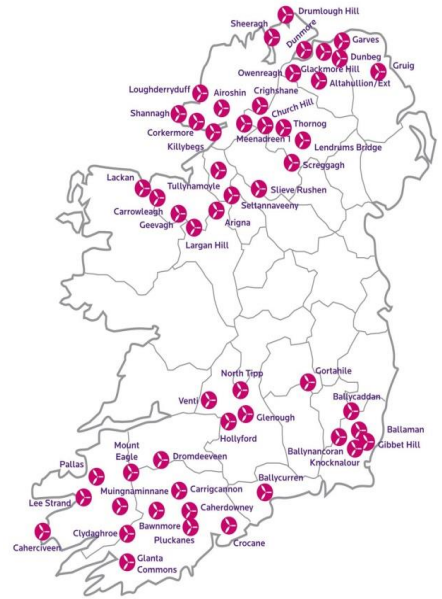


CMC_09_22 Modification Proposal

Secondary Trade Approval Notification

19th May 2022



Current area of concern re Secondary Trading approval

- Market participants are able to avail of Secondary Trading mechanisms (Interim Secondary Trade Notifications (ISTN) or Alternative Secondary Trade Notifications (ASTN) to manage their capacity market obligations and risk associated with clearing in a capacity auction.
- Various modifications relating to how both of these mechanisms are operated in the market have previously been submitted.
- However there is remaining ambiguity for market participants in terms of being notified that their submitted ISTN or ASTN have been validated and processed. Currently the CMC stipulates that the Capacity and Trade Register is required to be updated by the System Operator after submission of the respective ISTN or ASTNs.
- This process is not always clear in confirming that the submitted secondary trade notifications have been successfully validated and causes unnecessary concern and confusion for market participants in respect of trying to manage their obligations and risks.

Proposed amendments to secondary trade notifications

- In response to this area of concern, this modification seeks to propose a simple step in the System Operators processes that they notify participants directly to confirm that their submitted ISTN or ASTN has been successfully validated.
- The proposed timelines for the System Operator to notify market participants directly that their ISTN or ASTN has been validated is 5 Working Days for ISTN and 2 hours for ASTN in line with the current approved processing timelines for each mechanism (modification CMC_11_21 which proposed the processing timeline for ASTNs to be set to 2 hours has been approved but not yet implemented).
- Proposed legal drafting to be incorporated into the CMC to reflect this is as follows:

ISTN

- **M.7.2.7** The System Operators shall notify Participants directly if their proposed Secondary Trade is validated pursuant to M.7.2.6 within five Working Days of the Interim Secondary Trade Notification being submitted.

ASTN

- **M.12.3.2** The System Operators shall notify Participants directly if their proposed Secondary Trade is validated pursuant to M.12.3.1 within 2 hours of the Alternative Secondary Trade Notification being submitted.

Summary of benefits from proposed amendments

- Currently there is ambiguity for market participants in terms of being notified that their submitted ISTN or ASTN have been validated and processed by the System Operator.
- Whilst the Capacity and Trade Register is required to be updated by the System Operator after submission of the respective ISTN or ASTNs, this is not always clear in confirming that the submitted secondary trade notifications have been successfully validated.
- This modification seeks to propose a step that they notify participants directly to confirm that their submitted ISTN or ASTN has been successfully validated. This is aimed at removing ambiguity for market participants and to avoid confusion that can currently arise when carrying out secondary trades.