



# Capacity Market Code Modifications

**WORKSHOP 14 REPORT**

**23 JULY 2020**

**CONFERENCE CALL**

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## Document History

Version	Date	Author	Comment
1.0	31/07/2020	Market Modifications Team	Drafting including all working group comments received following meeting
2.0	07/08/2020	Attendee Review complete and document updated.	Final draft published

## Distribution List

Name	Organisation
Working Group Attendees	Various

## Reference Documents

Document Name
<a href="#">Capacity Market Code</a>
<a href="#">CMC_10_20 Change to determinations made in F.4.1.1</a>
<a href="#">CMC_11_20 Providing greater flexibility for the current interim Secondary Trading Notification (ISTN) process</a>

## In Attendance

Name	Company
Vivion Grisewood	Aughinish Alumina
Peter Harte	Statkraft Ireland
Justin Maguire	Bord Na Mona
Mairead Cousins	Enel X
Robert Flanagan	Electricity Exchange
Jon Sedgwick	Veolia Ireland
Ian Mullins	Bord Gais
George Haughton	EirGrid
Sean McParland	Energia
Paraic Higgins	ESB
Aodhagan Downey	EirGrid
Mark Gormley	SONI
Kevin Lenaghan (Chair)	UR
Stuart Ffoulkes	UR
Stacy Feldmann	SSE
Katia Compagnoni	SEMO
Brendan O'Sullivan	SEMO
Sandra Linnane	EirGrid
Esther Touhey	SONI

The Secretariat welcomed all to Workshop 14. The Secretariat gave an overview of the Programme of Work noting that there were a number of approved Modifications on the baseline and with a number of decisions due in August and September 2020.

### 1.1 CMC\_10\_20

UR presented Modification Proposal ([Presentation Material available here](#))

The Proposer provided a background on the Modification Proposal noting that this was a technical housekeeping Modification Proposal to improve the communication between the RAs and SOs and provide more clarity to the process of determining the Capacity already awarded within a Locational Capacity Constraint. The Proposer went through the slides advising that there would be three changes to the legal drafting, which would tidy up F.4.1.1 and clarify that the Locational Capacity Constraint Required Quantity is gross.

The TSOs questioned one point that referred to the terms existing Awarded Capacity and if that was Awarded Capacity that has already been previously awarded as it could be confused with defined terms already in use. The Proposer agreed with the TSO that by removing the word “existing” or changing the terminology used, confusion would be avoided.

A Generator Participant noted that if the above was to be cleared up it may be beneficial to also tidy up the wording in F.8.2.1. The RAs explained the rationale for having included the change in section F as this is where the use would occur but they would consider the inclusion elsewhere. A request was also made to include the values of Awarded Capacity from previous auctions by Locational Capacity Constraint in the Final Auction Information Pack. The Proposer advised that this may require a system change but it could be considered.

#### **Modification Status – RA Consultation**

### 1.2 CMC\_11\_20

Energia presented Modification Proposal ([Presentation Material available here](#))

The Proposer from Energia went through the presentation advising that this Modification Proposal would provide more flexibility in terms of notice periods to activate and cease/amend an Interim Secondary Trade Notification (ISTN).

The Proposer noted that the intention of the Modification was to reduce the timeframe for activating an ISTN to 5 Working Days and also to allow an ISTN to be amended with 1 Working Days’ notice. The Proposer went through a worked example advising that the new process would introduce flexibility.

The TSOs commented that they were open to the broader intention of Modification Proposal noting that the text in the Capacity Market Code was developed prior to go-live and accepted that improvements could be made. It was advised that this is a manual process and there was time involved to make sure everything was correct. The TSOs believed that the change to make ISTNs outage specific would avoid some confusion in respect of the current process. Reducing the notice period from *10 Working Days prior to the beginning of the relevant month* to *5 Working Days prior to the commencement of the outage* would be achievable; however, the 1 day turnaround for *amend/cease instructions* would not be feasible under the current process. Amend/Cease instructions would in effect be new trades and they have to be subjected to all the relevant checks for which a one day turnaround without, having an automated process, would not be possible.

The Proposer appreciated there was difficulty involved but noted that there is no incentive for Generators to reduce their outages the way it is currently structured. If the internal process can be expedited or improved there would be a real benefit to the System by incentivising Generators to reduce their outages time and declare partial / full availability. The TSOs agreed that this incentive would be beneficial and advised that it was important to review the process of entering in Secondary Trades noting that the full return to service marks the end of the Outage and this is already provided in the current rules. The Proposer pointed out that if the ISTN is still active, the unit will not receive RO payments if returned early from an Outage. The TSO replied that the process already provides for an early return to full Capacity but a return to partial availability is not provided for and would need to be looked at separately.

