

Response to SEM-20-043
Capacity Market Code Working Group 13
CMC_09_20 Modification to the Long Stop Date for the CY
2020/21 T-1 Capacity Auction

EirGrid and SONI Response
27 July 2020



1 Introduction

1.1 EirGrid and SONI

EirGrid holds licences as independent electricity Transmission System Operator (TSO) and Market Operator (MO) in the wholesale trading system in Ireland, and is the owner of the System Operator Northern Ireland (SONI Ltd), the licensed TSO and MO in Northern Ireland. The Single Electricity Market Operator (SEMO) is part of the EirGrid Group, and operates the Single Electricity Market on the island of Ireland.

Both EirGrid, and its subsidiary SONI, have been certified by the European Commission as independent TSOs, and are licenced as the transmission system and market operators, for Ireland and Northern Ireland respectively. EirGrid also owns and operates the East West Interconnector, while SONI acts as Interconnector Administrator for both of the interconnectors that connect the island of Ireland and GB.

EirGrid and SONI, both as TSOs and MOs, are committed to delivering high quality services to all customers, including generators, suppliers and consumers across the high voltage electricity system and via the efficient operation of the wholesale power market. EirGrid and SONI therefore have a keen interest in ensuring that the market design is workable, will facilitate security of supply and compliance with the duties mandated to us and will provide the optimum outcome for customers.

EirGrid and SONI have duties under licence to advise the CRU and UR respectively on matters relating to the current and expected future reliability of the electricity supply. We have also been allocated responsibility for administering the Capacity Market Code through our TSO licences. This response is on behalf of EirGrid and SONI in their roles as TSOs for Ireland and Northern Ireland.

2 EirGrid and SONI views on the Consultation Topic

EirGrid and SONI in our role as System Operators have considered the points raised during the Working Group¹ and in the SEM-20-043 consultation paper².

Based on the further information provided by the Demand Response Aggregators of Ireland (DRAI) and the amount of capacity outstanding, we would support an extension to the Long Stop Date.

We understand that the Regulatory Authorities (RAs) have sought to strike a balance between affording Participants with Awarded New Capacity more time to deliver it in light of the Covid-19 restrictions and the need to ensure a continued reliable supply of electricity.

Given the amount outstanding (of the order of 50 MW) and the fact that Participants would experience erosion of their payments if they are late in delivering capacity, we consider that there is adequate incentive to deliver as soon as possible; however, we also feel that including a mechanism to confirm to the Regulatory Authorities that any delay was unavoidable, as alluded to in the consultation, may be helpful in this respect. This would not necessarily need to be codified if the RAs deem that this is not necessary in order to put such a mechanism in place.

In this regard, given the delays arising from Covid-19, we would support the proposed extension to the Long Stop Date to the 18th Dec 2020 as opposed to 31st December 2020 as a reasonable compromise.

We would also suggest that Participants should be cognisant of market registration and registration data change timelines in order to ensure that enough time is allowed for these processes to be completed ahead of any revised Long Stop Date where required. This is particularly relevant in the context of the holiday period as mentioned during discussions at the workshop. As such, it may be beneficial for this to be highlighted in the decision paper should the Regulatory Authorities deem it appropriate.

¹ <https://www.sem-o.com/events/capacity-market-modificat-20/Capacity-Modifications-Committee-Workshop-13-Report-version-2.0.pdf>

² https://www.semcommittee.com/sites/semc/files/media-files/SEM-20-043%20CMC_09_20%20Consultation%20Paper.pdf