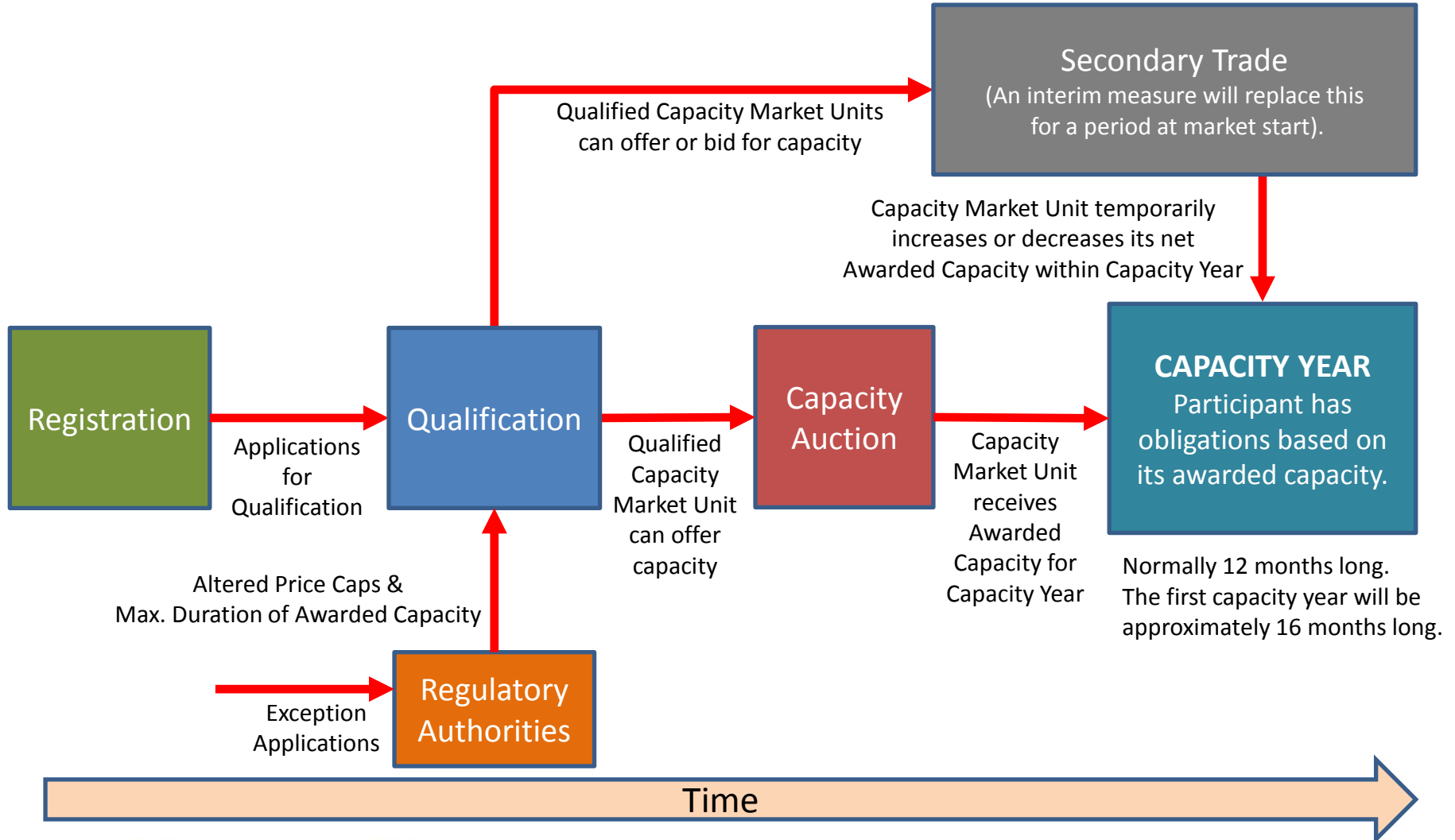


Chapter 2: Registration

The Context of Registration



Accession and Registration

- A Party required to register under the CMC or wishing to register under the CMC must first Accede to the CMC as part of the Registration Process.
- To register as a Party to the CMC an applicant is required to:
 1. Complete the Application Form available from the System Operators' website.
 2. Comply with eligibility requirements (i.e. the requirements of the B.5 of the CMC and the Application Form).
 3. Pay the Accession Fee to the System Operators (invoice issued by SEMO):
 - The Accession Fee is zero at the time of transition from SEM to I-SEM, but may be non-zero in the future.
 4. When provided, execute an Accession Deed to adhere to the Capacity Market Framework Agreement and the Code. The Framework Agreement is the device by which a Party becomes bound to the CMC.
 5. Have already registered or intend to register as a Party to the Trading and Settlement Code (which requires Accession to the TSC).

