



**Single Electricity Market
(SEM)**

Capacity Market Code Working Group 19

Decision Paper

Appendix F –

CMC_11_20 Approved Modification Text Drafting

SEM-21-077(f)

21 September 2021

APPROVED MODIFICATION TO CAPACITY MARKET CODE DRAFTING

Modify M.12.3 as follows:

M.12.3 Role of System Operators

- M.12.3.1 The System Operators must do all things necessary to operate and administer the Alternative Secondary Trading Arrangements such that Alternative Secondary Trade Notifications are validated, and the Capacity and Trade Register is updated within ~~5 Working Days~~ 2 hours in accordance with this section M.12 including:
- (a) providing facilities for the receipt and processing of Alternative Secondary Trade Notifications;
 - (b) validating Alternative Secondary Trade Notifications and the associated proposed Secondary Trades;
 - (c) determining and publishing the outcome of Secondary Trades, including Awarded Capacity and prices;
 - (d) update the Capacity and Trade Register with the details of a valid trade as soon as reasonably practicable.
- M.12.3.2 The System Operators shall reject a proposed Secondary Trade set out in an Alternative Secondary Trade Notification if:
- (a) it does not form part of a matching Trade Pair, where a Trade Pair is formed of matching Alternative Secondary Trade Notifications from Buyer and Seller submitted on the same Working Day;
 - (b) the start of the proposed trade is prior to 2 hours ~~5 Working Days~~ after the trade was notified;
 - (c) the end of the proposed trade is at or before its start;
 - (d) the MW quantity of the proposed trade after adjustment pursuant to M.12.2.4 is zero; or
 - (e) it does not comply with the requirements set out in this section M.12.

Modify M.12.6 as follows:

- M.12.6.2 ~~Subject to paragraph M.17.2.6, F~~ the Buyer Limit for a Capacity Market Unit is the Initial Position of the Capacity Market Unit
- M.12.6.3 The Seller Limit for a Capacity Market Unit is ~~the value calculated as:~~
- (a) the value calculated as follows:
 - (i) if the Participant is seeking to trade above its Gross De-Rated Capacity:
 - (A) the lesser of
 - i. the Gross De-Rated Capacity (Total) of the Capacity Market Unit (when the Capacity Market Unit was last Qualified in respect of the Capacity Year):

ii. the Commissioned Capacity of the Capacity Market Unit;
and

iii. the Initial Capacity (Total) of the Capacity Market Unit
(as determined when the Capacity Market Unit was last
Qualified in respect of the Capacity Year); less ~~the~~
Available De-Rated Capacity; less

(B) the Initial Position of the Capacity Market Unit

(ii) otherwise:

(A) The Available De-Rated Capacity; less

(A)(B) The Initial Position of the Capacity Market Unit (ii) ~~the Initial~~
Position of the Capacity Market Unit multiplied by the Product Load
Following Factor for the traded period,

(b) divided by the Product Load Following Factor for the traded period.

Add to M.12.7 as follows:

M.17.2.4 A Participant, as the Buyer, may only enter into a Secondary Trade that results in the Net Capacity Quantity of the relevant Capacity Market Unit exceeding its Available De-Rated Capacity, up to a maximum of the Initial Capacity (Total) of the Capacity Market Unit, for no more than 70 days each Capacity Year.

M.17.2.5 The System Operators shall keep a record for each Capacity Market Unit of the total number of days within a Capacity Year for which the relevant Participant has entered into Secondary Trades in respect of its Capacity Market Unit as a Buyer that result in the Net Capacity Quantity of the Capacity Market Unit exceeding its Available De-Rated Capacity. The System Operators shall deduct from that total any such days during the remainder of the Capacity Year when the Participant subsequently trades out of such positions in respect of the Capacity Market Unit.

M.17.2.6 Where the number of days recorded under paragraph H.7.4.5 in respect of a Capacity Market Unit exceeds 70 days, the System Operators shall set the Buyer Limit of the Capacity Market Unit to zero for the remainder of the Capacity Year in respect of any Secondary Trade for which the Seller is seeking to trade above its Gross De-Rated Capacity (Total).