

Capacity Market Code Modifications

WORKSHOP 30 REPORT

29 MARCH 2023

MS TEAMS

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Document History

Version	Date	Author	Comment
1.0	5 th April 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
Capacity Market Code
CMC_04_23 Introduction of remedial action for unforeseeable delays due to extraordinary supply chain impacts
CMC_05_23 ARHL Issue Identified in CMDRB Decision
CMC_06_23 Second ARHL Modification to Complete SEM-22-044
CMC_07_23 Special Application of ISTA
CMC_08_23 Typographical Correction Capacity Aggregation Threshold
CMC_09_23 Removal of Section J.6.1.6 (1)

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Laura Leonard	GridBeyond
Mark Gormley	Cool Planet
Martin McCarthy	EirGrid
Peter Brett	EcoPower
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Stephanie Dunlop	Energia
Lenka Peskova	ESB Generation
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Sandra Linnane	EirGrid

1.1 SECRETARIAT UPDATE

The Secretariat welcomed all to Capacity Market Workshop 30 and discussed the Programme of Work.

The RAs noted that CMC_06_22 was still under consideration and an update would be provided in the next few weeks. It was also advised that CMC_14_22 remained under consideration and had some similarities to CMC_04_23.

1.2 SYSTEM OPERATORS UPDATE

The System Operators provided an update on the development schedule for implementing changes in the Capacity Market Platform, which are summarised in Table 1 below.

Table 1 - Capacity Market Platform Development Roadmap

Item	Name	Description	Status	Previous Date	New Date
1	LCC Maximum Quantity	Implementation of CMC_08_22. Application of Maximum Quantity constraint in the Capacity Auction.	In design phase. Additional complexity has identified where further details in relation to interaction of constraints may need to be implemented in CMC to ensure robustness of auction solution in all cases.	Mar 23	Sept 23
2	Online Qualification	Online submission of Applications for Qualification and automation of Alternative Qualification Process. More user-friendly application process reduced need for PTs to resubmit forms, reduction in operational risk and delays in the processing of Applications for Qualification.	Advanced design stage. Timeline under review due to priority being given to item 1 and importance of item 3 for participants.	Apr 23	TBC*
3	Secondary Trading	Implementation of CMC_11_21. Online submission of secondary trades and automation of validation processes.	Timeline under review due to changes to timelines for items 1 and 2.	Sept 23	Sept 23*

*Timelines under review and options being considered to expedite changes without impacting on Capacity Market operations, which take overall priority.

CMC_04_23

Lumcloon Energy presented the Modification Proposal.

The Proposer delivered a [presentation](#) on this Modification and agreed that there were similarities to CMC_14_22 which they provided support for when it was proposed. The Proposer provided a background to the Modification, noting that Suppliers had been directly impacted by the war in Ukraine.

The RAs provided feedback on the Proposal noting that it had been based on the legal drafting for previous remedial action proposals however as drafted it would not mitigate the loss of revenue issue. Capacity Quantity End Date and Time being the relevant parameter. The TSOs queried if the existing Force Majeure facility within the Code would be worth exploring in the circumstances. The TSOs and RAs advised of potential difficulty in defining and demonstrating the extraordinary causes of supply chain delays. A Participant noted that the existing Force Majeure criteria in the Code could be a model for defining the extraordinary causes of supply chain delays.

A number of Participants supported and opposed the Modification Proposal.

Modification Status – RA Consultation

CMC_05_23

The RAs presented the Modification Proposal.

The Proposer explained that this proposal seeks to address an inconsistency flagged by the Capacity Market Dispute Resolution Board following the implementation of Annual Run Hour Limits. It was advised that CMC_05_23 would deal with this inconsistency in the Code by modifying the definition of New Capacity.

Modification Status – RA Consultation

CMC_06_23

The RAs presented the Modification Proposal.

CMC_11_21 sought to partly codify the SEMC Decision SEM-22-044 in advance of an impending auction. CMC_06_23 intends to complete the codification.

A Participant noted that the classification of Demand Side Units as New or Existing Capacity had been raised a number of times and voiced a preference that some checks and balances would be required but classification as New Capacity and the associated requirements were a barrier to entry. It was queried if DSUs could meet with RAs to have a workshop and discuss related issues in more detail. The RAs advised that a valid proposal would need to be detailed for discussion.

TSOs advised that this Proposal is focused on implementation of ARHL factors and the broader discussion on DSUs is a separate matter and should be progressed through separate Proposals along with any necessary system impact assessments.

Modification Status – RA Consultation

CMC_07_23

The RAs presented the Modification Proposal.

The Proposer summarised that the Clean Energy Package and Industrial Emissions Directive prevents some generators from participating in the Capacity Market beyond the dates noted in the proposal. The proposal provides a facility by which those generators could continue to participate for a portion of the relevant Capacity Year without being exposed to obligations for the remainder. The Proposer stated that the facility may not be used but felt it was prudent to have it in place.

It was queried why the Modification was needed if there are Secondary Trading arrangements already in place which could be amended. The Proposer advised that the existing arrangements are for planned outages and the proposal would extend Secondary Trading to include these specific circumstances and allow trading without a counterparty.

Modification Status – RA Consultation

CMC_08_23

EirGrid presented the Modification Proposal.

The Proposer noted it was a housekeeping correction for a typo introduced by CMC_01_22. This Modification would correct an incorrect reference. There was some discussion on whether a consultation would be required on this Modification.

Modification Status – RA Consultation TBC

CMC_09_23

EPUKI presented the Modification Proposal.

The Proposer noted that the purpose of this Modification was to improve investor confidence, aiding investment in Capacity. The Proposer suggested a goal of the termination paragraph was to release capacity for T-1 auctions however this in their view had not been achieved. The RAs advised that there had been examples of capacity moving to shorter term auctions.

Concerns were expressed that this Modification was passing more risk to the consumer and removed an important mechanism to release capacity which would not be delivered.

Modification Status – RA Consultation

3 AOB

Secretariat noted that Capacity Workshop 31 will take place on Thursday, 18th May 2023, with the deadline for Modification Proposals 4th May 2023.

3.1 NEXT STEPS

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

Status as of 29 March 2023

Modification Proposals ‘Under Consultation’ without System impacts

Title	Sections Modified	Sent
CMC_01_23 Amendment to Substantial Completion Drafting	J.2.1.1	N/A
CMC_02_23 Amendment of milestones associated with Substantial Financial Completion	J.2.1.1	N/A
CMC_03_23 Amendment of Long Stop Date for T-1 Capacity Auction	J.6.1.1	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

Title	Sections Modified	Effective
CMC_11_21 Extending Current ASTN Form	M	TBC – following completion and analysis of SOs impact assessment
CMC_09_22 Secondary Trade Approval Notification	M.7, M.12	system update required

RA Decision Approved Modifications with no System Impacts

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_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

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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