



**Single Electricity Market  
(SEM)**

**Capacity Market Code**

**Approved Modification Text Drafting for Decision on  
modified and combined Modifications to Facilitate  
Delivery of Capacity**

**SEM-23-108**

**21 December 2023**

## Introduction

The purpose of this paper is to set out the approved legal drafting reflecting the policy decision made in [SEM-23-101](#) and to confirm the SEM Committee's decisions on the Capacity Market Code (CMC) Modification Proposals CMC\_01\_23, CMC\_04\_23, CMC\_09\_23, CMC\_10\_23, CMC\_16\_23 and CMC\_23\_23.

The SEM Committee has decided to make two Modifications that are materially different from those proposed, and in doing so has modified and combined the following, having due regard to the issues raised in the Modification Proposals CMC\_01\_23, CMC\_04\_23, CMC\_09\_23, CMC\_10\_23, CMC\_16\_23 and CMC\_23\_23, with the legal drafting included below.

B.12.11.4 of the CMC states:

*The Regulatory Authorities may make a Modification that is different (including one that is materially different) from that proposed in a Modification Proposal, Workshop or consultation notice if the Regulatory Authorities are satisfied that, having regard to the issue or issues that were raised by the Modification Proposal, that the different Modification will or is likely to better contribute to the achievement of the Capacity Market Code Objectives.*

Modification	Decision	Implementation Date
<b>CMC_01_23:</b> Amendment to Substantial Completion Drafting	Make the combined modification with the legal drafting included below	1 January 2024
<b>CMC_04_23:</b> Introduction of remedial action for unforeseeable delays due to extraordinary supply chain impacts	Make the combined modification with the legal drafting included below	1 January 2024
<b>CMC_09_23:</b> Removal of Section J.6.1.6 of the Capacity Market Code	Make the combined modification with the legal drafting included below	1 January 2024
<b>CMC_10_23:</b> Mitigation of Impact on Participants relating to 3 <sup>rd</sup> Party Gas Connection delays	Make the combined modification with the legal drafting included below	1 January 2024

<b>CMC_16_23:</b> Extension to New Capacity Impacted by Indexation	Make the combined modification with the legal drafting included below	1 January 2024
<b>CMC_23_23:</b> Mitigation of Impact on Participants relating to System Operator Grid Connection delays	Make the combined modification with the legal drafting included below	1 January 2024

## Approved Modifications to Capacity Market Code Drafting

**Note: drafting in J.5.7 is to give effect to Modification 1, and drafting in J.5.8 is to give effect to Modification 2**

### **J.5.7 Extension of Long Stop Date and Capacity Quantity End Date and Time pursuant to Extension of Date for Substantial Financial Completion**

- J.5.7.1 The provisions of this section J.5.7 apply to Awarded New Capacity with a Maximum Capacity Duration of more than one Capacity Year, allocated pursuant to T-3 or T-4 Auctions for the Capacity Year beginning 1 October 2024 and to Auctions for subsequent Capacity Years, until such time as the Regulatory Authorities consider appropriate.
- J.5.7.2 Where a Participant or an Enforcing Party (on behalf of a Participant) applies to the Regulatory Authorities to extend the date of the Substantial Financial Completion under paragraph J.5.2.1, the Participant or an Enforcing Party (on behalf of a Participant), may apply to the Regulatory Authorities to extend the Long Stop Date and the Capacity Quantity End Date and Time associated with a Capacity Market Unit by a period no greater than the period of extension sought to the Substantial Financial Completion period.
- J.5.7.3 The application under paragraph J.5.7.2 shall be in the form and made in the manner prescribed by the Regulatory Authorities and shall include:
- i) Any information specified as required by the Regulatory Authorities;
  - ii) reasons for the request in reasonably sufficient detail to enable the Regulatory Authorities to consider the request, together with sufficiently detailed supporting evidence;
  - iii) details of the actions being taken to rectify the issues causing the delay;
  - iv) detailed plan to rectify those issues;
  - v) the tasks that need to be undertaken to achieve Substantial Completion; and
  - vi) details of any impact on other Implementation Plan dates, with detailed reasoning.
- J.5.7.4 The Regulatory Authorities may decide to extend either the Long Stop Date or the Capacity Quantity End Date and Time or both.
- J.5.7.5 When considering any application under paragraph J.5.7.2, the Regulatory Authorities may request such further information about the application and/or about the Awarded New Capacity from the relevant Participant or from the System Operator as they deem appropriate.
- J.5.7.6 Where the Regulatory Authorities accept a request under paragraph J.5.7.2, they shall advise the System Operators of the new Long Stop Date and Capacity Quantity

