



Capacity Market Code Modifications

WORKSHOP 40 REPORT

20 NOVEMBER 2024

MS TEAMS

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Document History

| Version | Date | Author | Comment |
|---------|---------------|---|---------------------------|
| 1.0 | 27th Nov 2024 | Market Modifications Team A Workshop Report summarising the proposals | |
| | | | noting any actions taken. |

Distribution List

| Name | Organisation | |
|--------------------|--------------|--|
| Workshop Attendees | Various | |

Reference Documents

| Document Name | | |
|---|--|--|
| Capacity Market Code | | |
| CMC_12_24 Proportion of Delivered Capacity in respect of Incremental New Capacity | | |
| Presentation | | |

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1.1 SECRETARIAT UPDATE

Secretariat welcomed all to Capacity Market Modifications Workshop 40 and noted that version 12.0 of the Capacity Market Code had been published recently with 5 Modification Proposals included in the update. It was advised that the Programme of Work had been updated and this would be published as a part of this report.

RA Update

RAs provided an <u>update</u> on the progress of Proposals and recent decisions noting that decisions were published on 10 proposals with 5 approved and 5 rejected. It was queried if any further material would be provided on CMC_10_24 before the T-4 auction as there were concerns with elements of substantial completion. RAs advised that they would take an action to follow up on this.

TSO Update

Analyst delivered TSO update noting that following unforeseen circumstances the TSO were not in a position to provide an update at this time but one would be given at the MOUG on 12th December 2024.

CMC_12_24 PROPORTION OF DELIVERED CAPACITY IN RESPECT OF INCREMENTAL NEW CAPACITY

Proposer delivered a <u>presentation</u> on the Modification Proposal noting that in instances where the de-rating factor (DRF) drops between auctions for the same delivery year, the DRF that applies at Substantial Completion stage for existing capacity will be different to what the unit was previously awarded in a different auction. This results in units getting no credit for the physically delivered new capacity. It was advised that this may have been caused by unintended consequences of how the Capacity Market Code (CMC) was written and there was a need to have clearer definitions for Commissioned Capacity.

The Proposer advised that they had previously discussed this Modification Proposal with the Transmission System Operator (TSO) and noted that the TSO would bring forward their own proposal in 2025 at which stage they would withdraw this if required.

There was support given from Participants for this Proposal with the TSO providing a statement to advise that they recognise the issue and require time to review the Proposal and legal drafting proposed, including any other relevant aspects of the CMC. A request was made for more examples of 'before and after' this Proposal being implemented and more clarity of why the differences were there to begin with.

A number of Participants asked to further discuss non-zero Increase Tolerances (INCTOL) noting that intermediate length contracts could bring up de-rating factors and in the interest of competition, it would be beneficial to look at this.

Modification Status - Under Consultation (pending withdrawal decision by Proposer)

3 AOB

Secretariat noted that Capacity Market Code Modifications Workshop 41 would be held next year with provisional date scheduled for 22nd January 2025. Workshop Schedules for 2025 would be published shortly also.

3.1 NEXT STEPS

- 1. SOs to publish Workshop Report.
- 2. Proposer to confirm if proceeding with Proposal or withdrawing Proposal.
- 3. RAs to publish consultation timetable(s).
- 4. RAs to review further material on CMC_10_24 before the T-4 auction.

| APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT WORKSHOP 40 | | | | | | |
|---|---|---|--|--|--|--|
| Status as of 20 November 2024 | | | | | | |
| Modification Proposals 'Under Consultation' without System impacts | | | | | | |
| Title | Sections Modified | Decision Due | | | | |
| CMC_06_24 Performance Securities for Extended Projects | J.3.2.9, J.7.1.3 | 27 th September 2024 | | | | |
| CMC_04_24 Recovery of Net Interest Value Lost as a Result of No-Fault delays to new capacity | J, Glossary | 28 th June 2024 | | | | |
| CMC_02_24 Modification to the Performance Security Requirement | J | 28 th June 2024 | | | | |
| Modification Proposals 'Under Consultation' with System impacts | | | | | | |
| N/A | N/A | N/A | | | | |
| RA Decision 'Further Work Required | | | | | | |
| CMC_07_24 Treatment of Capacity Contracts of Varying Duration in Constrained Auction Solution | F.8 | TBC – following completion and analysis of SOs impact assessment | | | | |
| RA Decision App | roved 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 | М | TBC – following completion and analysis of SOs impact assessment | | | | |
| RA Decision Appro | RA Decision Approved Modifications with no System Impacts | | | | | |
| N/A | N/A | N/A | | | | |
| RA Decision Rejected | | | | | | |
| N/A | N/A | N/A | | | | |
| Withdrawal Notifications | | | | | | |
| N/A | N/A | N/A | | | | |
| Capacity Working Group 41 – 22 nd January 2025 | | | | | | |