

EirGrid and SONI Response to SEM-25-001

Capacity Market Code Modifications Workshop 40 Consultation

CMC_12_24

10 February 2025



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1. Introduction

EirGrid holds licences as the independent electricity Transmission System Operator (“TSO”) and Market Operator (“MO”) in the wholesale trading system in Ireland. The System Operator for Northern Ireland (“SONI”) is the licensed TSO and MO in Northern Ireland. The Single Electricity Market Operator (“SEMO”) is a contractual joint venture between SONI and EirGrid and operates the Single Electricity Market (“SEM”) on the island of Ireland.

EirGrid and SONI, both as TSOs and MOs, are committed to delivering high quality services to all customers, including generators, suppliers and consumers across the high voltage electricity system and via the efficient operation of the wholesale power market. EirGrid and SONI therefore have a keen interest in ensuring that the market design is workable, will facilitate security of supply and is compliant with the duties mandated to us and which will provide optimal outcomes for customers.

EirGrid and SONI have duties under licence to advise the Commission for the Regulation of Utilities (“CRU”) and the Northern Ireland Utility Regulator (“UR”) respectively on matters relating to the current and expected future reliability of the electricity supply. EirGrid and SONI have also been allocated responsibility for administering the Capacity Market Code via respective TSO licences. This response is on behalf of EirGrid and SONI in their roles as TSOs for Ireland and Northern Ireland (“the System Operators”, abbreviated as “SOs”).

2. EirGrid and SONI View on the Consultation Topic

EirGrid and SONI welcome the opportunity to respond to the SEM Committee’s consultation paper [SEM-25-001](#), (dated 07 January 2025) on the Capacity Market Code Modification Proposal:

- CMC_12_24: Proportion of Delivered Capacity in respect of incremental New Capacity.

2.1. EirGrid and SONI Response

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
<p>CMC_12_24: Proportion of Delivered Capacity in respect of incremental New Capacity</p>	<p>The SOs acknowledge the problem statement which the modification (“mod”) proposal is seeking to address and concur that the intent of the mod is largely consistent with the code objectives outlined in the Consultation.</p> <p>The SOs understand that the proposal seeks to modify the CMC to address instances where incremental new capacity awarded may face penalties at substantial completion due to changes in de-rating factors between different auctions for the same capacity year.</p> <p>The SOs would also note the importance of units ensuring that there is sufficient investment and consideration given to delivering contracted capacity in a timely manner and with optimised availability, as this is a primary driver influencing changes to de-rating factors between auctions.</p>	<p>There are no capacity market system impacts evident resulting from the mod proposal.</p> <p>Changes will be required to SO processes (changes to substantial completion assessment checks etc.).</p>	<p>While the SOs have no objection to the intent of the mod, the legal text (as currently proposed) will result in additional issues in very particular circumstances where there are multiple tranches of awarded capacity from different auctions in the same capacity year.</p> <p>The SOs recommend that the mod does not proceed without further work being undertaken on the legal text to ensure that the CMC text is sufficiently generalised so as to apply to multiple tranches consistently.</p> <p>The SOs intend to raise a mod with proposed legal text to address these issues in advance of the next industry workshop.</p>