relates <del>plus the period of any extension to Long Stop Date provided under Rule 6.7.7;</del> <del>or and</del></p> <p><del>means</del>, with respect to a Refurbishing CMU <del>that is an Existing Interconnector CMU</del>, Capital Expenditure which: [CMAG29 deferred to DESNZ policy intent over R(A)3 2024]</p> <p>(a) has not previously been declared under Rule 3.7.2(c) in respect of any application for prequalification by a CMU which subsequently gained a Capacity Agreement in respect of the Refurbishing CMU, and not the associated Pre-Refurbishment CMU, (of any duration); or</p> <p>(b) has previously been so declared but:</p> <p>(i) which a certificate required by Rule 8.3.6 demonstrates was not incurred,; or</p> <p>(ii) was declared in respect of a Capacity Agreement which has been terminated in accordance with Rule 6.10.2(e).</p>
-----------------------------------	--

Issue 4 DESNZ Alternative Solution

Fix the start and end dates of the TPS qualifying period for Declared Long Stop CMUs

Purple text indicates other "housekeeping" changes expected to be made by DESNZ

<p><b>Total Project Spend</b></p>	<p>means, with respect to a New Build CMU, an Unproven DSR CMU or a Refurbishing CMU <del>that is not an Existing Interconnector CMU</del>; [CMAG29 deferred to DESNZ policy intent over R(A)3 2024]</p> <p>the latest estimate of the total amount of Capital Expenditure (excluding contingency) incurred, or expected in the reasonable opinion of the Applicant to be incurred (either by the Applicant, Capacity Provider or another person) with respect to the CMU (or, in the case of an Interconnector CMU, the CMU together with the Non-GB Part);-[CMAG29 Agreed]</p> <p>in the period <del>between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates and:</del></p> <p>(a) in the case of a Declared 12 Month Long Stop CMU, <del>12 months after the commencement of the first Delivery Year between the date which is 89 months before the Long Stop Date and the Long Stop Date;</del></p> <p>(b) in the case of a Declared 24 Month Long Stop CMU, <del>24 months after the commencement of the first Delivery Year between the date which is 101 months before the Long Stop Date and the Long Stop Date;</del></p> <p>(c) in any other case, <del>between the date which is 77 months prior to the commencement of the first Delivery Year to which the Application relates and the commencement of the first Delivery Year to which the Application relates;</del> <del>or and</del></p> <p>means, with respect to a Refurbishing CMU <del>that is an Existing Interconnector CMU</del>, Capital Expenditure which: [CMAG29 deferred to DESNZ policy intent over R(A)3 2024]</p> <p>(a) has not previously been declared under Rule 3.7.2(c) in respect of any application for prequalification by a CMU which subsequently gained a Capacity Agreement in respect of the Refurbishing CMU, and not the associated Pre-Refurbishment CMU, (of any duration); or</p> <p>(b) has previously been so declared but:</p> <p>(i) which a certificate required by Rule 8.3.6 demonstrates was not incurred,; or</p> <p>(ii) was declared in respect of a Capacity Agreement which has been terminated in accordance with Rule 6.10.2(e).</p>
-----------------------------------	--