#### **Capacity Market Information Session**

#### 2024-2025 T-3 Capacity Auction

Thursday 19<sup>th</sup> August 2021



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#### Agenda

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- Initial Auction Information Pack Aodhagan Downey
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  - New & Existing Parties
  - Implementation Plans for New Capacity
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- Capacity Market Platform (CMP) Shelley Van den Berg
- Form Checks reoccurring corrections Shelley Van den Berg
- Q&A Aodhagan Downey



#### Introduction

Capacity Market page on the <u>SEMO website</u> (for CM information and additional resources)

#### Capacity Market

#### The Capacity Market is a mechanism to ensure that the electricity supply in Ireland and Northern Ireland continues to meet demand.

The Capacity Market is designed to help ensure that the generation capacity in Ireland and Northern Ireland (including Storage, Demand Side Units and Interconnector capacity) is sufficient to meet demand and that the regulatory approved generation adequacy standard is satisfied. It is a competitive auction-based design where the most efficient and lowest cost capacity is most likely to be successful. This design helps to promote the short-term and long term interests of consumers of electricity across Ireland and Northern Ireland with respect to price, quality, reliability and security of supply of electricity.

Only those units who are successful in the capacity auctions will receive capacity payments. Capacity providers that are successful in the capacity auction will be paid regular payments during the year for each HW of capacity they successfully sold to the market in the Auction. In return, capacity providers that have been successful in the Auction are required to deliver on their Capacity Market obligations. These include making available the awarded capacity and providing sufficient energy to satisfy their awarded capacity through participation in the day-ahead, intraday and balancing market and paying difference charges where the energy price exceeds the strike price. It should be noted that generators and other units operating in the Single Beckrichy Market (SEM) can also earn every market and system services.

#### How It Works

Information – Timetables and Auction Packs	+
Qualification – Who can participate in the Capacity Market?	+
Qualification – What is required to qualify?	+
Qualification – De-rating, Capacity Requirement and Locational Capacity Constraints	+
Capacity Auction	+
Delivery and Settlement	+

Join the market >

#### Auction Document Library

Auction Name	Auction Date
2018/2019 T-1	15/12/2017
Initial Auction Information Pack IAIP1819T-1	
Final Auction Information Pack FAIP1819T-1	
Final Capacity Auction Results FCAR1819T-1	



### **Upcoming Key Dates**

Table 1 from Capacity Auction Timetable – 2024-2025 T-3 Capacity Auction Timetable

Table 1 - Capacity Auction Timetable – 2024/2025 T-3 Capacity Auction

Category	Appendix C	Event	Date & Time
Info	A.1	Initial Auction Information Pack Date	03/08/2021
Qualification	A.2	Opt-out Notification Date	16/08/2021
Qualification	A.3	Exception Application Date	10/09/2021
Qualification	A.4	Qualification Application Date	10/09/2021



### **Initial Auction Information Pack**

Initial Auction Information Pack for 2024-2025 T-3 Capacity Auction:

The IAIPs contain information on:

- De-Rating Curves and Increase/Decrease Tolerances
  - Used to convert Initial Capacity to Gross De-Rated Capacity
  - Nominated Gross De-Rated Capacity can be less where DECTOL > 0% (e.g. DSUs, IED units)
  - Net De-Rated Capacity is Gross De-Rated Capacity less Awarded Capacity
- Capacity Requirement
  - The final Demand Curve will be included in the Final Auction Info Pack on 16<sup>th</sup> Dec 2021
  - Final Demand Curve based on the Capacity Requirement modified by the RAs to include other adjustments.
- Locational Capacity Constraints
  - The Required Quantities will be included in the FAIP on 16<sup>th</sup> Dec 2021
- Price Caps and New Capacity Investment Rate Threshold
- Termination Charge, Performance Security Rates Stop-Loss Factors
- Capacity Auction Timetable



#### Where to find the Forms?

- Qualification Forms can be downloaded on the SEMO website:
- <u>C31 C32 Capacity Market Qualification Data Guide ('Read Me' tab) v1.22</u>
- <u>C31 C32a Capacity Market Qualification Data (CU) v1.22</u>
- <u>C31, C32b Capacity Market Qualification Data (CCU) v1.22</u>
- <u>C31, C32c Capacity Market Qualification Data (AGU) v1.22</u>
- <u>C31, C32d Capacity Market Qualification Data (APS) v1.22</u>



#### Where to find the forms?

- Exceptions process
- All applications for exceptions including:

   Unit Specific Price Caps (USPCs)
   Maximum Capacity Duration > 1 year
   Should be sent directly to the RAs



### **Breakdown of Qualification Forms**

Please note, if your Party is Registered in the Balancing Market and you have received a PY ID, PT ID and Unit ID for this Party, then these details should be used across all Markets, including the Capacity Market.



