



Capacity Market Code Workshop 29
24 January 2023

CMC_03_23 – Amendment to Long Stop Date for T-1 Capacity Auction

- This modification seeks to extend the Long-Stop Date for single-year New Capacity projects delivered through T-1 Capacity Auctions.
- Currently the Long-Stop Date is set at one month after the beginning of the relevant Capacity Year. This modification seeks to extend the Long-Stop Date to three months after the beginning of the Capacity Year. It is not proposed to amend any other elements of the contract.
- The decision to set the Long-Stop Date to one month was a result of the SEMC decision SEM-18-030. Previously the LSD was set at 18 months after the beginning of the year (aligned with multi-year capacity contracts).
- The decision to reduce this period to one month primarily focused on a reduction from 18 months (rather than whether one month was appropriate). Some respondents requested the LSD be set to two months to allow for delays, but ultimately it was set at one month.

- At the time of the original decision, primarily demand side units were entering through T-1 on single year contracts. Now this channel could be used for extension, enhancement, or repowering of existing capacity. Such additional capacity is essential during the Security of Supply crisis.
- It seems irrational to terminate such capacity after a single month if it will be delivered in time for the winter period (where capacity is most required).
- There is limited downside to implementing this modification. Delayed capacity will not receive payment for the three months it is delayed, and the three month period is not long enough to impair on the capacity requirement assessment for future auctions.