

APPENDIX C – RESPONSE TEMPLATE

SUMMARY INFORMATION

Respondent's Name	<i>Bord Gais Energy</i>
Type of Stakeholder	<i>Generator & Supplier in SEM</i>
Contact name (for any queries)	<i>Eoghan Cudmore</i>
Contact Email Address	<i>Eoghan.cudmore@centrica.com</i>
Contact Telephone Number	<i>+353833965941</i>
Confidential Response	[N]

CAPACITY MARKET CODE MODIFICATIONS WORKSHOP 40 CONSULTATION COMMENTS:

Bord Gáis Energy (**BGE**) welcomes the opportunity to respond to this SEM-25-001 consultation on the modification proposal that were initially discussed at the Capacity Market Code ('**Code**') Workshop 40.

BGE is supportive in principle of the proposed modification, however we believe there is need for a wider review of this section of the code and one overarching mod to address the relevant issues. We believe that ESB has correctly identified a gap in the logic that needs to be addressed. The scenario outlined where a generator adds incremental volumes to an existing asset and the derating factor changes impacting the proportion of delivered capacity is illogical and risks the generators being deemed to not have met Substantial Completion, which risks loss of capacity market revenues.

BGE advocated that the TSOs should investigate a holistic mod around the impact of incremental additional of volume on the defined proportion of delivered capacity. In particular for scenarios such as adding new capacity to existing capacity, and also adding new capacity to awarded but at the time undelivered capacity (i.e. in train awarded capacity). This is still our preferred option, and we believe such a wider ranging mod would also capture additional issues such as the one outlined below.

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While looking at this proposal we also identified another similar issue which is based on the same general provisions of the code. Take the following scenario.

A unit qualifies and bids into the capacity market auction on based on their expected engine size. After the auction the turbine manufacturer advises a slightly higher value for the installed capacity of the turbine. This results in generators applicable de rating changing. *(see below how a 2MW increase in Initial capacity results in change of DRF)*

Table 1 - Initial Capacity Marginal De-Rating Curves by Technology Class and Initial Capacity

Initial Capacity (IC) (MW not de-rated)	DSU>6 hrs ¹	Gas Turbine	Hydro	Steam Turbine	Interconnector ²³	System Wide ⁴
0 ≤ IC ≤ 10	0.614	0.884	0.867	0.616	0.571	0.812
10 < IC ≤ 20	0.607	0.876	0.864	0.609	0.571	0.808
20 < IC ≤ 30	0.601	0.868	0.861	0.604	0.570	0.805
30 < IC ≤ 40	0.596	0.863	0.858	0.599	0.569	0.802

However, the original awarded capacity is unchanged. When stepping through the code algebra, the 'Grid Code Commissioned De-Rating factor' changes to reflect the Grid Code Commissioned Capacity. However, when calculating the 'Commissioned Capacity' (qCCOMMISSQy), the algebra divides the 'Awarded De-rated capacity' (**unchanged**) by the 'Grid Code Commissioned De-Rating factor' (**changed**) resulting in a 'Commissioned Capacity' which is greater than the Grid Code Commissioned Capacity. This is an edge case which should also be looked at in a wider TSO mod.

BGE suggests that wider review of this section of the code is required to ensure that a single holistic mod can address all issues rather than addressing them in piecemeal way.

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ID	Proposed Modification and its Consistency with the Code Objectives	Impacts Not Identified in the Modification Proposal Form	Detailed CMC Drafting Proposed to Deliver the Modification
CMC_12_24: Proportion of Delivered Capacity in respect of incremental New Capacit	<p>BGE believes the modification as drafted is consistent and will deliver under the following code objectives:</p> <p>(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;</p>	<p>BGE believes that rather than focusing on this specific issue a wider mod is needed to address all gaps in the code cause by edge case in respect of incremental volume additions and differences in delivered capacity vs qualified capacity</p>	NA

NB please add extra rows as needed.