

<b>MODIFICATION PROPOSAL FORM</b>			
<b>Proposer</b> <i>(Company)</i>	<b>Date of receipt</b> <i>(assigned by System Operator)</i>	<b>Type of Proposal</b> <i>(delete as appropriate)</i>	<b>Modification Proposal ID</b> <i>(assigned by System Operator)</i>
EP UK Investments	6 <sup>th</sup> March 2025	Standard	CMC_01_25
<b>Contact Details for Modification Proposal Originator</b>			
<b>Name</b>	<b>Telephone number</b>	<b>Email address</b>	
Harry Molloy		Harry.molloy@epuki.ie	
<b>Modification Proposal Title</b>			
<b>Provision of Information Related to Application Rejection under E.7</b>			
<b>Documents affected</b> <i>(delete as appropriate)</i>	<b>Section(s) Affected</b>	<b>Version number of CMC used in Drafting</b>	
Capacity Market Code	E.9	Version 12.0	
<b>Explanation of Proposed Change</b> <i>(mandatory by originator)</i>			
<p>This modification proposes that where a unit has a qualification application rejected under E.7, the System Operators (<b>SOs</b>) will provide detailed reasoning as to how they arrived at their decision and the reasoning behind it. Where the SOs have engaged with external consultants during the course of assessments, they should make any reports, commentaries, or assessments relevant to their decision, available to the participant.</p> <p>This information will be provided at the same time the SOs inform the participant of its provisional decision. This means that where the participant requests for reconsideration of a provisional decision under E.9.3, they will be able to engage more meaningfully and constructively based on the information provided to them by the RAs.</p> <p>Under the current arrangements, where an application is rejected under E.7, very little information is made available to the participant beyond the Capacity Auction results code. This hinders engagement during the reconsideration phase and creates transparency issues around why a unit has been rejected.</p>			
<b>Legal Drafting Change</b> <i>(Clearly show proposed code change using <b>tracked</b> changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>			
<p><i>It is proposed that the following paragraph is added to Section E.9.2.2 the Code:</i></p> <p>E.9.2.2 Where the System Operators propose to reject an Application for Qualification submitted by a Participant, they shall notify the Participant of the requirements under section E.7 that the Application for Qualification failed to satisfy <b>and all of the reasons why. Where the System Operators have consulted with third parties, such as independent advisers, during the course of this assessment, any commentary, reports, or analysis produced by such parties and considered by the System Operators shall be made available to the Participant.</b></p>			
<b>Modification Proposal Justification</b> <i>(Clearly state the reason for the Modification)</i>			
<p>Under the existing arrangements, a transparency issue exists where a unit has a qualification application rejected under E.7. Specifically, detailed and comprehensive reasoning is not made available to the Participant to consider and engage with during the reconsideration process.</p> <p>This issue creates delays throughout the qualification process, as participants are limited in the extent that they can engage with the reconsideration process. This means that Qualification Disputes are more likely to arise which complicates and convolutes the qualification process.</p>			

Delays may arise in cases where the SOs reject an application for qualification under E.7.2.1 (f) and provide only a single reason for doing so. In some instances, a Participant may seek to remedy this issue throughout the reconsideration process only for a separate issue to be revealed to the Participant subsequently. Under this proposed modification, the SOs would provide full reasons for their assessment to the Participant at the provisional results stage. This means that the Participant can work on addressing all issues at an earlier stage within the qualification process, which is a more effective procedure than is currently in place.

The EY recommendations report on the SEM CRM recommended measures which increase “confidence that new build projects can be built ahead of start of delivery year”. This report also notes a that “many units have been rejected because their qualification application does not provide sufficient evidence that assures the TSOs the capacity unit will be delivered in time”. By improving efficiency and increasing transparency in this process, it is possible to reduce the number of units being rejected through constructive engagement, while still ensuring a high likelihood of delivery by projects which are ultimately successful in Capacity Auctions.

The information which would be shared with Participants if this mod was to be implemented should be readily available to the SOs and thus, any additional administrative burden as a result of this modification is minimal.

This modification would increase fairness, transparency, and competition within the Capacity Market, leading to better outcomes for consumers from both a cost and Security of Supplier perspective, as well as potentially reducing delays around the qualification process.

#### **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 (a) to facilitate the efficient discharge by EirGrid and SONI of the obligations imposed by their respective Transmission System Operator Licences in relation to the Capacity Market;

(c) to facilitate the participation of undertakings including electricity undertakings engaged in or seeking to be engaged in provision of electricity of electricity capacity in the Capacity Market;

(d) to promote competition in the provision of electricity to the SEM;

(e) to provide transparency in the operation of the SEM

(g) through the development of the Capacity Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, and security of supply of electricity across the island of Ireland.

#### **Implication of not implementing the Modification Proposal**

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

Failure to implement this modification will result in a continuation of a suboptimal process in the Capacity Auction which results in delays being incurred during the qualifications stage. The lack of transparency under the current arrangements causes the qualification process to be more protracted and convoluted than necessary, and this modification would be a simple remedy for this.

In addition, failure to implement this modification may result in future capacity applications being rejected, while any issues contributing to this rejection could have been worked through with the SOs had the participant had relevant information available to them in a timely manner. This undermines competition in the Capacity Market and threatens Security of Supply as a result of projects being potentially incorrectly disqualified.

Furthermore, failure to implement this modification would result in inefficient use of the SOs resources, as participants may be engaging with the SOs in relation to a provisional decision without the complete information available to it, whereas having access to this information would make engagement more streamlined, constructive, and effective.

#### **Impacts**

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

While this modification would require the SO to share information with Participants, EPUKI does not expect this to be a material administrative burden, given that this information already exists and would not require the SO to prepare new documents or reports which are not already created during the course of their assessment.

**Please return this form to the System Operators by email to [CapacityModifications@sem-o.com](mailto:CapacityModifications@sem-o.com)**

#### Notes on completing Modification Proposal Form:

1. 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.
2. 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:	means the Capacity Market Code for the Single Electricity Market
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	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.