

# I-SEM 2024-25 T-1 Capacity Auction Independent Auction Monitor Report

Commission for Regulation of Utilities (CRU) and the  
Northern Ireland Authority for Utility Regulation  
(NIAUR)

2<sup>nd</sup> May 2024

**AUCTION REPORT**

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## **1. INDEPENDENT ASSURANCE REPORT**

This report sets out our conclusions in relation to the monitoring of the processes and procedures followed by the System Operators (EirGrid and SONI Ltd; SOs) in conducting the Capacity Market Auction for the 2024/25 T-1 Capacity Auction, with respect to Capacity Auction Submissions submitted between 18<sup>th</sup> April 2024 and 10:00 on 25<sup>th</sup> April 2024, to ensure that it has been correctly carried out in accordance with the SOs' obligations under the Capacity Market Code (CMC).

### **1.1. SCOPE OF THE REPORT**

This report is produced in accordance with the terms of our engagement contract, dated 2<sup>nd</sup> September 2022, for the purposes of reporting to the Regulatory Authorities (RAs) – the Commission for Regulation of Utilities (CRU) and the Northern Ireland Authority for Utility Regulation (UR) – in connection with CEPA's arrangement as the Capacity Auction Monitor for the I-SEM Capacity Market.

Under the CMC, the SOs have various obligations with respect to qualification for and conducting of the Capacity Auctions. These obligations apply to Capacity Auctions which the SOs are required to satisfy under the CMC. The SEM Committee's decision approving the CMC and its associated procedures are available here:

<https://www.semcommittee.com/news-centre/publication-i-sem-crm-capacity-market-code-decision>

The most up to date version of the CMC, and approved and pending modifications, are available here:

<https://www.sem-o.com/rules-and-modifications/capacity-market-modifications/market-rules/>

CEPA's role as the appointed Capacity Auction Monitor for the I-SEM is to provide independent assurance to the market and the Regulatory Authorities (RAs) that the SOs have correctly carried out their obligations under the CMC in respect of qualification for, and running of, the Capacity Auctions, as set out in the Terms of Reference for the Capacity Auction Monitor.<sup>2</sup>

We monitored the processes and procedures followed by the SOs for the Capacity Auction, as far as possible, in accordance with our Terms of Reference for this engagement. We provide our conclusions (in Section 1.4 below) in relation to compliance with the CMC based on our obligations. This report is provided in accordance with Section B.10.4 of the CMC, which sets out the requirement for the Capacity Auction Monitor to provide a report to the RAs:

- confirming the list of Participants with Capacity Market Units that have been allocated Awarded Capacity;
- stating whether or not the Capacity Auction Monitor considers that the Capacity Auction was conducted in accordance with this Code; and
- identifying any actual or potential non-compliance with the CMC by the SOs.

Note that, except where expressly stated, we did not audit or otherwise verify the information provided to us by the SOs in the course of our work. A separate Capacity Market Auditor is required to be in place under the CMC, with its obligations set out within the Capacity Market Auditor Terms of Reference. For the avoidance of doubt, CEPA would like to make clear that we are a professional economic advisory firm and not professional accountants.

### **1.2. OUR APPROACH**

We developed a set of protocols and analytical tools to monitor the processes and procedures followed by the SOs for the Capacity Auction.

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<sup>2</sup> SEM Committee (2017): 'Capacity Remuneration Mechanism – Terms of Reference for the Capacity Market Auditor and Capacity Auction Monitor', SEM-17-023.

In carrying out our duties, we have followed a system of quality control, professional conduct, and ethical behaviour which we consider to be of a standard at least as demanding as that required by ISAE 3000 (Revised). This includes documented policies and procedures related to our monitoring activities, leadership responsibilities for quality control in the firm, independence and ethical requirements and management of human resources.

We have performed our work as the appointed Capacity Auction Monitor based on our fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

### **1.3. INHERENT LIMITATIONS**

Our conclusions are based on historical information. The projection of any information or conclusions in the attached report to any future periods would be inappropriate.

Our examination excludes audit procedures and accordingly we do not express an audit opinion on the information. We note that the procedures we performed were not designed to and are not likely to reveal fraud.

An outline of the work we performed for the Capacity Auction is included in Appendix A.

### **1.4. CONCLUSIONS**

**Our conclusions in this report reflect reasonable assurance in relation to the T-1 Capacity Auction for the 2024/25 Capacity Year.**

We believe that the procedures performed, and the evidence obtained, provide us with a reasonable basis that, except for the matters described in Section 4 of our report, the Capacity Auction was conducted by the SOs in accordance with the requirements of the CMC.

Actual and potential instances of non-compliance are summarised in Section 4.

### **1.5. USE OF THE REPORT**

This report has been prepared for the exclusive use of the RAs in accordance with the scope of our engagement contract and the RAs' Terms of Reference for the Capacity Auction Monitor.

Our work has been undertaken solely for the purpose of assessing that the SOs have correctly carried out the obligations placed on them under the CMC in carrying out the Capacity Auction. Our work was not planned or conducted with any other objective in mind, and so cannot be relied on for any other purpose. With the exception of providing it to the RAs and the SOs, and publishing it on the SEM Committee website, our report is not to be recited or referred to in any document, copied or made available (in whole or part) to any person without our prior written consent. To the fullest extent permitted by law, CEPA does not accept or assume responsibility to anyone, other than the RAs, for this report or for the conclusions we have formed.



Cambridge Economic Policy Associates Ltd  
London, United Kingdom  
2<sup>nd</sup> May 2024

## **2. BACKGROUND AND CONTEXT**

### **2.1. BACKGROUND**

In the I-SEM Capacity Market, capacity providers sell qualified capacity to the market to meet the capacity requirement in a future capacity year. Capacity providers who are successful in the Capacity Auction receive a regular capacity payment that assists with funding generation capacity, and, in return, they have an obligation to generate when the system is stressed.

The operation of the Capacity Market and the roles and responsibilities of the market operator – split jointly between the SOs and the Single Electricity Market Operator (SEMO) – are governed by the CMC and the Trading and Settlement Code.

### **2.2. OUR ROLE AS CAPACITY AUCTION MONITOR**

The Terms of Reference for the Capacity Auction Monitor state that:

*“The purpose of the Capacity Auction Monitor is to provide independent assurance to the market and the Regulatory Authorities that the System Operators’ are correctly carrying out their obligations under the Capacity Market Code in respect of qualification for and running of Capacity Auctions.”*

As Capacity Auction Monitor, we are required to produce a Report on the Capacity Auction, within two Working Days after the SOs have released provisional Capacity Auction Results to Participants, that:

- confirms the list of Participants with Capacity Market Units that have been allocated Awarded Capacity;
- states whether or not the Capacity Auction Monitor considers that the Capacity Auction was conducted in accordance with the CMC; and
- where applicable, identifies any actual or potential non-compliance with the CMC or other actual or potential irregularity in the conduct of the Capacity Auction, together with the Capacity Auction Monitor’s assessment as to the likely consequences of the actual or potential non-compliance or irregularity.

This report summarises our findings in relation to the Capacity Auction run by the SOs on 25<sup>th</sup> April 2024.

