

# I-SEM 2026-27 T-4 Capacity Auction Independent Auction Monitor Report

Commission for Regulation of Utilities (CRU) and the  
Northern Ireland Authority for Utility Regulation  
(NIAUR)

30<sup>th</sup> March 2023

**AUCTION REPORT - REDACTED**

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## **1. INDEPENDENT ASSURANCE REPORT**

This report sets out our conclusions in relation to the monitoring of the processes and procedures followed by the System Operators (EirGrid and SONI Ltd; SOs) in conducting the Capacity Market Auction for the 2026/27 T-4 Capacity Auction, with respect to Capacity Auction Submissions submitted between 15<sup>th</sup> March 2023 and 10:00 on 23<sup>rd</sup> March 2023, to ensure that it has been correctly carried out in accordance with the SOs' obligations under the Capacity Market Code (CMC).

### **1.1. SCOPE OF THE REPORT**

This report is produced in accordance with the terms of our engagement contract, dated 2<sup>nd</sup> September 2022, for the purposes of reporting to the Regulatory Authorities (RAs) – the Commission for Regulation of Utilities (CRU) and the Northern Ireland Authority for Utility Regulation (UR) – in connection with CEPA's arrangement as the Capacity Auction Monitor for the I-SEM Capacity Market.

Under the CMC, the SOs have various obligations with respect to qualification for and conducting of the Capacity Auctions. These obligations apply to Capacity Auctions which the SOs are required to satisfy under the CMC. The SEM Committee's decision approving the CMC and its associated procedures are available here:

<https://www.semcommittee.com/news-centre/publication-i-sem-crm-capacity-market-code-decision>

The most up to date version of the CMC, and approved and pending modifications, are available here:

<https://www.sem-o.com/rules-and-modifications/capacity-market-modifications/market-rules/>

CEPA's role as the appointed Capacity Auction Monitor for the I-SEM is to provide independent assurance to the market and the RAs that the SOs have correctly carried out their obligations under the CMC in respect of qualification for, and running of, the Capacity Auctions, as set out in the Terms of Reference for the Capacity Auction Monitor.<sup>2</sup>

We monitored the processes and procedures followed by the SOs for the Capacity Auction, as far as possible, in accordance with our Terms of Reference for this engagement. We provide our conclusions (in Section 1.4 below) in relation to compliance with the CMC based on our obligations. This report is provided in accordance with Section B.10.4 of the CMC, which sets out the requirement for the Capacity Auction Monitor to provide a report to the RAs:

- confirming the list of Participants with Capacity Market Units that have been allocated Awarded Capacity;
- stating whether or not the Capacity Auction Monitor considers that the Capacity Auction was conducted in accordance with this Code; and
- identifying any actual or potential non-compliance with the CMC by the SOs.

Note that, except where expressly stated, we did not audit or otherwise verify the information provided to us by the SOs in the course of our work. A separate Capacity Market Auditor is required to be in place under the CMC, with its obligations set out within the Capacity Market Auditor Terms of Reference. For the avoidance of doubt, CEPA would like to make clear that we are a professional economic advisory firm and not professional accountants.

### **1.2. OUR APPROACH**

We developed a set of protocols and analytical tools to monitor the processes and procedures followed by the SOs for the Capacity Auction.

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<sup>2</sup> SEM Committee (2017): 'Capacity Remuneration Mechanism – Terms of Reference for the Capacity Market Auditor and Capacity Auction Monitor', SEM-17-023.

In carrying out our duties, we have followed a system of quality control, professional conduct, and ethical behaviour which we consider to be of a standard at least as demanding as that required by ISAE 3000 (Revised). This includes documented policies and procedures related to our monitoring activities, leadership responsibilities for quality control in the firm, independence and ethical requirements and management of human resources.

We have performed our work as the appointed Capacity Auction Monitor based on our fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

### **1.3. INHERENT LIMITATIONS**

Our conclusions are based on historical information. The projection of any information or conclusions in the attached report to any future periods would be inappropriate.

Our examination excludes audit procedures and accordingly we do not express an audit opinion on the information. We note that the procedures we performed were not designed to and are not likely to reveal fraud.

An outline of the work we performed for the Capacity Auction is included in Appendix A.

### **1.4. CONCLUSIONS**

**Our conclusions in this report reflect reasonable assurance in relation to the T-4 Capacity Auction for the 2026/27 Capacity Year.**

We believe that the procedures performed, and the evidence obtained, provide us with a reasonable basis that, except for the matters described in Section 4 of our report, the Capacity Auction was conducted by the SOs in accordance with the requirements of the CMC.

Actual and potential instances of non-compliance are summarised in Section 4.

### **1.5. USE OF THE REPORT**

This report has been prepared for the exclusive use of the RAs in accordance with the scope of our engagement contract and the RAs' Terms of Reference for the Capacity Auction Monitor.

Our work has been undertaken solely for the purpose of assessing that the SOs have correctly carried out the obligations placed on them under the CMC in carrying out the Capacity Auction. Our work was not planned or conducted with any other objective in mind, and so cannot be relied on for any other purpose. With the exception of providing it to the RAs and the SOs, and publishing it on the SEM Committee website, our report is not to be recited or referred to in any document, copied or made available (in whole or part) to any person without our prior written consent. To the fullest extent permitted by law, CEPA does not accept or assume responsibility to anyone, other than the RAs, for this report or for the conclusions we have formed.

*Cambridge Economic Policy Associates*

Cambridge Economic Policy Associates Ltd  
London, United Kingdom  
30<sup>th</sup> March 2023

## **2. BACKGROUND AND CONTEXT**

### **2.1. BACKGROUND**

In the I-SEM Capacity Market, capacity providers sell qualified capacity to the market to meet the capacity requirement in a future capacity year. Capacity providers who are successful in the Capacity Auction receive a regular capacity payment that assists with funding generation capacity, and, in return, they have an obligation to generate when the system is stressed.

The operation of the Capacity Market and the roles and responsibilities of the market operator – split jointly between the SOs and the Single Electricity Market Operator (SEMO) – are governed by the CMC and the Trading and Settlement Code.

### **2.2. OUR ROLE AS CAPACITY AUCTION MONITOR**

The Terms of Reference for the Capacity Auction Monitor state that:

*“The purpose of the Capacity Auction Monitor is to provide independent assurance to the market and the Regulatory Authorities that the System Operators’ are correctly carrying out their obligations under the Capacity Market Code in respect of qualification for and running of Capacity Auctions.”*

As Capacity Auction Monitor, we are required to produce a Report on the Capacity Auction, within two Working Days after the SOs have released provisional Capacity Auction Results to Participants, that:

- confirms the list of Participants with Capacity Market Units that have been allocated Awarded Capacity;
- states whether or not the Capacity Auction Monitor considers that the Capacity Auction was conducted in accordance with the CMC; and
- where applicable, identifies any actual or potential non-compliance with the CMC or other actual or potential irregularity in the conduct of the Capacity Auction, together with the Capacity Auction Monitor’s assessment as to the likely consequences of the actual or potential non-compliance or irregularity.

This report summarises our findings in relation to the Capacity Auction run by the SOs on 23<sup>rd</sup> March 2023.

