

**Capacity Market Code**

**Modifications**

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| Working Group 2 Report31 july 2018soni conference centre, belfast |

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Document History

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| --- | --- | --- | --- |
| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 20 September 2018 | Market Modifications Team | Drafting including all working group comments received following meeting |
| 1.1 |  | Attendee Review complete and document updated. | Final draft published |

Distribution List

|  |  |
| --- | --- |
| **Name** | **Organisation** |
| Working Group Attendees | Various |

Reference Documents

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| --- |
| **Document Name** |
| [Capacity Market Code](https://www.sem-o.com/documents/capacity-market-rules/Capacity-Market-Code.docx) |
| [CMC\_11\_18 Long Stop Date](https://www.sem-o.com/documents/market-modifications/CMC_11_18/CMC_11_18LongStopDate.docx) |
| [CMC\_12\_18 Tolerance Class](https://www.sem-o.com/documents/market-modifications/CMC_12_18/CMC_12_18ToleranceClass.docx) |
| [CMC\_13\_18 Modification Letter of Credit](https://www.sem-o.com/documents/market-modifications/CMC_13_18/CMC_13_18Modification_LetterofCredit.docx) |

In Attendance

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| **Name** | **Company** |
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| Kevin Lenaghan | Uregni |
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| Sandra Linnane | Secretariat |
| Christopher Goodman | MO Member |

# CMC\_11\_18 long stop date

## Discussion

RAs presented Modification Proposal.

1st Decision

RAs explained that the original capacity timeline is 18 months and this only works for a T-4 auction. This does not work for a T-1 auction. Single year contract works better giving an extra month to consumers which is invaluable and ensures they are getting what they paid for.

2nd Decision

The substantial financial completion period is a separate period and related issue to the above. T-1 was 13 weeks to 2 months before. This makes sense based on timing. The auction for T-4 happens automatically and with T-1 to T-3 it happens when the RAs instruct it.

D.2.1.3.A

The term Substantial Financial Close Period will now be updated to Substantial Financial Completion Period. The Long Stop Date will have a fixed period depending on the auction. The SEM 18-033 is implementing the design.

Confirmation given that the timeline for this would be for the T-4 auction and will apply to the next auction – not retrospective.

Presentation Material available [here](https://www.sem-o.com/documents/market-modifications/CMC_11_18/RA-CMCModificationsWorkshop2v0_1.pptx).

# CMC\_12\_18tolerance class

## Discussion

RAs presented Modification Proposal.

RAs confirmed that the above was an improved technique for calculating DE rating for storage capacity. The current drafting of the code does not allow this decision to be implemented. Tolerance Class will be defined by the RAs. The timing for this will be after the current auction.

The changes to implementation

Reports on tolerance class rather than technology class

Introducing extra concept of tolerance class

Better option than continually correcting the technology class

There was a question raised on how the tolerance class would be found. Was suggested that gas and steam turbines would be run together with one unlimited and the other one hour limited to find the best way.

DSU – technology class in their own right.

Only limited groups can apply Dectol

Emissions limited only

Dectol function of technology class

How to qualify and how to apply

Set global set of rules

Set in advance what the rules are

This will be more transparent and will help participant

Number of dimensions to each unit

Structure and order to under complicate

A question was raised whether this will work in the new world. Was confirmed by the RAs that existing technology will be used and the new process handles capacity market units and it can apply at generator level and not just unit level.

The timeline for this is the T-4 auction.

Presentation Material available [here](https://www.sem-o.com/documents/market-modifications/CMC_12_18/RA-CMCModificationsWorkshop2v0_1.pptx).

# CMC\_13\_18 modification letter of credit

## Discussion

TSO presented Modification Proposal.

Within Appendix H the guidance note referring to SO bank will be replaced by SEMO bank. Confirmed it will avoid confusion. Query was raised if maybe the reference was too general. Response was that on filling out this section, the bank that is actually being used will replace this.

Presentation Material available [here](https://www.sem-o.com/documents/market-modifications/CMC_13_18/CM_Mod_13_18_LetterofCreditAmendment.pptx).

# NEXT STEPS

1. TSO to publish Working Group Report.
2. RAs published [consultation timeline](https://www.semcommittee.com/publications/sem-18-152-capacity-market-code-modifications-set-2-consultation-paper).