### **2.3. OBJECTIVES AND SCOPE**

The CMC paragraph B.10.2.1 sets out that:

*“The Capacity Auction Monitor shall monitor the processes and procedures followed by the System Operators in carrying out the Qualification Process, conducting Capacity Auctions and related activities under this Code, in accordance with the terms of reference determined by the Regulatory Authorities.”*

The basic tasks set out for the Capacity Auction Monitor are:

- monitoring the Qualification Process to ensure that the SOs have complied with the CMC;
- being present at the auctions, with full read access to all key software, including access to all bids and all communications between the SOs and all bidders;
- monitoring the application of algorithms and calculations;
- reporting on whether it considers that the SOs have conducted the Capacity Auction in accordance with the CMC;

- identifying any actual or potential breach of the rules and regulations or other actual or potential irregularities in the conduct of the Capacity Auction by the SOs and an assessment of the consequences; and
- making recommendations on the changes to the CMC, Auction Guidelines and User Guides.

As Capacity Auction Monitor, we are required to report on all issues that we identify, irrespective of materiality.

The scope of the Capacity Auction Monitor's assurance activities shall relate to the System Operators' activities relating to qualification through to the determination of the final auction results under the Code.

## **2.4. SCOPE EXCLUSIONS**

In line with our Terms of Reference, the scope of our review excluded the following:

- Secondary trading market (referenced specifically within Chapter H of the CMC).
- Direct investigation of market manipulation: However, the Terms of Reference states that the Capacity Auction Monitor should bring any incidents of potential market manipulation to the attention of the RAs, should it come across them in carrying out its duties.
- The determination of the LCCs and their underlying methodology: The Capacity Auction Monitor's scope in relation to LCCs is limited to assessing compliance by the SOs with the methodology for determining LCCs, including accordance with relevant procedures and process documentation.
- Auditing of the processes carried out by the SOs: The CMC requires a Capacity Market Auditor to be appointed separately from the Capacity Auction Monitor. Under our Terms of Reference, we are not required to carry out an audit of the processes followed, or information provided, by the SOs in running the auction.
- Monitoring of compliance with obligations of Section L.7 of the CMC regarding SO reporting of REMIT Data on behalf of Participants.

### 3. AUCTION RESULTS

The Capacity Auction Submission Commencement date for the T-1 Auction was 18<sup>th</sup> April 2024; the SOs emailed Participants at 09:47 to inform them that the auction gate will open at 10:00 as planned. The Capacity Auction Submission End took place at 10:00 on 25<sup>th</sup> April 2024. Bid closing was initiated at the time but completed at 10:02 (we have expanded on this in Section 4.2).

Capacity Auction Run Start was scheduled for 12:00 on 25<sup>th</sup> April 2024. Auction Run was initiated at this time and was completed within four minutes of initiation. The auction clearing process was completed within the 24-hour Allowed Timeframe.

The Capacity Auction was run using the Capacity Market Platform (CMP) version 3.3.2.1, according to information displayed in the CMP.

In line with the Final Auction Information Pack (FAIP), the parameters of the Demand Curve used in the 2024/25 T-1 Auction are set out in Table 3.1.

*Table 3.1: Final Demand Curve used in the Capacity Auction, same as in FAIP 2024/25 T-1 Table 1*

De-Rated Capacity (MW)	Demand Curve Point (€/MW per year)
0	160,545
736	160,545
736	107,030
1662	0

The Required Quantities needed to satisfy the LCCs were as set out in Table 3.2.

*Table 3.2: LCCs and Required Quantities, as per FAIP 2024/25 T-1 Table 4.*

LCC Area Name	Minimum Required Quantity (MW)	Maximum Required Quantity (MW)
L1-1: Northern Ireland	2,328	20,000
L1-2: Ireland	7,264	20,000
L2-1: Greater Dublin	2,594	2,594
L2-2: Rest of Ireland	4,670	20,000

There were 23 offers for 22 CMUs in this Capacity Auction. This is out of a total of 167 qualified CMUs, 15 of which had Existing Capacity with a non-zero Firm Offer Requirement (and thus were required to submit offers). Of these, 13 had only Existing Capacity available to offer, and 2 had both Existing and New Capacity available to offer into this Capacity Auction. There were a further 10 CMUs that had a non-zero Firm Offer Requirement comprising only New Capacity, and therefore (under CMC F.2.1.1) these CMUs were not required to submit an offer.

All 23 offers were submitted directly by the relevant Participants.

A total of 784.971 MW cleared in the auction, with all 22 CMUs being awarded all their offered capacity.

The Auction Clearing Price was determined in accordance with CMC F.8.3. The Price Setting Offer was an Inflexible offer cleared at €147,580.00/MW per year (£128,114.20/MW per year). This is higher than the Existing Capacity Price Cap (€53,515/£47,478.51 per MWh). In total, [3<] offers were cleared at the Auction Clearing Price.

For the determination of the Auction Clearing Price, a total of [3<] offers were initially scheduled. The offered quantity scheduled at the Auction Clearing Price was not sufficient to meet the LCC Required Quantities for Northern Ireland, Ireland, Greater Dublin, or Rest of Ireland, and so additional offers needed to clear out of merit. As



a result, all [redacted] remaining offers were cleared at their respective offer prices up to the Auction Price Cap of €160,545/MW per year.

Total Awarded Capacity, LCC Required Quantity, and the shortfall between the two is summarised in Table 3.3 below.

*Table 3.3: Constraint status in the auction solution*

	L1-1: Northern Ireland	L1-2: Ireland	L2-1: Greater Dublin	L2-2: Rest of Ireland
Previously Awarded Capacity (MW) <sup>3</sup>	2,077.926	5,779.763	2,201.981	3,577.782
Capacity Cleared in T-1 Auction (MW)	161.240	623.731	15.967	607.764
<b>Total Awarded Capacity (MW)</b>	<b>2,239.166</b>	<b>6,403.494</b>	<b>2,217.948</b>	<b>4,185.546</b>
LCC Required Quantity (MW)	2,328.000	7,264.000	2,594.000	4,670.000
<b>Shortfall between Required Quantity and Awarded Capacity (MW)</b>	<b>88.834</b>	<b>860.506</b>	<b>376.052</b>	<b>484.454</b>

The values in the table above have been calculated using the Provisional Auction Results presented in the CMP and in the FAIP. As noted in IL022, the L2-1: Greater Dublin previously Awarded Capacity value used is not correct and does not account for one unit for which Awarded Capacity was terminated in February 2024.

Table 3.4 shows the relevant quantities of the above offers, as well as a summary of all changes between the unconstrained and constrained solutions.

*Table 3.4: Changes between the determination of the Auction Clearing Price and the Auction Solution*

CMU ID	Capacity type(s) offered by this CMU	LCC	Offered Quantity (MW)	Cleared Q during Auction Clearing Price determination (MW)	Cleared Q in Auction Solution (MW)	Difference (MW)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Based on the outcome of the T-1 Auction, Table 3.5 lists the participants and corresponding CMUs that have been awarded capacity.

<sup>3</sup> From multi-year contracts cleared in previous capacity market auctions, and capacity cleared in the T-4 and T-3 for the 2024/25 year.