Participation under the CMC

- A party to the CMC becomes a participant under the CMC if a Candidate Unit has been registered, deemed registered, or provisionally registered under the CMC.
 - **Deeming Registered** means a unit registered under the TSC is a unit under the CMC (though SO can request additional information where required). Deeming applies to:
 - Supplier Units. Their only role is in capacity market settlement.
 - Existing Generator Units and Interconnectors.
 - **Provisionally Registered** means the unit is not yet registered under the TSC but the intention is that it will be:
 - Enables Qualification in respect of capacity that is yet to be commissioned.
 - A unit has to be able to participate in the Balancing Market under the TSC to deliver on its obligations if it sells capacity in a Capacity Auction or Secondary Trade. For this it must be commissioned under the Grid Code.
 - A Capacity Market Unit is **Registered** only once it has qualified for its first auction:
 - A Capacity Market Unit identifier can be recorded in systems for the purpose of mapping Candidate Units to a Capacity Market Unit seeking qualification.
- The following units have no role under the CMC: Assetless Units, Trading Units, Interconnector Error Units, and Interconnector Residual Capacity Units.

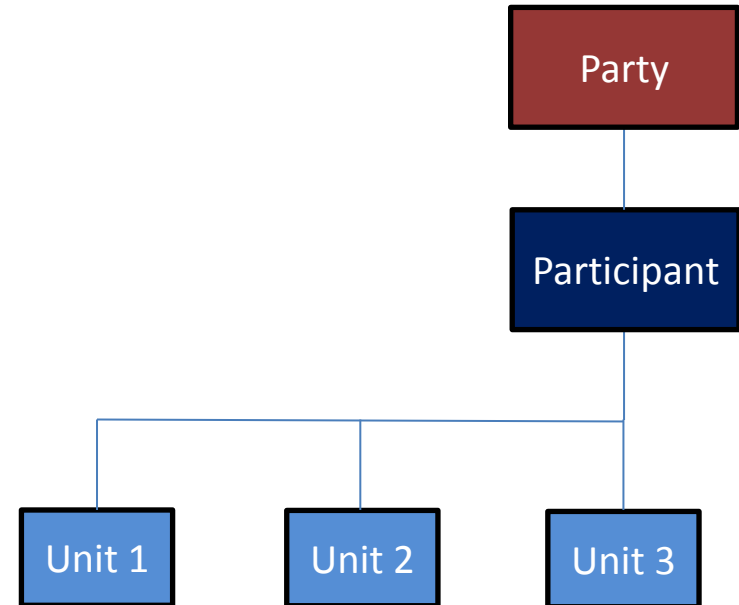
Please note: Registration forms are available on the SEMO website. These should be completed as part of the registration process for I-SEM, whether deemed registered by the code or otherwise.

Candidate Units and Capacity Market Units

Unit Type	Context	Detail
Candidate Unit	Deemed	Existing Generator Unit or Interconnector registered under TSC.
Candidate Unit	Proposed	Proposed Generator Unit or Interconnector that is yet to be commissioned (and therefore cannot yet be registered under the TSC)
Capacity Market Unit	Prior to Qualifying for its first Capacity Auction (no awarded capacity)	A place holder ID associated with Candidate Units.
Capacity Market Unit	Post-Qualification	If qualification is accepted, the CMU formally exists and is associated with an Interconnector or one or more Generator Units (i.e. the deemed or proposed Candidate Units)