### **2.3. OBJECTIVES AND SCOPE**

The CMC paragraph B.10.2.1 sets out that:

*“The Capacity Auction Monitor shall monitor the processes and procedures followed by the System Operators in carrying out the Qualification Process, conducting Capacity Auctions and related activities under this Code, in accordance with the terms of reference determined by the Regulatory Authorities.”*

The basic tasks set out for the Capacity Auction Monitor are:

- monitoring the Qualification Process to ensure that the SOs have complied with the CMC;
- being present at the auctions, with full read access to all key software, including access to all bids and all communications between the SOs and all bidders;
- monitoring the application of algorithms and calculations;
- reporting on whether it considers that the SOs have conducted the Capacity Auction in accordance with the CMC;

- identifying any actual or potential breach of the rules and regulations or other actual or potential irregularities in the conduct of the Capacity Auction by the SOs and an assessment of the consequences; and
- making recommendations on the changes to the CMC, Auction Guidelines and User Guides.

As Capacity Auction Monitor, we are required to report on all issues that we identify, irrespective of materiality.

The scope of the Capacity Auction Monitor's assurance activities shall relate to the System Operators' activities relating to qualification through to the determination of the final auction results under the Code.

## **2.4. SCOPE EXCLUSIONS**

In line with our Terms of Reference, the scope of our review excluded the following:

- Secondary trading market (referenced specifically within Chapter H of the CMC).
- Direct investigation of market manipulation: However, the Terms of Reference states that the Capacity Auction Monitor should bring any incidents of potential market manipulation to the attention of the RAs, should it come across them in carrying out its duties.
- The determination of the LCCs and their underlying methodology: The Capacity Auction Monitor's scope in relation to LCCs is limited to assessing compliance by the SOs with the methodology for determining LCCs, including accordance with relevant procedures and process documentation.
- Auditing of the processes carried out by the SOs: The CMC requires a Capacity Market Auditor to be appointed separately from the Capacity Auction Monitor. Under our Terms of Reference, we are not required to carry out an audit of the processes followed, or information provided, by the SOs in running the auction.
- Monitoring of compliance with obligations of Section L.7 of the CMC regarding SO reporting of REMIT Data on behalf of Participants.

### 3. AUCTION RESULTS

The Capacity Auction Submission Commencement date for the T-4 Auction was 15<sup>th</sup> March 2023; the SOs emailed Participants at 10:06 to inform them that the auction gate had opened at 10:00 as planned. The Capacity Auction Submission End took place at 10:00 on 23<sup>rd</sup> March 2023.

Due to a potential issue that the SOs wished to consider fully before running the auction (see our discussion in Issue Log 017), Capacity Auction Run Start was delayed beyond the time specified in the Capacity Auction Timetable (12:00 on 23<sup>rd</sup> March 2023). Capacity Auction Run Start eventually occurred at 13:00 on 23<sup>rd</sup> March 2023 and was completed within a minute of initiation. The auction clearing process was completed within the 24-hour Allowed Timeframe.

The Capacity Auction was run using the Capacity Market Platform (CMP) version 3.1.3.4, according to information displayed in the CMP.

In line with the Final Auction Information Pack (FAIP), the parameters of the Demand Curve used in the 2026/27 T-4 Auction are set out in Table 3.1.

*Table 3.1: Final Demand Curve used in the Capacity Auction, same as in FAIP 2026/27 T-4 Table 1*

De-Rated Capacity (MW)	Demand Curve Point (€/MW per year)
0	180,000
4048	180,000
5117	92,300
6241	0

The minimum capacity needed to satisfy the LCCs were as set out in Table 3.2.

*Table 3.2: LCCs and minimum MW required, same as in FAIP 2026/27 T-4 Table 4*

LCC Area 1 Name	Required Quantity (MW)
L1-1: Northern Ireland	2,358
L1-2: Ireland	5,158
L1-3: Greater Dublin	2,468

The FAIP set out that the Level 2 Locational Capacity Constraint Areas for Dublin North and Dublin South, included in the Initial Auction Information Pack (IAIP2627T-4), will not be applied in the 2026/27 T-4 Capacity Auction. All units connected (or that expect to be connected) to the nodes assigned to Dublin North and Dublin South in the IAIP2627T-4 were re-assigned to the L1-3: Greater Dublin Locational Capacity Constraint Area for this auction.

There were 167 offers for 125 CMUs in this Capacity Auction, out of the 218 CMUs that qualified. 93 of the qualified CMUs had Existing Capacity with a non-zero Firm Offer Requirement, and thus were required to submit offers. Of these, 78 had only Existing Capacity available to offer, and 15 had both Existing and New Capacity available to offer into this Capacity Auction. There were a further 16 CMUs that had a non-zero Firm Offer Requirement comprising only New Capacity, and therefore (under CMC F.2.1.1) these CMUs were not required to submit an offer.

Of the 167 offers, 165 were submitted directly by the relevant Participants, with two offers generated by the SOs. These were for two CMUs that did not submit valid offers into the Capacity Auction, but had Existing Capacity with a non-zero Firm Offer Requirement and, therefore, were required to submit offers.

A total of 7,204.344 MW cleared in the auction, with 101 CMUs being awarded all their offered capacity and two CMUs awarded less than their offered capacity.

The Auction Clearing Price was determined in accordance with CMC F.8.3. The Price Setting Offer was an inflexible offer cleared at €83,050/MW per year (£76,322.95/MW per year). For the determination of the Auction



Clearing Price, a total of [redacted] offers were initially selected. The total offered quantity selected at the Auction Clearing Price stage was not sufficient to meet the LCC Required Quantities for Northern Ireland, Ireland, or Greater Dublin. Therefore, additional offers were cleared out of merit. As a result, [redacted] offers were cleared at their respective offer prices, up to the Auction Price Cap of €180,000/MW per year.

Total Awarded Capacity, LCC Required Quantity, and the shortfall between the two is summarised in Table 3.3 below.

Table 3.3: Constraint status in the auction solution

	L1-1: Northern Ireland	L1-2: Ireland	L1-3: Greater Dublin
Previously Awarded Capacity (MW) <sup>3</sup>	932.377	1,145.859	735.616
Capacity Cleared in T-4 Auction (MW)	1,425.623	4,012.141	1,766.580
<b>Total Awarded Capacity (MW)</b>	<b>2,358.000</b>	<b>5,158.000</b>	<b>2,502.196</b>
LCC Required Quantity (MW)	2,358.000	5,158.000	2,468.000
<b>Shortfall between Required Quantity and Awarded Capacity (MW)<sup>4</sup></b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

In line with the CMC Modification,<sup>5</sup> which was required to comply with the State Aid decision to disallow the clearing of excess capacity to resolve local capacity constraints within an auction, some offers that are selected in the determination of the Auction Clearing Price may be ‘removed’ in the Auction Solution, in accordance with F.8.4.3 and F.8.4.4. In this Capacity Auction, nine offers (eight inflexible and one flexible) were ‘removed’, and one flexible offer was partially ‘removed’ in the constrained solution that had been selected in the unconstrained solution. These offers were for capacity with 1-year durations, located in Northern Ireland and were not needed to satisfy the LCC minimum MW requirements in that area.

There were also [redacted] offers that were cleared following the determination of the Auction Clearing Price, out of merit, at their respective offer prices. [redacted] of these offers were for New Capacity and [redacted] were from clean units.

Table 3.4 shows the relevant quantities of the above offers, as well as a summary of all changes between the unconstrained and constrained solutions.

Table 3.4: Changes between the determination of the Auction Clearing Price and the Auction Solution

CMU ID	Capacity type(s) offered by this CMU	LCC Level 1	Offered Quantity (MW)	Cleared Q during Auction Clearing Price determination (MW)	Cleared Q in Auction Solution (MW)	Difference (MW)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

<sup>3</sup> From multi-year contracts cleared in previous capacity auctions.