### 3.1. CMUs PROVISIONALLY AWARDED CAPACITY IN THIS CAPACITY AUCTION

Table 3.5: List of participants and CMUs provisionally awarded capacity in the T-1 Capacity Auction for the Capacity Year 2024/25

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
EIRGRID INTERCONNECTOR DESIGNATED ACTIVITY COMPANY	IO_EIDAC	IO_EIDAC	I_ROIEWIC	Interconnector	L2-2:Rest of Ireland	Existing	[✂]	42
Moyle Interconnector Limited	IO_MOYLE	IO_MOYLE	I_NIMOYLE	Interconnector	L1-1:Northern Ireland	Existing	[✂]	34.65
Statkraft Markets GmbH	PY_034046	PT_402540	GU_405070	Other Storage	L2-2:Rest of Ireland	Existing	[✂]	3.06
Orsted Onshore Green Energy NI Ltd	PY_000168	PT_500110	GU_504200	Wind	L1-1:Northern Ireland	New	[✂]	1.014
Veolia Alternative Energy Ireland Ltd	PY_000122	PT_400124	DSU_403660	Demand Side Unit	L2-1:Greater Dublin	Existing	[✂]	4.963
ESB	PY_000030	PT_400030	GU_400181	Gas Turbine - IED	L2-2:Rest of Ireland	Existing	[✂]	73.62
Aughinish Alumina Ltd	PY_000024	PT_400024	DSU_403790	Demand Side Unit	L2-2:Rest of Ireland	Existing	[✂]	14.475
ESB	PY_000030	PT_400030	GU_400324	Gas Turbine	L2-1:Greater Dublin	New	[✂]	7.05
ESB	PY_000030	PT_400030	GU_400325	Gas Turbine	L2-1:Greater Dublin	New	[✂]	3.954
Endeco Technologies Limited t/a GridBeyond	PY_000126	PT_500099	DSU_503650	Demand Side Unit	L1-1:Northern Ireland	Existing and new	[✂]	1.268
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500821	Gas Turbine	L1-1:Northern Ireland	Existing	[✂]	34.453

Party Name	Party ID	Participant ID	CMU ID	Technology class	LCC Level	Capacity Type	Quantity offered (MW)	Quantity awarded (MW)
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500820	Gas Turbine	L1-1:Northern Ireland	Existing	[✂]	34.453
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500824	Gas Turbine	L1-1:Northern Ireland	Existing	[✂]	24.47
ESB	PY_000030	PT_400030	GU_400270	Steam Turbine - IED	L2-2:Rest of Ireland	Existing	[✂]	153.9
ESB	PY_000030	PT_400030	GU_400272	Steam Turbine - IED	L2-2:Rest of Ireland	Existing	[✂]	153.9
ESB	PY_000030	PT_400030	GU_400271	Steam Turbine - IED	L2-2:Rest of Ireland	Existing	[✂]	153.9
EP KILROOT LIMITED	PY_000070	PT_500045	GU_500825	Gas Turbine	L1-1:Northern Ireland	Existing	[✂]	24.47
Powerhouse Generation Limited	PY_000128	PT_400144	DSU_403820	Demand Side Unit	L2-2:Rest of Ireland	New	[✂]	2.419
Cushaling Power Ltd	PY_000083	PT_400078	GU_405030	Other Storage	L2-2:Rest of Ireland	New	[✂]	6.95
Electricity Exchange DAC t/a VIOTAS	PY_000114	PT_400116	DSU_403760	Demand Side Unit	L2-2:Rest of Ireland	New	[✂]	3.54
Powerhouse Generation Limited	PY_000128	PT_500078	GU_504000	Gas Turbine	L1-1:Northern Ireland	New	[✂]	5.142
iPower Solutions Ltd	PY_000093	PT_500053	GU_501130	Gas Turbine	L1-1:Northern Ireland	New	[✂]	1.32

## 4. SUMMARY OF ISSUES IDENTIFIED WITH THE CAPACITY AUCTION PROCESS

We performed our role as Capacity Auction Monitor in relation to the 2024/25 T-1 Capacity Auction, which took place on 25<sup>th</sup> April 2024, in line with our obligations to monitor the conduct of the SOs in operating the Capacity Auctions. In Section 4.1, we summarise the identified instances of non-compliance within the areas of the CMC that are in the Monitor's scope, before presenting some additional considerations in Section 4.2.

### 4.1. SUMMARY OF ISSUES

In carrying out our duties, we identified **9 issues** that we consider constitute non-compliance with the CMC, noting our obligation to report all issues to the RAs irrespective of materiality. The table below sets out a high-level summary of actual or potential instances of non-compliance identified within the Capacity Auction process. Detailed issue logs are included in Appendix B.

*Table 4.1: Summary of issues identified within the Capacity Auction process.<sup>4</sup>*

Issue Log	Description
012	<p>As per CMC E.8.2.1, E.8.2.2, and E.8.2.4, we found that the calculated value of the Gross De-Rated Capacity (Existing) and Gross De-Rated Capacity (New) for several CMUs did not match the value reported in the FQRs.</p> <p>Only two CMUs included in this issue log submitted bids into this auction. In these cases, the difference was either too small to constitute a material impact on the auction or it did not impact on the capacity offered in the auction.</p>
013	<p>The Initial Capacity (Existing) reported for one unit does not match the information provided by Participants, as is required by CMC E.8.1.1.</p> <p>We do not consider that this error had a material impact on the auction or qualification results as the unit's Net De-rated Capacity (Existing) would have still been zero due to previously Awarded Capacity.</p>
016	<p>There were a number of changes between Provisional Qualification Decisions and Final Qualification Decisions, for which the reasons were not explained to Participants through the Final Qualification Results (FQRs), as is required by CMC E.9.4.11.</p> <p>Although communication of the changes is important for the Participants, both for clarity and understanding, the Monitor did not find any instances where the lack of communication regarding the above changes would have had a material impact on the auction.</p>
017	<p>Section E.7.8 of the CMC outlines the Alternative Qualification Process (AQP) which the SOs are to apply under certain circumstances. In the FQRs, the SOs have applied this process in some instances not in accordance with E.7.8.2.</p> <p>We have not identified any instances where the errors listed in this IL had a material impact on the auction.</p>
018	<p>As per CMC C.3.2.3, C.3.5.1 and E.8.1.2, the Initial Capacity (Existing) for two generator units has been incorrectly calculated by the SOs.</p> <p>We do not consider that this error had a material impact on the auction or qualification results as the correction of this error would have still resulted in a Net De-rated Capacity (Existing) of zero for the two units.</p>

<sup>4</sup> Issue numbers are assigned to potential instances of non-compliance as they are identified. Issue numbers missing from the table (e.g., Issue 017) may reflect issues investigated as part of the Monitor's Qualification Report for this Auction or may reflect issues that have been investigated and determined not to represent non-compliance with the CMC. It is intentional that we have not included IL014 and IL015

