

APPENDIX C – RESPONSE TEMPLATE

SUMMARY INFORMATION

Respondent's Name	Bord Gáis Energy Limited (BGE)
Type of Stakeholder	Generator (all-island wholesale electricity market); Supplier (Irish retail electricity market)
Contact name (for any queries)	Cal Lynn
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Contact Telephone Number	01 233 5699

CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

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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_04_19</p> <p>- Finalisation of Exchange Rate in Auction Information Pack</p>	<p>In general, BGE agrees that given USPC application decisions have already been made for T-4 for CY2022/23, then this modification does not need implementation before the 28th March auction deadline. The need to avoid undesirable retrospective impacts on commercial decisions already made should be avoided. Notwithstanding this however, we believe the RAs should consider undertaking further consideration in regard to matters raised in the modification proposal in the context of our comments below. Our key comments are:</p> <ol style="list-style-type: none"> 1. We see merit in the Proposer’s concern but note also that the FX rate could fluctuate in either direction such that NI participants could in some instances find themselves being paid more than ROI participants that are being paid in Euros. Also we note that depending on the direction of FX rate fluctuation, NI plants could be capped at putting in lower bids than ROI plants which is potentially anti-competitive/ creates an uneven playing field. 2. BGE believes that the RAs’ original rationale for adopting the decision to finalise the ECPC and APC in the Initial Auction Information Pack 24 weeks before the auction still stands, given that the deadline for making USPC applications is 20 weeks before the auction but the final auction information pack isn’t issued until 2 weeks before the auction. <u>However:</u> 3. We believe that market participants would benefit from further insight into the level of fluctuation in FX rates and related impacts on the ECPC and APC from the time of the Initial Auction Information Pack to the Final Auction Information Pack, in order to better understand the extent or range of the potential impacts. We also believe that further insight on FX trends (increases/ decreases) over the course of the new SEM capacity 	<p>As already noted, we believe that further insight on the system impacts of this Modification is required to better understand the complexity, time and related cost thereof. This is particularly so as the TSO noted in the WG that system impacts would apply. Given the number of other more pressing system changes that are required at present, we do not believe an informed decision can be made without this ‘impacts’ information.</p>	<p>Given BGE’s views outlined in column 2 to the left here (points 1-5), we believe that further consideration to the matter is required particularly if the further insight requested in point 3 merits it. This would subsequently inform any changes that may be needed to the overall drafting.</p>
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	<p>market auctions would help, given that the nature of FX rates could mean that NI participants are paid either more or less than their capacity market counterparts that are paid in Euro.</p> <p>4. With the benefit of the further insight requested in comment ‘3’ above, we believe that depending on the insight that information provides, it may be worth considering at that stage whether for example some adjustment should be made for e.g. to the timeline for (a) submitting USPC applications or, (b) publication of the Final Auction Information Pack or perhaps consider whether there is merit in permitting market participants to decide the extent of FX rate risk they should take on themselves by enabling them to decide whether to bid in either Euro or Sterling.</p> <p>5. We also note that the system impacts haven’t been fully fleshed out, noting that the SOs flagged in the WG discussion that implementation of this proposed modification would require a system change. Given the pressing system changes required in the near term for other market issues, this system impact information is necessary in our view before a fully informed decision can be made.</p>		

NB please add extra rows as needed.