<sup>4</sup> For L1-3: Greater Dublin, more capacity was procured through the Capacity Auction than the LCC required quantity but, since there was no shortfall, we report this a zero instead of a negative value.

<sup>5</sup> SEM-O (2019) “[Capacity Market Code Urgent Modifications Set 2: Decision Paper](#)”



CMU ID	Capacity type(s) offered by this CMU	LCC Level 1	Offered Quantity (MW)	Cleared Q during Auction Clearing Price determination (MW)	Cleared Q in Auction Solution (MW)	Difference (MW)
[<]	[<]	[<]	[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]	[<]	[<]	[<]
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[<]	[<]	[<]	[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]	[<]	[<]	[<]
<b>Total</b>						<b>[&lt;]</b>

### 3.1. CMUs PROVISIONALLY AWARDED CAPACITY IN THIS CAPACITY AUCTION

Based on the outcome of the T-4 Auction, Table 3.5 lists the participants and corresponding CMUs that have been awarded capacity.

Table 3.5: List of participants and CMUs provisionally awarded capacity in the T-4 Capacity Auction for the Capacity Year 2026/27

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level 1	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
Aughinish Alumina Ltd	PY_000024	PT_400024	GU_400120	Autoproducer	L1-2: Ireland	Existing	[><]	57.687
Aughinish Alumina Ltd	PY_000024	PT_400024	GU_400121	Autoproducer	L1-2: Ireland	Existing	[><]	57.687
Bellacorick Green Energy Limited	PY_034146	PT_402615	GU_405250	Gas Turbine	L1-2: Ireland	New	[><]	51.357
Bellacorick Green Energy Limited	PY_034146	PT_402615	GU_405240	Gas Turbine	L1-2: Ireland	New	[><]	51.357
Bord Gais ROI	PY_000027	PT_400028	GU_400930	Gas Turbine	L1-2: Ireland	Existing	[><]	368.964
Crag Wicklow	PY_034156	PT_402624	GU_405810	Other Storage	L1-2: Ireland	New	[><]	50.000
Dublin Waste to Energy Supply Limited	PY_000152	PT_400198	GU_402030	Steam Turbine	L1-3: Greater Dublin	Existing	[><]	50.984
EIRGRID INTERCONNECTOR DESIGNATED ACTIVITY COMPANY	IO_EIDAC	IO_EIDAC	I_ROIEWIC	Interconnector	L1-2: Ireland	Existing	[><]	218.5
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_502516	DSU_503460	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	4.965
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403560	Demand Side Unit	L1-2: Ireland	Existing	[><]	15.723
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_402090	Demand Side Unit	L1-2: Ireland	Existing	[><]	21.83
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_401400	Demand Side Unit	L1-2: Ireland	Existing	[><]	21.056
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403640	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	3.591
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403630	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	1.751
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403830	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	11.413
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403760	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	1.285
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_401870	Demand Side Unit	L1-2: Ireland	Existing	[><]	16.377
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_402100	Demand Side Unit	L1-2: Ireland	Existing	[><]	6.933
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403850	Demand Side Unit	L1-3: Greater Dublin	New	[><]	3.580
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403730	Demand Side Unit	L1-3: Greater Dublin	New	[><]	4.579
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403520	Demand Side Unit	L1-2: Ireland	Existing	[><]	12.250
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_402120	Demand Side Unit	L1-2: Ireland	Existing	[><]	7.659
Empower Generation Limited	PY_000111	PT_500073	GU_501230	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	11.551

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level 1	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_400133	DSU_401910	Demand Side Unit	L1-2: Ireland	Existing	[><]	10.671
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_400133	DSU_401530	Demand Side Unit	L1-2: Ireland	Existing	[><]	14.381
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_400133	DSU_402180	Demand Side Unit	L1-2: Ireland	Existing	[><]	5.804
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_400133	DSU_403690	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	1.407
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_400133	DSU_403590	Demand Side Unit	L1-2: Ireland	Existing	[><]	1.350
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_500099	DSU_501460	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	4.097
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_500099	DSU_503650	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	1.210
Energia Customer Solutions NI Limited	PY_000042	PT_500030	GU_503350	Other Storage	L1-1: Northern Ireland	New	[><]	3.150
Energia Power Generation Limited	PY_000044	PT_400044	GU_400540	Gas Turbine	L1-3: Greater Dublin	Existing	[><]	336.800
Energy Trading Ireland Limited	PY_000113	PT_400111	DSU_403620	Demand Side Unit	L1-2: Ireland	Existing	[><]	4.177
Energy Trading Ireland Limited	PY_000113	PT_500067	DSU_501600	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	4.500
Energy Trading Ireland Limited	PY_000113	PT_500067	DSU_501510	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	3.600
Energy Trading Ireland Limited	PY_000113	PT_500067	DSU_501380	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	3.500
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403450	Demand Side Unit	L1-2: Ireland	Existing	[><]	6.748
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_401270	Demand Side Unit	L1-2: Ireland	Existing	[><]	15.922
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_401610	Demand Side Unit	L1-2: Ireland	Existing	[><]	11.130
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_401620	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	4.847
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403120	Demand Side Unit	L1-2: Ireland	Existing	[><]	3.153
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403470	Demand Side Unit	L1-2: Ireland	Existing	[><]	4.712
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403030	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	4.824
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403020	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	4.573
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_401800	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	4.468
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403040	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	4.834

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level 1	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403050	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	4.647
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_403080	Demand Side Unit	L1-2: Ireland	Existing	[><]	0.443
EnerNOC Ireland Ltd	PY_000088	PT_400090	DSU_401850	Demand Side Unit	L1-2: Ireland	Existing	[><]	4.529
EP BALLYLUMFORD LIMITED	PY_000056	PT_500040	GU_503740	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	86.742
EP BALLYLUMFORD LIMITED	PY_000056	PT_500040	GU_500283	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	51.898
EP BALLYLUMFORD LIMITED	PY_000056	PT_500040	GU_500284	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	51.898
EP BALLYLUMFORD LIMITED	PY_000056	PT_500040	GU_503730	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	215.950
EP BALLYLUMFORD LIMITED	PY_000056	PT_500040	GU_503720	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	215.950
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500820	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	37.532
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500821	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	37.532
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500824	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	24.368
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500825	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	25.368
ESB	PY_000030	PT_400030	CAU_400301	Hydro	L1-2: Ireland	Existing	[><]	195.651
ESB	PY_000030	PT_400033	CAU_400302	Wind	L1-2: Ireland	Existing	[><]	3.869
ESB	PY_000030	PT_400030	GU_400363	Pumped Hydro Storage	L1-2: Ireland	Existing	[><]	50.808
ESB	PY_000030	PT_400030	GU_400361	Pumped Hydro Storage	L1-2: Ireland	Existing	[><]	50.808
ESB	PY_000030	PT_400030	GU_400360	Pumped Hydro Storage	L1-2: Ireland	Existing	[><]	50.808
ESB	PY_000030	PT_400030	GU_400362	Pumped Hydro Storage	L1-2: Ireland	Existing	[><]	50.808
ESB	PY_000030	PT_400030	GU_400325	Gas Turbine	L1-3: Greater Dublin	Existing	[><]	206.972
ESB	PY_000030	PT_400030	GU_400324	Gas Turbine	L1-3: Greater Dublin	Existing	[><]	210.480
ESB	PY_000030	PT_400037	GU_400500	Gas Turbine	L1-3: Greater Dublin	Existing	[><]	347.770

