

# **Capacity Market Platform (CMP):**

## Capacity Auction Offer submission Information Paper

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## 1. Purpose of this Document

The purpose of this document is to provide information to Participants for the Capacity Market Platform (CMP) offer requirements in line with the Capacity Market Code. Once qualified, a Capacity Market Unit (CMU) will be able to submit Capacity Auction Offers within CMP whilst the Auction Offer Bid window is open. The Offer Bid window will be open for 5 Working Days and will close at 10am on the fifth day.

A Participant is responsible for ensuring that each Capacity Auction Offer that the Participant submits is received by the System Operators, complies with the requirements of the Code and that the information contained in it is correct and complete and reflects the Participant's intentions.

The System Operators have no obligation to follow up with any Participant that has not submitted a valid Capacity Auction Offer and shall have no liability in respect of any Capacity Auction Offer they have not received or that contains information that is incorrect or incomplete or does not reflect the Participant's intentions.

## 2. General Capacity Market Platform Offer Requirements

Throughout this information document, we use an example to aid the reader and provide greater clarity on the requirements of the Capacity Market Code as implemented in the Capacity Market Platform. The example relates to a 200 MW Capacity Market Unit (CMU A) in Northern Ireland with 150 MW of Net De-Rated Capacity (Existing) and 50 MW of Net De-Rated Capacity (New). The price associated with each component is 30,000 £/MW per year and 40,000 £/MW per year respectively.

A Capacity Auction Offer relates to a single CMU, which may have Existing and New Capacity. You will be able to find the Net De-Rated Capacity (Existing), Net De-Rated Capacity (New) and Firm Offer Requirement values in the Participant Qualification Report within the Capacity Market Platform. Once the gate has closed at 10:00am on the Capacity Auction Submission End Date, a Capacity Auction Offer is firm, unconditional and irrevocable.

A Capacity Auction Offer is subject to the following requirements:

- It shall be composed of between one and five price quantity pairs.
  - CMU A submits two PQ pairs – one for Existing Capacity and one for New Capacity.
- Prices should be in the currency of where the CMU is connected. No two price quantity (PQ) pairs shall have the same price.
  - CMU A submits in £/MW per year: PQ pair 1 has a price of 30,000 £/MW per year and PQ pair 2 has a price of 40,000 £/MW per year.
- N.B. Prices are in €/MW per year or £/MW per year; “year” refers to a 12-month period. Settlement under the Trading and Settlement Code takes into account these units.
- Quantities are incremental (i.e. the aggregate should equal the total capacity offered).
  - CMU A submits a PQ pair 1 with a quantity of 150 MW and PQ pair 2 with a quantity of 50 MW (not 200 MW).

- PQ pairs can be Inflexible or Flexible. Where they are Inflexible, the quantity must be cleared in its entirety. Flexible offers can be partially cleared. Combinations of Inflexible and Flexible Offers are permitted provided that no Inflexible PQ pair comes after a Flexible one.
  - CMU A submits PQ pair 1 as Inflexible and PQ pair 2 as Flexible.
- A single PQ pair cannot contain both Existing and New Capacity nor can it contain New Capacities of different Maximum Durations.
  - CMU A submits separate PQ pairs for Existing and New Capacity. The Maximum Duration of both PQ pairs shall be a whole number between 1 Capacity Year and up to 10 Capacity Years in the case of an Exception being granted by the RAs for New Capacity in accordance with section E.5 of the Capacity Market Code.
- Prices shall be not greater than the applicable Offer Price Cap for that quantity. The applicable values can be found in the Final Qualification Decision for that CMU.
  - CMU A submits PQ pair 1 below the Existing Capacity Price Cap and PQ pair 2 below the Auction Price Cap.
- The cumulative quantity of Existing Capacity shall be no less than the lesser of the Firm Offer Requirement and the Net De-Rated Capacity (Existing) for that CMU.
  - For CMU A, the Firm Offer Requirement is 200 MW and the Net De-Rated Capacity (Existing) is 150 MW so the minimum amount offered is 150 MW.
- The cumulative quantity of Existing Capacity shall be not greater than the Net De-Rated Capacity (Existing).
  - For CMU A, Net De-Rated Capacity (Existing) is 150 MW so the maximum amount offered is 150 MW. This is equal to the minimum amount offered.
- The cumulative quantity of New Capacity shall be no greater than the Net De-Rated Capacity (New) for that CMU.
  - Due to a change in circumstances, CMU A submits 40 MW, which is 10 MW less than its Net De-Rated Capacity (New).
- The minimum price is zero € or £/MW per year and the minimum quantity is 0 MW.
- Quantities shall be submitted to an accuracy of three decimal places and prices to an accuracy of two decimal places.
  - CMU A refines its offer and resubmits (before gate closure) PQ pair 1 as 150 MW @ 29,530.23 £/MW per year and PQ pair 2 as 39.723 MW @ 40,000 £/MW per year.
- The Capacity Market Platform will provide a pop up to say the offer has been accepted once you press “Save Changes”.

### 3. Capacity Market Platform – Automatically Generated Offers

Where Firm Offer Requirement or Net De-Rated Capacity (Existing) is greater than zero and the Participant does not submit a valid set of PQ pairs, the System Operators will generate a flexible 1-year duration offer based on quantity determined as the lesser of the Firm Offer Requirement or Net De-Rated Capacity (Existing) and price at the applicable Offer Price Cap. This only applies to Existing Capacity. Offers in respect of New Capacity are not automatically generated.

#### 4. Checking, Amending and Deleting Submitted Offers

Should you wish to check submitted offer(s), you can navigate back to the CMP Primary Auction Offer screen at any time. The screen will reflect the most recent offer submission. Offers can be amended or deleted after submission, but prior to the offer gate closure at 10am on the Capacity Auction Submission End Date. After amending, saving and submitting an offer, you will receive a pop up within CMP to say the offer has been accepted. New Capacity offers can be withdrawn by deleting them and pressing “Save Changes” in CMP.

#### 5. Checklist (before submitting a Capacity Auction Offer)

- Are there no more than five price quantity pairs?
- Are offer prices in the correct currency / units (€ or £/MW per year) and to the correct accuracy of two decimal places? Are no two prices the same for different PQ pairs in the same CMU?
- Are offer quantities in the correct units (De-Rated MW), incremental (i.e. the aggregate should equal the total capacity offered and to the correct accuracy of three decimal places)?
- Are flexibility/inflexibility flags set correctly? Are any flexible PQ pairs after inflexible PQ pairs?
- Are separate PQ pairs provided for Existing and New Capacity and for new capacities of different durations (if applicable)?
- Are offer prices not greater than the applicable Offer Price Cap for that quantity?
- Is the cumulative quantity of Existing Capacity not less than the lesser of the Firm Offer Requirement and the Net De-Rated Capacity (Existing) for that CMU?
- Is the cumulative quantity of Existing Capacity not greater than the Net De-Rated Capacity (Existing)?
- Is the cumulative quantity of New Capacity not greater than the Net De-Rated Capacity (New) for that CMU?
- Is the price greater than or equal to 0 € or £/MW per year and is the quantity greater than or equal to 0 MW?

