



Capacity Market Code Modifications

WORKSHOP 42 REPORT

20 MARCH 2025

MS TEAMS

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Document History

Version	Date	Author	Comment
1.0	27 March 2025	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_01_25 Provision of Information Related to Application Rejection under E.7
Presentation
CMC_02_25 Separate De-rating Factor for New Vs Existing Capacity
Presentation
CMC_03_25 Clarification of Proportion of Delivered Capacity for multiple tranches
Presentation

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1.1 SECRETARIAT UPDATE

Secretariat welcomed all to Capacity Market Modifications Workshop 42. It was noted that there was no change on the Programme of Work from the last Workshop.

RA Update

The Regulatory Authorities (RAs) gave a brief overview of Modifications awaiting decisions and noted there was currently no update on them. It was advised that a decision would be forthcoming on CMC_07_24 (Treatment of Capacity Contracts of Varying Duration in Constrained Auction Solution), pending receipt of impact assessment from the Transmission System Operators (TSOs).

TSO Update

TSOs delivered a [presentation](#) on the Capacity Market Platform Development Plan. The status of each project was discussed noting that the new online qualification platform is due to be implemented end of April. It was advised that workshops and training would be provided following completion of the project and before the next auction.

A Participant noted the importance of the timely implementation of the two Secondary Trading Modification Proposals (CMC_11_21, CMC_09_22) and that timelines needed to be expedited. TSOs noted that a roadmap would be available in due course.

CMC_01_25 PROVISION OF INFORMATION RELATED TO APPLICATION REJECTION UNDER E.7

Proposer delivered a [presentation](#) on the Modification Proposal noting that it would correct inefficiencies and avoid delays in the qualification process. The Proposer also noted that the Proposal requires minimal legal drafting.

TSOs noted that they were open to improving ways of providing reasons for rejection. TSOs further noted that they do endeavour to provide adequate reasons as part of the decision / review process, noting however the volume of applications and time required to process same.

Participant suggested TSOs could contact relevant customers directly. TSOs noted would consider this and look at more efficient ways to deal with rejections.

A Participant asked if the TSOs could share what proportion of rejections move on to dispute. TSOs advised that a check would need to be made on the level of information available in the public domain and that they could formulate a response following this.

Modification Status – Under Consultation

CMC_02_25 SEPARATE DE-RATING FACTOR FOR NEW VS EXISTING CAPACITY

Proposer delivered a [presentation](#) on the Modification Proposal noting that it sought to address barriers to investment by adding 'unit age' as a consideration for determining De-Rating Factors (DRF). It was noted that the methodology for calculating DRF sits outside of the Code, so no proposals were made on the effect of the age parameter and that this would be addressed through the TSOs' methodology.

A Participant welcomed the Modification Proposal being raised while noting that the need to review the DRF methodology itself had been raised in previous workshops, with less complexity being a main ask. It was also queried what would happen if a plant was being refurbished? The Proposer noted that this was a constructive comment and would depend on the refurbishment in general and how it would affect the plant performance.

While there was support for the Modification Proposal being raised, two Participants commented that unit age was an oversimplification and a poor indicator of plant reliability as new units have issues also (with recent availability ratings, level of investment better indicators, as examples). A Participant also noted the need to avoid exacerbating delivery issues seen in recent years and that further consideration needs to be given to treatment of refurbishments.

The Proposer welcomed the comments received and agreed that unit age was an oversimplification. Proposer further noted that it was not intended to overly inflate unit DRF but that the Modification Proposal was a practical approach to address DRF which are currently too low. Proposer also agreed that DRF methodology requires a review with a focus on simplicity and transparency.

Modification Status – Under Consultation

CMC_03_25 CLARIFICATION OF PROPORTION OF DELIVERED CAPACITY FOR MULTIPLE TRANCHES

Proposer delivered a [presentation](#) on the Modification Proposal to generalise the formula under Section G.3.1.4 of the Code, which will better clarify the Proportion of Delivered Capacity approach for multiple tranches. It was advised that except for one element (delivering on the intention of Modification Proposal CMC_12_24), the formulation was not changing the overall approach for assessing delivered capacity under the Code.

The Proposer went through the calculations and formulas noting that it was converting Code text to algebraic form so it would be easier to define. An example was then given of Multiple Contract Register Entries.

There was support given by Participants for this Proposal and agreement that this was a complex area of the Code. The original Proposer of CMC_12_24 noted that this new Modification CMC_03_25 delivers on the original intent of CMC_12_24.

A Participant asked regarding CMC_12_24, was the use of awarded capacity tied to the time of the auction and if not, that it may need to be to avoid unintended consequences. The Proposer noted that this was a good point, and that it should be clear that everything is related to the specific auction.

A Participant queried if this Proposal was easy to implement? The Proposer noted that the change should be implementable immediately from the Modification effective date as the only change is that introduced by CMC_12_24. This change is not embedded in complex systems and would be a process change only.

Modification Status – Under Consultation

Secretariat noted that Capacity Market Code Modifications Workshop 43 is scheduled Wednesday, 20th May 2025.

3.1 NEXT STEPS

1. TSOs to publish Workshop Report.
2. Publish timelines for consultation.
3. TSO to provide information on what proportion of rejections would move on to disputes.

Status as of 20 March 2025		
Modification Proposals ‘Under Consultation’ without System impacts		
Title	Sections Modified	Decision Due
CMC_12_24 Proportion of Delivered Capacity in respect of Incremental New Capacity	G	24 th March 2024
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 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
RA Decision Rejected		
CMC_22_23 Indexation of Capacity Payment Price for Inflation	F,O Glossary	1 st October 2024
CMC_03_24 Enduring Mechanism for Indexation based on GB Model	F	1 st October 2024
Withdrawal Notifications		
N/A	N/A	N/A
Capacity Working Group 43 – 20th May 2025		