Issue Log	Description
019	<p>CMC Section E.8.3 sets out the approach to determining Gross De-Rated Capacity and Net De-Rated Capacity of Capacity Market Units (CMUs). For several CMUs, the values included in the FQRs do not align with the values calculated through the application of the formula outlined in this section of the CMC.</p> <p>The differences in these values look to be rounding differences at 3 d.p.s. and could be explained by differences in the rounding of the Monitor's input data compared to the calculations in the CMP. Any impact would therefore be small and for all units the Net De-Rated Capacity of the units would still be equal to zero due to previously Awarded Capacity.</p>
020	<p>CMC F.4.1.4 requires the SOs to submit an LCC determination no later than two working days after the Provisional Qualification Results Date. This requirement was not met.</p> <p>CMC F.4.1.6 requires the SOs to reduce the LCC Required Quantity to the total quantity of Gross De-Rated Capacity (Total) if the value determined under CMC F.4.1.1 (c) is greater than zero, and CMC F.4.1.7 requires the SOs to notify the RAs of the reduction. This, however, was not undertaken.</p> <p>We consider this to be non-compliance with CMC F.4.1.6 and F.4.1.7. However, the fact that the LCC quantity was not reduced did not have a material impact on the auction outcome and we have no indication that the delay in providing the information to the RAs has had any impact on the auction.</p>
021	<p>The SOs did not include the 'final Capacity Auction Threshold for the Capacity Auction' in the Final Auction Information Pack, as is required under CMC F.5.1.3.</p> <p>We do not believe this to have had an impact on the auction.</p>
022	<p>CMC F.8.2.1 (b) requires the SOs to use the Awarded Capacity in respect of Capacity Market Units that contribute to satisfying that LCC. The SOs, however, in conducting the 2024/25 T-1 Capacity Auction, did not use the correct Awarded Capacity value for the L2-1:Greater Dublin LCC (and by construction also the L1-2 Ireland LCC).</p> <p>Additionally, the SOs qualified a unit through the Alternative Qualification Process under CMC E.7.8.1, but this was not required for this unit as its Awarded Capacity had been terminated. CMC E.9.4.2 (d) sets out that the SOs should reflect any updated information or change in circumstances affecting the Participant which the System Operators become aware of.</p> <p>On this occasion, the auction outcome was not affected by the fact that Awarded Capacity was not accounted for correctly.</p>

## 4.2. FURTHER CONSIDERATIONS

This sub-section contains comments and observations that we believe do not represent non-compliance with the CMC, but we consider it appropriate to summarise for the RAs' attention.

### 4.2.1. Delay to gate closing on CMP

CMC F.8.1.1 states that the System Operators should conduct each Capacity Auction in accordance with the applicable Capacity Auction Timetable. The Capacity Auction Timetable specifies that 10:00am is the Capacity Auction Submission End (last time Participants may submit Capacity Auction Offers).

However, the Process Schedule in CMP indicates that the gate did not close for offers until 10:02am. Members of the CAM team observed that the CMP started the gate closure process at 10:00am, and the SOs did note that there was a delay in the process completing.

The Capacity Auction Timetable states that the gate should be closed at 10:00am. However, as the SOs took all actions possible to close the gate at 10:00am, we do not consider this to be non-compliant. We conclude that there was no material impact on the Capacity Auction running or on its results as we observed no additional offers or changes to existing offers in this 2-minute delay.

#### **4.2.2. Incorrect Existing Capacity Price Cap values**

In the Final Qualification Results on the CMP, some units have an incorrect value in the Existing Capacity Price Cap column. All of the affected units are new units and therefore do not have any existing capacity, meaning the Existing Capacity Price Cap does not apply to them. The Monitor is of the view that if the SOs populate a value here for new units, instead of including incorrect values, it should be a correct Existing Capacity Price Cap value, or alternatively this column should be left blank if it does not apply.

#### **4.2.3. Rounding of Published Quantities**

CMC paragraph L.5.4.1 requires the SOs to use consistent numerical rounding of all published quantities.

We note that a number of values in the FAIP (v1.0) and CAT for 2024/25 T-1 are reported to a smaller number of decimal places.

A number of values in the Auction Results displayed on the CMP are also reported to a smaller number of decimal places for €/£ and MW values.

In the FAIP, for example:

- Values are shown to the nearest MW instead of to three decimals for the Demand Curve; Capacity Requirement and Short-Term Reserve values; Locational Capacity Constraint; and
- Values are shown to nearest € value instead of to nearest cent/pence for the following values: Demand Curve, Performance Security Rate, and Termination Rate.

Whilst in the CAT, times are provided to the nearest minute, rather than second.

Instances where the SOs have published values to fewer decimal places do not necessarily constitute non-compliance, as applying the convention of dropping zeros after the decimal point if not followed by non-zero values is a consistent approach, but could cause ambiguity. For example, for the Capacity Requirement, stating the value as 6174 implies the value is 6174.000. However, stating to the full 3 decimal places (with .000) provides clarity that the value is not rounded from 6174.123, for example.

We also raised this in the 23/24 T-1 Qualification and Auction Reports, and the 24/25 T-1 Qualification Report. To rule out ambiguity and to align with the CMC, the SOs should consider publishing values to the specified number of decimal places for all published documents going forward.

## Appendix A SUMMARY OF WORK PERFORMED

Our fieldwork was completed on the 25<sup>th</sup> April 2024 at the System Operators' premises at The Oval, Shelbourne Road, Dublin. Additional members of the CAM team also observed the process for this Auction using conference calling and screen-sharing.

The areas of the Code checked at the time of issuing this report are outlined in the table below.

Table A.1: Summary of CMC sections checked by the Monitor in preparing this report

CMC Chapter	CMC Subsection	CMC Paragraph
C. De-Rating and Capacity Concepts	C.2 Locational Capacity Constraints	C.2.1.2
		C.2.2.2
		C.2.2.3
		C.2.3.1
		C.2.3.2
	C.3 Initial Capacity	C.3.2.1
		C.3.2.3
		C.3.2.4
		C.3.5.1
D. Pre-Capacity Auction Process	D.2 Capacity Auctions and Timetables	D.2.1.5
		D.2.1.9
		D.2.1.10
		D.2.1.11
		D.2.1.14
		D.2.1.16
		D.2.1.17
E. Qualification	E.1 Purpose of Qualification Process	E.1.1.4
	E.3 Opt-out Notifications	E.3.1.4
	E.4 Application for Qualification	E.4.1.8
	E.5 Exception Applications	E.5.1.9
		E.5.1.10
	E.7 Requirements for Qualification	E.7.8.1
		E.7.8.2
	E.8 Qualification Calculations	E.8.1.1
		E.8.1.2
		E.8.1.3
		E.8.2.1
		E.8.2.2
		E.8.2.4
		E.8.2.5
		E.8.2.7
		E.8.2.8
		E.8.3.1
		E.8.4.1
		E.8.5.1
		E.8.5.2
		E.8.6.1
		E.8.7.1
		E.8.8.1

CMC Chapter	CMC Subsection	CMC Paragraph
	E.9 Notification of Qualification Decisions	E.8.8.2
		E.8.8.3
		E.8.9.1
		E.8.9.2
		E.9.3.3
		E.9.3.5
		E.9.3.6
		E.9.4.1
		E.9.4.2
		E.9.4.3
E. Qualification	E.9 Notification of Qualification Decisions	E.9.4.4
		E.9.4.9
F. Capacity Auctions	F.1 General	E.9.4.10
		E.9.4.11
		E.9.5.1
	F.2. Capacity Auction Participation	F.1.2.2
		F.2.1.1
		F.3.1.1
	F.3 Demand Curve	F.3.1.2
		F.3.1.6
		F.3.1.7
		F.4.1.1
		F.4.1.2
	F.4 Determination of Locational Capacity Constraints for a Capacity Auction	F.4.1.4
		F.4.1.5
		F.4.1.6
		F.4.1.7
		F.5.1.1
	F.5 Publication of Final	F.5.1.2
		F.5.1.3
		F.6.1.1
	F.6 Capacity Auction Submissions	F.6.2.1
		F.7.1.1
	F.7 Capacity Auction Offers	F.7.1.2
		F.7.1.3
		F.8.1.1
	F.8 Conduct of Capacity Auction	F.8.2.1
		F.8.2.2
		F.8.2.3
		F.8.3.2
		F.8.3.3
		F.8.3.4
		F.8.3.5
		F.8.4.2
		F.8.4.3
		F.8.4.4
		F.8.4.5



