



# Capacity Market Code Modifications

**WORKSHOP 37 REPORT**

**29 MAY 2024**

**MS TEAMS**

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## Document History

Version	Date	Author	Comment
1.0	5 <sup>th</sup> June 2024	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
<a href="#">Capacity Market Code</a>
<a href="#">CMC_06_24 Performance Securities for Extended Projects</a>
<a href="#">CMC_07_24 Treatment of Capacity Contracts of Varying Duration in Constrained Auction Solution</a>
<a href="#">CMC_08_24 Widening of Longstop Extension Process to Awarded Capacity for 2023-24 Auction</a>
<a href="#">CMC_09_24 Amendments to J.5.7 and J.5.8</a>

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Jon Sedgwick	Viotas
Eleanor Lees	iPower
Eoin Sweeney	Viotas
Ian McClelland	Utility Regulator
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Ian Mullins	Bord Gais
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Peter Brett	EcoPower
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Paul McGuckin	Mutual Energy
Laura Cope	EirGrid
Andrew Kelly	ESB
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## 1.1 SECRETARIAT UPDATE

Secretariat welcomed all to Capacity Market Workshop 37 noting that Capacity Market Code Version 11.0 was published in March 2024 and there are currently no Modification Proposals on the baseline.

### RA Update

The RAs delivered a [presentation](#) on open items noting that the consultation on Workshop 36 Modifications closed recently, with decisions due at the end of June. Modifications associated with recent decisions on Early Delivery Incentives and Intermediate Length Contracts were in development and are likely to be proposed as 'urgent'.

### TSO UPDATE

TSO gave an overview of new and existing system updates in progress noting that the volume and complexity of Modifications in recent times had increased and had caused some to be delayed while others were progressed.

Item	Name	Description	Status	Prev. Date	New Date
1	Intermediate Length Contracts	Give effect to SEM-24-035.  <i>The SEM Committee has decided to introduce ILCs for the 2028/29 T-4 auction in November 2024 and to all future auctions until further notice.</i>	Working with RAs to introduce modifications which give effect to the decisions set out in SEM-24-035 and identify where any system changes may be required.	N/A	H2 FY23/24
2	Early Delivery Incentives	Give effect to SEM-24-037  <i>The SEM Committee has expedited this workstream so as to develop an appropriate early delivery incentive policy and communicate this policy in sufficient time for the upcoming T-4 auction.</i>  <i>the SEM Committee will work to propose the required implementing modifications to the CMC, and any necessary charges to the Trading &amp; Settlement Code</i>	Working with RAs to introduce modifications which give effect to the decisions set out in SEM-24-037 and identify where any system changes may be required.	N/A	H2 FY23/24
3	Online Secondary Trading Platform	Implementation of CMC_11_21 and CMC_09_22. Online submission of secondary trades and automation of validation processes. Phase 1 relates to the reduction of processing time to 2 hours, which requires automation of process. Phase 2 relates to the implementation of trading above Gross De-Rated Capacity	Phase 1 requirements are complete. We are currently seeking to finalise timeline with vendor.  Phase 2 requirements in development. Impact assessment being finalised for RAs' review.	H2 FY23/24	H1 FY24/25*
4	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 currently working to complete final requirements	H2 FY23/24	H1 FY24/25*
5	Post Auction Process Improvements	Online Performance Security status. Online Implementation Progress Report submission. Online submission of milestone verification documents. Improved status tracking	Under Review	TBC	TBC

### CMC\_06\_24 PERFORMANCE SECURITIES FOR EXTENDED PROJECTS

Shannon LNG delivered a [presentation](#) for this Modification Proposal noting that the principle of this Modification Proposal already exists in the Code.

A query on expanding the scope of the proposal and the applicability to broader delay scenarios was raised. It was advised that this could be explored during the consultation.

**Modification Status – Under Consultation**

### CMC\_07\_24 TREATMENT OF CAPACITY CONTRACTS OF VARYING DURATION IN CONSTRAINED AUCTION SOLUTION

Energia gave an overview of the Modification Proposal noting that it was seeking to ensure that the principle of priority for shorter term contracts was preserved with the introduction of intermediate length contracts.

The System Operator advised that the implementation of the proposal would be complex and challenging to deliver. The Proposer provided assurance that they would work with the System Operator on what the best solution would be to implement the intent of this Modification Proposal.

There was support from a number of participants with concerns from others raised over potential disincentivising of new capacity if priority was given to longer duration contracts for existing capacity. It was suggested that in order to observe the underlying principle shorter offers ought to be given priority over longer offer rather than simply up to five years having priority of ten year offers.

**Modification Status – Under Consultation**

### CMC\_08\_24 WIDENING OF LONG STOP EXTENSION PROCESS TO AWARDED CAPACITY FOR 2023-24 AUCTION

Grange Back Up Power Limited delivered an overview of this Modification Proposal and its background. The Proposer noted the changes to J.5.8.1 advising that it was intended to avoid undue discrimination between auctions.

**Modification Status – Under Consultation**

### CMC\_09\_24 AMENDMENTS TO J.5.7 AND J.5.8

RAs delivered an overview on this Modification Proposal. The Proposer went through the rationale of the Proposal i.e. ensuring clarity of intent and to ensure that the Code is aligned with associated SEM decisions.

**Modification Status – Under Consultation**

Secretariat noted that Capacity Market Code Modifications Workshop 38 is provisionally scheduled for 23<sup>rd</sup> July 2024. Assurance was given that if an additional workshop is required in the interim, as RAs have suggested may be the case (ref. RA Update), Participants will be notified in advance.

### 3.1 NEXT STEPS

1. SOs to publish Workshop Report.
2. RAs to publish consultation timetable(s).

**Modification Proposals ‘Under Consultation’ without System impacts**

Title	Sections Modified	Decision Due
CMC_05_24 Amendment to J.6.1.6 to recognise extensions granted under SEM-23-101 and SEM-23-108	J	28 <sup>th</sup> June 2024
CMC_04_24 Recovery of Net Interest Value Lost as a Result of No-Fault delays to new capacity	J, Glossary	28 <sup>th</sup> June 2024
CMC_02_24 Modification to the Performance Security Requirement	J	28 <sup>th</sup> June 2024
CMC_24_23 Revision of Exception Application Timelines	J, AP3 & Glossary	26 <sup>th</sup> February 2024
CMC_22_23 Indexation of Capacity Payment Price for Inflation	F,O Glossary	20 <sup>th</sup> October 2023
CMC_21_23 Minimum Completion on Receipt of Interim Operational Notification	C,G,J	20 <sup>th</sup> October 2023
CMC_20_23 Amendment to Timing of Opt Out Notifications	E	20 <sup>th</sup> October 2023

**Modification Proposals ‘Under Consultation’ with System impacts**

CMC_03_24 Enduring Mechanism for Indexation based on GB Model	F	28 <sup>th</sup> June 2024
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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 <sup>th</sup> December 2023
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**Withdrawal Notifications**

CMC_01_24 Amendment to criteria to achieving Substantial Financial Milestone	J	29 <sup>th</sup> January 2024
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**Capacity Working Group 38 – 23 July 2024**