Entity Model and the CMC

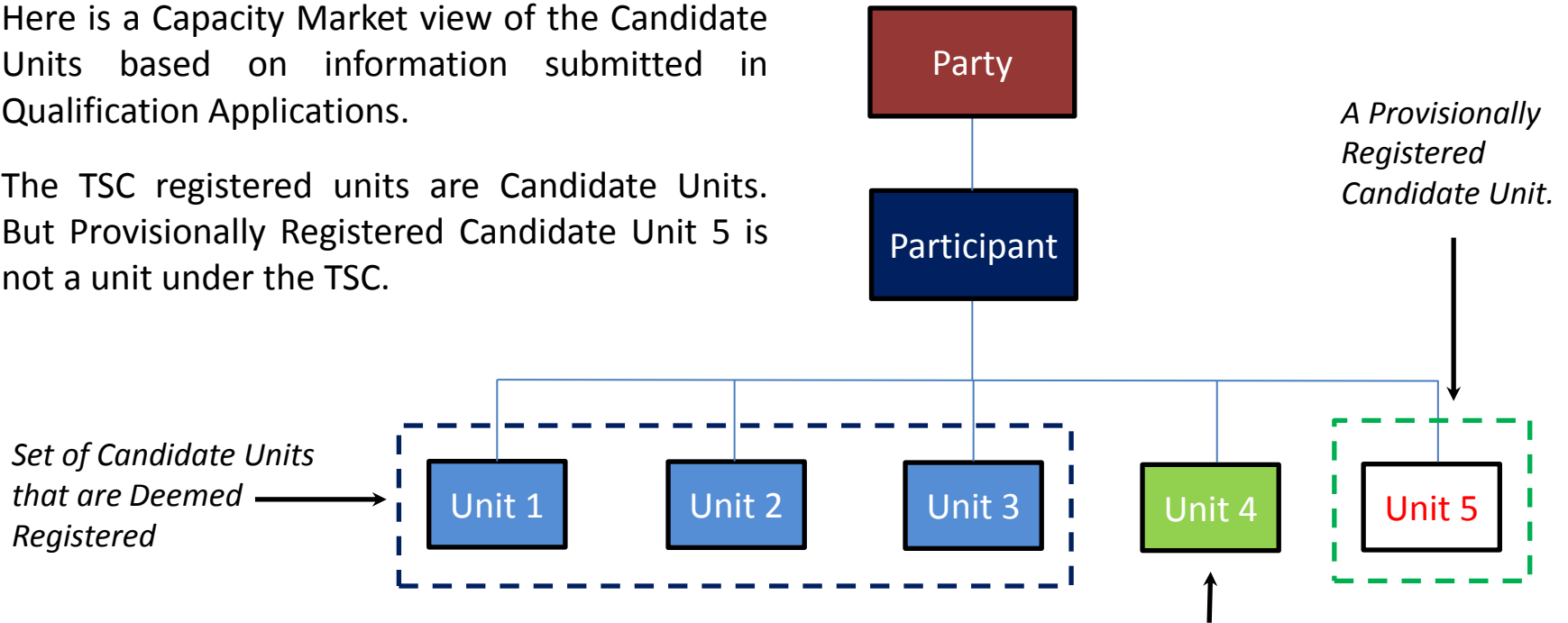
- The TSC requires the use of certain “entities” to represent a company and its units.
- Here we show the basic ‘Entity Model’ used for the purpose of the TSC.
- This allows the correct representation of the unit for the purposes of TSC trading, settlement and invoicing, and credit cover calculations.
- A Party operating in both Northern Ireland and the Republic of Ireland must have separate Participants in each Jurisdiction. All units must be in the same Jurisdiction as the Participant.
- In the following slides we show additional features of the entity model used by the Capacity Market:
 - All of the additional Capacity Market features are set up by the System Operators based on submitted Qualification Data and the results of Qualification.
 - The Qualification section of this course gives more information about the Qualification scenarios that give rise to use of different features of this model.



Entity Model and Candidate Units

Here is a Capacity Market view of the Candidate Units based on information submitted in Qualification Applications.

The TSC registered units are Candidate Units. But Provisionally Registered Candidate Unit 5 is not a unit under the TSC.

