



Single Electricity Market

(SEM)

Capacity Market Code Workshop 34

Urgent Modification Consultation Paper

CMC_25_23: Market Readiness Certification

SEM-23-097

27 November 2023

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1. OVERVIEW

1.1 ABSTRACT

1.1.1 The purpose of this consultation paper is to invite industry participants to provide feedback and comments regarding the Proposed Urgent Modification to the Capacity Market Code (CMC) discussed at Workshop 34, held on 16 November 2023.

1.1.2 During this Workshop, two modification proposals were presented. This consultation paper relates only to the Urgent Modification:

CMC_25_23: Market Readiness Certification

1.2 BACKGROUND

1.2.1 On the 09 November 2023, EirGrid and SONI (the System Operators) submitted one Urgent Modification Proposal (CMC_25_23) under the terms of B.12.9.1 of the CMC. As per B.12.9.3 of the CMC, the Regulatory Authorities (RAs) assessed the proposal and deemed it Urgent.

1.2.2 In this regard, B.12.9.5 provides:

“If the Regulatory Authorities determine that a Modification Proposal is Urgent, then:

a) the Regulatory Authorities shall determine the procedure and timetable to be followed in assessing the Modification Proposal which may vary the normal processes provided for in this Code so as to fast-track the Modification Proposal; and

b) subject to sub-paragraph (a), the System Operators shall convene a Workshop.”

1.2.3 As Workshop 34 was already arranged, the RAs determined that a separate Workshop was not required for the Urgent Modification as it could be considered within the timeline of the already established Workshop 34.

1.2.4 On the 20 November 2023 the RAs determined the procedure to apply to the Urgent Modification Proposal. This is shown in Appendix A. An overview of the timetable is as follows:

- i. The System Operators convened Workshop 34 where the Urgent Modification Proposal was considered on 16 November 2023, alongside one other Standard Modification.

- ii. The System Operators, as set out in B.12.7.1 (j) of the CMC, prepared a report¹ of the discussions which took place at the workshop, provided the report to the RAs, and published it on the Modifications website promptly after the workshop.
- iii. The RAs are now consulting on the Urgent Modification Proposal (as per B.12.9.5), from the date of publication of the Consultation until the closing date of Monday 11 December 2023.
- iv. As set out in B.12.11, the RAs will make their decision as soon as reasonably practicable following the conclusion of the consultation and will publish a report in respect of their decision by 12 January 2024.

1.3 PURPOSE OF THIS CONSULTATION PAPER

- 1.3.1 The purpose of this paper is to consult on the Proposed Urgent Modification. Further detail is set out in the appended Urgent Modification Proposal in Appendix B.
- 1.3.2 The Regulatory Authorities hereby give notice to all Parties and to the Market Operator of a consultation on the proposed Urgent Modification.
- 1.3.3 Interested Parties and the Market Operator are invited to make written submissions concerning the proposed Urgent Modification by no later than 17:00 on Monday 11 December 2023.
- 1.3.4 **Please note that late submissions will not be accepted.**
- 1.3.5 Upon closure of the consultation process, the Regulatory Authorities intend to assess all valid submissions received and form a decision to make a modification, not make a modification or undertake further consideration of each modification.

2. MODIFICATION PROPOSAL

2.1 CMC_25_23 – MARKET READINESS CERTIFICATION

Proposer: EirGrid and SONI

CMC_25_23: Proposal Overview

- 2.1.1 This Modification Proposal seeks to amend the requirement for achieving Minimum Completion or Substantial Completion by associating these milestones with an additional compliance and testing certification.

¹ <https://www.sem-o.com/events/capacity-market-modificat-48/capacitu/capacity-market-modificat/capacity-market-modificat/Capacity-Modifications-Workshop-34-Report-V1.0.pdf>

- 2.1.2 The SOs, through this Modification Proposal, are seeking to ensure that generation capacity which could be made available to the market to mitigate generation shortfalls and manage risk to security of supply, can be securely facilitated pending the completion of all required Grid Code compliance testing.
- 2.1.3 The certification (“Market Readiness Certification”) would facilitate Minimum Completion or Substantial Completion and associated revenues and obligations in advance of a Final Operational Notification (FON).
- 2.1.4 This Modification Proposal does not seek to change other existing requirements for achieving Minimum Completion or Substantial Completion.
- 2.1.5 The SOs propose that the new Market Readiness Certificate (MRC) would be issued to relevant units which have been issued with an ION once they have demonstrated a subset of Grid Code compliance requirements and demonstrated capacity.
- 2.1.6 Similar to how Grid Code compliance and certification is applied in respect of different technology classes, the SOs intend to publish information on the specific tests that would be required for each technology class/type to achieve the MRC.
- 2.1.7 Further details on the Urgent Modification Proposal are set out in the appended Modification Proposal Appendix B, which includes the draft changes to the CMC.