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level 1	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
ESB	PY_000030	PT_500024	GU_500040	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	351.115
ESB	PY_000030	PT_400030	GU_400850	Gas Turbine	L1-2: Ireland	Existing	[><]	362.165
ESB	PY_000030	PT_400030	GU_400182	Gas Turbine	L1-2: Ireland	Existing	[><]	80.910
ESB	PY_000030	PT_400030	GU_400183	Gas Turbine	L1-2: Ireland	Existing	[><]	80.910
ESB	PY_000030	PT_400030	GU_405490	Gas Turbine	L1-3: Greater Dublin	New	[><]	255.950
ESB	PY_000030	PT_400033	DSU_401330	Demand Side Unit	L1-2: Ireland	Existing	[><]	4.783
Greenlink Interconnector Limited	PY_034142	PT_402612	GU_405200	Interconnector	L1-2: Ireland	New	[><]	220.248
Huntstown Power Company	PY_000033	PT_400035	GU_400480	Gas Turbine	L1-3: Greater Dublin	Existing	[><]	292.410
Indaver Energy Limited	PY_000101	PT_400087	GU_401230	Steam Turbine	L1-2: Ireland	Existing	[><]	14.348
Ion Renewables Ltd	PY_034147	PT_402616	GU_405280	Other Storage	L1-2: Ireland	New	[><]	2.865
iPower Solutions Ltd	PY_000093	PT_500053	GU_501130	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	49.959
iPower Solutions Ltd	PY_000093	PT_500053	DSU_503450	Demand Side Unit	L1-1: Northern Ireland	New	[><]	8.659
iPower Solutions Ltd	PY_000093	PT_500053	DSU_503480	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	4.672
iPower Solutions Ltd	PY_000093	PT_500053	DSU_503420	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	4.102
iPower Solutions Ltd	PY_000093	PT_402574	DSU_403650	Demand Side Unit	L1-2: Ireland	New	[><]	3.580
Moyle Interconnector Limited	IO_MOYLE	IO_MOYLE	I_NIMOYLE	Interconnector	L1-1: Northern Ireland	Existing	[><]	202.500
Orsted Ireland Green Energy Limited	PY_000068	PT_400062	CAU_400502	Wind	L1-2: Ireland	Existing	[><]	16.427
Powerhouse Generation Limited	PY_000128	PT_400144	DSU_401660	Demand Side Unit	L1-2: Ireland	Existing	[><]	2.062
Powerhouse Generation Limited	PY_000128	PT_500078	DSU_501560	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	6.059
Powerhouse Generation Limited	PY_000128	PT_500078	DSU_501330	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	5.207
Powerhouse Generation Limited	PY_000128	PT_400144	DSU_403820	Demand Side Unit	L1-2: Ireland	New	[><]	15.000
Powerhouse Generation Limited	PY_000128	PT_400144	DSU_403500	Demand Side Unit	L1-2: Ireland	New	[><]	8.000
PY_034108	PY_034108	PT_402586	GU_404550	Other Storage	L1-2: Ireland	New	[><]	2.603
Rhode Energy Storage Limited	PY_034111	PT_402589	GU_404600	Other Storage	L1-2: Ireland	New	[><]	22.125
Ronaver Energy Limited	PY_000194	PT_400460	GU_403000	Gas Turbine	L1-2: Ireland	Existing	[><]	1.810
ShannonLNG Limited	PY_034110	PT_402588	GU_404590	Gas Turbine	L1-2: Ireland	New	[><]	176.600

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level 1	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
ShannonLNG Limited	PY_034110	PT_402588	GU_404860	Gas Turbine	L1-2: Ireland	New	[><]	176.600
SSE Airtricity Limited	PY_000021	PT_400021	CAU_400500	Wind	L1-2: Ireland	Existing	[><]	30.446
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_400762	Gas Turbine	L1-2: Ireland	Existing	[><]	382.800
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_400770	Gas Turbine	L1-2: Ireland	Existing	[><]	46.672
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_400771	Gas Turbine	L1-2: Ireland	Existing	[><]	46.672
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_400781	Gas Turbine	L1-2: Ireland	Existing	[><]	46.852
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_400780	Gas Turbine	L1-2: Ireland	Existing	[><]	46.852
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_405790	Gas Turbine	L1-2: Ireland	New	[><]	259.500
SSE Generation Ireland Limited	PY_000071	PT_400064	GU_405780	Gas Turbine	L1-2: Ireland	New	[><]	139.887
Statkraft Markets GmbH	PY_034046	PT_402540	GU_404520	Other Storage	L1-2: Ireland	Existing	[><]	2.607
Statkraft Markets GmbH	PY_034046	PT_402540	GU_404010	Other Storage	L1-2: Ireland	Existing	[><]	1.111
Statkraft Markets GmbH	PY_034046	PT_402540	GU_405070	Other Storage	L1-2: Ireland	New	[><]	6.384
Statkraft Markets GmbH	PY_034046	PT_502514	GU_503960	Other Storage	L1-1: Northern Ireland	New	[><]	5.000
Statkraft Markets GmbH	PY_034046	PT_502514	GU_503950	Other Storage	L1-1: Northern Ireland	New	[><]	4.539
Statkraft Markets GmbH	PY_034046	PT_402540	GU_404900	Other Storage	L1-2: Ireland	New	[><]	6.694
Statkraft Markets GmbH	PY_034046	PT_402540	GU_404510	Other Storage	L1-3: Greater Dublin	New	[><]	1.885
TYNAGH ENERGY LIMITED	PY_000041	PT_400041	GU_400530	Gas Turbine	L1-2: Ireland	Existing	[><]	336.8
Veolia Alternative Energy Ireland Limited	PY_000122	PT_400124	DSU_401880	Demand Side Unit	L1-2: Ireland	Existing	[><]	17.435
Veolia Alternative Energy Ireland Limited	PY_000122	PT_400124	DSU_403660	Demand Side Unit	L1-3: Greater Dublin	Existing	[><]	7.530
Veolia Alternative Energy Ireland Limited	PY_000122	PT_400124	DSU_401490	Demand Side Unit	L1-2: Ireland	Existing	[><]	7.241



### 3.2. CMUs PROVISIONALLY NOT AWARDED CAPACITY IN THIS CAPACITY AUCTION

The Participant listed in Table 3.6 submitted an offer for a CMU in the T-4 Auction but was not awarded any capacity.

Table 3.6: List of participants and CMUs provisionally awarded **no** capacity in the T-4 Capacity Auction for the Capacity Year 2026/27

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level 1	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
CONTOURGLOBAL SOLUTIONS (NORTHERN IRELAND) LIMITED	PY_000081	PT_500048	GU_500904	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	0.000
AC Automation (UK) Ltd	PY_000109	PT_500064	DSU_501200	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	0.000
Cushaling Power Ltd	PY_000083	PT_400078	GU_405010	Gas Turbine	L1-2: Ireland	New	[><]	0.000
Data and Power Hub Services Limited	PY_034087	PT_402571	GU_404220	Gas Turbine	L1-3: Greater Dublin	New	[><]	0.000
EnerNOC Ireland Ltd	PY_000088	PT_500098	DSU_501450	Demand Side Unit	L1-1: Northern Ireland	Existing	[><]	0.000
ESB	PY_000030	PT_500024	GU_500041	Gas Turbine	L1-1: Northern Ireland	Existing	[><]	0.000
ESB	PY_000030	PT_400030	GU_405480	Gas Turbine	L1-3: Greater Dublin	New	[><]	0.000
Kilshane Energy Ltd	PY_034118	PT_402596	GU_405460	Gas Turbine	L1-2: Ireland	New	[><]	0.000
Lumcloon Power (B) Limited	PY_034114	PT_402592	GU_404640	Gas Turbine	L1-2: Ireland	New	[><]	0.000
Powerhouse Generation Limited	PY_000128	PT_500078	DSU_503660	Demand Side Unit	L1-1: Northern Ireland	New	[><]	0.000
Powerhouse Generation Limited	PY_000128	PT_500078	GU_504080	Gas Turbine	L1-1: Northern Ireland	New	[><]	0.000
Powerhouse Generation Limited	PY_000128	PT_500078	DSU_503670	Demand Side Unit	L1-1: Northern Ireland	New	[><]	0.000