For the 2024/2025 T-3 Capacity Auction, Participants intending to submit Applications for Qualification for new units that do not have a CMU or GU ID, please submit the above forms as early as possible.

These forms can be submitted with the Application for Qualification; however, it will assist with the qualification process if new units are registered prior to submission of the Application for Qualification. The forms included in this pack are to be completed by a new Party or new Unit registering in the Capacity Market.

Parties that participated in a previous Capacity Auction do not need to complete a C01 form but will be required to complete a C11 form for any new Units registering. If a Unit participated in a previous Capacity Auction then this pack is not required.



#### **Breakdown of Qualification Forms**

Please note, if your Party is Registered in the Balancing Market and you have received a PY ID, PT ID and Unit ID for this Party, then these details should be used across all Markets, including the Capacity Market.





#### **Breakdown of Qualification Packs**



Qualify the Unit(s) C31, C32a – Qualification Data – for Individual Candidate Unit

C31, C32b – Qualification Data – for Combined Candidate Unit

C31, C32c – Qualification Data – for Aggregator Generator Unit

C31, C32d – Qualification Data – for Autoproducer Unit

C11 – Unit Participant Notice - Mandatory

New or Existing Capacity? A Unit is classified as Existing if it is commissioned under the relevant Grid Code, i.e. has an Op Cert to the value applied for. Submit early if no CMU or GU\_ID C31 – Contains information on the Qualification for the Candidate Unit(s)

C32 – This is a summary of all the Qualification values entered from the CU tab(s)

CU tabs – These tabs are to be completed for each Candidate Unit seeking individual Qualification

C02 – Party Administrative User (PAU) Authorisation - Mandatory

C03 – Party Administrative User (PAU) Cancellation - Mandatory



### Implementation Plans for New Capacity

- An Implementation Plan must be completed for each Candidate Unit seeking to qualify New Capacity in the current Capacity Action - Capacity Market Code Section <u>E.7.5.</u>
- Implementation Plan forms are located within the Qualification Packs which can be downloaded from the SEMO website.
- Please refer to <u>Section J.2</u> of the Capacity Market Code for details of required Implementation Plan content.



### CRU Direction (CRU/21/030a)

- The CRU have directed EirGrid, the TSO in Ireland to issue a grid connection offer to successful participants the Ireland Locational Capacity Constraint Area in the 2024/25 T-3 Capacity Auction.
- If this applies to you, as set out in the CRU letter, we will require the following evidence;
  - 1. Land owner consent
  - 2. Evidence of the submission of a complete planning application
- Please submit by the 1st December or earlier as available and ideally with your Application for Qualification. The above items can be submitted separately.



#### **Annual Run Hour Limits**

- The System Operators require any party seeking to qualify capacity to declare any limits on the number of hours that the Candidate Unit can run over the duration of the Capacity Year at an output equal to the Initial Capacity provided.
- These limits may arise for Candidate Units that must comply with any relevant environmental legislation or otherwise (including emissions to air, water, noise etc).
- This includes where the Candidate Unit itself may not be directly subject to environmental legislation but:
  - where it forms part of something that is subject to environmental legislation (e.g. limits that may apply to a site as whole where the Candidate Unit is located) or
  - where any component of the Candidate Unit must comply with any relevant environmental legislation (e.g. a back-up generator on a Demand Site associated with a DSU).
- Includes sites impacted by Industrial Emissions Directive, Medium Combustion Plant Directive, planning restrictions, etc. including sites which are not licenced on condition that they operate less than a number of hours per year.



#### **Annual Run Hour Limits**

#### Example 1

- Gas turbine is located on a site, where the site (not the gas turbine) is subject to noise limits between the hours of 23:00 and 07:00 and where running the gas turbine between the hours of 23:00 and 07:00 would exceed these noise limits.
- the gas turbine is effectively limited by the environmental licence of the site to not run between the hours of 23:00 and 07:00. This gas turbine can therefore only run at its Initial Capacity for 5840 hours per year due to environmental limits.

#### Example 2

- A Demand Side Unit is associated with a Demand Site that provides demand reduction using on-site back-up generation and that on-site back up generation is limited to <500 hours per year.</li>
- the Demand Side Unit is effectively limited by the environmental licence of the associated Demand Site. This DSU can therefore only run at its Initial Capacity for <500 hours per year.</li>



#### **Annual Run Hours**

• Two additional tick boxes in the '*Confirmation and Signature*' tab in CU forms

Supporting Documents	Relevance	Submission Format	Complete
Emissions calculations for the purposes of assessing compliance with CO2 Limits.	Required	PDF document emailed to SEMO	
Other environmental limits	Required where Duration in hours (Annual) is less than 8760 hours	PDF document emailed to SEMO	



