



Capacity Market Code Modifications

WORKSHOP 25 REPORT

26TH MAY 2022

CONFERENCE CALL

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Document History

Version	Date	Author	Comment
1.0	26 th May 2022	Market Modifications Team	Drafting including all working group comments received following meeting
2.0	14th June 2022	Attendee Review complete and document updated.	Final draft published

Distribution List

Name	Organisation
Working Group Attendees	Various

Reference Documents

Document Name
Capacity Market Code
CMC_10_21 Modification to the provisions for Market Registration of Demand Side Units
CMC_04_22 New Reference Rates for Default Interest
CMC_05_22 Housekeeping – Correction overlap of CMC_03_21 and CMC_04_21
CMC_06_22 New Independent Combined Units
CMC_07_22 Joint Market Registration Variation in Mix
CMC_08_22 Local Capacity Constraints Maximum Quantities
CMC_09_22 Secondary Trade Approval Notification

In Attendance

Name	Company
Paul McGuckin	Moyle Interconnector Limited
Clare McGurran	Powerhouse Generation
Donna Maye	UR
Paraic Higgins	ESB GT
Mark Gormley	Powerhouse Generation
Jon Sedgwick	Viotas
Martina Assereto	Enel X
Dairine Frawley	Orsted
Vlastimil Buzek	Viotas
Mairead Cousins	Enel X
Justin Maguire	Bord na Mona
Siobhan McHugh	DRAI
Martin McCarthy	EirGrid
Christopher Goodman	SONI
John Tracey	EirGrid

Kevin Lenaghan (Chair)	UR
Kevin Hannafin	Energia
Siobhan McHugh	DRAI
Laura Leonard	Grid Beyond
Sean McParland	Energia
Katia Compagnoni	EirGrid
Eoghan Cudmore	Bord Gais Energy
Cormac Daly	Tynagh Energy
Damhnait Gleeson	CRU
Aodhagan Downey	EirGrid
Marc Curran	EirGrid
Stuart Ffolkes	UR
Paul Bell	UR
Sandra Linnane	EirGrid
Esther Touhey	SONI

The Secretariat welcomed all to Workshop 25. The Secretariat gave an overview of the Programme of Work noting that there are 2 proposals on the baseline. It was advised that there would be a further Code Update later in the year.

TSO Update

TSO provided an update on CMC_11_21 advising that engagement with the vendor was continuing regarding impacts to the system, indicative costs and lead time. It was noted that the changes would be significant but not expected to be prohibitive. TSO indicated that the remainder of the year would be booked out with the vendor for the implementation process with development and testing likely commencing at the end of the year.

A Participant queried the length of the process and if further Modifications would experience the same delay. TSO advised that the delay was as a result of a prioritisation issue and the lead time was affected by the vendor working on another project. Comparison was drawn to the Market Development update given at the Modifications Committee and asked if a similar level of update can be presented at the Capacity Modifications Workshop. TSO took an action to look into this.

1.1 CMC_10_21

Secretariat provided an update on this Modification noting there was a consultation last year and following the submission of 2 further Modifications in relation to this one, it was agreed that from a procedural point this Modification should be withdrawn.

Modification Status – Withdrawn

1.2 CMC_04_22

EirGrid presented the Modification Proposal.

The Proposer provided a summary of this Modification noting that there was already a familiarity with this change and why it needed to take place. B.3.7.1 of the Capacity Market Code would be updated to replace LIBOR with ESTER and SONIA in relation to default interest.

It was advised that a Modification had already been made to the Trading & Settlement Code and no impact assessment would be required for this change.

Modification Status – RA Consultation

1.3 CMC_05_22

UR presented the Modification Proposal.

The Proposer advised that this Modification was required following an unintended overlap between the approved Capacity Market Code text for Modifications CMC_03_21 and CMC_04_21. The Proposer noted that this was a housekeeping correction and would therefore not be consulted on.

A Participant queried the 3 performance security levels on CMC_03_21 and asked for confirmation on when this Modification went live. The Proposer later advised that it went live on 20th October 2021 and it was published knowing there would be additional steps.

Modification Status – RA Consultation

1.4 CMC_06_22

UR presented the Modifications Proposal.

The Proposer delivered a [presentation](#) on this Modification Proposal noting that CMC_10_21 had been split into 2 proposals and this Modification Proposal dealt with the first. It was advised that Option 1 with a consultation process was the most straightforward as it limits bidding flexibility and continues to operate under current rules.

EirGrid queried if the proposed legal drafting would be better inserted in Section F: Capacity Auctions of the Code. The Proposer advised that there was a need to help new Participants to understand the Capacity Code and it was useful not to have all requirements in the auction process but some as part of the qualification process (Section E) which would make it easier for them. Further text was discussed in relation to where a unit meets the required conditions and the Proposer took an action to tighten up the wording on the broad statement ‘the System Operators shall not reject.’

Modification Status – RA Consultation

1.5 CMC_07_22

DRAI presented the Modification Proposal.

The Proposer delivered a [presentation](#) on this Modification noting that the same rationale as CMC_10_21 had been applied.

The TSO advised that additional drafting was needed on this Modification to ensure that the proposal was effective from a Code perspective.