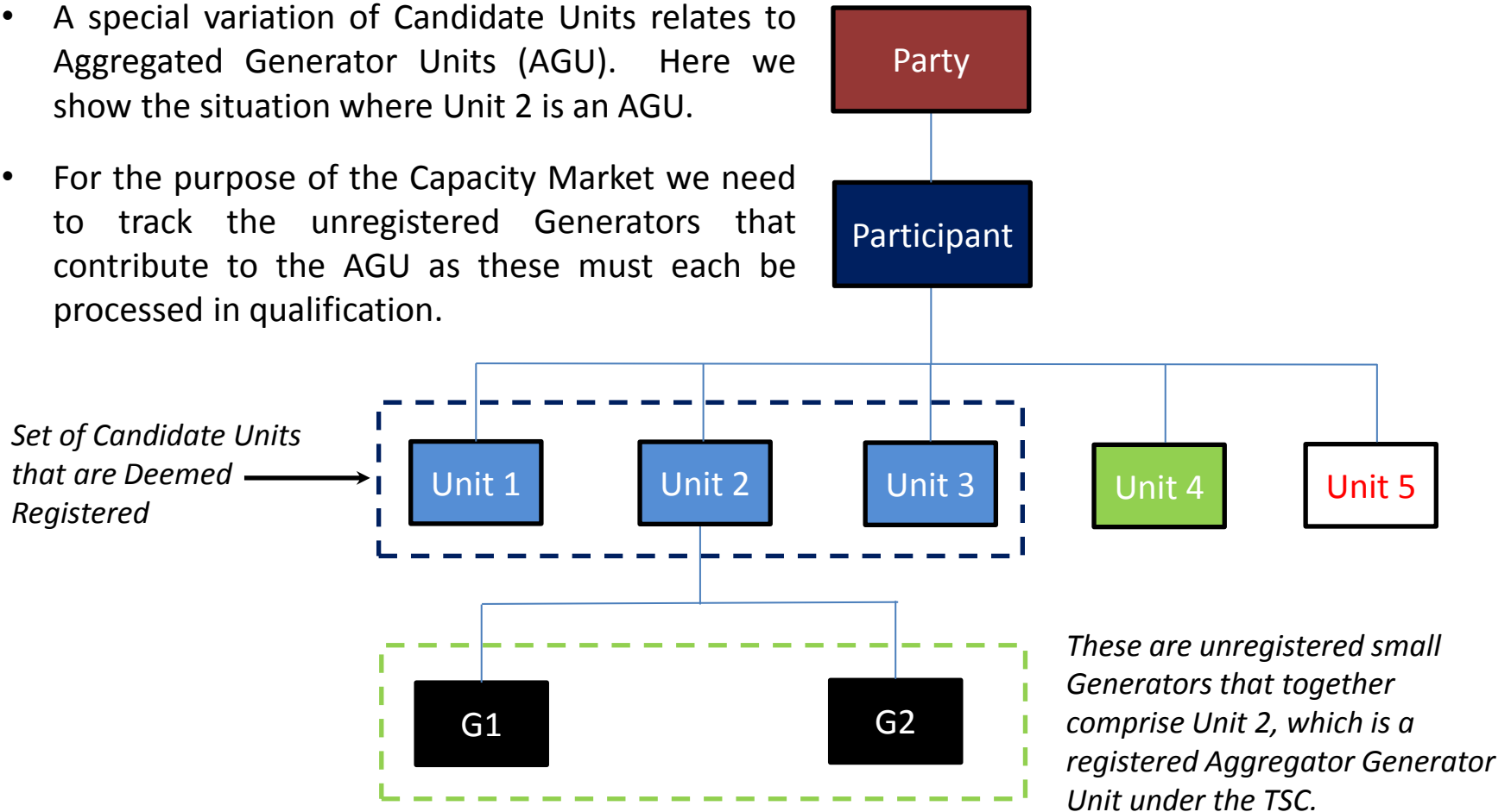


While recorded in systems at the same level as TSC units, this is actually a 'Capacity Aggregation Unit' – a device to link several Candidate Units in Qualification to associate them with one Capacity Market Unit. This is illustrated in later slides on CMUs.

Only Variable Generator Units and units with Initial Capacity below the De Minimis Threshold (10 MW) can be combined to form one CMU.