- All Capacity Auctions will take place via an online program known as the Capacity Market Platform (CMP). CMP is provided by the vendor Unicorn Systems.
- Access to CMP is granted through the registration process. All users will require a <u>user name</u>, <u>password</u> and <u>digital certificate</u> in order to log into the CMP successfully.
- There are 3 types of user access:
- Capacity Market Participant Trading User (CMP Guide)
- Capacity Market Participant Reporting User (CMP Guide)
- Capacity Market Participant Administrator User (CMP Guide)



Tips for accessing CMP successfully:

- Clear your cache
- Use Google Chrome
- Access CMP website <u>https://cmp.eirgrid.com</u>
- Select the correct Certificate (When you have selected the correct cert your username will prepopulate, if it does not pre-populate the incorrect cert could have been selected).
- Once the correct Cert is selected, the CMP page will open with the Username pre-populated. If the Username did not pre-populate, don't go any further, as typing in your Username does not work and you can be temporarily locked out of your account.
- If your Username has pre-populated then type in your password



Each CMPA User is responsible for managing user access as required on behalf of the Party. In order to have CMPA access, the Participant must be a Party Authorised User (PAU) or have been granted CMPA access. A PAU form is completed with the Registration Pack. \*\*Please note the C02 form is for the Capacity Market only. The B02 form is related to the PAU for the Balancing Market.\*\*

CM Team will set up only PAUs for a Party granting them full access to CMP, including CMPA rights:

- > PAU sends an email to the <u>Capacity Market Mailbox</u> requesting access to CMP.
- > PAU will be issued a digital Certificate to install onto their PC along with a guide to installing.
- > PAU then sends the Serial number and valid to/from dates of the Certificate.
- CM Team complete the PAU set up.

Subsequently, a PAU maintains user access on behalf of the Party and only Certificates are requested from the CM Team, as per the CMPA guide.



Please ensure that requests relating to CMP access come directly from the affected user or from the PAU.

Please note the same digital Certificate is used for <u>both</u> BM and CM Platforms. Therefore, please do not request the Certificates twice from different teams, in order to avoid access issues.

If you have recently requested and installed a new Certificate, please ensure to forward details (the Serial number and valid to/from dates), so that your access to CMP can be updated.

**Note** - You are able to use the same cert on several computers. Details on the steps to follow can be provided on request.

Users will not be required to access the CMP until the Provisional Qualification Results Date. We recommend users log into the CMP a week or two before the Provisional Qualification Results Date to ensure access.



# Form Checks – reoccurring corrections

- Please ensure the PY, PT, CMU and CU IDs are formatted correctly i.e. PY\_xxxxx.
- Please ensure evidence is provided for the CO<sub>2</sub> emissions this includes evidence if you are within or above the threshold
- Please ensure an excel and PDF form is submitted in your application
- Please ensure the confirmation signature is attached with your Qualification application pack
- Please ensure the Initial Capacity and Nominated Capacity values are correct
  - If 0 MW is nominated and the candidate unit has a DECTOL of 100%, the unit will be qualified at 0 MW
- Please ensure you have submitted the correct unit ID/s for your party
- Please ensure the PY ID is submitted when asked for the PY, and similarly the PT is submitted where PT ID is requested
- Finally, please complete 2<sup>nd</sup> checks on all completed forms before submitting to the TSOs as any corrections will result in having to re-sign and re-submit qualification forms





Any form completed with a Confirmation and Signature tab must be signed by the Company Director. The signature tab scanned and emailed along with the application to:

#### CapacityMarket@sem-o.com

(for Existing Parties Qualification Forms) CapacityMarketRegistration@ sem-o.com (for new Parties Registration Forms) Guidance notes are included along with some data entry cells to ensure full understanding of what is being requested.

If you have any questions specific to your qualification forms, please ensure you submit them to the Capacity Market email address before the Qualification deadline. Please read the "Read Me" guide. It provides an explanation of what is required in each form, and contains helpful information in completing the form correctly.

> Please check all formatting of the information you are providing.



#### Questions





#### **Useful Links**

- <u>CMC and CM Agreed Procedures</u>
- 2024-2025 T-3 Capacity Auction <u>Timetable</u>
- 2024-2025 T-3 Capacity Auction Initial Auction Information Pack
- Capacity Market A Helicopter Guide to Understanding the Capacity Market
- <u>Capacity Market The Quick Guide to Understanding Qualification</u>
- <u>Capacity Market Platform CMP Access User Guide Symantec Troubleshooting</u>
- Export, Import and Renew Security Certificates\_PKI



#### **Capacity Market Contact Details**



Email Correspondence directly to Capacity Market Operations Front Office: <u>CapacityMarket@sem-o.com</u> for Qualification queries <u>CapacityMarketRegistration@sem-o.com</u> for Registration queries



Phone Correspondence: ROI: 1800 726772 NI: 0800 0726772 International: +353 (1) 2370584

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