The RAs requested that the TSO provide specific commentary in response to the consultation.

EirGrid agreed with the points made by the RAs noting that it was important to link this Modification to the Modification raised by the RAs (CMC_06_22). It was advised that this Modification needs to focus on unit registrations, complimenting with the proposed CMC_06_22 on combining capacity. A Participant queried how this proposed Modification will be developed. Assurance was given by the RAs that it would be consulted on and any issues would be developed for the consultation. EirGrid confirmed that they would provide further feedback during the consultation.

Modification Status – RA Consultation

1.6 CMC_08_22

EirGrid presented the Modification Proposal.

The Proposer provided an overview of the Modification Proposal which seeks to introduce a maximum limit applicable to Locational Constraint areas. It was noted that in a recent auction scenario there was an issue with clearing capacity in a part of a power system. The Proposer queried whether capacity in excess of that which can be accommodated should be accepted and at times not utilised due to technical network constraints or if it should be rejected. It was advised that both scenarios were not satisfactory as they both risked contributions to reliability.

The Proposer gave an example of how this would operate if there were 3 potential providers of capacity and the transmission system could accommodate one of these - which would be more satisfactory than rejecting all. The Proposer noted that the methodology for calculating Locational Capacity Constraints, provided for in the Capacity Market Code would need to be updated, according to due process, to implement this proposal.

A Participant queried if the proposal would result in existing units being replaced. The Proposer advised that the locational max constraint could be set at a level which accounted for existing and awarded capacity. .

A Participant noted that this was a very significant Modification and the rationale needed to be understood better. The Proposer agreed to give Participants the opportunity to express their views around this and welcomed other suggestions on how to accommodate some of the capacity without rejecting it all.

A Participant voiced concerns with the level of transparency on Locational Capacity Constraints and concerns with the timing of their publication in Final Auction Information Pack. It was suggested that the indicative value should be published in the Initial Auction Information Pack. Another Participant queried the root cause driving the proposal and if the proposal suggested that a grid connection agreement would no longer be required to qualify for an auction. The Proposer clarified that the root cause was not related to the feasibility of connecting capacity – which is typically addressed in the group connection offer process. Issues arise operationally when generation is connected outside of the group / batch approach. The Proposer welcomed any further feedback during the consultation process.

Modification Status – RA Consultation

1.7 CMC_09_22

Energia presented the Modification Proposal.

The Proposer delivered a [presentation](#) on this Modification Proposal noting that its purpose is to introduce a simple step to notify Participants directly to confirm their submitted ISTN and ASTN has been successfully validated.

The Proposer went through the areas that required an update and explained that the aim was to put in another clause to notify the system directly in line with proposed timeframes. It was advised that there was currently a step in the Code under M.12.9.1 but feedback was given that this did not confirm if the ASTN had been validated or not.

EirGrid provided support in principal for this Modification but advised that in relation to ASTNs 5 Working Days would be needed to be able to process a secondary trade and under current arrangements 2 hours wouldn't be possible due to the volume of trades and other operational matters but suggested it may be possible when the updated Secondary Trading Platform becomes available (ref. CMC_11_21).

A Participant queried if an option would be to update the Code to align the relevant requirements for notifications to participants with 5 working days instead of 'as soon as practicable'.

Modification Status – RA Consultation

2 AOB

Secretariat thanked all for attending Capacity Market Workshop 25. It was advised that the 2022 schedule has been published.

Capacity Workshop 26 will take place on Thursday, 21st July 2022.

2.1 NEXT STEPS

- 1) TSOs to publish Workshop Report
- 2) RAs to publish timetable for consultation and decision for all proposals
- 3) TSO to assess provision of Market Systems Development Update at workshops
- 4) RAs to review and tighten wording of section referring to where a unit meets a condition under CMC_06_22

Status as at 19 May 2022		
Modification Proposals ‘Under Consultation’ without System impacts		
Title	Sections Modified	Sent
CMC_02_22 Timely publication of FAIP	F.5	In Consultation
CMC_03_22 Transparency on Publication of Qualification Results	E.9.5	In Consultation
Modification Proposals ‘Under Consultation’ with System impacts		
CMC_01_22 Interdependent Combined Units	E.7.6	In Consultation
Modification Proposals ‘Recommended for Rejection		
N/A	N/A	N/A
RA Decision ‘Further Work Required		
CMC_10_21 Modification to the provisions for Market Registration of Demand Side Units	E & I	N/A
RA Decision Approved Modifications with System Impacts		
Title	Sections Modified	Effective
CMC_11_21 Extending Current ASTN Form	M	TBC – following completion and analysis of SOs impact assessment
RA Decision Approved Modifications with no System Impacts		
CMC_03_21 Modification to the provisions for Substantial Financial Completion	J	19 November 2021
CMC_04_21 Verification Requirements for Implementation Plan Milestones	J.4.3	14 July 2021
RA Decision Rejected		
N/A	N/A	N/A
Withdrawal Notifications		
N/A	N/A	N/A
Modification Proposal Extensions		
N/A	N/A	N/A
Capacity Working Group 26 – 21st July 2022		