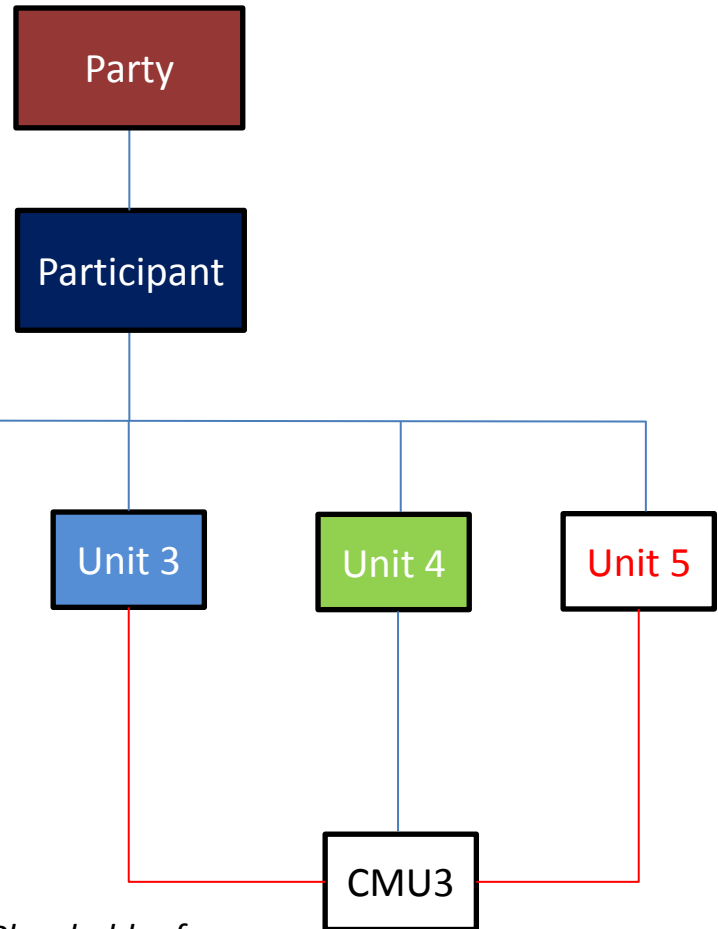
Entity Model and Candidate Units that are AGUs

- A special variation of Candidate Units relates to Aggregated Generator Units (AGU). Here we show the situation where Unit 2 is an AGU.
- For the purpose of the Capacity Market we need to track the unregistered Generators that contribute to the AGU as these must each be processed in qualification.

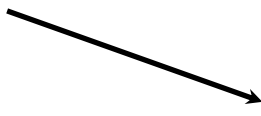


Entity Models and Capacity Market Units

- Now we show the Capacity Market Units prior to completion of Qualification. CMU1 pre-exists as it already has awarded capacity from a prior auction. CMU2 and CMU3 are yet to be Qualified. The participant has applied for Unit 3 and Unit 5 to be aggregated as CMU3.
- The Generators contributing to Unit 2 (from prior slide) are not shown.



