

## APPENDIX C – RESPONSE TEMPLATE

### SUMMARY INFORMATION

|                                |                                                                      |
|--------------------------------|----------------------------------------------------------------------|
| Respondent's Name              | <i>iPower Flexible Energy</i>                                        |
| Type of Stakeholder            | <i>AGU / DSU</i>                                                     |
| Contact name (for any queries) | <i>C. McGurran</i>                                                   |
| Contact Email Address          | <a href="mailto:clare@ipowerflex.energy">clare@ipowerflex.energy</a> |
| Contact Telephone Number       | <i>028 9600 2900</i>                                                 |
| Confidential Response          | No                                                                   |

### CAPACITY MARKET CODE MODIFICATIONS WORKSHOP 43 CONSULTATION COMMENTS:

## APPENDIX C – RESPONSE TEMPLATE

| 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><b>CMC_04_25:</b> Adjustment of CMC auction qualification criteria to facilitate complex projects within State Aid approval.</p> | <p>iPower agrees that recent T-4 auctions haven't provided a full four years for delivery and therefore welcomes the proposed extended timeframes for this reason.</p> | <p>iPower also note the EY 2022 report, which highlights the challenges in delivering new build capacity, and proposes that lead times be extended to at least 4 years from announcement of capacity auction results to start of capacity delivery year.</p> <p>iPower understands the Regulatory Authorities' goal is to return to a full four-year delivery window in the future, and we welcome their openness to longer lead times, while also recognising that there are practical challenges in achieving this.</p> | <p>No comment.</p>                                         |

## APPENDIX C – RESPONSE TEMPLATE

| 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><b>CMC_05_25:</b> Early Termination of Intermediate Length Contract Capacity</p> | <p>iPower understands the aim of the proposed modification but agrees with the Regulatory Authorities that, under the current rules, a project can already say in a progress report that it won't meet Substantial Completion by the Long Stop Date and choose to terminate.</p> <p>Whilst iPower agrees that there needs to be an option to terminate early to enable the capacity to re-enter capacity auctions, perhaps the options for those market participants could be more clearly laid out. For example, if the refurbishment investment did not / could not take place, for whatever reason, but the capacity was still available as Existing capacity, then could the contract duration not be maintained but at the clearing price. Longer duration capacity contracts for existing capacity would be welcomed by participants in general and under the current auction process.</p> | <p>While demand side aggregators generally support the modification for offering more flexibility, supporting competition, and reducing early exit risk, a few concerns remain. Without proper safeguards, participants could misuse the process by exiting long-term contracts early to rejoin as short-term providers, distorting market signals and auction outcomes. Early terminations could also reduce future capacity and drive-up prices, raising questions about fairness.</p> | <p>No Comment</p>                                          |

## APPENDIX C – RESPONSE TEMPLATE

|                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>CMC_06_25:</b> Amendment of ARHL De-rating factor Definition to Exclude Intermediate Length Contracts.</p> | <p>The proposal aims to stop Annual Run Hour Limit (ARHL) de-rating from being applied to Intermediate Length Contracts (ILCs) for existing capacity. These projects were previously treated as “New Capacity” under CMC_10_24.</p> <p>This change supports key code objectives by making refurbishment projects more financially viable and encouraging investment in existing assets. It helps ensure ILCs are used as intended, for upgrading current capacity, not as full new builds, while also supporting long-term reliability and keeping valuable capacity in the market.</p> | <p>iPower welcomes the opportunity to comment on Modification Proposal CMC_06_25 and supports the proposed amendment to exclude Intermediate Length Contracts (ILCs) from the Annual Run Hour Limitations (ARHL) de-rating factor. We believe this change is both appropriate and necessary to maintain alignment with the core objectives of the Capacity Market: ensuring security of supply, encouraging efficient investment, and facilitating low-carbon transition.</p> <p>ILCs were introduced by the SEM Committee to promote refurbishment of existing plant as a cost-effective and lower-emission bridge between capacity shortfalls in the late 2020s and early 2030s. Penalising these assets through an ARHL de-rating contradicts this policy intent and sends a mixed market signal.</p> <p>Removing the ARHL de-rating for ILCs would: Send a clear and consistent investment signal that refurbishment is both valued and viable; and encourage asset owners to reinvest in reliability and efficiency, supporting overall system resilience. As previously recognised by the SEM Committee, applying ARHL de-</p> | <p>The proposed drafting maintains clarity while effectively addressing the issue. It ensures ease of implementation for both market participants and the System Operators.</p> |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## APPENDIX C – RESPONSE TEMPLATE

| 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>rating to ILCs could discourage refurbishment investment and lead to the early retirement of much-needed dispatchable capacity at a time when security of supply is most at risk. ILCs provide a more affordable solution compared to new builds, both in terms of capital cost and environmental impact. De-rating refurbished assets through ARHL may shift procurement to costlier options, increasing auction clearing prices and consumer charges. Applying ARHLs to existing capacity through ILCs could encourage only minimalist refurbishments, just enough to qualify for capacity payments without unlocking deeper decarbonisation or reliability improvements. This contradicts the SEM Committee's vision for ILCs as a pathway to meaningful system-wide gains.</p> |                                                            |
| <b>CMC_07_25:</b><br>Maintaining Net Present Value in new capacity market contracts for no-fault delays. | No Comment                                                         | No Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No Comment                                                 |

## APPENDIX C – RESPONSE TEMPLATE

| 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 |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>CMC_08_25</b> Ensuring robust, transparent and objective qualification criteria in the Capacity Market | The proposal supports Code Objectives (a), (b), (d), and (e) by making sure only well-prepared and realistic projects can enter the auction. This improves planning, delivery, and transparency and helps protect the integrity of the market by discouraging speculative projects that are unlikely to deliver on time or at all. By focusing on deliverable capacity, the change boosts confidence in auction outcomes and reduces the risk of future shortfalls. | Clear guidance is needed on what types of evidence are acceptable for demand-side aggregator participants. It would be valuable for the TSO and DSO to provide detailed, practical instructions on how aggregators can meet the new qualification criteria in a way that reflects their unique role. These participants have previously struggled to obtain connection agreements from DSOs, and this challenge must be accounted for to ensure they are not unfairly excluded from qualifying. Without such clarity, aggregators risk being over-burdened or excluded. Providing clear examples and qualification pathways would help ensure they can continue to participate effectively in the capacity market. | No Comment.                                                |
| <b>CMC_09_25</b> Registration and Qualification Auction Timetable Milestones                              | No Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No Comment                                                 |

NB please add extra rows as needed.