MODIFICATION PROPOSAL FORM			
Proposer *(Company)*	**Date of receipt** *(assigned by System Operator)*	**Type of Proposal** *(delete as appropriate)*	**Modification Proposal ID** *(assigned by System Operator)*
UR	**9th July 2020**	**Standard**	**CMC_10_20**
Contact Details for Modification Proposal Originator			
Name	**Telephone number**		**Email address**
Kevin Lenaghan			**Kevin.lenaghan@uregni.gov.uk**
Modification Proposal Title			
Change to determinations made in F.4.1.1			
Documents affected *(delete as appropriate)*	**Section(s) Affected**		**Version number of CMC used in Drafting**
CMC	**F.4.1.1**		**3.0**
Explanation of Proposed Change *(mandatory by originator)*			

This modification proposal provides for a change in the determinations made by the SOs under F.4.1.1.

These determinations include determination of the Locational Capacity Constraint Required Quantity (LCCRQ) and related quantities. LCCRQ is a gross quantity, i.e. it does not take account of any capacity already awarded in a Locational Capacity Constraint Area. When LCCRQ is used in establishing the parameters for the auction (in F.8.2.1) it is used as a net quantity and previously awarded capacity is netted off.

The change adds the determination of the quantity awarded in previous auctions to enable the quantity to be used in the auction to be made visible.

In addition, the timing of the determination is made consistent with the analogous process in F.3.1.1 for the determination of the key inputs to the determination of the Demand Curve.

Legal Drafting Change *(Clearly show proposed code change using **tracked** changes, if proposer fails to identify changes, please indicate best estimate of potential changes)*

F.4.1.1   For each Locational Capacity Constraint, the System Operators shall, when requested to do so by the Regulatory Authorities and as required under this section F.4.1, determine the following for a Capacity Year:

   (a)   the Locational Capacity Constraint Required Quantity, being:

      (i)   the minimum de-rated capacity quantity that is required to satisfy the Locational Capacity Constraint determined under paragraph **Error! Reference source not found.**; less

      (ii)   the de-rated value of capacity that is not existing Awarded Capacity for the relevant Capacity Year but which the System Operators forecast to be operational during the relevant Capacity Year and will not participate in the Capacity Auction;

   (b)   the total quantity of Gross De-Rated Capacity (Total) in respect of Capacity Market Units that are Qualified as contributing to satisfying the Locational Capacity Constraint;

(c)	the absolute value of the amount (if any) by which the total quantity determined under sub-paragraph (b) falls short of the Locational Capacity Constraint Required Quantity for the Locational Capacity Constraint;
(d)	the total quantity of Gross De-Rated Capacity (Existing) in respect of Capacity Market Units that are Qualified as contributing to satisfying the Locational Capacity Constraint; and
(e)	the absolute value of the amount (if any) by which the total quantity determined under sub-paragraph (d) falls short of the Locational Capacity Constraint Required Quantity for the Locational Capacity Constraint.; and
(f)	the existing Awarded Capacity for the Capacity Year in respect of Capacity Market Units that contribute to satisfying the Locational Capacity Constraint.
(e)	For the avoidance of doubt, the minimum de-rated quantity determined in C.2.2.2(c) does not take account of the existing Awarded Capacity for the Capacity Year in respect of Capacity Market Units that contribute to satisfying the Locational Capacity Constraint.

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Modification Proposal Justification
(Clearly state the reason for the Modification)
This Modification Proposal fills an information gap in the ability of the RAs to understand the impact of previously awarded capacity on a Locational Capacity Constraint Area and the volume of capacity that needs to be awarded in the current auction in respect of that area.

It also aligns the timing of the determination of the elements of LCCRQ with the determination of key elements of the Demand Curve. Given the strong links between these quantities (see, for example, F.4.1.8A) and the impact of Locational Capacity Constraints on the auction, it is important that the RAs are able to understand the expected level of LCCRQ that will be used in the auction. |
| **Code Objectives Furthered** |
| *(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)* |
| *(b) to facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner;* |
| **Implication of not implementing the Modification Proposal** |
| *(State the possible outcomes should the Modification Proposal not be implemented)* |
| The continuation of the information gap weakening to RAs understanding of the impact of Locational Capacity Constraints and requiring one-off requests for additional data from the SOs, outside of the CMC. |
| **Impacts** |
| *(Indicate the impacts on systems, resources, processes and/or procedures)* |
| Additional determinations by the SOS, but the impact is assumed to be minimal as the additional quantity to be determined is already determined for F.8.2.1. |
| ***Please return this form to the System Operators by email to CapacityModifications@sem-o.com*** |

Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.

2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Regulatory Authorities.

3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.

4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

CMC / Code:	means the Capacity Market Code for the Single Electricity Market
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

    The terms "System Operators" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

    In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section B.12 of the Code, which I have read and understand, I agree as follows:

    1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:

        1.1 to the System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;

        1.2 to the Regulatory Authorities to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;

        1.3 to the System Operators and the Regulatory Authorities to incorporate the Modification Proposal into the Code;

        1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.

    2. The licences set out in clause 1 shall equally apply to any Derivative Works.

    3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.

    4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.

    5. I hereby acknowledge that the Modification Proposal may be rejected by the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.