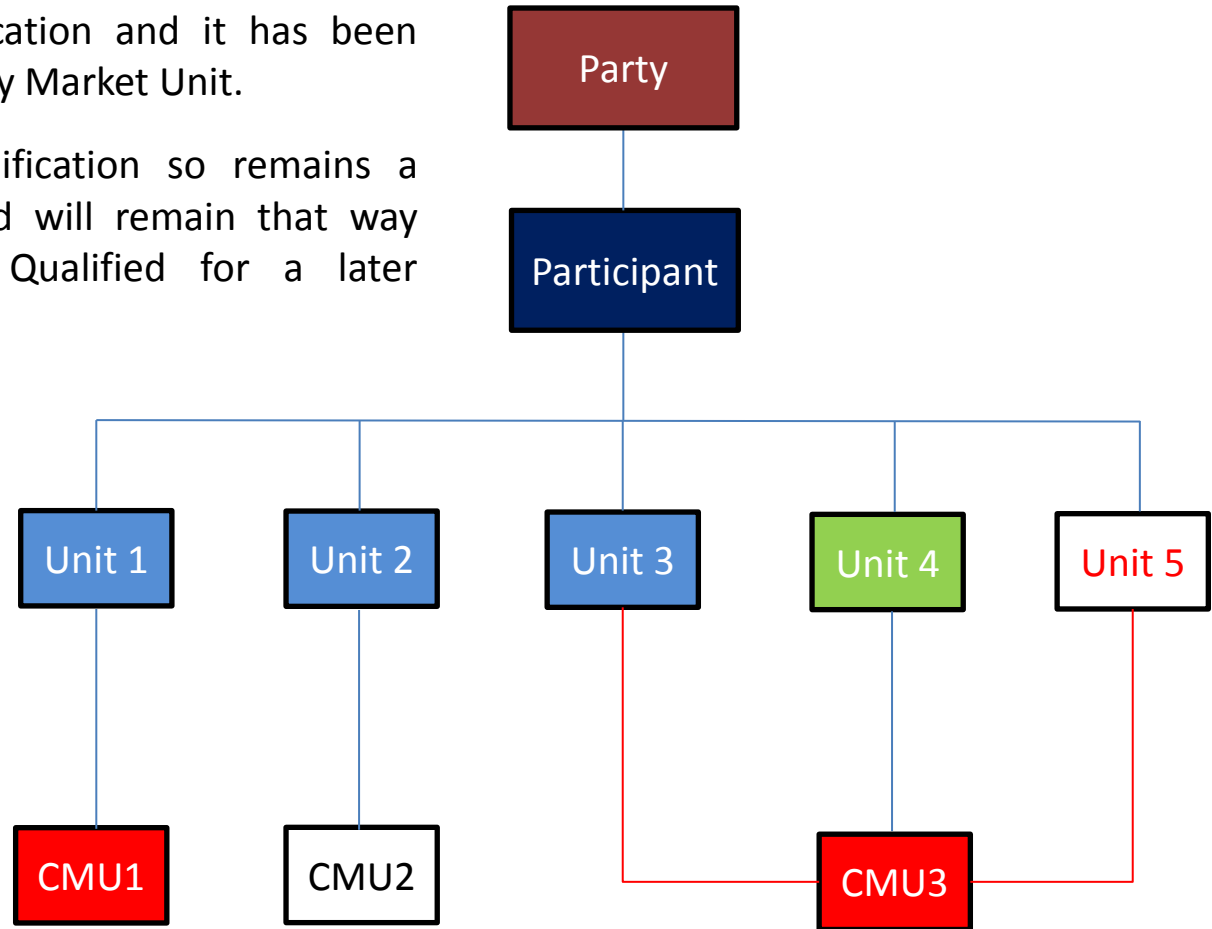
Pre-existing registered CMU with Awarded Capacity from a prior Capacity Auction.



Placeholder for a Capacity Market Unit (CMU ID).

