

APPENDIX D – RESPONSE TEMPLATE

SUMMARY INFORMATION

Respondent's Name	Powerhouse Generation Ltd
Type of Stakeholder	Demand Side Response
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CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

Introduction – PHG strongly suggests that this modification has not been given the appropriate time to allow all participants the ability to fully analyse the impacts that such changes shall have in the upcoming Capacity Auction. The more enduring intentions, to comply with Article 22 and to reduce the impact of CO2 emission are supported by Powerhouse Generation. PHG believes that there is an agreeable solution to achieving the goals, although that should be brought in over an achievable timeframe. There are contractual arrangements in place between DSUs and their Individual Demand Sites, which are there to provide services to the electricity industry into the future. It does take some time to adjust these positions and this modification does impact the outcome of T-4 capacity years and thus that commercial arrangement between DSU and their IDSs.

Under the objectives of the CMC there should be support for DSUs to be given time and the ability to adjust such commercial arrangements. Changes to Market rules should be agreed and published well in advance. **This modification does not provide that and as such does not comply with the CMC objectives.**

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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
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<p>CMC_05_20</p> <ul style="list-style-type: none"> - Modification to Implement amendments as required by the Clean Energy Package Regulation EU 2019/943 <p>Codes Objectives Furthered</p>	<p>Powerhouse Generation Ltd (PHG) would support compliance with the Clean Energy Package and whilst SEMO is striving to facilitate this, PHG cannot support the modification as it does not address all the CMC Objectives.</p> <p>The references made to the CMC paragraphs are in correct</p> <p><i>e) to facilitate the efficient, economic and coordinated operation, This should be sub paragraph (b)</i></p> <p><i>f) to facilitate the participation of undertakings including electricity undertakings This should be sub paragraph (c)</i></p>	<p>This does not allow full and complete assessment of the modification placed in front of market participants</p> <p>There are references to CMC objectives missing</p> <p><i>(a) to facilitate the efficient discharge by EirGrid and SONI of the obligations imposed by their respective Transmission System Operator Licences in relation to the Capacity Market;</i></p> <p>Lack of methodology and provision of equations to</p>	
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		<p>calculate the CO2 emissions means that there is no efficient way of performing the required analysis. It has been stated that the TSOs shall perform this analysis.</p> <p>Whilst that analysis may not be required by SEMO until the start of the Capacity year – it is required by participants in advance of the Auction closure date.</p> <p><i>(c) to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market;</i></p> <p>The timing of this modification shall leave very little time for the development of an effective and deliverable strategy in the participation of the upcoming Capacity Auction. There shall be less than one working day for assessment of this consultation</p>	
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		<p>decision and the closure of the capacity auction.</p> <p><i>(e) to provide transparency in the operation of the SEM;</i></p> <p>There shall be no transparency without the publication of calculation equations and detailed methodology regarding the CO2 compliance analysis.</p> <p><i>(f) to ensure no undue discrimination between persons who are or may seek to become parties to the Capacity Market Code</i></p> <p>This proposed modification seeks to incorporate the production of generation of Combine Cycle units, as well as the energy usage of CHP, in the overall assessment of the emissions for those capacity units. Aggregated provision of demand response via reduction and generation, should be treated equally to those units mentioned above so that there is no discrimination surround</p>	
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<p>References to Energy Regulation Article 22 (4) and (5)</p>	<p>There was an ACER Opinion published - “ACER Opinion on the calculation of the values of CO2 emission limits referred to in the first subparagraph of Article”</p>	<p>the assessment of emissions versus capacity.</p> <p>There was an ACER Opinion published, covering the calculation of CO2 emission limits referred to within Article 22. This publication acknowledged that the calculation be performed at generator unit level, and there are’ interoperability of generator unit’ issues.</p> <p>ACER confirmed that “application of the emission limits only to generation capacity that participates or intends to participate in a CM”. Since participation under the SEM Capacity Market is for registered capacity market units then the emissions are to be similarly applied – which does not mean Individual Demand Sites (IDSs).</p>	
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<p>New para E.7.2.3</p>	<p>This clause is not consistent with the intention of para E.7.4.4 and E.7.4.5 It does not define that it does not apply to aggregated units</p>	<p>ACER acknowledge that investment in reducing CO2 should be considered as mitigating measures. The ability of a DSU to incorporate reduction only sites provides MW whilst reducing the overall emission impact of the generating unit. It also refers to the “net electricity output that the generation unit can deliver to the grid”.</p> <p>Given the lack of publication surrounding the emission limits calculations then it shall not be possible for a participant to gauge whether its Capacity market Candidate Unit complies with the CO2 limits. This clause means that the whole Candidate Unit application shall be rejected, rather than that part which may be non compliant.</p>	
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New para E.7.4.4 and E.7.4.5	Reference to a non defined term “element”	There is a lack of definition surrounding the term “element”. How shall this be incorporated into the calculation equations for CO2 compliance.	
Para E.7.5.1	Reference made only to “New” capacity	Why is there only reference made to ‘New’ capacity whenever para E.7.4.4 and E.7.4.5 cover all applications regarding CO2 emission compliance?	

NB please add extra rows as needed.