[CMC_25_23: Working Group Feedback](#)

- 2.1.8 Capacity Market Code Modifications Workshop 34 took place on Thursday 16 November 2023 where the modification was presented and discussed.
- 2.1.9 The SOs presented a summary of the Modification Proposal stating that the proposal is to introduce a different requirement which would be needed to meet Minimum and Substantial Completion for submission and testing. The SOs stated they would be seeking to publish the requirements for the MRC.
- 2.1.10 The SOs stated that the Modification is aimed at reducing timings under the CMC and that they were bringing this Modification forward based on concerns they have heard from developers around the length of time for commission and testing in Ireland and Northern Ireland.
- 2.1.11 Bord Gáis Energy (BGE) questioned whether participants would still be required to complete FON and whether the timelines for this would remain the same.
- 2.1.12 BGE also sought clarity on whether market readiness could be tested based on secondary fuels, (if a participant can demonstrate the requirements on secondary fuel) as this would still be keeping in line with the spirit of the modification.
- 2.1.13 The SOs, in response to BGE’s first question, stated that there would be no changes to ION, or the status of ION, and the modification would not change FON timelines.

- 2.1.14 In response to the second question, the SOs stated that the intention of the modification is that if a project can contribute to Security of Supply (SoS) on either fuel at this interim stage, testing on secondary fuel for the MRC is acceptable.
- 2.1.15 BGE stated their support for the Modification and acknowledged that it was good to see the SOs talking on board previous comments and addressing them.
- 2.1.16 Energia were concerned that the requirements for the MRC could potentially be published after the consultation had opened, stating that participants could not be expected to respond to the consultation without the requirements. Given also that the Modification would be consulted upon on an urgent basis, with a shortened timeframe, this would mean that even if the SOs published the requirements just a few days after publication of the consultation, insufficient time would be provided.
- 2.1.17 Energia also sought clarity on what the biggest difference between the MRC and FON would be, i.e., to understand what is not included in the MRC but which is included in the FON.
- 2.1.18 The SOs responded to state that the list of what is included is what is needed to participate for short-term SoS, i.e., working forward rather than backward from FON.
- 2.1.19 Energia stated that participants would need a clear idea of what requirements from FON are not necessary.
- 2.1.20 The SOs confirmed they would take this feedback on board and are focusing on trying to cut down the back and forward reporting.
- 2.1.21 The SOs stated they would coordinate with the RAs on the consultation timelines on when the requirements would be available. The focus will be on achieving MRC and then FON.
- 2.1.22 Bord na Móna welcomed the proposal and stated they are supportive of any modification which facilitates projects to deliver Security of Supply.
- 2.1.23 SSE also supported the Modification based on the discussion at the Workshop but stated they would also like to see the detail of the MRC either in the consultation or alongside it.
- 2.1.24 ESB were generally in support of the Modification but questioned how the period between MRC and FON would be framed.
- 2.1.25 The SOs stated they would take this under consideration.
- 2.1.26 Energia sought clarification on the publication of the requirements for the MRC and questioned whether this would be a separate consultation.

2.1.27 The SOs clarified that they would only be publishing the list of requirements² for both Ireland and Northern Ireland and not a consultation. They clarified that the consultation would be a RA consultation on the Modification Proposal itself as is normal process under the CMC.

CMC_25_23: Minded To Position

2.1.28 The SEM Committee welcomes feedback and comments regarding the Proposed Urgent Modification.

2.1.29 The SEM Committee acknowledges the concerns raised by Market Participants around the length of time for commission and testing in Ireland and Northern Ireland and welcomes this proposed solution raised by the System Operators.

2.1.30 Given the potential of this Urgent Modification Proposal to securely enable generation capacity to be available to the market to mitigate generation shortfalls and manage risk to SoS pending the completion of all required Grid Code compliance testing, the SEM Committee is minded to approve this modification.

3. CONSULTATION QUESTIONS

3.1.1 The SEM Committee welcomes views and responses on the proposed urgent modification raised within this consultation paper.

3.1.2 Respondents are invited to provide comments and feedback in respect of:

- the proposed urgent modification and its consistency with the Code Objectives.
- any impacts not identified in the Modification Proposal Form, e.g., to the Agreed Procedures, the Trading and Settlement Code, IT systems etc.; and
- the detailed CMC drafting proposed to deliver the Urgent Modification.

3.1.3 A template has been provided in Appendix C for the provision of responses.

4. NEXT STEPS

4.1.1 The SEM Committee intends to decide by 12 January 2024 on the implementation or otherwise of the Modification outlined within this consultation paper as per B.12.11.1 of the CMC.

4.1.2 Responses to the consultation paper **must** be sent to both the UR and CRU CRM Submissions inboxes (CRMsubmissions@uregni.gov.uk and CRMsubmissions@cru.ie), **by close of business**

² To note, EirGrid and SONI published the Specification of Requirements for the Market Readiness Certificate on 23 November 2023, <https://www.eirgridgroup.com/site-files/library/EirGrid/Market-Readiness-Certificate-Requirements.pdf>

(17:00hrs) on Monday 11 December 2023. Please note that late submissions will not be accepted.

- 4.1.3 We intend to publish all responses unless marked confidential. While respondents may wish to identify some aspects of their responses as confidential, we request that non-confidential versions are also provided, or that the confidential information is provided in a separate annex. Please note that both Regulatory Authorities are subject to Freedom of Information legislation.