



Capacity Market Code Modifications

WORKSHOP 13 REPORT

26 MAY 2020

CONFERENCE CALL

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Document History

Version	Date	Author	Comment
1.0	3 June 2020	Market Modifications Team	Drafting including all working group comments received following meeting
2.0	10 June 2020	Attendee Review complete and document updated.	Final draft published

Distribution List

Name	Organisation
Working Group Attendees	Various

Reference Documents

Document Name
Capacity Market Code
CMC_09_20 Modification to the Long Stop Date for the CY2020/21 T-1 Capacity Auction

In Attendance

Name	Company
Julie-Ann Mitchell	EP Ballylumford
Brian Mongan	Powerhouse Generation
Justin Maguire	Bord na Móna
Paraic Higgins	ESB Generation and Trading
Peter Harte	Statkraft
John Casley	Tynagh
Tim Cox	Moyle Interconnector
Jon Sedgwick	Veolia Ireland
Shane Maher	EirGrid
Ian Mullins	Bord Gais Energy
Robert Flanagan	Electricity Exchange
Sinéad O'Hare	Power NI PPB
Mairead Cousins	Enel x
Kevin Hannafin	Energia
Aodhagan Downey	EirGrid
Kevin Lenaghan (Chair)	UREGNI
Stuart Ffoulkes	UREGNI
Kevin Barron	UREGNI
Katia Compagnoni	SEMO
Chris Goodman	SEMO

Esther Touhey	SONI
Sandra Linnane	EirGrid
Brendan O'Sullivan	SEMO

1 SECRETARIAT UPDATE

The Secretariat welcomed all to Workshop 13. Following a quick summary of housekeeping items, the Secretariat gave an overview of the Programme of Work noting that there were 5 approved Modifications on the baseline and a Code update was expected in June / July.

The RAs provided a forecast of the timelines for outstanding consultation papers on CMC_07_20, CMC_08_20 and CMC_09_19. It was noted that the consultation for CMC_09_19 would be published in the coming weeks and would be run for a period of six weeks to allow Participants more time to submit comments. The RAs advised that the implementation date would be highlighted in the timetable and it was hoped a decision would be made by mid-summer as the plan is to have it implemented before the new Capacity year begins if approved.

2.1 CMC_09_20

DRAI presented Modification Proposal ([Presentation Material available here](#))

The Proposer from Veolia noted they were representing DRAI, a trade association representing demand side units which are working together for a shared voice in the Capacity Market.

The Proposer provided a background on the Modification Proposal confirming that COVID-19 has had a negative impact on 2020 CMUs for delivery in October. The slides demonstrated that Capacity could be terminated for some Participants leaving them subjected to termination charges. It was advised that current restrictions were disproportionate given the unprecedented situation.

The Proposer advised that this Modification Proposal would introduce an interim arrangement to push out the Long Stop Date to 31 December 2020 to achieve minimum/substantial completion and include a provision for RAs to push out the date further if required. It was advised that less than 100MW has been estimated to be impacted. The benefits and justification for this Modification were also discussed.

The RAs queried the degree of urgency of the Modification Proposal and suggested that the main time constraint is for this Modification to be implemented by the beginning of the Capacity Year if approved so that Force Majeure provisions would not need to be invoked. The Proposer was in agreement with this and assurance was provided by the RAs that they will draft the consultation and timetable with those timelines in mind.

A discussion ensued around the 2 month gap during the winter period this Modification would introduce and what the potential impact of lost capacity would have on consumers at a time where it is most needed. The Proposer noted that analysis had not been completed on this as yet but believed it was unlikely that a large volume of new Capacity would be affected which may limit the impact. There was an agreement from the attendees that it would be beneficial to know the extent of the impact. The TSO advised that if Capacity is not delivered there is an increased likelihood of scarcity and potentially a consequential impact on Imbalance Prices noting that the winter peak is a key period. They also noted that for one year contracts there was the potential that Capacity would not be available for a significant part of the period when it is of most value. It was suggested that there may be merit in changing the date to before December instead. The Proposer accepted that the Proposal could be reviewed and possibly adjust the Long Stop Date to end of November or beginning of December noting that it is very much in the interest of Generator to complete their project as soon as possible. They also noted that the initially proposed extension was already relatively short and that the diminished benefit of shorter extension should be considered also.