## 4. SUMMARY OF ISSUES IDENTIFIED WITH THE CAPACITY AUCTION PROCESS

We performed our role as Capacity Auction Monitor in relation to the 2026/27 T-4 Capacity Auction, which took place on 23<sup>rd</sup> March 2023, in line with our obligations to monitor the conduct of the SOs in operating the Capacity Auctions. In Section 4.1, we summarise the identified instances of non-compliance within the areas of the CMC that are in the Monitor’s scope, before presenting some additional considerations in Section 4.2.

### 4.1. SUMMARY OF ISSUES

In carrying out our duties, we identified **8 issues** that we consider constitute non-compliance with the CMC, noting our obligation to report all issues to the RAs irrespective of materiality. The table below sets out a high-level summary of actual or potential instances of non-compliance identified within the Capacity Auction process. Detailed issue logs are included in Appendix B.

Table 4.1: Summary of issues identified within the Capacity Auction process<sup>6</sup>

Issue Log	Description
012	CMC E.8.7.1 requires that the Offer Price Cap for Existing Capacity, that is not associated with Demand Side Units, shall be the Existing Capacity Price Cap, if a Unit Specific Price Cap has not been approved by the RAs. There are a number of Generator units in the FQRs which do not have the correct Existing Price Cap assigned.
013	The SOs did not include the ‘final Capacity Auction Threshold for the Capacity Auction’ in the Final Auction Information Pack, as is required under CMC F.5.1.3 (q).
015	Under CMC Section 9.4, the SOs were required to deem the Final Qualification Decisions (FQDs) to be approved by the RAs on 27 <sup>th</sup> February 2023 and issue them two working days later, on 1 <sup>st</sup> March 2023. The FQDs were issued to Participants by the SOs on 3 <sup>rd</sup> March 2023.
016	For 14 CMUs that submitted an Exception Application to the RAs and which were approved, the Maximum Capacity Duration in respect of New Capacity was not reflected correctly in the FQRs. Although 14 CMUs did not have the correct Maximum Capacity Duration in respect of New Capacity in the FQRs, only one CMU had non-zero Net De-Rated Capacity (New) and therefore, qualified New Capacity for the Auction. The remaining 13 CMUs qualified Existing Capacity only.
017	CMC F.8.1.1 requires that the SOs “conduct each Capacity Auction in accordance with the applicable Capacity Auction Timetable.” Capacity Auction Run Start was delayed to allow the SOs to carry out investigations to ensure the accuracy of offers submitted into the Capacity Auction.
019	There were three instances where the CMP was unavailable due to maintenance, but the communication procedure specified in Section L.2.5 and AP5 was not correctly followed by the SOs.
020	CMC F.4.1.4 and F.4.1.5 require the SOs to make a determination under paragraph F.4.1.1, based on the Provisional Qualification Decisions (PQDs) and Final Qualification Decisions (FQDs), and submit those values for approval to the RAs. The SOs did not follow these requirements.
022	CMC F.8.2.1 (b) (i2) requires the SOs to apply the Net Maximum Quantity that will apply to each LCC in this Capacity Auction. The SOs did not apply a Net Maximum Quantity on any LCC in this Capacity Auction and is therefore deemed non-compliant with this CMC requirement.

<sup>6</sup> Issue numbers are assigned to potential instances of non-compliance as they are identified. Issue numbers missing from the table (e.g., Issue 014) may reflect issues investigated as part of the Monitor’s Qualification Report for this Auction or may reflect issues that have been investigated and determined not to represent non-compliance with the CMC.

## **4.2. FURTHER CONSIDERATIONS**

This sub-section contains comments and observations that we believe do not represent non-compliance with the CMC, but we consider it appropriate to summarise for the RAs' attention.

### **4.2.1. Submission of Final Qualification Decisions**

The Final Qualification Submission Date, by which the SOs are expected to provide the FQRs to the RAs for approval, was set in the Capacity Auction Timetable as 14<sup>th</sup> February 2022. CMC E.9.4.4 requires that the SOs "*shall use reasonable endeavours*" to submit the FQRs to the RAs on or before this date however, the SOs did not do so until 15<sup>th</sup> February 2023.

The SOs explained that the Final Qualification Decisions were submitted to the RAs a day late in order to "*undertake additional quality assurance checks.*"

Upon review of the SOs' explanation regarding the FQRs provision delay, the Monitor is unable to conclude noncompliance with E9.4.4. We do not have sufficient evidence to conclude that "*reasonable endeavours*" were not used but consider it appropriate to note in this report the delay in submission of the FQRs to the RAs and the reasons given by the SOs.

### **4.2.2. Maximum De-rated Capacity Quantities**

The updated Capacity Market Code published on 9<sup>th</sup> December 2022 introduced a new requirement for the SOs to set the maximum level of de-rated capacity that satisfies each LCC area. This new requirement is set out in a number of code items including:

- CMC C.2.2.2 (c) requires that the SOs determine for each LCC area the "*minimum and maximum de-rated capacity quantity that is required to satisfy the Locational Capacity Constraint, where the maximum de-rated capacity quantity shall be not less than the minimum de-rated capacity quantity.*"
- CMC F.4.1.4 (g) requires that the SOs determine the "*maximum de-rated capacity quantity that can be cleared under the Locational Capacity Constraint*" for each LCC.

The SOs noted in the FAIP issued on 13<sup>th</sup> March 2023 that the CMC requirements regarding the Maximum Quantities for each LCC area have not been implemented in time for the 2026/2027 T-4 Capacity Auction. As a result, the SOs established a Maximum Quantity for this Capacity Auction equal to a non-binding value of 20,000 MW for each Level 1 LCC area.

We note that the SOs indicated in the FAIP that they are in the process of implementing the requirements throughout all relevant processes and systems.

### **4.2.3. Qualification Report Issue Logs**

Within the 2026/27 T-4 Qualification Report, we brought a number of issues to the SOs attention via Issue Logs included in Appendix B. These were related to both the Provisional Qualification Result (PQR) values and the Qualification process implemented by the SOs.

As per CMC E.9.4.2 (c), the Final Qualification Decisions shall correct any error, or omission, in the Provisional SO Qualification Decisions that the SOs become aware of. The SOs sent the Final Qualification Decisions to the RAs for approval on 15<sup>th</sup> February 2023 and outlined the CMUs that were updated following issues raised by the Capacity Auction Monitor. The SOs also sent the RAs, on 16<sup>th</sup> February 2023, responses to the Issue Logs raised in the 2026/27 T-4 Qualification Report.

We have reviewed the FQRs and, of those Issue Logs related to the PQR values, we note the SOs have corrected some errors they were made aware of in Issue Logs 005 and 007 of our Qualification Report. There are, however, a number of instances of potential non-compliance raised in Issue Logs 007, 008, and 009 that do not appear to have been addressed in the FQRs.