CMC Chapter	CMC Subsection	CMC Paragraph
		F.8.4.6
		F.8.4.7
		F.8.5.1
		F.8.6.1
	F.9 Capacity Auction Results	F.9.1.1
		F.9.2.1
		F.9.3.1
K. Exchange Rates	K.2 Methodology	K.2.1.6
L. Data and Information Systems	L.2 Methodology	L.2.2.2
		L.2.3.1
		L.2.4.3
		L.2.4.4
		L.2.5.1
		L.2.5.2
		L.2.5.3
		L.2.5.4
		L.2.5.5
	L.3 Submission, Validation and Rejection of Data Transactions	L.3.1.1
		L.3.1.3
		L.3.1.6
		L.3.1.7
		L.3.1.8
	L.4 Communications Failures	L.4.2.1
		L.4.2.3
		L.4.3.1
		L.4.3.3
		L.4.3.4
		L.4.4.2
		L.4.4.3
	L.5 Data Publication	L.5.4.1

## Appendix B SUMMARIES OF OBSERVED ISSUES RESULTING FROM THE CAPACITY AUCTION PROCESS

### B.1. ISSUE LOG 012

Issue ID	Affected auction(s)	Issue status	Compliance status		
012	2024/2025 T-1 Capacity Auction	Closed	Non-compliant		
Summary					
As per CMC E.8.2.1, E.8.2.2, and E.8.2.4, we found that the calculated value of the Gross De-Rated Capacity (Existing) and Gross De-Rated Capacity (New) for several CMUs did not match the value reported in both the Provisional Qualification Results (PQRs) and the Final Qualification Results (FQDs).					
Description of Issue					
CMC E.8.2.1 states that:  the SOs shall determine the Gross De-Rated Capacity (Existing) of a Generator Unit or Interconnector (other than an Aggregated Generator Unit) which is not a Variable Generator Unit in accordance with the following formula:  GDRCE =  MIN[ DRFE × ICE× (1 + INCTOL), MAX[DRFE × ICE × (1- DECTOL), NDRVE]]					
Several CMUs are reported as having an Existing Gross De-Rated Capacity which does not equal the value of this calculation. These include the units below that were all accepted.					
CMU ID	Generator Unit ID	Unit Type	Existing Gross De-Rated Capacity-PQRs	Existing Gross De-Rated Capacity-FQRs	Calculated Value (Monitor)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
* These units were flagged in the Monitor’s 2024/2025 T-1 Qualification Report in Issue Log 007 (IL007). The differences in value of the last three units appear to be due to a rounding difference.					
In response to IL007, the SO changed the value of [REDACTED] and [REDACTED] as the incorrect Full Load Hours value was not accounted for in the De-rating Factor used in the CMP. They also stated that the value for [REDACTED] was correct in PQRs. They did not comment on [REDACTED]. However, the Monitor has still calculated values that do not align with the SO’s FQR values.					

CMC E.8.2.2 states that:

*The System Operators shall determine the Gross De-Rated Capacity (Existing) of a Generator Unit (other than an Aggregated Generator Unit) which is a Variable Generator Unit in accordance with the following formula:*

$$GDRCE = \text{MIN}[DRFE \times ICE \times (1 + INCTOL), NDRVE]$$

Several units have a reported Gross De-Rated Capacity (Existing) which is not equal to the calculated value. The following units were all accepted and did not pass through the Alternative Qualification Process.

CMU ID	Generator Unit ID	Unit Type	Variable Unit Classification	Existing Gross De-Rated Capacity-PQRs	Existing Gross De-Rated Capacity-FQRs	Calculated Value (Monitor)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The differences in value of these three units appear to be due to rounding differences and have changed between PQRs and FQRs.

CMC E.8.2.4 states that:

*The System Operators shall determine the Gross De-Rated Capacity (New) of a Generator Unit or Interconnector (other than an Aggregated Generator Unit) which is not a Variable Generator Unit in accordance with the following formula:*

$$GDRCN = \text{MAX}[0, \text{MIN}[DRFT \times ADRFT \times ICT \times (1 + INCTOL), \text{MAX}[DRFT \times ADRFT \times ICT \times (1 - DECTOL), NDRVE + NDRVN]] - GDRCE]$$

Several units have a reported Gross De-Rated Capacity (New) which is not equal to the calculated value.

CMU ID	Generator Unit ID	Unit Type	New Gross De-Rated Capacity-PQRs	New Gross De-Rated Capacity-FQRs	Calculated Value (Monitor)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

\* units were flagged in the Monitors Qual report in IL007.

In response to IL007, the SOs are of the view that their values in the PQRs were correct for [REDACTED] and [REDACTED]. CAM have been unable to reach the same value.

#### Capacity Auction Monitor's Comments

We consider this to be non-compliance with CMC E.8.2.1, E.8.2.2, and E.8.2.4.

We note that only two CMUs included in this issue log submitted bids into this auction. [REDACTED] offered [REDACTED] MW of existing capacity which equates to the value that was included in the FQRs, but which is 0.001 MW below the value that we calculated as per CMC E.8.2.1. We consider this difference is sufficiently small not to constitute a material impact on the auction.

[X] offered [X] MW of new capacity which is below the value included in the FQRs and the value that we calculated as per CMC E.8.2.4. Therefore, we do not consider that the difference in the calculated Gross De-Rated Capacity had a material impact on the auction.

## B.2. ISSUE LOG 013

Issue ID	Affected auction(s)	Issue status	Compliance status								
013	2024/2025 T-1 Capacity Auction	Closed	Non-compliant								
<b>Summary</b>											
The Initial Capacity (Existing) reported for one unit does not match the information provided by Participants, as is required by CMC E.8.1.1.											
<b>Description of Issue</b>											
<p>CMC E.8.1.1 states that:</p> <p><i>Subject to paragraph E.8.1.2, the System Operators shall determine that the value of the Initial Capacity (Existing) and the value of the Initial Capacity (Total) for a Generator Unit or Interconnector (or a Generator contributing to an Aggregated Generator Unit) shall be the corresponding value submitted in the relevant Application for Qualification with respect to that Generator Unit or Interconnector (or Generator contributing to an Aggregated Generator Unit).</i></p> <p>One generator unit is reported as having an Initial Capacity (Existing) which does not match the information provided by the participant. This was flagged by the Monitor in the Qualification Report in IL003. The participant affected also submitted an Application for Review relating to this issue, however it remained uncorrected in the Final Qualification Results.</p> <table> <tr> <th>CMU ID</th><th>Generator Name</th><th>Initial Capacity Existing – submitted by Participant</th><th>Initial Capacity Existing - FQRs</th></tr> <tr> <td>[X]</td><td>[X]</td><td>[X]</td><td>[X]</td></tr> </table> <p>We also note that for [X], the Gross de-rated Capacity (Existing) value determined under E.8.2.7 and the Gross de-rated Capacity (New) value determined E.8.2.8 have been based on an Initial Capacity Existing value of [X] MWs for [X] unit which is incorrect.</p> <p>However, the Net De-rated Capacity (New) for the [X] was correctly set to zero.</p>				CMU ID	Generator Name	Initial Capacity Existing – submitted by Participant	Initial Capacity Existing - FQRs	[X]	[X]	[X]	[X]
CMU ID	Generator Name	Initial Capacity Existing – submitted by Participant	Initial Capacity Existing - FQRs								
[X]	[X]	[X]	[X]								
<b>Capacity Auction Monitor's Comments</b>											
<p>We consider this to be non-compliance with CMC E.8.1.1.</p> <p>The SOs have acknowledged that this was an error in the PQRs which was subsequently not corrected in the FQRs. We do not consider that this error had a material impact on the auction or qualification results. Even if this error would have been corrected, [X] Net De-rated Capacity (Existing) would have been zero due to previously Awarded Capacity.</p>											

