



Capacity Market Code Modifications

WORKSHOP 36 REPORT

21 MARCH 2024

MS TEAMS

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Document History

Version	Date	Author	Comment
1.0	1.0	Market Modifications Team	A Workshop Report summarising the proposals and noting any actions taken.

Distribution List

Name	Organisation
Workshop Attendees	Various

Reference Documents

Document Name
Capacity Market Code
CMC_02_24 Modification to the Performance Security Requirement
CMC_03_24 Enduring Mechanism for Indexation based on GB Model
CMC_04_24 Recovery of Net Present Value Lost as a Result of No-Fault Delays to New Capacity
CMC_05_24 Amendment to J.6.1.6 to recognise extensions granted under SEM-23-101 and SEM-23-108

Name	Company
Vlastimil Buzek	VIOTAS
Ciaran Breen	Utility Regulator
Mark Gormley	EPUKI
Damien Doone	UREGNI
Christopher Mullan	Power NI
Emma Deegan	Energia
Rowan Tunncliffe	Mutual Energy
Jon Sedgwick	VIOTAS
Justin Maguire	Bord na Mona
Harry Molloy	EP Dublin Energy Limited
Clare McGurran	iPower
Ian McClelland	Utility Regulator
Andrew Kelly	ESB GT
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Peter Brett	Ecopower Supply
Eoghan Cudmore	Bord Gais Energy
Samar Ahmed	ESB Generation and Trading
Therese Lannon Crean	SSE
David Morrow	Energia
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Eoin Sweeney	Viotas
Patrick O'Hagan	SSE
Philip Blythe	SSE
Marc Curran	EirGrid
Aodhagan Downey	EirGrid
Laura Cope	EirGrid
Lorcan Kennedy	SONI

1.1 SECRETARIAT UPDATE

Secretariat welcomed all to Capacity Market Workshop 36. It was advised that Capacity Market Code V11 has been published with 14 Modification Proposals included. It was noted that the date for Capacity Market Modifications Workshop 37 in May could be rescheduled to Wednesday, 29th May and Participants would be notified well in advance.

RA Update

RAs gave a [presentation](#) on all recently closed and open Modification Proposals. It was noted that there would be decisions expected on CMC_20_23, CMC_21_23 and CMC_24_23 after Easter and CMC_22_23 was still under consideration.

The RAs also advised that it remains their intention to publish a decision on Intermediate Length Contracts in time for the T-4 2028/29 auction process. A decision is expected to go to the SEM Committee in April.

TSO UPDATE

TSO gave an overview of the 3 projects in progress.

Item	Name	Description	Status	Prev. Date	New Date
1	Online Secondary Trading Platform	Implementation of CMC_11_21 and CMC_09_22. Online submission of secondary trades and automation of validation processes.	SOs are currently replanning work based on the cancellation of T-3 auction. SOs are working with RAs on T-4 2028/2029 auction timetable. SOs currently working with vendor to ensure availability of resources on both sides to work on development projects	H2 FY23/24	H2 FY23/24
2	Online Qualification Platform	Online submission of Application for Qualification and automation of Alternative Qualification Process. More user-friendly application process, reduced need for PTs to submit forms, reduction in operational risk and delays in processing Applications for Qualification	Advanced design stage SOs are currently replanning work based on the cancellation of T-3 auction. SOs are working with RAs on T-4 2028/2029 auction timetable. SOs currently working with vendor to ensure availability of resources on both sides to work on development projects.	H2 FY23/24	H2 FY23/24
3	Post Auction Process Improvements	Online Performance Security status. Online Implementation Progress Report submission. Online submission of milestone verification documents. Improved status tracking	In planning	TBC	TBC

It was advised that work is ongoing to re-plan the remainder of the year following the cancellation of the T-3 2027/28 Auction including engagement with the RAs on the timetable for the T-4 2028/29 Auction.

CMC_02_24

DRAI delivered a [presentation](#) for this Modification Proposal noting that there was currently no differentiation with respect to Performance Securities for 1 year and greater than 1 year Awarded New Capacity. It was stated that this is a material barrier to entry for potential capacity. The Proposer stated that the Modification would allow the RAs differentiate during the parameter setting process.

There were concerns from a number of Participants about decreasing Performance Securities for one cohort and potentially increasing Performance Securities for another cohort. Assurance was given by the Proposer that this proposal did not seek to increase Performance Securities. It was noted that the aim was to differentiate between contract lengths.

A Participant queried if reduced Performance Securities cited by the Proposer for Great Britain for demand response units are independent of contract length. The Proposer offered to confirm this.

Modification Status – Under Consultation

CMC_03_24

The Proposer delivered a [presentation](#) on the Modification Proposal.

The Proposer noted the similarity between this proposal and that submitted by Energia. The benefits to this proposal were outlined.

The Proposer advised that their intention is that the modification would apply to all auctions subsequent to the auctions covered by the interim indexation modification. Therefore the reference to Substantial Financial Completion would be removed from an updated proposal.

The Proposer advised that a version 2 of the proposal would be submitted for the consultation.

The RAs advised that they may consider this Modification Proposal together with CMC_22_23.

Modification Status – Under Consultation

CMC_04_24

The Proposer delivered a [presentation](#) on this Modification Proposal, stating that it aligns with previous extension Modification Proposals approved by the SEM Committee. A worked example was presented.

The Participants queried if there may be a simpler way to address NPV issues due to the potential complexity and subjectivity with NPV assessments. The potential burden on the RAs was cited. An alternative approach which would front load delayed capacity payments was discussed.

TSO noted they would need to assess the impact on processes and systems.

Modification Status – Under Consultation

Proposer gave an overview of this Modification Proposal noting that it completed a section of the Code (J.6.1.6) to recognise extensions granted under recent delay Modifications. This completes the legal drafting published in December.

Modification Status – Under Consultation

Secretariat noted that Capacity Market Code Modifications Workshop 37 may be rescheduled to Wednesday, 29th May 2024.

3.1 NEXT STEPS

1. SOs to publish Workshop Report.
2. RAs to publish consultation timetable(s).
3. Proposer for CMC_03_24 (SSE) to submit a V2 prior to SEM Committee consultation.

Status as of 21 March 2024

Modification Proposals 'Under Consultation' without System impacts

Title	Sections Modified	Decision Due
CMC_20_23 Amendment to Timing of Opt Out Notifications	E	20 th October 2023
CMC_21_23 Minimum Completion on Receipt of Interim Operational Notification	C,G,J	20 th October 2023
CMC_22_23 Indexation of Capacity Payment Price for Inflation	F,O Glossary	20 th October 2023
CMC_24_23 Revision of Exception Application Timelines	J, AP3 & Glossary	26 th February 2024

Modification Proposals 'Under Consultation' with System impacts

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

Title	Sections Modified	Effective
CMC_09_22 Secondary Trade Approval Notification	M.7, M.12	System update required
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

N/A	N/A	N/A
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RA Decision Rejected

CMC_12_23 Facilitation of Unit Specific Price Caps for Existing Capacity in Excess of the Auction Price Cap	F	11 th December 2023
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Withdrawal Notifications

CMC_01_24 Amendment to criteria to achieving Substantial Financial Milestone	J	29 th January 2024
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Capacity Working Group 37 – 23 May 2024