We understand the SOs have provided a response to the RAs in relation to each Issue Log raised in the Qualification Report, including corrected values for a number of CMUs in the FQRs, and have therefore considered all potential PQR errors raised in the 2026/27 T-4 Qualification Report. However, following a review of the FQRs against the potential instances of non-compliance raised in Issue Logs 007, 008, and 009, and the SOs' Issue Log responses to the RAs, we are still unable to replicate the values in the FQRs for a number of Generator units based on the data originally provided to us by the SOs at the qualification stage. Nevertheless, our understanding is that the identified errors have been corrected.

We, therefore, do not consider these instances to represent non-compliance with E.9.4.2, but consider it appropriate to note in this report.

#### **4.2.4. Rounding**

In accordance with L.5.4.1, the SOs are to use consistent numerical rounding for all published quantities in accordance with the decimal places detailed in the CMC. We note that our checks were conducted (where applicable) at the level of numerical rounding specified under CMC L.5.4 for calculations and published quantities. There were no rounding issues identified.

#### **4.2.5. Chapter L: Data and information systems**

Chapter L of the CMC sets out the SOs' requirements in relation to data and information systems, including communication between the SOs and the Participants, any system failures which affect the qualification or auction processes, as well as publication of auction data in relation to the qualification or auction process.

We do not monitor all communications between the SOs and the Participants, but rather rely primarily on the SOs and RAs to notify us when issues arise. Based on the information received to date, we did not identify any issues in relation to Chapter L beyond those identified in Issue Log 019.

## Appendix A SUMMARY OF WORK PERFORMED

We typically undertake a site visit for the day of Capacity Auction Submission End and Capacity Auction Run Start. For this Auction, the RAs approved our approach of using conference calling and screen-sharing capabilities to best replicate our on-site visits.

The areas of the Code checked at the time of issuing this report are outlined in the table below.

Table A.1: Summary of CMC sections checked by the Monitor in preparing this report

CMC Chapter	CMC Subsection	CMC Paragraph
C. De-Rating and Capacity Concepts	C.2 Locational Capacity Constraints	C.2.1.2
		C.2.2.2
		C.2.3.1
		C.2.3.2
	C.3 Initial Capacity	C.3.2.1
		C.3.2.3
		C.3.5.1
D. Pre-Capacity Auction Process	D.2 Capacity Auctions and Timetables	D.2.1.5
		D.2.1.9
		D.2.1.10
		D.2.1.11
		D.2.1.14
		D.2.1.16
E. Qualification	E.1 Purpose of Qualification Process	E.1.1.4
	E.4 Application for Qualification	E.4.1.8
	E.5 Exception Applications	E.5.1.10
	E.8 Qualification Calculations	E.8.1.1
		E.8.1.2
		E.8.1.3
		E.8.2.1
		E.8.2.2
		E.8.2.4
		E.8.2.5
		E.8.2.7
		E.8.2.8
		E.8.3.1
	E.8.4.1	
	E.8.5.1	
	E.8.5.2	
	E.8.6.1	
E.8.7.1		
E.8.8.1		
E.8.8.2		
E.8.8.3		
E.8.9.1		
E.8.9.2		
E.9 Notification of Qualification Decisions	E.9.3.3	
	E.9.3.5	

CMC Chapter	CMC Subsection	CMC Paragraph
		E.9.3.6
E. Qualification	E.9 Notification of Qualification Decisions	E.9.4.1
		E.9.4.2
		E.9.4.3
		E.9.4.4
		E.9.4.9
		E.9.4.10
		E.9.4.11
		E.9.5.1
F. Capacity Auctions	F.1 General	F.1.2.2
	F.2. Capacity Auction Participation	F.2.1.1
	F.3 Demand Curve	F.3.1.1
		F.3.1.2
		F.3.1.6
		F.3.1.7
	F.4 Determination of Locational Capacity Constraints for a Capacity Auction	F.4.1.1
		F.4.1.2
		F.4.1.4
		F.4.1.5
		F.4.1.6
		F.4.1.7
		F.4.1.8B
		F.4.1.8D
	F.5 Publication of Final	F.5.1.1
		F.5.1.2
		F.5.1.3
	F.6 Capacity Auction Submissions	F.6.1.1
		F.6.2.1
	F.7 Capacity Auction Offers	F.7.1.1
		F.7.1.2
		F.7.1.3
	F.8 Conduct of Capacity Auction	F.8.1.1
		F.8.2.1
		F.8.2.2
		F.8.2.3
		F.8.3.2
		F.8.3.3
		F.8.3.4
		F.8.3.5
		F.8.4.2
		F.8.4.3
		F.8.4.4
		F.8.4.5
		F.8.4.6
		F.8.4.7
		F.8.5.1

CMC Chapter	CMC Subsection	CMC Paragraph
		F.8.6.1
	F.9 Capacity Auction Results	F.9.1.1
		F.9.2.1
		F.9.3.1
K. Exchange Rates	K.2 Methodology	K.2.1.6
L. Data and Information Systems	L.2 Methodology	L.2.2.2
		L.2.3.1
		L.2.4.3
		L.2.4.4
		L.2.5.1
		L.2.5.2
		L.2.5.3
		L.2.5.4
		L.2.5.5
	L.3 Submission, Validation and Rejection of Data Transactions	L.3.1.1
		L.3.1.3
		L.3.1.6
		L.3.1.7
		L.3.1.8
	L.4 Communications Failures	L.4.2.1
		L.4.2.3
		L.4.3.1
		L.4.3.3
		L.4.3.4
		L.4.4.2
		L.4.4.3
	L.5 Data Publication	L.5.4.1





## B.2. ISSUE LOG 013

Issue ID	Affected auction(s)	Issue status	Compliance status
013	2026/2027 T-4 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
The SOs did not include the ' <i>final Capacity Auction Threshold for the Capacity Auction</i> ' in the Final Auction Information Pack, as is required under CMC F.5.1.3 (q).			
<b>Description of Issue</b>			
<p>As per CMC F.5.1.2, the SOs are required to publish a Final Auction Information Pack (FAIP), for a Capacity Auction, that includes the items listed under CMC F.5.1.3.</p> <p>In the FAIP for the 2026/2027 T-4 Capacity Auction, published on 13<sup>th</sup> March 2023, the SOs did not include F.5.1.3 (q), '<i>the final Capacity Auction Threshold for the Capacity Auction</i>', as is required.</p> <p>The SOs noted that this was not included in the FAIP because it was not provided in the RAs' 2026/27 T-4 Auction Parameters Decision Paper (<a href="#">SEM-22-044</a>) published on 11<sup>th</sup> August 2022 and therefore, this cannot be considered to be non-compliant with the CMC.</p>			
<b>Capacity Auction Monitor's Comments</b>			
<p>We consider this a technical non-compliance with F.5.1.3, as the FAIP published by the SOs under F.5.1.2 should set out this value. Although this parameter was omitted from the Decision Paper, there was sufficient time available before the FAIP date in the Capacity Auction Timetable (1<sup>st</sup> March 2023) for the SOs to raise this omission with the RAs.</p> <p>We note there may be a potential inconsistency in the CMC, with F.5.1.3 (q) requiring the FAIP to include the final Capacity Auction Threshold for the Capacity Auction, whilst D.3.1.2 (s) requires the Initial Auction Information Pack (IAIP) to include the final Capacity Aggregation Threshold for the Capacity Auction.</p>			

