

APPENDIX C – RESPONSE TEMPLATE

SUMMARY INFORMATION

Respondent's Name	Bord Gáis Energy
Type of Stakeholder	Generator in the all-island single electricity market; supplier in the Irish retail market
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Summary of Main Messages

Bord Gáis Energy (**BGE**) welcomes the opportunity to respond to this SEM-20-071 consultation on the modification proposal from the Capacity Market Code ('**Code**') Working Group 12 (CMC_07_20 Version 2– Change in Technology Class for Awarded New Capacity).

In principle, we support the proposal by the SEM Committee to allow for a change in Technology Class for Awarded New Capacity where the change is accompanied by a new or modified connection agreement that reflects the change, but we believe that further work is needed to establish aspects of the proposal that are as yet unclear and these are identified below. The proposed change should bring flexibility for capacity providers to facilitate the on-time delivery of Awarded New Capacity. The change should also help ensure that security of supply is maintained for Suppliers and the consumer, minimising hole in the hedge risks.

Our support for this modification is on the basis that:

- Capacity providers are **not seeking to change technology** in the delivery of Awarded New Capacity **under normal circumstances**. The utilisation of this proposal should be to facilitate flexibility for capacity providers in the provision of Awarded New Capacity where unforeseen risk of non-delivery has emerged.
- The change proposed needs **further clarity on the timelines allowed for Technology Class change notifications** before the CMC is changed. We believe that the intention to change Technology Class must be notified to the Regulatory Authorities (RAs) / System Operators (SOs) at the earliest possible occasion and may align with the application by the capacity provider to modify the connection agreement. Confirmation of the intent to change Technology Class must be sent to the SOs within 5 working days of the connection agreement being modified. This confirmation of an

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intent by a capacity provider to change Technology Class should then be used to advise the market of the change request within 10 working days of the change in connection agreement for transparency reasons. The provision of the information to all market participants will facilitate that projections for the future market landscape are on a level playing field for all market participants.

- The **onus remains on the capacity provider** to ensure that it continues to meet its entire obligated de-rated capacity as awarded within the original capacity award timelines. Assurances are needed from the capacity provider if the change in Technology Class impacts early project milestones that may have already been met so as to maintain confidence that the obligated capacity will be delivered on time. Under no circumstances should adjustment to key milestones such as the Long Stop Date be permitted.
- The provider should **not receive any additional remuneration** if the new configuration takes the de-rated capacity of the unit to a higher level than the awarded capacity.
- Satisfactory performance assurances should be given to the Regulatory Authorities from the newly configured unit(s) if changes to the unit technology are to be made. **Performance assurances** should align to include **compliance with unit metering testing and certification**, and confirmation that the **newly configured unit will continue to conform to the CO2 limit affirmations** provided at the time of **the unit qualification for the capacity auction**.
- We believe that controls are needed before any transition is permitted from a Clean Technology class to a Non-Clean Technology class. Where the **capacity contract awarded was resultant of the unit using Clean Technology** (e.g. low emissions – as above, the result of a tiebreaker in the auction, etc.), then **we expect that this requirement for Clean Technology would equally apply to the newly configured unit** so as not to undermine the outcome of the relevant auction.
- At all times, **the market has up-to-date and transparent information** identifying:
 - Each of the capacity market participants as contracted,
 - The reason / situation that has caused the change in Technology Class by the capacity provider, and why the new Technology Class addresses the difficulties that have arisen,
 - The level of MWs that they are contracted to deliver – which should not change between the initial auction outcome and the new technology,
 - The period of delivery including their initial availability date, and
 - The capacity type being used for delivery.
- The modification does **not encourage or facilitate units to change the location permitted** under their contract award and connection agreement more so than that currently permitted under the Capacity Market Code. Locational specific capacity must be delivered as awarded.

