SEM-22-007- DRAI RESPONSE

SUMMARY INFORMATION

Respondent's Name	Demand Response Association of Ireland (DRAI)
Type of Stakeholder	Demand Side Unit
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Confidential Response	No

CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

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
CMC_01_22 - New Interdependent Combined Units	DRAI notes that this modification seeks to make changes to the provisions of CMC E.7.6 which sets out the requirements for combining Candidate Units into a Capacity Market Unit. This is the fifth modification proposal which has sought to make changes to this area of the Capacity Market Code. (Others were CMC_10_21, CMC_06_20, CMC_04_20 and CMC_05_18) While this modification proposal does not impact DRAI members directly, the DRAI believes that the provisions of CMC E.7.6 do require review to avoid discrimination against certain unit types (including both aggregated units such as Demand Side Units as well as other modular technologies with multiple interdependent units at the same site and sharing infrastructure). We note also that SEM-21-077 indicated that there is value in the options presented in CMC_10_21. We understand the RAs intend to assess how to progress Option 1 of CMC_10_21 alongside the proposed	DRAI notes that active modification CMC_10_21 also seeks to modify section E.7.6	None proposed.

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	changes of CMC_01_22. We consider this to be a pragmatic approach. We would caution however, that Option 1 from CMC_10_21 should not be unduly delayed and should be allowed to progress in the case that further consideration or assessment is required for CMC_01_22. DRAI highlights also that we intend to submit a new modification proposal aligned to Option 2 of CMC_10_21 which we consider to have merit and will be progressed via the modifications process.		
CMC_02_22 - Timely publication of FAIP	DRAI recognises the high-level issue - that delays in the publication of any relevant auction information should not be allowed to compress the timeframes available to Market Participants to adequately analyse the available information as part of the formulation of commercial bidding strategies. DRAI supports any initiative that looks to reduce the occurrence of such delays or, where they are unavoidable, reduce the impact on Market Participants. DRAI recognises the high volume of work required by the SOs to manage the Capacity Auctions, especially given the high number of Capacity Auctions which have taken place within the past months. It is important that the RAs continue to assess these requirements to ensure that additional resources are allocated by the SOs to this process if necessary. DRAI notes the SEMC position that the issues which have caused delays to the publication of auction related material can be rectified outside the Modification forum and without changes to the CMC. DRAI notes the pragmatic way the SOs have dealt with publication delays for the 2025/26 T-4 auction. While the publication of the Final Auction Information Pack, the Final Qualification Decisions, and the Final Qualification Results were each delayed by multiple days vs. the Capacity Auction Timetable, the SOs then subsequently delayed the Capacity Auction Submission Commencement by one week to ensure these delays did not negatively impact Market Participants.	None identified	None proposed

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CMC_03_22 - Transparency on Publication of Qualification Results	DRAI agrees that the publication to all Market Participants of key auction information (including the Final Qualification Results as per CMC E.9.5.1) is a key element of delivering the design intent set out in SEM-16-039; ensuring a level information playing field between all bidders, large and small. DRAI notes that the RAs instructed the SOs not to publish the Final Qualification Results "in order to maximise competition in the 2024/25 T-3 Capacity Auction", effectively overruling the obligation set out in Capacity Market Code E.9.5.1 that requires the SOs to do so. The DRAI agrees with the Modification proposer that decision appears to be contra to the design intent of SEM-16-039 that aims to ensure a level playing field between all bidders, from large portfolio generators to smaller non-portfolio bidders. This kind of significant regulatory intervention, overruling / deviating from the market rules enshrined by the Capacity Market Code without justification or evidence, is likely to increase perceived regulatory risk associated with the CRM, potentially jeopardising future investment. The DRAI believes that the principles of information transparency, a level information playing field amongst all Market Participants, are critical tenets of the capacity market design and should not be upheld selectively. In consultation paper SEM-22-007 it is stated that the SEMC made this instruction cognisant of the hierarchy of obligations as set out in Capacity Market Code B.4.1.1, which provides for a Party to be relieved of an obligation under the Code where that obligation conflicts with another Legal Requirement. DRAI believes that where the RAs have seen fit to intervene in such a significant manner, deviating from the provisions of the Capacity Market Code it is at least incumbent on them to justify (even if only retrospectively) this decision. In this case, the RAs should set out what Legal Requirement they believe the requirement for the SOs to publish the Final Qualification Results was in conflict with and justify the extent of that conflict and the subsequent decision to instruct the SOs not to publish the FQR.	None identified	None proposed