

Capacity Market Code Modifications

WORKSHOP 33 REPORT

21 SEPTEMBER 2023

MS TEAMS

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Document History

Version	Date	Author	Comment
1.0	28 th Sept 2023	Market Modifications Team	A Workshop Report summarising the proposals and noting any actions taken.

Distribution List

Name	Organisation
Workshop Attendees	Various

Reference Documents

Document Name
Capacity Market Code
CMC_18_23 Amendment to definition of Third-Party Extension Period
CMC_19_23 Modification to implement the SEMC decision set out in SEM-23-038 and SEM-23-045
CMC_20_23 Amendment to timing of Opt Out Notifications
CMC_21_23 Minimum Completion on Receipt of Interim Operational Notification
CMC_22_23 Indexation of Capacity Payment Price for Inflation
CMC_23_23 Mitigation of Impact on Participants relating to System Operator Grid Connection delays

Name	Company
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Lisa Tate	UREGNI
Elvis Sebastian	CRU
Rowan Tunncliffe	Mutual Energy
Brian Mongan	FERA
Harry Molloy	EP Dublin Energy Limited
Ian McClelland	UREGNI
David Hargadon	EirGrid Interconnector DAC
Martin McCarthy (Chair)	System Operator
Vlastimil Buzek	Viotas
Clare McCurran	iPowerFlex
Damhnait Gleeson	CRU
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Sean McParland	Energia
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Jean Pierre Miura	UREGNI
Marie Therese Campbell	UREGNI
Donna Maye	UREGNI
Ian McClelland	UREGNI
Esther Touhey (Secretariat)	SONI
Sandra Linnane (Secretariat)	EirGrid

1.1 SECRETARIAT UPDATE

The Secretariat welcomed all to Capacity Market Workshop 33. It was confirmed that version 9.0 of the Capacity Market Code has been published and there are currently a number of active proposals on the Programme of Work (Appendix 1).

The RAs provided an update on each open Modification Proposal explaining that progress was ongoing with some Decisions expected shortly. It was also noted that a consultation was being developed which would address a common theme in Modification Proposals: Remedial Actions for delays.

1.2 SYSTEM OPERATORS' UPDATE

Summary

Item	Name	Description	Status	Prev. Date	New Date
1	LCC Maximum Quantity	Implementation of CMC_08_22. Application of Maximum Quantity constraint in the Capacity Auction	Complete	Sep-23	No Change
2	Online Secondary Trading Platform	Implementation of CMC_11_21 and CMC_09_22. Online submission of secondary trades and automation of validation processes.	Operational priorities and item 1 have resulted in delays to implementation. Currently, at requirements stage. Now that Item 1 is complete, resources can be deployed to working on Secondary Trading Platform.	H1 FY23/24	No change
3	Online Qualification Platform	Online submission of Application for Qualification and automation of Alternative Qualification Process. More user-friendly application process, reduced need for PTs to submit forms, reduction in operational risk and delays in processing Applications for Qualification	Advanced design stage Timeline under review due to priority being given to Item 1 and importance of item 2 for Participants	H2 FY23/24	No Change
4	Post Auction Process Improvements	Online Performance Security status. Online Implementation Progress Report submission. Online submission of milestone verification documents. Improved status tracking	In planning	TBC	TBC



CMC_18_23 AMENDMENT TO DEFINITION OF THIRD-PARTY EXTENSION PERIOD

Kilshane Energy presented the Modification Proposal.

The Proposer delivered a [presentation](#) on this Modification Proposal. The Modification Proposal is intended to address an apparent gap in the definition of Third-Party Extension Period as it pertains to Ireland.

There was general support for this Modification.

Modification Status – RA Consultation

CMC_19_23 MODIFICATION TO IMPLEMENT THE SEMC DECISION SET OUT IN SEM-23-038 AND SEM-23-045

CRU presented the Modification Proposal.

The Proposer gave an overview of this Modification Proposal noting that the aim was to introduce a new section under Chapter M. This section would specify how indexation would be calculated. It was advised that the glossary needed to be updated and new wording introduced.

A summary of the Proposal was given including a facility for parties which have achieved Substantial Financial Completion prior to the Decision to avail of the indexation.

Modification Status – RA Consultation

CMC_20_23 AMENDMENT TO TIMING OF OPT OUT NOTIFICATIONS

EPUKI presented the Modification Proposal.

The Proposer delivered a [presentation](#) on this Modification Proposal noting that it would amend Opt-Out Notification milestones.

Following some comments in relation to the timing of the Unit Specific Price Cap qualification process the RAs advised that the USPC process is optional and an onerous process.

Modification Status – RA Consultation

CMC_21_23 MINIMUM COMPLETION ON RECEIPT OF INTERIM OPERATIONAL NOTIFICATION

EPDEL delivered a [presentation](#) on this Modification Proposal.

