

CMC_05_20

Implement amendments as required by the Clean Energy Package Regulation EU 2019/943

CMC Workshop

31 March 2020

Overview

- EU Electricity Regulation 2019/943 came into force 4 July 2019
- Introduced a number of measures specifically relating the Capacity Market
- Focus of this Modification is on Article 22 (4) and (5) re emissions limits within the Capacity Market
- In order to commit to or receive capacity payments the following emissions limits apply for contracts awarded from January 2020 onwards
 - Capacity commencing commercial production after 4 July 2019 is subject to 550g of CO₂ per kWh
 - Capacity which commenced commercial production before 4 July 2019
 - Has until 1 July 2025 to comply with emissions limits (550g of CO₂ per kWh and 350kg CO₂ on average per year per installed kW_e)

Code Objectives Furthered

- (e) to facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner;*
- (f) to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market;*
- (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, reliability, and security of supply of electricity across the Island of Ireland.*

The Modification Drafting

- Adds checks at various stages to ensure that CMUs comply with the CO2 Limits set out in the CEP
 - At Application (E.2.1.6)
 - At validation of Application (E.7.2.3)
 - At validation of *aggregated* CMU Applications (E.7.4.4/5)
 - At validation of *new* CMU Applications (E.7.5.1)
 - At Substantial Completion (J.2.1.1)
 - At Minimum Completion (J.6.1.1)
- Adds an obligation for capacity to comply with the CEP (I.1.2.1)
- Creates an obligation on the SOs to produce a methodology to determine if a CMU complies with the CO2 limits (D.4.1)
 - Current thinking is to remove this section and rely on the definition of CO2 Limits in the Glossary. Applicants and the SOs would use the CEP Directive, Acer Opinion and associated documentation to determine and validate CO2 emission rates.
- Adds new definition for CO2 Limits to Glossary and additional information requirement to Application Data in Appendix D

Capacity Auction affected

T-4 CY2023/24 Auction

- Glossary definition for CO2 Limits
- Obligations for awarded capacity (I.1.2.1)
- Substantial Completion (J.2.1.1)
- Minimum Completion (J.6.11)

Future Auctions

- Same as mentioned for T-4 CY2023/24
- Qualification (E.2)
- TSOs ability to reject Qualification (E.7)
- Appendix D Qualification Data
- Possible introduction of CO2 Methodology (D.4)

Next Steps

- RAs to prepare timetable
- RAs to publish consultation on modifications
- Following consultation RAs will make their decision