B.3. ISSUE LOG 016

Issue ID	Affected auction(s)	Issue status	Compliance status
016	2024/2025 T-1 Capacity Auction	Closed	Non-Compliant
Summary			
There were a number of changes between Provisional Qualification Decisions and Final Qualification Decisions, for which the changes were not notified to Participants through the FQRs, as is required by CMC E.9.4.11.			
Description of Issue			
<p>CMC E.9.4.11 states that where a Final Qualification Decision has changed relative to the relevant Provisional Qualification Decision, the SOs shall include in the notification, under paragraph E.9.4.9, both the provisional and final decision or value, so as to identify to the Participant what has changed.</p> <p>The SOs usually provide this in the form of a “Qualification Note” in the FQRs. For the following units, there were changes between the Provisional Qualification Decisions and Final Qualification Decisions, but a Qualification Note was not provided by the SOs in the FQRs.</p> <p>We note each unit affected and the changes in between the FQRs and PQRs in the table below. Please note this Issue Log <b>only</b> relates to the notification about changes, as opposed to whether the changes were correct or not.</p>			
CMU ID	Monitor’s assessment of the change in FQRs compared to PQRs		
[X]	[X]		
[X]	[X]		
[X]	[X]		
[X]	[X]		
[X]			
[X]			
[X]			
[X]			
[X]			
[X]			
[X]			
[X]			
[X]			
[X]			
[X]			
[X]	[X]		
[X]			
[X]			
[X]			
For the following units, there is a difference between the PQR and FQR values at three decimal places (i.e. rounding differences), based on the CMP values.			
[X]	[X]		
[X]	[X]		
[X]	[X]		
[X]	[X]		
[X]	[X]		
[X]	[X]		

[X]	[X]
[X]	[X]
<b>Capacity Auction Monitor's Comments</b>	
<p>We consider this to be non-compliant with E.9.4.11. Although communication of the changes is important for the Participants, both for clarity and understanding, the Monitor did not consider any instances where the lack of communication regarding the above changes would have had a material impact on the auction.</p>	

## B.4. ISSUE LOG 017

Issue ID	Affected auction(s)	Issue status	Compliance status
017	2024/2025 T-1 Capacity Auction	Closed	Non-Compliant

### Summary

Section E.7.8 of the CMC outlines the Alternative Qualification Process (AQP) which the SOs are to apply under certain circumstances. In the FQRs, the SOs have applied this process in some instances which is not in accordance with E.7.8.2.

### Description of Issue

CMC E.7.8.2 outlines requirements for the SOs when they are required to use the AQP to determine Qualification Decisions. In the remainder of this issue log, we highlight several Qualification Decisions that are non-compliant with requirements under E.7.8.2 (specifically parts e, f, g, h and k of this CMC paragraph).

**E.7.8.2 (e)** states that:

*in determining the Gross De-Rated Capacity (Existing) of the Capacity Market Unit in the case of Candidate Units (other than Demand Side Units and Generator Units referred to in paragraph E.2.1.1(e) that are Variable Generator Units), the System Operators shall use the methodology set out in sections E.8.2 and E.8.3 except that, in substitution for the value(s) of Gross De-Rated Capacity (Existing) nominated in the Application for Qualification, they shall use, subject to paragraph E.8.3.2, the product of:*

*(i) the applicable Initial Capacity (Existing) as determined under section E.8.1; and*

*(ii) the De-Rating Factor applicable to that Initial Capacity (Existing) (without applying any tolerance) and Initial Maximum On Time (Existing), as applicable”*

The Gross De-Rated Capacity (Existing) (GDRCE) for some units qualified under the AQP is not equal to the product of applicable Initial Capacity Existing (ICE) and the relevant De-Rating Factor in all appropriate cases as set out under CMC E.7.8.2. These are shown in the table below.

CMU ID	Generator Unit ID	Technology Class	A. ICE (FQRs)	B. Existing De-Rating Factor (FQRs)	C. GDRCE (FQRs)	D = AxB (calc)
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]

E.7.8.2 (f) states that:



We have identified [X] units in the FQRs where this is not the case.

25

[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]

E.7.8.2 (g) states that:

in determining the Gross De-Rated Capacity (New) of the Capacity Market Unit in the case of Candidate Units (other than Demand Side Units and Generator Units referred to in paragraph E.2.1.1(e) that are Variable Generator Units), the System Operators shall use the methodology set out in sections E.8.2 and E.8.3 except that, in substitution for the value(s) of the Gross De-Rated Capacity (Existing) nominated in the Application for Qualification, they shall use the value determined under paragraph (e) and in substitution for the value of Gross De-Rated Capacity (New) nominated in the Application for Qualification they shall use the product of:

- i. the applicable Initial Capacity (Total) as determined under section E.8.1; and
- ii. the De-Rating Factor applicable to that Initial Capacity (Total) (without applying any tolerance) and Initial Maximum On Time (Total) and Initial Annual Run Hour Limit (Total), as applicable, less the Gross De-Rated Capacity (Existing) determined under subparagraph (e);

We have identified [X] cases the Gross De-Rated Capacity (New) (GDRCN) for relevant units with New Awarded Capacity did not equal to the value implied by this CMC item. These cases are shown in the Table below.

CMU ID	Generator ID	A. New Awarded Capacity (FQRs)	B. New Gross De-Rated Capacity (FQRs)	C. New Initial Capacity (FQRs)	D. New De-Rating Factor (FQRs)	E = CxD (Calc)
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]	[X]	[X]

E.7.8.2 (h) states that:

the Gross De-Rated Capacity (New) of the Capacity Market Unit in the case of a Demand Side Unit or a Generator Unit referred to in paragraph E.2.1.1(e) that is a Variable Generator Unit, shall be the volume of any Awarded New Capacity associated with that unit for the Capacity Year (which may be zero);

We have identified 6 cases where this is not the case in the PQRs that were made available to participants on CMP. These cases are shown in the Table below.

