APPENDIX C – RESPONSE TEMPLATE

SUMMARY INFORMATION

Respondent's Name	Powerhouse Generation (PHG)
Type of Stakeholder	*Demand Side Response*
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Confidential Response	No

CAPACITY MARKET CODE MODIFICATIONS WORKSHOP 45 CONSULTATION COMMENTS:

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ID	**Proposed Modification and its Consistency with the Code Objectives**	**Impacts Not Identified in the Modification Proposal Form** e.g., to the Agreed Procedures, the Trading and Settlement Code, IT systems etc.;	**Detailed CMC Drafting Proposed to Deliver the Modification**

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CMC_16_25: CRM De-Rating Factors for DSU	This modification looks to replace the current derating factors with a unit specific **projected** availability-based derating factors where DSUs self-nominate an availability metric and are held accountable via a new Generator Performance Incentive (GPI). PHG supports measures that strengthen performance accountability and system reliability; however, this proposal is not consistent with Capacity Market Code objectives of transparency and proportionality for the following reasons: i) Proposal relies on unverifiable projections of availability – how is availability of a new IDS, or new unit measured? The calculation / selection of availability is not defined. The added scenario of qualifying for a T-4 auction, circa 3.5 – 4 years in advance of go-live, with IDS' that may not be the IDS' that actually go-live presents another fundamental issue.	The proposal also lacks clarity on the treatment of new IDSs or newly qualified units, for which no historic availability record exists. Transfer of IDSs between DSUs has not been discussed, and what implications that would attract to the specific DSU. There is no reference to substantial completion assessment and how that would be treated on a 1 year or multi year award. Section 2.1.9 makes reference to 'new entrants', however If these 'new entrants' perform differently to those of existing DSUs and other technologies then it could be a case for the introduction of additional technologies. A separate modification should be put forward to support the introduction of such technologies and their abilities.	C.1.1.2 (g) Inserting "projected availability" into the de-rating definition presumes a reliable way to calculate it but none is defined. Without a codified formula or data standard, this change introduces ambiguity into a foundational term. Drafting is DSU-specific, violating principle of equal treatment across technologies. The same approach should apply to all capacity categories to preserve neutrality.

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	ii) DSU and IDS commercial arrangements are confidential and cannot therefore be assumed. They should not be referenced in code changes justifications. iii) It should be noted that this targets one type of technology type. It should apply across ALL technology classes if implemented, not exclusively DSUs. It should also be emphasised that past performance should not be regarded as an indicator of future performance.		

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CMC_17_25: Drawdown of Performance Security	This modification allows the Transmission System Operators (TSOs) to draw down a participant's posted Performance Security before the standard invoice payment period ends, where explicit authorisation is given by the defaulting participant. The intent is to expedite financial recovery and reduce administrative burden following terminations or payment defaults. PHG supports the overall concept of improving the drawdown process and recognises the efficiency benefits of earlier recovery. However, we do not support a blanket roll-out of this mechanism across all participants or scenarios that automatically enables early drawdown without express participant authorisation on a case-by-case basis.	A clear definition of "authorisation" should be included including timelines.	Definition of "Authorisation" Suggestion: "Authorisation means a written or electronic confirmation from the Participant to the System Operator permitting early drawdown of Performance Security for a specified termination or payment default."

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CMC_18_25: Introduction of Modular Generator Unit Types and De-Rating Methodology	The proposer suggests introducing a new "Modular Generator Unit" (MGU) category into the Capacity Market Code, alongside a new de-rating methodology. The MGU would be similar to an Aggregated Generator Unit (AGU) but without the 10 MW upper limit and would allow multiple generating components within a single registered unit to be de-rated and aggregated individually. PHG appreciates the intention to improve the accuracy of de-rating and operational flexibility, but we believe this modification raises both technical and operational concerns. i) Single Point of Failure Risk – PHG reiterate that there is a fundamental difference between what is being proposed and AGUs. In an AGU, if one generator fails, only that generator's capacity contribution is lost; the other generators in the AGU remain fully operational.	The proposer's example of a 300 MW gas turbine and 150 MW steam turbine assumes that the open cycle component can operate independently and should therefore receive a higher de-rating. However, PHG believe that this example overlooks the operational interdependence typical of such plants, and that leads to a single point of failure. Treating these modules as separate for de-rating would therefore overstate reliability and does not align with the real-world performance of CCGTs in our opinion.	Further understanding on how de-rating factors are currently calculated would assist with proposals such as this and CMC_16_25.

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	In contrast, for a modular plant such as a CCGT, the loss of one key module (e.g., the gas turbine or a shared auxiliary system) can compromise or trip the entire unit, not just a portion of it. PHG believe that the modification understates the system risks associated with the proposed changes.		

NB please add extra rows as needed.