### B.3. ISSUE LOG 015

Issue ID	Affected auction(s)	Issue status	Compliance status
015	2026/2027 T-4 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
<p>Under CMC Section 9.4, the SOs were required to deem the Final Qualification Decisions (FQDs) to be approved by the RAs on 27<sup>th</sup> February 2023 and issue them two working days later, on 1<sup>st</sup> March 2023. The FQDs were issued to Participants by the SOs on 3<sup>rd</sup> March 2023.</p>			
<b>Description of Issue</b>			
<p><b>CMC E.9.4.7</b></p> <p>As per CMC E.9.4.7, if the RAs do not notify the SOs of any FQD rejections two working days before the Final Qualification Results Date, they are deemed to have been approved.</p> <p>The Final Qualification Results Date in the Capacity Auction Timetable was 1<sup>st</sup> March 2023. As the RAs did not notify the SOs of any FQD rejections by 27<sup>th</sup> February 2023, the SOs were required to deem the FQDs to have been approved. The SOs, however, were notified by the RAs on 1<sup>st</sup> March 2023 of [3&lt;] Capacity Market Units ([3&lt;]) for which the FQD was rejected. The SOs reflected the RAs decision in the FQDs and subsequently gave notification to Participants of the approved FQDs on 3<sup>rd</sup> March 2023.</p> <p>The Participants for these units noted that the CMC was not correctly applied, due to the RAs not providing notification of the FQD rejection within the required timeframe. The RAs’ decision was subsequently reversed and the FQDs were reissued on 13<sup>th</sup> March 2023.</p> <p><b>CMC E.9.4.10</b></p> <p>The SOs are required to give notification of the approved FQDs by the later of the Final Qualification Results date and two working days after the RAs have approved, or are deemed to have approved the FQDs, as per CMC E.9.4.10.</p> <p>As the FQDs should have deemed to be approved on 27<sup>th</sup> February 2023, the SOs were required under CMC E.9.4.10, to give notification of the approved FQDs by 1<sup>st</sup> March 2023. The SOs gave notification of the approved FQDs on 3<sup>rd</sup> March 2023.</p> <p><b>CMC E.9.5.1</b></p> <p>CMC E.9.5.1 requires the SOs to use reasonable endeavours to publish the Qualification Results on or before the Qualification Results Publication Date, which was specified in the Capacity Auction Timetable as 1<sup>st</sup> March 2023. The SOs published the Qualification Results on 3<sup>rd</sup> March 2023.</p> <p>In response, the SOs have stated that the RAs verbally notified them that the SEM Committee would require an additional meeting in order to sign off on the FQDs, and that they were also aware the RAs required further time to consider the FQDs. The SOs have noted that they decided against applying a “<i>strict interpretation</i>” of E.9.4.7 and E.9.4.10 and instead “<i>decided to wait until the RAs had informed the SOs on the Final Qualification Decisions for all units before publishing.</i>”</p>			
<b>Capacity Auction Monitor’s Comments</b>			
<p>We consider this to be technical non-compliance with E.9.4.7, E.9.4.10, and E.9.5.1.</p> <p>As the Capacity Auction Monitor, we are required to identify any actual or potential non-compliance with the Code (as per B10.4.1 (c)) as it is drafted, although we note the SO reasoning above.</p>			

## B.4. ISSUE LOG 016

Issue ID	Affected auction(s)	Issue status	Compliance status
016	2026/2027 T-4 Capacity Auction	Closed	Non-compliant

### Summary

For 14 CMUs that submitted an Exception Application to the RAs and which were approved, the Maximum Capacity Duration in respect of New Capacity was not reflected correctly in the FQRs.

Although 14 CMUs did not have the correct Maximum Capacity Duration in respect of New Capacity in the FQRs, only one CMU had non-zero Net De-Rated Capacity (New) and therefore, qualified New Capacity for the Auction. The remaining 13 CMUs qualified Existing Capacity only.

### Description of Issue

As per CMC E.8.6.1, the Maximum Capacity Duration in respect of New Capacity, for which the RAs have approved a Maximum Capacity Duration, as a result of an Exception Qualification, shall be the approved Maximum Capacity Duration.

CMU [REDACTED] applied for an Exception Application for New Capacity to have a Maximum Capacity Duration of 10 years, which was approved by the RAs. The RAs notified the SOs of the Exception Application approvals on 24<sup>th</sup> February 2023, ahead of the FQR date of 1<sup>st</sup> March 2023. The FQRs should have, therefore, reflected a new Maximum Capacity Duration of 10 years, however, this value was set to one year.

The SOs identified this issue on 23<sup>rd</sup> March 2023, prior to the Auction Gate Closure and contacted the Participant, who had not yet submitted an Auction Offer in respect of this CMU. The Participant confirmed that they had no intention to submit an Auction Offer for this CMU and therefore, the SOs did not update the system to correct this issue ahead of the Gate Closure and Auction Run.

The SOs have confirmed 1 year was erroneously stated for the Maximum Capacity Duration in the CMP, instead of the approved value of 10 years. However, the SOs have noted that they “*made clear to the Participant that had they wished to submit an offer for this unit, the SOs were ready to correct the value to ensure that this unit could offer in a 10-year Maximum Capacity Duration.*” The SOs have further stated that, as it was made clear to the Participant that the Maximum Capacity Duration of 10 years would apply if an offer was to be submitted, that they considered they complied with E.8.6.1. The SOs did not consider it necessary to correct the value in the CMP “*as the Participant made clear that they did not wish to submit an Offer.*”

We also note that there are a number of other CMUs where the New Maximum Capacity Duration set in the FQDs is one year, despite having a Maximum Capacity Duration of greater than one year approved by the RAs. These units are shown in the table below.

CMU ID	Qualified (FQRs)	Net De-Rated Capacity (New) (FQRs)	New Maximum Capacity Duration (FQRs)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]
[<]	[<]	[<]	[<]

In all cases, we note that the New Net De-Rated Capacity is 0 MW for these CMUs, and therefore, they qualified Existing Capacity only. Further, 10 of the CMUs were not accepted in the FQRs. We consider, however, that the appropriate New Maximum Capacity Duration should be included in the FQRs for all units who have an Exception Application approved by the RAs.

**Capacity Auction Monitor’s Comments**

We consider this to be non-compliance with E.8.6.1.

We do not consider there to have been any material impacts upon the Capacity Auction.