CMU ID	Generator ID	Technology	New Awarded Capacity (FQRs)	GDRCN (FQRs)
[X]	[X]	[X]	[X]	[X]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

E.7.8.2 (k) states that:

in determining the Firm Offer Requirement, the System Operators shall use the methodology set out in section E.8.5, except that they shall use their own assessment of the unit's Firm Network Access Capacity or Net De-Rated Capacity (Existing) and Net De-Rated Capacity (New) (as applicable).

For [REDACTED] units the net firm offer requirement is not equal to the value implied by the CMC team when applying the methodology set out in E.8.5.1. We consider this non-compliance with E.8.5.1, as set out in IL015, to also be non-compliance with E.7.8.2 (k).

#### **Capacity Auction Monitor's Comments**

We consider this to be non-compliance with CMC E.7.8.2 (e), E.7.8.2 (f), E.7.8.2 (g), E.7.8.2 (h), and E.7.8.2 (k).

We have not identified any instances where the errors listed in this IL had a material impact on the auction.

## B.5. ISSUE LOG 018

Issue ID	Affected auction(s)	Issue status	Compliance status	
018	2024/2025 T-1 Capacity Auction	Closed	Non-compliant	
Summary				
As per CMC C.3.2.3, C.3.5.1 and E.8.1.2, the Initial Capacity (Existing) for several generator units has been incorrectly calculated by the SOs.				
Description of Issue				
<p>CMC C.3.2.3 states that “For a Generator that is part of an Aggregated Generator Unit, the Initial Capacity (Existing) for a Capacity Year shall be its contribution to the Registered Capacity of the Aggregated Generator Unit, and, where applicable, shall be consistent with the relevant Generator Aggregator System Operator Agreement.”</p> <p>CMC C.3.2.4. states that “For an Aggregated Generator Unit, the Initial Capacity (Existing) for a Capacity Year shall be the sum of the Initial Capacity (Existing) of the Generators that comprise the Aggregated Generator Unit.”</p> <p>For [REDACTED] Aggregated Generator Units, the Initial Capacity (Existing) contribution from each generator does not sum to the total of the Registered Capacity of the Aggregated Generator Unit. We note that these units are the same as reported in IL004 at the PQR stage. In their response to IL004, the SOs indicated that the values would be corrected for the FQRs however, for some units, this has not taken place.</p> <p>For [REDACTED], the difference between the Registered Capacity and the AGU level sum of the Existing Initial Capacity value is [REDACTED]MWs. This is the same as the missing capacity from [REDACTED] which is explained in IL013.</p> <p>With the exception of Generator ID [REDACTED], all units have the same Existing Initial Capacity reported in the FQRs as in the PQRs.</p>				
Generator Unit ID	Registered Capacity (SO workings)	Generator ID	Existing Initial Capacity (FQRs)	Calculation
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]







[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]

Generator Unit ID	Registered Capacity	Generator ID	Existing Initial Capacity	Calculation
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]

CMC E.8.1.2 states that:

*“If the System Operators:*

- (a) consider that a value determined under paragraph E.8.1.1 is inconsistent with the applicable Connection Agreement(s) or Connection Offer(s) (or, in the case of a Demand Side Unit, the unit’s DSU MW Capacity or expected DSU MW Capacity);*
- (b) consider that a value determined under paragraph E.8.1.1 in respect of Existing Capacity is inconsistent with the Registered Capacity, DSU MW Capacity or Effective Import Capacity of the relevant Generator Unit or Interconnector (or Generator contributing to an Aggregated Generator Unit) (as applicable); or*
- (c) are applying the Alternative Qualification Process,*  
*then:*
- (d) the System Operators shall determine the value of the Initial Capacity (Existing) and the Initial Capacity (Total) for the relevant Generator Unit or Interconnector (or a Generator contributing to an Aggregated Generator Unit) using the approach set out in section C.3 (as applicable) (but as modified in accordance with section C.3.5); and*
- (e) the values so determined shall be used for the purposes of all calculations under this Code.”*



The SOs did not determine Initial Capacity values that were compliant for the above AGU and its Generators under E.8.1.2 part (d) above.

CMC C.3.5.1 highlights that the SOs should use the approach set out in section C.3.2 when calculating Initial Capacity. Therefore, we also highlight an issue of non-compliance associated with C.3.5.1.

#### **Capacity Auction Monitor's Comments**

We consider this to be non-compliance with CMC C.3.2.3, C.3.5.1 and E.8.1.2.

For [3<], the Net De-rated Capacity (Existing) would have been zero due to previously Awarded Capacity even after correction of the error. For [3<], if the unit's Registered Capacity is [3<]MWs, then [3<] should have had a further [3<]MWs of Initial Capacity. However, this would have still resulted in a Net De-rated Capacity (Existing) of zero given the previously Awarded Capacity of [3<] MW.

## B.6. ISSUE LOG 019

Issue ID	Affected auction(s)	Issue status	Compliance status
019	2024/2025 T-1 Capacity Auction	Closed	Non-Compliant
Summary			
CMC Section E.8.3 sets out the approach to determining Gross De-Rated Capacity and Net De-Rated Capacity of Capacity Market Units (CMUs). For several CMUs, the values included in the Final Qualification Results (FQRs) do not align with the values calculated through the application of the formula outlined in this section of the CMC.			
Description of Issue			
CMC E.8.3.1 (a) states that for CMU: <div><i>The Gross De-Rated Capacity (Existing) is the sum of the Gross De-Rated Capacity (Existing) of each Generator Unit or the Interconnector comprising that Capacity Market Unit;</i></div>			
Several CMUs had a GDRCE which was not equal to the sum of the GDRCE of all the comprising generator units. In the table below, FQRs from the Capacity Market Platform are shown in the second column. The third column shows GDRCE values from the FQDs sent to the RAs.			
CMU ID	Sum of GDRCE of all generator units in CMU (FQRs)	GDCRE of CMU	
[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	
By definition, as the Gross De-Rated Capacity Existing appears to have been incorrectly calculated, this means that CMC E.8.3.1 (c) is also non-compliant: <div><i>The Gross De-Rated Capacity (Total) is the sum of the Gross De-Rated Capacity (Existing) and Gross De-Rated Capacity (New).</i></div>			
Capacity Auction Monitor’s Comments			
We consider this to be non-compliance with CMC E.8.3.1.			
The differences in these values look to be rounding differences at 3 d.p.s. and could be explained by differences in the rounding of the Monitor’s input data compared to the calculations in the CMP. Any impact on the auction would therefore be small. All units listed in this IL have previously Awarded Capacity higher than the GDRCE values presented in the table above therefore even if the GDRE values are incorrect, it would not affect the Net De-Rated Capacity of the units.			