Some support was forthcoming from Participants for the Modification Proposal along with a concern that System Operator resourcing could become a constraint on progressing from ION to FON.

System Operators noted that the focus of the Modification Proposal on Minimum Completion does not address Substantial Completion obligations and that milestones later in the testing process may be more appropriate to consider.

Modification Status – RA Consultation

CMC_22_23 INDEXATION OF CAPACITY PAYMENT PRICE FOR INFLATION

Energia [presented](#) the Modification Proposal.

The Proposer also presented a worked example, stating that investors in Capacity in GB benefit from this model of indexation.

There was support for the Modification Proposal from Participants but there was a concern raised that inflation risk was being introduced without necessity. On accounting for deflation, the Proposer suggested that the proposed approach should account for periods of deflation when determining net indexation.

Modification Status – RA Consultation

CMC_23_23 MITIGATION OF IMPACT ON PARTICIPANTS RELATING TO SYSTEM OPERATOR GRID CONNECTION DELAYS

Bord Gais Energy [presented](#) the Modification Proposal.

The Proposer noted the intent of the Modification Proposal was to mitigate the impact of Third-Party Grid Connection delays. It was noted that the Modification Proposal was similar to previous Modifications, however, it only relates to electricity grid connections. As a result of this Modification, Participants will be able to apply for an extension to delivery obligations if they are affected by the delay.

There was support for this Modification Proposal and Participants discussed the criteria for implementation including the use of an independent expert. One Participant shared that such a process can be lengthy and indicated timelines well beyond those proposed.

Modification Status – RA Consultation

Secretariat noted that Capacity Workshop 34 is scheduled for 16th November 2023 with a deadline of 2nd November for submission of Modification Proposals.

3.1 NEXT STEPS

1. SOs to publish Workshop Report.
2. RAs to publish consultation timetable.

Status as of 21 September 2023

Modification Proposals ‘Under Consultation’ without System impacts

Title	Sections Modified	Decision Due
CMC_16_22 Secondary Trading Awarded New Capacity	E, J, M	31 st January 2023
CMC_01_23 Amendment to Substantial Completion Drafting	J.2.1.1	31 st March 2023
CMC_04_23 Introduction of remedial action for unforeseeable delays due to extraordinary supply chain impacts	J, E	30 th June 2023
CMC_08_23 Typographical Correction Capacity Aggregation Threshold	Glossary	30 th June 2023
CMC_09_23 Removal of Section J.6.1.6	J	30 th June 2023
CMC_10_23 Mitigation of impact on Participants relating to 3 rd Party Gas Connection delays	J.5, Glossary	31 st August 2023
CMC_11_23 Amendment to Drafting Introduced Under Modification CMC_15_22	J, Glossary	31 st August 2023
CMC_13_23 Min Completion Prior to Long Stop Date	G, J	31 st August 2023
CMC_16_23 Extension to New Capacity Impacted by Indexation	J	31 st October 2023
CMC_17_23 Updates to LCC Areas	C, D	17 th August 2023

Modification Proposals ‘Under Consultation’ with System impacts

CMC_05_23 ARHL Issue Identified in CMDRB Decision	Glossary	30 th June 2023
CMC_06_23 Second ARHL Modification to Complete SEM-22-044	E,G,I, Appendix E	30 th June 2023
CMC_07_23 Special Application of ISTA	M	30 th June 2023
CMC_12_23 Facilitation of Unit Specific Price Caps for Existing Capacity in Excess of the Auction Price Cap	F	31 st August 2023
CMC_14_23 LCC Violation Criteria	F, Glossary	31 st August 2023

RA Decision ‘Further Work Required

N/A	N/A	N/A
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RA Decision Approved Modifications with System Impacts

Title	Sections Modified	Effective
CMC_15_23 Amendment to Performance Securities for Extended Projects	J.3.2	8th September 2023
CMC_09_22 Secondary Trade Approval Notification	M.7, M.12	System Update Required
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 th January 2023
CMC_15_22 Introduction of new Remedial action to enable extensions due to planning and Permitting delays	J.5	20 th January 2023
CMC_12_22 Remedial action in the event of planning application to a project that qualifies under a Direction	J.5	20 th January 2023
CMC_03_23 Amendment of Long Stop Date for T-1 Capacity Auction	J.6.1.1	30 th June 2023
RA Decision Rejected		
N/A	N/A	N/A
Withdrawal Notifications		
CMC_14_22 Modification re- Mitigation of Impact of Third Party delays on Participants and extensions of Support term	N/A	20 th July 2023
CMC_06_22 New Interdependent Combined Units	E.7.6, F.7.1	1 st August 2023
Capacity Working Group 34 – 16 November 2023		