

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by System Operator)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by System Operator)</i>
System Operators	4 May 2023	Standard	CMC_13_23
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Varun Singh		capacitymarket@sem-o.com	
Modification Proposal Title			
Min Completion Prior to Long Stop Date			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of CMC used in Drafting	
CMC	G.3, J.6	8.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>This Proposal will amend the current CMC rule whereby if Minimum Completion has been achieved but Substantial Completion has not the Party will no longer have to wait until the Long Stop Date to receive their Capacity payment.</p> <p>This proposal will allow Participants who achieve Minimum Completion to inform the System Operator via an updated Implementation Progress Report (available on the SEMO website here) once they are aware of the situation, rather than having to wait until the Long Stop Date. The scheduled dates for submitting the IPR for each Capacity Auction are found in the Final Auction Information Pack (FAIP) however Parties can submit the IPR as required.</p> <p>To achieve this, an update to the CMC code is required, with the change detailed below. We also propose to inset a new line in the G.3.1.8 Capacity and Trade Register table</p>			
Legal Drafting Change			
<i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>			
<p>J.6.1.4 Where, by the Long Stop Date, Awarded New Capacity has achieved Minimum Completion but has not achieved Substantial Completion:</p> <p>(a) the System Operators shall, subject to paragraph J.6.1.5, reduce the quantity of Awarded Capacity to the quantity delivered by the Long Stop Date as determined in accordance with the table in paragraph G.3.1.8 and terminate the remainder; and</p> <p>(b) the Participant in respect of the Awarded New Capacity shall have no entitlement under this Code or the Trading and Settlement Code, and shall have no claim against the System Operators, in respect of any such quantity which has not been so delivered by the Long Stop Date.</p>			
<p><u>J.6.1.4A Where, after the beginning of the Capacity Year, Awarded New Capacity has achieved Minimum Completion but has not achieved Substantial Completion and the Participant</u></p>			

acknowledges in an Implementation Progress Report that it does not expect to achieve Substantial Completion by the Long Stop Date:

- (a) the System Operators may, subject to paragraph J.6.1.5, reduce the quantity of Awarded Capacity to the quantity delivered as determined in accordance with the table in paragraph G.3.1.8 and terminate the remainder; and
- (b) the Participant in respect of the Awarded New Capacity shall have no entitlement under this Code or the Trading and Settlement Code, and shall have no claim against the System Operators, in respect of any such quantity which has not been so delivered.

G.3.1.8 The Capacity and Trade Register shall contain the following information:

Status of Capacity	Proportion of Delivered Capacity	Commissioned Capacity (qCCOMMISS _{QY})	Capacity Quantity Commissioning Date	Commissioning Status Flag	Termination
New Capacity, operating but has only achieved Minimum Completion by Long Stop date.	≥ 50% ≤ 90%	Initial Capacity (Existing) + Proportion of Delivered Capacity times [(Awarded Capacity (Total) - Awarded Capacity (Existing)) divided by the Grid Code Commissioned De-Rating Factor]	<u>Minimum Completion date as per (modified) Implementation Plan Long Stop Date</u>	Actual	Awarded Capacity × (1 - Proportion of Delivered Capacity)

Modification Proposal Justification
(Clearly state the reason for the Modification)

The System Operators are introducing this Modification Proposal for discussion with industry and the Regulatory Authorities to address scenarios where more capacity could be allowed to participate in the Capacity Year.

Where capacity achieves Minimum Completion after the beginning of the Capacity Year and the Participant acknowledges that Substantial Completion will not be achieved, this mod proposes that the System Operator can reduce the Awarded Capacity as determined in G.3.1.8 and will terminate the remainder before the Long Stop Date.

Currently, this can only occur after the Long Stop Date. Where a unit that achieves Minimum Completion at the start of the Capacity Year for 10 year Awarded New Capacity, they will have to wait 18 months to get any Capacity Payments and will not be subject to Difference Charges.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)

Approval of this modification proposal will further the following Code Objectives as outlined in the CMC:

A.1.2.1 This Code is designed to facilitate achievement of the following objectives (the “Capacity Market Code Objectives”): (d) to promote competition in the provision of electricity capacity to the SEM; (e) to provide transparency in the operation of the SEM;

Implication of not implementing the Modification Proposal

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

If this proposal is not implemented, it will mean that potentially parties who are unable to reach Substantial Completion but have met Minimum Completion will need to wait till the Long Stop Date and will lose revenue from the start of the Capacity Year to Long Stop Date and will not be subject to Difference Charges.

Impacts

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

This would require process updates in respect of assessment of Minimum Completion.

Please return this form to the System Operators by email to 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.