| 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) | | |
| RAs | 20 th March 2023 | Standard | CMC_05_23 | | |
| _ | | | _ | | |

Contact Details for Modification Proposal Originator

| Name | Telephone number | Email address |
|------------------------|------------------|---------------|
| Marie-Therese Campbell | | |

Modification Proposal Title

Resolving inconsistency in definition of Existing Capacity arising from CMC_11_22

| Documents affected (delete as appropriate) | Section(s) Affected | Version number of CMC used in Drafting |
|---|---------------------|--|
| CMC | Glossary | 8.0 |

Explanation of Proposed Change (mandatory by originator)

Inconsistency identified in CMDRB decision. In particular, the modification to the definition of New Capacity made as part of CMC_11_22 as incompatible with the definition of Existing Capacity in C.3.2.1

Legal Drafting Change

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

New Capacity

means, in respect of the Qualification Process and its associated Capacity Auction, the planned capacity of a new Generator, Generator Unit or Interconnector forming the whole or part of a Capacity Market Unit or proposed Capacity Market Unit, or the incremental increase in the capacity of an existing Generator, Generator Unit or Interconnector forming the whole or part of a Capacity Market Unit or proposed Capacity Market Unit (which has yet to complete Commissioning under the relevant Grid Code), and the planned capacity or incremental increase in capacity of the Capacity Market Unit that comprises them. Where a Demand Site would otherwise be considered New Capacity for the sole reason of a change of its registered Demand Side Unit then it shall be considered Existing Capacity in the determination of the ARHL De-Rating Factor to apply under this Code.

Modification Proposal Justification

(Clearly state the reason for the Modification)

CMC_11_22 was made as the first stage in introducing ARHL De-Rating Factors. The re-draft to the definition of New Capacity creates an inconsistency within the Code as this updated definition is incompatible with, inter alia, the definition of Initial Capacity (Existing) given in paragraph C.3.2.1.

While the RAs recognise that there are a range of issues relating to the definition of Initial Capacity (Existing) which relate to both to DSUs and to conventional Generator Units which have a planned reduction in capacity (e.g. a CCGT switching to OCGT operation) resolution of these issues requires a more substantive change to the CMC and are likely to require non-trivial system changes.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)

A.1.2.1(e): transparency of operation

Implication of not implementing the Modification Proposal

(State the possible outcomes should the Modification Proposal not be implemented)

Continued inconsistency in the Code, failure to take account of recommendations and the possibility of disputes.

Impacts

(Indicate the impacts on systems, resources, processes and/or procedures)

Expected to have minimal impact on systems.

Please return this form to the System Operators by email to CapacityModifications@sem-o.com

Notes on completing Modification Proposal Form:

- 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.
- 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: Modification Proposal: Derivative Work: means the Capacity Market Code for the Single Electricity Market means the proposal to modify the Code as set out in the attached form 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.