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We agree with the need to address any information deficit that may arise from changes to technology class as quickly as possible. The System Operator (SO) must take the responsibility to update both the Qualification Capacity Register and the Capacity and Trade Register with any updates to the unit specific details. We expect these updates to be effective in the Registers and proactively notified to the market (including the information items as listed above) by the SO within 5 working days of the change being agreed with the capacity provider. Transparent reporting must be maintained for all units delivering awarded new capacity, including those with a change in technology class, to ensure that the contracted financial and implementation milestones are met.

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
<p>CMC_07_20 Version 2</p> <ul style="list-style-type: none"> - Change in Technology Class for Awarded New Capacity 	<p>Please see above for our overall view on the modification and caveated support for the proposed changes.</p> <p>BGE believes that this modification proposal seeks to facilitate achievement of the Capacity Market Code Objectives (CMC A.1.2.1 (b), (d), (f) and (g)) by the provision of electricity capacity to the SEM in a transparent manner that is not unduly discriminatory to parties of the Code who are seeking to provide capacity to the market in the interests of the Capacity Market and consumers.</p>	<p>BGE supports the flexibility this modification offers to meeting the requirements of the capacity market as contracted and which facilitates the achievement of the Capacity Market Code Objectives(identified earlier). We believe that any change in technology class should enable participants to overcome any unforeseen risk of non-delivery they may experience in bringing new capacity to market to meet their contracted capacity volumes as awarded. Areas which we believe require additional consideration before implementation of this modification proposal are:</p> <ul style="list-style-type: none"> - The timelines associated with notifications of Technology Class changes need to be clarified. The intent to change the Technology Class of the unit should be advised to the SOs at the earliest possible occasion such as at the time of the application to modify the connection agreement. Confirmation of this intent needs to be given to the SOs within 5 working days of the change to the connection agreement, and this information is shared by the SOs with the market. 	<p>There is an existing typo in CMC.G.3.1.4A (a) that should now be rectified “.... <i>the De-Rating Factor applicable to a unit of the Technology Class of that Generator Unit....</i>”</p> <p>J.5.4.1 appears twice in the Updated Modification Drafting (SEM-20-071c). This will need to be corrected and could impact the numbering for the rest of the section. Participants will need to see the corrected drafting before any changes to the CMC are implemented so as to avoid confusion.</p> <p>We believe that J.5.4.3 should read “.... <i>if any application is made under J.5.4.3 J.5.4.2</i>”. All further references thereafter to J.5.4.3 needs to be checked for accuracy.</p> <p>We believe that J.5.4.6 needs to be clearer to reflect the wording in CMC.E.5.1.1(a) that “..... <i>a Maximum Capacity Duration of more than one and up to 10 Capacity Years;</i>” as opposed to the current wording that identifies the Maximum Capacity Duration “(<i>....must be 10 Capacity Years</i>)”.</p>

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		<ul style="list-style-type: none"> - The original Capacity Award timelines must be met by the newly configured unit to avoid delayed delivery. - Participant remuneration under the Awarded New Capacity contract should not increase due to any change in technology class. - We expect that Capacity Auction Qualification commitments remain fully effective for the newly configured unit, especially as they relate to CO2 limits. - Where Clean Technology has been a deciding factor in the awards from capacity auctions, this requirement cannot be changed when looking to change Technology Class. - The SO must proactively inform Capacity Market participants of any agreed changes in technology class in an Information Note to be emailed to all subscribed members within 5 working days of the technology class change being agreed. 	<p>BGE believes that any flexibility shown to capacity providers to overcome unforeseen difficulties to the delivery of Awarded New Capacity does not allow for late, non, or under delivery of the award. The modification drafting in J.5.4.8 needs to clearly state that the capacity provider must deliver the full capacity as originally contracted under the capacity auction award.</p>
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		<ul style="list-style-type: none">- Transparent reporting on all units delivering Awarded New Capacity is to be maintained, including newly configured units.	
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NB please add extra rows as needed.