A few more examples were discussed and there was agreement that flexibility could be provided around the points raised highlighting the benefits of an early return of partial or full Capacity.

This proposed functionality should be looked together with the changes from CMC\_09\_19. The TSOs advised that a Participant could forward a sculpted time-varying profile of what was expected over the following e.g. two weeks of the outage and that the benefit of the proposal should be considered in the context of the costs and time required to implement it. The Proposer advised that, sculpting the profile in advance would not address last minute changes, which are common in tests. Following a discussion, it was agreed that a version 2 would be required with changes to the legal drafting in this Modification Proposal. For example, an update to M.7.2.6 part (d) was also required highlighting a change to time period in addition to quantity.

The Proposer agreed with the benefit of aligning CMC\_09\_19 and CMC\_11\_20 and the expectation was that when consulting on CMC\_09\_19 the RAs would take this Modification Proposal into account. A Supplier Participant agreed with this but advised that whatever model is agreed it is put forward to Participants as soon as possible and that any efficiency should not come at the expense of a timely implementation of CMC\_09\_19, which should not be delayed because of this.

The TSOs concluded that it was important that there is a process for secondary trading that provides incentive to Participants to take outages at times when there is least impact of the system. CMC\_09\_19 would provide this as Generator Units would get a better price for trades taken during periods where there was a lower risk of system scarcity. CMC\_11\_20 could improve the current process which would then act as process of last resort for any outages or part of outages that could not be traded via CMC\_09\_19.

### **Modification Status – RA Consultation**

## **2 AOB**

Secretariat thanked all for attending the Workshop and confirmed that Capacity Market Workshop 15 will take place on Tuesday, 22<sup>nd</sup> September 2020 with a submission deadline of 8<sup>th</sup> September 2020.

### **2.1 NEXT STEPS**

- 1) TSOs to publish Workshop Report.
- 2) RAs to publish timetable for consultation and decision.
- 3) RAs to update the legal drafting in CMC\_10\_20 on section F.4.1.1 and F.8.2.1 removing “existing” to provide more clarity.
- 4) RAs to include values of Awarded Capacity from previous auctions.
- 5) Proposer to update the legal drafting in CMC\_11\_20 including a need to sculpt the ISTN quantity into this.
- 6) RAs to take CMC\_11\_20 into consideration when deciding on CMC\_09\_19.

**Status as at 23 July 2020**

**Modification Proposals ‘Under Consultation’ without System impacts**

<b>Title</b>	<b>Sections Modified</b>	<b>Sent</b>	<b>Decision Due</b>
CMC_09_20 Modification to the Long Stop Date for the CY2020/21 T-1 Capacity Auction	Section M	In Consultation	18/08/20
CMC_09_19 Supplementary Interim Secondary Trading	M.10	In Consultation	18/09/20

**Modification Proposals ‘Under Consultation’ with System impacts**

CMC_08_20 Change Awarded Existing Capacity to Awarded New Capacity	I	In Consultation	18/09/20
CMC_07_20 Change in Technology Class	C,G,J	In Consultation	18/09/20

**Modification Proposals ‘Recommended for Rejection**

N/A	N/A	N/A	
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**RA Decision ‘Further Work Required**

N/A	N/A	N/A	
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**RA Decision Approved Modifications with System Impacts**

CMC_05_20 Implement amendments as required by the Clean Energy Package Regulation EU 2019 / 943	Various	27 <sup>th</sup> April 2020	
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**RA Decision Approved Modifications with no System Impacts**

CMC_03_20 Modification to the Long Stop Date for the CY2023 / 24 T-4 Capacity Auction	M. Interim Arrangements	30 <sup>th</sup> March 2020	
CMC_02_20 Modification to the required timeframe for a T-4 Capacity Auction to take place	M. Interim Arrangements	12 <sup>th</sup> February 2020	
CMC_08_19 Housekeeping Mod E.8.2.5 & E.8.2.8	E.8.2.5 & E.8.2.8	17 <sup>th</sup> February 2020	

**RA Decision Rejected**

CMC_07_19 Treatment of Multiyear Contracts in the Event of Simultaneous Capacity Auctions	E.9, F.3, F.7, F.9.3	30 October 2019	
CMC_04_20 Providing greater flexibility for New Capacity to combine Candidate Units into a single Capacity Market Unit	Section E.7.6	25 <sup>th</sup> June 2020	
CMC_06_20 Combining Capacity Units into a Capacity Market Unit Proposed Changes	Section E.7.6	25 <sup>th</sup> June 2020	

**Withdrawal Notifications**

CMC_01_20 Modification to the required timeframe for a T-4 Capacity Auction to take place	D.2.1.5, Glossary	22 January 2020	
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**Modification Proposal Extensions**

N/A	N/A	N/A	
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**Capacity Working Group 15 – 22 September 2020 (Conference Call)**