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| **MODIFICATION PROPOSAL FORM** | | | | | |
| **Proposer**  *(Company)* | **Date of receipt**  *(assigned by System Operator)* | | **Type of Proposal**  *(delete as appropriate)* | | **Modification Proposal ID**  *(assigned by System Operator)* |
| **Utility Regulator** | **25 April 2018** | | **Standard** | | **CMC\_04\_18** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Kevin Lenaghan** | |  | | [**Kevin.Lenaghan@uregni.gov.uk**](mailto:Kevin.Lenaghan@uregni.gov.uk) | |
| **Modification Proposal Title** | | | | | |
| **Proposed Modifications in regards to CMC Paragraph F.2.1.1 – “Capacity Auction Participation”** | | | | | |
| **Documents affected**  *(delete as appropriate)* | | **Section(s) Affected** | | **Version number of CMC used in Drafting** | |
| **Capacity Market Code** | | **F.2.1.1** | | **1.0** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| Fixing inconsistency with F.7.1.1(h), relating to obligation to offer New Capacity, identified by Capacity Auction Monitor. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| F.2.1.1 If a Participant’s Capacity Market Unit has Qualified for a Capacity Auction, then the Participant:   * + - * 1. shall offer into the Capacity Auction the Net De-Rated Capacity that has been Qualified to participate in the Capacity Auction in respect of Existing Capacity; and         2. may offer into the Capacity Auction the Net De-Rated Capacity that has been Qualified to participate in the Capacity Auction in respect of New Capacity,   by submitting appropriate Capacity Auction Offers in accordance with sections F.6 and F.7 in relation to the Capacity Market Unit, provided that the aggregate quantity offered in relation to the Capacity Market Unit in respect of Existing Capacity is no~~t~~ less than the lessor of:  the Net De-Rated Capacity (Existing Capacity) of that Capacity Market Unit; and  ~~its~~ the Firm Offer Requirement for that Capacity Market Unit. | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| There is clear principle – established in F.2.1.1(b) that no unit is required to enter the Capacity Auction for its New Capacity. This is correctly recognised in F.7.1.1(h) but was missed in the drafting of the final paragraph of F.2.1.1. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)* | | | | | |
| A.1.2.1 This Code is designed to facilitate achievement of the following objectives (the “Capacity Market Code Objectives”):  (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner;  (c) to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market;  (d) to promote competition in the provision of electricity capacity to the SEM | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| Non-implementation of modification proposal leaves the CMC internally inconsistent on the treatment of New Capacity. | | | | | |
| **Impacts**  *(Indicate the impacts on systems, resources, processes and/or procedures)* | | | | | |
| No material impact to systems, resources and processes/procedures. | | | | | |
| ***Please return this form to the System Operators by email to*** [***modifications@sem-o.com***](mailto:modifications@sem-o.com) | | | | | |

**Notes on completing Modification Proposal Form:**

1. **If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.**
2. **Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.**
3. **Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.**
4. **For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:**

**Agreed Procedure(s): means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in Appendix D “List of Agreed Procedures”.**

**T&SC / Code: means the Trading and Settlement Code for the Single Electricity Market**

**Modification Proposal: means the proposal to modify the Code as set out in the attached form**

**Derivative Work: means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal**

**The terms “Market Operator”, “Modifications Committee” and “Regulatory Authorities” shall have the meanings assigned to those terms in the Code.**

**In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of the Code (and Agreed Procedure 12), which I have read and understand, I agree as follows:**

**1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:**

* 1. **to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;**
  2. **to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;**
  3. **to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;**

**1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.**

**2. The licences set out in clause 1 shall equally apply to any Derivative Works.**

**3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.**

**4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.**

**5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.**