

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by System Operator)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by System Operator)</i>
EirGrid / SONI	16 March 2020	Standard	CMC_08_20
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Aodhagan Downey			
Modification Proposal Title			
Change of Awarded Existing Capacity to Awarded New Capacity			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of CMC used in Drafting	
CMC	I	3.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>In the Capacity Market, there are strong provisions regarding the delivery of Awarded New Capacity; however, once Substantial Completion has been achieved and the Awarded Capacity is considered as Existing, there are no provisions to deal with the instance where the Generator Unit has a Registered Capacity that is no longer >90% of the Awarded Existing Capacity.</p> <p>This mod essentially introduces a means by which Substantial Completion can be reversed such that Existing Capacity that is not delivering is considered as Awarded New Capacity again. For the vast majority of capacity providers, this proposal will have no impact; however, for those that are not meeting their obligations, it enables a clear path to resolving the non-delivery in a clear transparent way.</p> <p>Currently, only Awarded New Capacity faces Termination Charges if it does not meet Substantial Completion prior to the Long Stop Date. Awarded Existing Capacity faces no such sanctions where it is not delivering. The proposed Modification Proposal aims to level the playing field to a greater extent so that New Capacity can compete on equal terms with Existing Capacity.</p> <p>Where either the Registered Capacity of a Generator Unit <90% of Awarded Existing Capacity or the de-rated availability of the Generator Unit is less than the Awarded Existing Capacity for 50% of the time over the first 6 months of the Capacity Year, the Awarded Capacity will be set to Awarded New Capacity with a Long Stop Date at the end of the Capacity Year. This means that the Generator Unit is considered to be no longer commissioned for the purposes of the Capacity Market and will need to provide an Implementation Plan demonstrating how it intends to reach Substantial Completion again. It will not be paid Capacity Payments and will have to post a Performance Security. It will also be subject to Termination Charges in the event that it does not reach Substantial Completion before the Long Stop Date.</p>			
Legal Drafting Change			
<i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>			

I.1.4 Non-delivery of Existing Capacity

I.1.4.1 Where at any time during the Capacity Year either of the following occur:

- (a)** the de-rated Registered Capacity of the Generator Unit is less than 90% of the Awarded Existing Capacity for a period of more than one month; or
- (b)** the de-rated Availability of the Generator Unit is less than Awarded Existing Capacity for more than the 50% of the time over first half of the Capacity Year.

the System Operators shall set the Commissioning Status Flag for the Awarded Existing Capacity to Forecast and the Awarded Capacity shall be considered as Awarded New Capacity.

I.1.4.2 Where the status of Awarded Existing Capacity changes to Awarded New Capacity, in accordance with I.1.4.1, the Participant shall be required to submit an Implementation Plan, post a Performance Security and all provisions of Chapter J shall apply as if the Awarded Capacity was commissioning for the first time..

I.1.4.3 The Long Stop Date for any Awarded New Capacity arising from paragraph I.1.4.1 shall be the last day of the relevant Capacity Year to which the Awarded Existing Capacity applied.

Modification Proposal Justification

(Clearly state the reason for the Modification)

This Modification Proposal is necessary to ensure that Awarded Existing Capacity is treated on a similar basis to Awarded New Capacity and creates a more level playing field. Where currently Awarded New Capacity faces strong implementation requirements, Awarded Existing Capacity faces none in respect of maintaining the required capacity to ensure it meets its obligations under the Capacity Market Code.

For most capacity providers that comply with their obligations, these measures enhance the Capacity Market as it ensures that potentially less scrupulous operators do not enjoy a cost advantage for being less reliable. These measures are intended to complement the dynamic incentive that exists through the application of difference charges and ensures that the policy requirement that all Awarded Capacity is physically backed is met.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)

(d) to promote competition in the provision of electricity capacity to the SEM;

This proposal ensures that less reliable existing capacity does not enjoy a cost advantage over more reliable capacity.

(f) to ensure no undue discrimination between persons who are or may seek to become parties to the Capacity Market Code;

Currently, the Capacity Market Code discriminates in favour of existing capacity by not subjecting existing capacity to termination charges where it does not meet its obligations. While it could be argued that this is not undue discrimination as there is clear evidence that the existing capacity is physically present whereas new capacity has not been implemented, the

TSOs are seeing worrying trends regarding the availability of existing capacity. Where the existing capacity is clearly not performing as required, this establishes reasonable cause to consider the application of the same implementation incentives as are in place for new capacity,

(g) through the development of the Capacity Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, and security of supply of electricity across the Island of Ireland.

It is the strong view of the system operators that the performance of existing capacity needs to be put on a level playing field with new capacity to ensure participants continue to invest in the reliability of the unit over the course its lifetime. This is in the interest of reliable new capacity, reliable existing capacity and end customers.

Implication of not implementing the Modification Proposal

(State the possible outcomes should the Modification Proposal not be implemented)

Less reliable Existing capacity will continue to have a cost advantage over more reliable Existing capacity and New Capacity with the obvious impact for the end consumer.

Impacts

(Indicate the impacts on systems, resources, processes and/or procedures)

System Operator processes would need to be put in place processes to convert the Awarded Existing Capacity to Awarded New Capacity and track implementation progress.

Please return this form to the System Operators by email to CapacityModifications@sem-o.com

Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Regulatory Authorities.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

CMC / Code:	means the Capacity Market Code for the Single Electricity Market
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "System Operators" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section B.12 of the Code, which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
 - 1.1 to the System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
 - 1.3 to the System Operators and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
 - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.