## B.5. ISSUE LOG 017

Issue ID	Affected auction(s)	Issue status	Compliance status
017	2026/2027 T-4 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
<p>CMC F.8.1.1 requires that the SOs “conduct each Capacity Auction in accordance with the applicable Capacity Auction Timetable.” Capacity Auction Run Start was delayed to allow the SOs to carry out investigations to ensure the accuracy of offers submitted into the Capacity Auction.</p>			
<b>Description of Issue</b>			
<p>CMC F.8.1.1 requires that the SOs “conduct each Capacity Auction in accordance with the applicable Capacity Auction Timetable.”</p> <p>Item 13 of the Capacity Auction Timetable is the Capacity Auction Run Start, which was due to take place on 23<sup>rd</sup> March 2023 at 12:00. The CMC defines this as follows:</p> <p><i>“Capacity Auction Run Start in respect of a Capacity Auction, means the day and time that the System Operators initiate the run of the software program referred to in paragraph F.8.5.1 for that Capacity Auction.”</i></p> <p>Prior to Gate closure on 23<sup>rd</sup> March 2023 at 08:52, the SOs emailed Participants with CMUs that qualified Existing Capacity for the 2026/27 T-4 Capacity Auction, but who had not yet submitted an offer, to remind them that an automatic offer would be generated if the Participant did not submit an offer by gate closure, in accordance with F.7.1.3.</p> <p>The Participant for [redacted], who had not yet submitted a bid for the CMUs Existing Capacity, responded to the SOs at 09:43 a CMP Certificate update. The SOs advised the Participant to submit a manual offer, as rectifying the Participants CMP Certificate issues would not have been possible in the available timeframe before Gate Closure.</p> <p>The Participant provided the SOs, at 09:58 via email, with details of the manual offer they wanted to submit: “[redacted]” However, this did not explicitly indicate a price-quantity pair, and whether or not the price-quantity pair was flexible or inflexible (required as per CMC F.7.1.1 (a) and (c)).</p> <p>As per CMC F.6.2.3, the SOs have no obligation to follow up any Participant that has not submitted a valid Capacity Auction Offer. Regardless, as this occurred just before Gate Closure, the SOs were not able to go back to the Participant and request clarification before the offer window closed.</p> <p>The SOs delayed the Capacity Auction Run Start in order to finish the final checks on the Auction Offers and consider the validity of the above manual offer submission (which was ultimately rejected as it was not deemed to be valid, as per the above).</p> <p>Capacity Auction Run Start took place on 23<sup>rd</sup> March 2023 at 13:00, with the solution being solved within a minute. The auction solution was therefore achieved within the Allowed Timeframe (24 hours) of the original Capacity Auction Run Start. There were no further delays to any other areas of the Capacity Auction Timetable at the time of writing this Issue Log.</p>			
<b>Capacity Auction Monitor’s Comments</b>			
<p>We consider this to be technical non-compliance with F.8.1.1.</p> <p>We did not identify any impacts on other items of the Capacity Auction Timetable or on any Participants.</p>			

## B.6. ISSUE LOG 019

Issue ID	Affected auction(s)	Issue status	Compliance status
019	2026/27 T-4 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
<p>There were three instances where the CMP was unavailable due to maintenance but, the communication procedure specified in Section L.2.5 and AP5 was not correctly followed by the SOs.</p>			
<b>Description of Issue</b>			
<p>There were three instances where the CMP was unavailable due to maintenance between 30<sup>th</sup> November 2022 and 28<sup>th</sup> March 2023. The procedure to be followed by the SOs when conducting testing, upgrading and support is outlined in CMC Section L.2.5 and Agreed Procedure 5.<sup>7</sup> For these three period of maintenance, that involved outages of the CMP, the correct notification and completion procedure was not followed.</p> <p>CMC L.2.5.1 states that:</p> <p><i>“The System Operators shall co-ordinate and facilitate testing of the Capacity Market Platform and the interfaces to Communication Channels as described under Agreed Procedure 5 “System Operation, Testing, Upgrading and Support”.”</i></p> <p>As outlined in Agreed Procedure 5 under item 2.5.5, the SOs are required to remind Participants and the Market Operator of implementation <i>“one Working Day prior to the scheduled day for the Implementation.”</i> For the following outages, this was not followed by the SOs:</p> <ul style="list-style-type: none"> <li>• Outage on 9<sup>th</sup> January 2023, between 20:00-23:00 - participants were reminded on 9<sup>th</sup> January 2023.</li> <li>• Outage on 11<sup>th</sup> January 2023 between 20:00-22:00 - participants received an initial notification on 11<sup>th</sup> January 2023.</li> <li>• Outage on 22<sup>nd</sup> February 2023, between 17:00-18:00 - participants were notified on 22<sup>nd</sup> February 2023.</li> </ul> <p>Under Agreed Procedure 5, Step 4 of ‘3.2.2 Maintenance, Application Releases and Emergency Releases’ requires the SOs to <i>“inform participants of restoration of Capacity Market Platform”</i> via email and the SOs’ website. No completion email was sent by the SOs for the outage on 9<sup>th</sup> January 2023, between 20:00-23:00.</p>			
<b>Capacity Auction Monitor’s Comments</b>			
<p>We consider this to be non-compliance with CMC L.2.5.1. We do not consider the issues around the reminder under L.2.5.1 to be material.</p> <p><i>We have raised this issue in the past and the SOs have acknowledged this is a requirement to be completed each time.</i></p>			

<sup>7</sup> 30<sup>th</sup> November 2022 was the last outage checked in the 2026/27 T-4 Qualification Report. Our checks for the Auction Report cover the time period between 30<sup>th</sup> November 2022 and 30<sup>th</sup> March 2023.

## B.7. ISSUE LOG 020

Issue ID	Affected auction(s)	Issue status	Compliance status
020	2026/27 T-4 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
<p>CMC F.4.1.4 and F.4.1.5 require the SOs to make a determination under paragraph F.4.1.1, based on the Provisional Qualification Decisions (PQDs) and Final Qualification Decisions (FQDs), and submit those values for approval to the RAs. The SOs did not follow these requirements.</p>			
<b>Description of Issue</b>			
<p>CMC F.4.1.4 states:</p> <p><i>“The System Operators shall make a determination under paragraph F.4.1.1 based on the Provisional SO Qualification Decisions and submit the values to the Regulatory Authorities no later than two Working Days after the Provisional Qualification Results Date.”</i></p> <p>The PQR Date in the Capacity Auction Timetable was 1<sup>st</sup> December 2022. The SOs informed the RAs, via email on 14<sup>th</sup> December 2022, that they would not be in a position to send the information required under F.4.1.1 at the PQD stage. The SOs subsequently submitted their determination under F.4.1.1 to the RAs for approval on 13<sup>th</sup> February 2023.</p> <p>CMC F.4.1.5 states:</p> <p><i>“The System Operators shall make a determination under paragraph F.4.1.1 based on the Final Qualification Decisions and submit the values to the Regulatory Authorities at the same time as submitting the Final Qualification Decisions under paragraph E.9.4.3.”</i></p> <p>The SOs did not submit a determination of paragraph F.4.1.1, based on the FQDs, to the RAs for approval under F.4.1.5.</p>			
<b>Capacity Auction Monitor’s Comments</b>			
<p>We consider this to be non-compliance with F.4.1.4 and F.4.1.5.</p>			

## B.8. ISSUE LOG 022

Issue ID	Affected auction(s)	Issue status	Compliance status
022	2026/27 T-4 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
<p>CMC F.8.2.1 (b) (i2) requires the SOs to apply the Net Maximum Quantity that will apply to each LCC in this Capacity Auction. The SOs did not apply a Net Maximum Quantity on any LCC in this Capacity Auction and is therefore deemed non-compliant with this CMC item.</p>			
<b>Description of Issue</b>			
<p>CMC F.8.2.1 (b) (i2) states:</p> <p><i>“The System Operators shall use the following information when conducting a Capacity Auction:</i></p> <p><i>(i2) the Net Maximum Quantity that will apply in the Capacity Auction, being the greater of zero and:</i></p> <p><i>(A) the Locational Capacity Constraint Maximum Quantity that can be cleared under the Locational Capacity Constraint; less</i></p> <p><i>(B) the Awarded Capacity for the Capacity Year in respect of Capacity Market units that contribute to satisfying that Locational Capacity Constraint”</i></p> <p>The SOs have not calculated or applied the Net Maximum Quantity in this Capacity Auction as is required under F.8.2.1 (b) (i2).</p>			
<b>Capacity Auction Monitor’s Comments</b>			
<p>We consider this to be non-compliance with F.8.2.1.</p>			





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