



**Single Electricity Market
(SEM)**

Capacity Market Code Workshop 31

Appendix A

Approved Modification Text Drafting

SEM-23-079

02 October 2023

Modify:

F.8.2.3 In the software program used to conduct Capacity Auctions, the System Operators ~~may~~ **shall** include a feature that allows Locational Capacity Constraints to be violated subject to the following conditions:

(i) any violation of a Location Capacity Constraint shall be on the basis of a notional cost equal to the price of the violation included in the Locational Capacity Constraint Information multiplied by the quantity of the violation;

(ii) the level of these prices shall be set so that no such violations will occur unless no solution that satisfies the Locational Capacity Constraints would exist that could be found by the software program; ~~subject to a high cost being charged and;~~

(iii) ~~with this~~ the cost added to the costs in the calculation in paragraph F.8.4.2(b) of all violations for all Locational Capacity Constraints is minimised; provided that the level of this cost is set so that no such violations will occur unless no solution that satisfies the Locational Capacity Constraints would exist that could be found by the software program.

Locational Capacity Constraint Information

in respect of a Locational Capacity Constraint, means the following information:

- (a) the name;
- (b) the Locational Capacity Constraint Required Quantity;
- (c) whether the Locational Capacity Constraint is a Level 1 Locational Capacity Constraint or a Level 2 Locational Capacity Constraint; and
- (d) for a Level 2 Locational Capacity Constraint, the Level 1 Locational Capacity Constraint it falls within;
- (e) the Locational Capacity Constraint Maximum Quantity;~~;~~
- (f) price quantity pairs for the violation of the Locational Capacity Constraint Required Quantity in accordance with F.8.2.3;
- (g) price quantity pairs for the violation of the Locational Capacity Constraint Maximum Quantity in accordance with F.8.2.3.