

# Capacity Market Code Modifications

**WORKSHOP 29 REPORT**

**24<sup>TH</sup> JANUARY 2023**

**MS TEAMS**

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## Document History

Version	Date	Author	Comment
1.0	31 Jan 2023	Market Modifications Team	A Workshop Report summarising the proposals and noting any actions taken.

## Distribution List

Name	Organisation
Working Group Attendees	Various

## Reference Documents

Document Name
<a href="#">Capacity Market Code</a>
<a href="#">CMC_01_23 Amendment to Substantial Completion Drafting</a>
<a href="#">CMC_02_23 Amendment of Milestones Associated with Substantial Financial Completion</a>
<a href="#">CMC_03_23 Amendment of Long Stop Date for T-1 Capacity Auction</a>

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## 1 SECRETARIAT UPDATE

The Secretariat welcomed all to Capacity Market Workshop 29. It was advised the TSO would replace the RAs as Chair for this Workshop as requested by the RAs under B.12.7.1 of the Capacity Market Code.

Secretariat discussed the Programme of Work noting that Capacity Market Code V8.0 was recently published, and 3 Modifications were included.

The RAs provided clarification on an article raised in the Sunday Times on the 15<sup>th</sup> January concerning the SEM Committee Decision (SEM-23-001) on a remedial action for third party delays. It was reported that the proposals were rejected however the decision approved a combined version of three of the proposals whilst deciding CMC\_14\_22 warranted further consideration. Assurance was given by the RAs that the journalist had been contacted and a correction requested.

### TSO Update

TSO confirmed that there had been no change to the target dates provided at Workshop 28: March (Locational Capacity Constraint Maximum), April (Online Qualification) and September (Online Secondary Trading).

A Participant queried if there would be a workaround in relation to the Secondary Trading Modifications. TSO confirmed they would be open to this and welcomed any suggestions from participants.

### 1.1 CMC\_01\_23

EPUKI presented the [Modification Proposal](#).

The Proposer advised there would be a lot of potential requirements and the Modification Proposal would allow the RAs to potentially waive the requirement on those they would see as minor.

The RAs advised that some of these requirements would fall under the Trading & Settlement Code and if not met, Settlement may not be possible. The Proposer agreed that this would be something that could be reviewed further.

The TSO and several Participants requested examples of requirements that could be waived. It was felt that this Modification Proposal was reducing transparency and introducing an opaque process, given the outcome may not be evident to other Participants. The Proposer agreed to look at providing examples as suggested.

### **Modification Status – RA Consultation**

### 1.2 CMC\_02\_23

EPUKI presented the [Modification Proposal](#).

The Proposer noted that it was similar to the previous Proposal in that it mitigated the risk associated with milestones. It was advised that the Modification changes the requirements for Substantial Financial Completion, specifically seeking to address contractual lead-times associated with unit commissioning.

RAs clarified that the reference to commissioning is only to the extent that it is part of a 'Major Contract' which is defined within the Code as generally meaning the EPC contract. TSO noted the requirements set out in Section J.2.1.1 (a) (i) also refer to repowering and refurbishment alongside 'commissioning' which are not applicable to all projects. It was also noted that it would be useful to understand from examples if there were

requirements for Substantial Financial Completion that represented serious risk to Participants meeting obligations.

There was some discussion following the clarification provided by the RAs and SOs whether the modification was necessary. One Participant had general concerns about loosening rules and agreed that examples would be helpful. The Proposer agreed to consider.

## **Modification Status – RA Consultation**

### **1.3 CMC\_03\_23**

EPUKI presented the [Modification Proposal](#).

The Proposer delivered a presentation on this Modification Proposal noting that it seeks to extend the Long Stop Date for single-year Awarded New Capacity projects delivered through T-1 Capacity Auctions. It was noted that the aim was to extend the Long Stop Date to the end of 3 months after the beginning of the Capacity Year.

Some Participants voiced concerns with a blanket change to the Long Stop Date. Some Participants noted that the change would result in Capacity not being available for a significant proportion of the Capacity year including a portion of the Winter. TSO queried if there was potential Capacity that could deliver with a later Long Stop Date that isn't willing to participate with the current Long Stop Date, including accelerated delivery of Capacity successful in longer term auctions. It was suggested that an alternative approach to the Modification Proposal would be to include the Long Stop Date as an auction parameter, consulted on for each auction. It was noted that the Modification proposed would move the Long Stop Date to 31<sup>st</sup> December which would not be practical. It was suggested that it may be desirable to allow some flexibility for Capacity which is several weeks late.

## **Modification Status – RA Consultation**

### **2 AOB**

Secretariat noted that Capacity Workshop 30 will take place on Thursday, 9<sup>th</sup> March 2023, with the deadline for Modification Proposals 23<sup>rd</sup> February, 2023.

### **2.1 NEXT STEPS**

1. TSO to publish Workshop Report.
2. RAs to publish consultation timelines.

**APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT WORKING GROUP 29**
**Status as at 24 January 2023**
**Modification Proposals ‘Under Consultation’ without System impacts**

<b>Title</b>	<b>Sections Modified</b>	<b>Sent</b>
N/A	N/A	N/A

**Modification Proposals ‘Under Consultation’ with System impacts**

CMC_16_22 Secondary Trading Awarded New Capacity	E, J, M	N/A
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**Modification Proposals ‘Recommended for Rejection**

N/A	N/A	N/A
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**RA Decision ‘Further Work Required**

CMC_06_22 New Interdependent Combined Units	E.7.6, F.7.1	N/A
CMC_14_22 Modification Re-Mitigation of impact of Third-Party delays on Participants and extension of Support team	J.5	N/A

**RA Decision Approved Modifications with System Impacts**

<b>Title</b>	<b>Sections Modified</b>	<b>Effective</b>
CMC_15_22 Introduction of new Remedial action to enable extensions due to planning and Permitting delays	J.5	20 <sup>th</sup> January 2023
CMC_12_22 Remedial action in the event of planning application to a project that qualifies under a Direction	J.5	20 <sup>th</sup> January 2023
CMC_11_21 Extending Current ASTN Form	M	TBC – following completion and analysis of SOs impact assessment

**RA Decision Approved Modifications with no System Impacts**

CMC_13_22 Judicial Review Remedial Action	J.5 & J.6	20 <sup>th</sup> January 2023
CMC_09_22 Secondary Trade Approval Notification	M.7, M.12	system update required

**RA Decision Rejected**

N/A	N/A	N/A
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**Withdrawal Notifications**

N/A	N/A	N/A
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**Modification Proposal Extensions**

N/A	N/A	N/A
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**Capacity Working Group 30 – 9 March 2023**