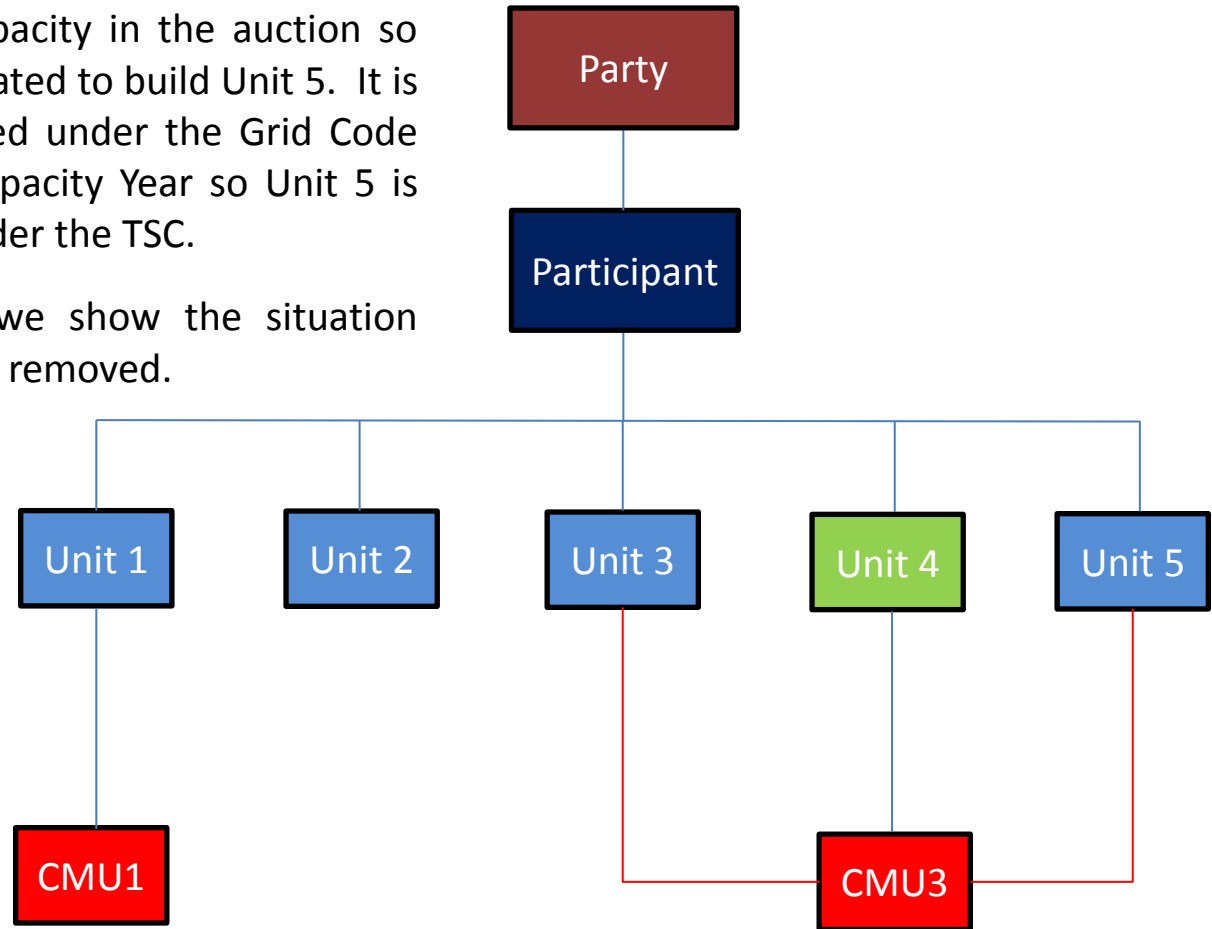
The Situation Post Qualification

- CMU3 passes Qualification and it has been registered as a Capacity Market Unit.
- CMU2 failed in Qualification so remains a place holder only and will remain that way unless removed or Qualified for a later auction.



The Situation In the Capacity Year

- CMU3 is Awarded Capacity in the auction so the Participant is obligated to build Unit 5. It is built and commissioned under the Grid Code by the start of the Capacity Year so Unit 5 is formally registered under the TSC.
- While not required, we show the situation where CMU2 has been removed.



Intermediaries

- An Intermediary is a Party to that acts on behalf of the Unit Owner in respect of a Generator Unit.
- A Form of Authority is required to register an Intermediary, with this being authorisation from the Unit Owner for the Intermediary to register the Generator Unit and to participate in respect of that Generator Unit in the Capacity Market.
- If a Party ceases to be an Intermediary then the CMC has provisions whereby the System Operators can, subject to conditions, allow the Generator Unit and any associated Capacity Market Units to be de-registered from this Party and registered with another Party.
 - This feature can be used to manage a change of Intermediary.
- If voluntarily seeking to de-register any unit that is part of a Capacity Market Unit with Awarded Capacity (from a Capacity Auction) then the units and the Capacity Market Unit must be moved to another Party. I.e. De-registration is not an option for avoiding obligations to deliver capacity. Further the System Operators must be satisfied that the Party taking over the Capacity Market Unit (and physical units backing it) is capable of taking over the obligations associated with that Awarded Capacity, including under the Trading and Settlement Code and in respect of delivery of capacity that is yet to be commissioned.

Relationship with TSC

- The Party, Participant and Unit setup for the TSC is strongly related to the setup required for the Capacity Market.
- The Party, Participant and Unit must be the same in both the TSC and Capacity Market. This is to allow settlement of the Capacity to occur as part of the TSC settlement processes.
- The implications from the relationship between Capacity and TSC Entity setup are:
 1. settlement documents produced are designed to incorporate both TSC and Capacity market settlement
 2. the bank account used for payments to Participants is the same for both balancing and capacity payments
 3. collateral requirements for capacity settlement are combined with the balancing and imbalance settlement