## B.7. ISSUE LOG 020

Issue ID	Affected auction(s)	Issue status	Compliance status
020	2024/2025 T-1 Capacity Auction	Closed	Non-Compliant
<b>Summary</b>			
<p>CMC F.4.1.4 requires the SOs to submit an LCC determination no later than two working days after the Provisional Qualification Results Date. This requirement was not met.</p> <p>CMC F.4.1.6 requires the SOs to reduce the LCC Required Quantity to the total quantity of Gross De-Rated Capacity (Total) if the value determined under CMC F.4.1.1 (c) is greater than zero, and CMC F.4.1.7 requires the SOs to notify the RAs of the reduction. This, however, was not undertaken.</p>			
<b>Description of Issue</b>			
<p><b>CMC F.4.1.4</b> requires the SOs to make a determination under CMC F.4.1.1 (Locational Capacity Constraints) based on the Provisional SO Qualification Decisions and submit the values to the RAs no later than two working days after the Provisional Qualification Results Date. As specified in the Capacity Auction Timetable, the Provisional Qualification Results Date was 25<sup>th</sup> January 2024. However, the SOs did not submit the LCC determination, as required by F.4.1.4, until 21<sup>st</sup> February 2024, more than two working days later.</p> <p><b>CMC F.4.1.6</b> requires the SOs, when making an LCC determination based on the Final Qualification Decisions, to reduce the LCC Required Quantity to the total quantity of Gross De-Rated Capacity (Total) if the value determined under CMC F.4.1.1 (c) is greater than zero. <b>CMC F.4.1.7</b> requires the SOs to notify the RAs if the LCC Required Quantity is reduced under CMC F.4.1.6.</p> <p>As shown in the table below, the value determined under CMC F.4.1.1 (c) was greater than zero for each LCC area, however, the SOs did not reduce the LCC Required Quantity in the table submitted to the RAs in the FAIP, or notify the RAs of a quantity reduction.</p>			
LCC Area	Value determined under CMC F.4.1.1 (c)	Gross De-Rated Capacity (Total, GW)	LCC Required Quantity (GW) (FAIP)
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
<b>Capacity Auction Monitor's Comments</b>			
<p>We consider this to be non-compliance with CMC F.4.1.6 and F.4.1.7. However, the fact that the LCC quantity was not reduced did not have a material impact on the auction outcome and we have no indication that the delay in providing the information to the RAs has had any impact on the auction.</p>			

## B.8. ISSUE LOG 021

Issue ID	Affected auction(s)	Issue status	Compliance status
021	2024/2025 T-1 Capacity Auction	Closed	Non-compliant
<b>Summary</b>			
The SOs did not include the ' <i>final Capacity Auction Threshold for the Capacity Auction</i> ' in the Final Auction Information Pack, as is required under CMC F.5.1.3.			
<b>Description of Issue</b>			
<p>As per CMC F.5.1.2, the SOs are required to publish a Final Auction Information Pack (FAIP) for each Capacity Auction that includes the items listed under CMC F.5.1.3.</p> <p>In the FAIP for the 2024/2025 T-1 Capacity Auction, published on 4<sup>th</sup> April 2024, the SOs did not include F.5.1.3 (q), '<i>the final Capacity Auction Threshold for the Capacity Auction</i>', as is required.</p>			
<b>Capacity Auction Monitor's Comments</b>			
<p>We consider this to be non-compliance with CMC F.5.1.3. We do not believe this to have had an impact on the auction.</p> <p>We also note that the Capacity Auction Threshold is not defined in the CMC and is not listed as a requirement for inclusion in the IAIP. Under CMC D.3.1.2, the SOs are required to include a Capacity Aggregation Threshold for the Capacity Auction, as determined by the RAs, in the IAIP.</p> <p>We recommend that the CMC be updated to clarify if the Capacity Auction Threshold referred to in CMC.F.5.1.3 is the same as the Capacity Aggregation Threshold mentioned in CMC D.3.1.2, or alternatively, define the Capacity Auction Threshold in the CMC.</p>			

## B.9. ISSUE LOG 022

Issue ID	Affected auction(s)	Issue status	Compliance status
022	2024/2025 T-1 Capacity Auction	Closed	Non-Compliant
<b>Summary</b>			
<p>CMC F.8.2.1 (b) requires the SOs to use the Awarded Capacity in respect of Capacity Market Units that contribute to satisfying that LCC. The SOs, however, in conducting the 2024/25 T-1 Capacity Auction, did not use the correct Awarded Capacity value for the L2-1: Greater Dublin LCC (and by construction also the L1-2: Ireland LCC).</p> <p>Additionally, the SOs qualified a unit through the Alternative Qualification Process under CMC E.7.8.1, but this was not required for this unit as its Awarded Capacity had been terminated. CMC E.9.4.2 (d) sets out that the SOs should reflect any updated information or change in circumstances affecting the Participant which the System Operators become aware of.</p>			
<b>Description of Issue</b>			
<p>CMC F.8.2.1 (b) requires the SOs, for each LCC, to use the following information when conducting a Capacity Auction:</p> <ul style="list-style-type: none"> <li>the Net Required Quantity that will apply in the Capacity Auction, being the greater of zero and: <ul style="list-style-type: none"> <li>the Locational Capacity Constraint Required Quantity required to satisfy the Locational Capacity Constraint; less</li> <li>the Awarded Capacity for the Capacity Year in respect of Capacity Market Units that contribute to satisfying that Locational Capacity Constraint;</li> </ul> </li> <li>the Net Maximum Quantity that will apply in the Capacity Auction, being the greater of zero and: <ul style="list-style-type: none"> <li>the Locational Capacity Constraint Maximum Quantity that can be cleared under the Locational Capacity Constraint; less</li> <li>the Awarded Capacity for the Capacity Year in respect of Capacity Market units that contribute to satisfying that Locational Capacity Constraint.</li> </ul> </li> </ul> <p>The Awarded Capacity for the Capacity Year, in respect of CMUs that contribute to satisfying the L2-1: Greater Dublin LCC, used in the Capacity Auction was not correct.</p> <p>Table 8 displaying Awarded Capacity in the FAIP was consistent with the values used in the CMP, however these values were both incorrect as they did not account for the termination of [X]MW of Awarded Capacity for [X]. The termination notice for this capacity was published on 14<sup>th</sup> February 2024 which means that it should have been accounted for in the FAIP, which was published on 4<sup>th</sup> April 2024.</p> <p>The implication of this is that the Awarded Capacity for L2-1: Greater Dublin LCC and L1-2 Ireland was set [X] MWs too high and that the Net Required Quantity was set [X] MWs too low. We consider this to be non-compliant with F.8.2.1 (b).</p> <p>We also judge this to be non-compliant with CMC E.9.4.2 (d) which sets out that the SOs should reflect any updated information or change in circumstances affecting the Participant which the System Operators become aware of in the FQDs. The SOs confirmed that not deducting the [X] MW from the previously Awarded Capacity value was an omission.</p>			

We also note that the SOs qualified [3<] through the Alternative Qualification Process in respect of its Awarded Capacity. This was not required following the termination notice for its Awarded Capacity and given the fact that this unit has no existing capacity.

Finally, the Monitor also notes that a further termination was not accounted for. The SOs did not adjust the capacity to be procured in this auction to reflect the termination of [3<] for [3<] MWs. This termination notice was published on 17<sup>th</sup> April 2024 which fell after the publication of the FAIP and the date at which auction parameters were confirmed, but before the bid submission window opened and before the auction was run.

#### Capacity Auction Monitor's Comments

We consider this to be non-compliant with F.8.2.1. The Monitor notes that the combination of previously Awarded Capacity and the qualified de-rated capacity from this Qualification process was not enough to reach the minimum Required Quantity for any of the LCC areas. As a result, all capacity offered into the auction was cleared. Therefore, on this occasion, the auction outcome was not affected by the fact that Awarded Capacity was not accounted for correctly.

We also note that the CMC is not clear how the SOs and RAs should account for termination notices that are received after the publication of the FAIP.



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