It was queried how much Capacity would be impacted and the timelines around this. The Proposer explained that an answer for this was not available at present and each of the 9 affected Participants would need to be surveyed to assess the level of completion to date and forecasted for later in the year. Assurance was given that this information could be provided before the consultation. The TSO noted they would be able to assist with gathering information on these figures by providing an aggregate of the volume of the Capacity awarded that has already received an Operational Certificate and therefore completed all required works. The Proposer agreed to survey the amount of outstanding Capacity and estimate what volume would benefit from the change of date.

A Generator Participant made a suggestion around Secondary Trading and if it would be possible to trade this volume. The RAs advised that the affected Capacity hasn't been commissioned yet and cannot currently avail of Secondary Trading as a result. The RAs agreed to take this possibility into consideration and potentially include it in the upcoming consultation on Secondary Trading (CMC_09_19).

There was further support given by a number of other Participants noting this is an unusual time where all Participants are striving to deliver during COVID-19 restrictions. The TSO gave a reminder that margins tend to be tighter at winter peak and having a date at the end of December could cause an increased need for testing at a time when it is challenging to facilitate and may not be possible. It was also noted that COVID-19 had had an impact on testing of existing units that could also contribute to tighter margins during the winter period, highlighting the importance of Awarded Capacity being available during this period. A DSU participant also noted that on top of the construction and testing requirements, paperwork requirements for the issuing of operational certificates and registration needed to be considered and it understood that all this would be more difficult to be achieved during the Christmas holiday period. This would mean, however, that the testing would need to occur earlier than the Christmas period in order to allow for the time to complete the necessary documentation.

Modification Status – RA Consultation

3 AOB

Secretariat thanked all for attending the Workshop and confirmed that Capacity Market Workshop 14 will take place on Thursday, 23rd July 2020 with a submission deadline of 9th July 2020.

3.1 NEXT STEPS

1. TSOs to publish Working Group Report.
2. RAs to publish timetable for consultation and decision.
3. RAs to review suggestion of whether Secondary Trading should provide for circumstances considered by the modification proposal.
4. TSOs to provide MWs of Awarded New Capacity already commissioned to RAs in advance of consultation.
5. Proposer to provide MWs likely to be impact by delays in advance of consultation.

APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT WORKING GROUP 13

Status as at 26 May 2020			
Modification Proposals 'Under Consultation' without System impacts			
Title	Sections Modified	Sent	Decision Due
CMC_04_20 Providing greater flexibility for New Capacity to combine Candidate Units into a single Capacity Market Unit	Section E.7.6	In Consultation	19/06/20
CMC_06_20 Combining Capacity Units into a Capacity Market Unit Proposed Changes	Section E.7.6	In Consultation	19/06/20
Modification Proposals 'Under Consultation' with System impacts			
N/A	N/A	N/A	
Modification Proposals 'Recommended for Rejection			
N/A	N/A	N/A	
RA Decision 'Further Work Required			
N/A	N/A	N/A	
RA Decision Approved Modifications with System Impacts			
CMC_05_20 Implement amendments as required by the Clean Energy Package Regulation EU 2019 / 943	Various	27 th April 2020	
RA Decision Approved Modifications with no System Impacts			
CMC_03_20 Modification to the Long Stop Date for the CY2023 / 24 T-4 Capacity Auction	M. Interim Arrangements	30 th March 2020	
CMC_02_20 Modification to the required timeframe for a T-4 Capacity Auction to take place	M. Interim Arrangements	12 th February 2020	
CMC_08_19 Housekeeping Mod E.8.2.5 & E.8.2.8	E.8.2.5 & E.8.2.8	17 th February 2020	
RA Decision Rejected			

CMC_07_19 Treatment of Multiyear Contracts in the Event of Simultaneous Capacity Auctions	E.9, F.3, F.7, F.9.3	30 October 2019	
Withdrawal Notifications			
CMC_03_18 E.5.1.1.A	E, J, Appendix D	01 Oct 2018	
CMC_01_20 Modification to the required timeframe for a T-4 Capacity Auction to take place	D.2.1.5, Glossary	22 January 2020	
Modification Proposal Extensions			
N/A	N/A	N/A	
Capacity Working Group 14 – 23 July 2020 (Conference Call)			