End Date and Time, and any other changed Implementation Plan dates and the System Operators shall record those changes in the Capacity and Trade Register.

J.5.7.7 Any application made under paragraph J.5.7.2 should be made as soon as reasonably practicable and, in any event, at least 20 Working Days prior to the scheduled date for achieving Substantial Financial Completion in the relevant Implementation Plan.

J.5.7.8 Where the Capacity Market Unit which meets the criteria set out in paragraph J.5.7.2 has been granted an extension to the Substantial Financial Completion Date prior to 1 January 2024 but has not yet achieved Substantial Financial Completion by 1 January 2024 a Participant or an Enforcing Party may apply to the Regulatory Authorities for an extension to the Long Stop Date and the Capacity Quantity End Date and Time commensurate with the extension to the Substantial Financial Completion Date extension already granted, provided that the applicant:

- i) makes that application within 20 Working Days of 1 January 2024; and
- ii) provides the information set out in J.5.7.3, (and any other information required by the Regulatory Authorities).

#### **J.5.8 Extension to Long Stop Date and Capacity Quantity End Date and Time after achieving Substantial Financial Completion**

J.5.8.1 The provisions of this section J.5.8 apply to Awarded New Capacity with a Maximum Capacity Duration of more than one Capacity Year, allocated pursuant to T-3 or T-4 Auctions for the Capacity Year beginning 1 October 2024 and to Auctions for subsequent Capacity Years, until such time as the Regulatory Authorities consider appropriate.

J.5.8.2 Where a Participant or an Enforcing Party (on behalf of a Participant) has already achieved Substantial Financial Completion, but has not yet achieved Minimum Completion and does not expect to achieve Minimum Completion before the Long Stop Date, the Participant or an Enforcing Party (on behalf of a Participant) may apply to the Regulatory Authorities for:

- i) an extension to the Long Stop Date; and
- ii) an extension to the Capacity Quantity End Date and Time.

J.5.8.3 The application under paragraph J.5.8.2 shall be in the form and made in the manner prescribed by the Regulatory Authorities and shall include:

- i) Any information specified as required by the Regulatory Authorities;
- ii) reasons for the request in reasonably sufficient detail to enable the Regulatory Authorities to consider the request, together with sufficiently detailed supporting evidence;

- iii) details of the actions being taken to rectify the issues causing the delay;
- iv) a detailed plan to rectify those issues;
- v) the tasks that need to be undertaken to achieve Substantial Completion; and
- vi) details of any impact on other Implementation Plan dates, with detailed reasoning.

J.5.8.4 The Regulatory Authorities may decide to extend either the Long Stop Date or the Capacity Quantity End Date and Time or both.

J.5.8.5 When considering any application under paragraph J.5.8.2, the Regulatory Authorities may request further information on the Awarded New Capacity from the relevant Participant or from the System Operator as it deems appropriate.

J.5.8.6 Where the Regulatory Authority accepts a request under paragraph J.5.8.2, they shall advise the System Operators of the new Long Stop Date and Capacity Quantity End Date and Time, and any other changed Implementation Plan dates and the System Operators shall record those changes in the Capacity and Trade Register.

J.5.8.7 Any application made under J.5.8.2 should be made as soon as reasonably practicable and, in any event, at least 3 months prior to the scheduled Long Stop Date.