



**Single Electricity Market  
(SEM)**

**Capacity Market Code Working Group 23**

**Decision Paper**

**Appendix B –**

**RA Amendments to CMC\_01\_22 (v2)**

**Approved Modification Text Drafting**

**SEM-22-028(b)**

**17 June 2022**

**Modify D.3.1.2**

D.3.1.2 The Initial Auction Information Pack for a Capacity Auction shall set out:

- (a) the final De-Rating Curves, defining De-Rating Factors by Technology Class (including for Interconnectors) to be used in the Capacity Auction;
- (b) the final Capacity Requirement for the Capacity Year to be used in the Capacity Auction;
- (c) an indicative Demand Curve to be used in the Capacity Auction;
- (d) for each Locational Capacity Constraint for the relevant Capacity Year to be used in the Capacity Auction, the final nodes on the Transmission System (and the Distribution System, as applicable) to which the Locational Capacity Constraint applies;
- (e) at the date of the Initial Auction Information Pack, how much Awarded Capacity has already been procured for the relevant Capacity Year in total and separately for each Locational Capacity Constraint Area;
- (f) the final Auction Price Cap to be used in the Capacity Auction (in Euro and Sterling);
- (g) the final Existing Capacity Price Cap to be used in the Capacity Auction (in Euro and Sterling);
- (h) the final €/MW rate of the New Capacity Investment Rate Threshold to be used in the Capacity Auction;
- (i) the final Annual Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;
- (j) the final Billing Period Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;
- (k) the indicative Annual Capacity Payment Exchange Rate applicable to Awarded Capacity allocated in the Capacity Auction;
- (l) the final allowed Increase Tolerance and Decrease Tolerance by Tolerance Class that may be applied by a Participant in its Application for Qualification to Capacity Market Unit de-ratings;
- (m) in respect of Performance Securities:
  - (i) the final Performance Security Posting Dates/ Events applicable to Awarded New Capacity allocated in the Capacity Auction; and
  - (ii) for each Performance Security Posting Date/ Event, the final €/MW rate to be applied in setting Performance Securities applicable to Awarded New Capacity allocated in the Capacity Auction;
- (n) the final €/MW fee rates for calculating Termination Charges applicable to Awarded New Capacity allocated in the Capacity Auction;
- (o) anticipated values for the Full Administered Scarcity Price and the Reserve Scarcity Price Curve applicable to the Capacity Year;
- (p) anticipated values for the parameters listed in paragraph F.16.1.1 and F.16.1.5 of the Trading and Settlement Code to be applied in determining the Strike Price in accordance with the Trading and Settlement Code for the Capacity Year; ~~and~~

- (q) the final Capacity Auction Timetable as it relates to events after the publication of the Initial Auction Information Pack (subject to section **Error! Reference source not found.**);
- (r) the final Substantial Financial Completion Period; and
- ~~(s)~~ the final Capacity Aggregation Threshold for the Capacity Auction.

### Modify D.3.1.3

D.3.1.3 The Regulatory Authorities shall determine the following parameters for each Capacity Auction and provide them to the System Operators for inclusion in the applicable Initial Auction Information Pack:

- (a) the final De-Rating Curves, defining De-Rating Factors by Technology Class (including for Interconnectors) to be used in the Capacity Auction;
- (b) the final Capacity Requirement for the Capacity Year to be used in the Capacity Auction;
- (c) an indicative Demand Curve to be used in the Capacity Auction;
- (d) the final Auction Price Cap to be used in the Capacity Auction (in Euro and Sterling);
- (e) the final Existing Capacity Price Cap to be used in the Capacity Auction (in Euro and Sterling);
- (f) the final €/MW rate of the New Capacity Investment Rate Threshold to be used in the Capacity Auction;
- (g) the final Annual Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;
- (h) the final Billing Period Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;
- (i) the indicative Annual Capacity Payment Exchange Rate applicable to Awarded Capacity allocated in the Capacity Auction;
- (j) the final allowed Increase Tolerance and Decrease Tolerance by Tolerance Class that may be applied by a Participant in its Application for Qualification to Capacity Market Unit de-ratings;
- (k) in respect of Performance Securities:
  - (i) the final Performance Security Posting Dates/ Events applicable to Awarded Capacity allocated in the Capacity Auction; and
  - (ii) for each Performance Security Posting Date/ Event, the final €/MW rate to be applied in setting Performance Securities applicable to Awarded Capacity allocated in the Capacity Auction;
- (l) the final €/MW fee rates for calculating Termination Charges applicable to Awarded Capacity allocated in the Capacity Auction;
- (m) anticipated values for the Full Administered Scarcity Price and the Reserve Scarcity Price Curve applicable to the Capacity Year; ~~and~~
- (n) anticipated values for the parameters listed in paragraph F.16.1.1 and F.16.1.5 of the Trading and Settlement Code to be applied in determining

the Strike Price in accordance with the Trading and Settlement Code for the Capacity Year; and

~~(n)(o)~~ the final Capacity Aggregation Threshold for the Capacity Auction.

**Modify E.7.6.1(i):**

- (i) each of the Candidate Units is either:
  - (i) a unit with a Registered Capacity (or in the case of a Demand Side Unit, a DSU MW Capacity), whether based on Existing Capacity or a combined Existing and New Capacity, below the De Minimis Capacity Aggregation Threshold; or
  - (ii) a Variable Generator Unit;

**Modify F.5.1.3:**

F.5.1.3 The Final Auction Information Pack for a Capacity Auction shall comprise:

- (a) the final Demand Curve for the Capacity Auction provided by the Regulatory Authorities under section **Error! Reference source not found.**;
- (b) the final Auction Price Cap for the Capacity Auction (in Euro and Sterling);
- (c) the final Existing Capacity Price Cap for the Capacity Auction (in Euro and Sterling);
- (d) for each Locational Capacity Constraint applicable to the Capacity Auction:
  - (i) the final Locational Capacity Constraint Information; and
  - (ii) the final Capacity Market Units that have Qualified for the Capacity Auction and that are in the System Operators' reasonable opinion capable of contributing to satisfying the constraint;
- (e) the final Capacity Auction Timetable as it relates to events after the publication of the Final Auction Information Pack (subject to section **Error! Reference source not found.**);
- (f) details of what is required of Participants participating in the Capacity Auction in order to submit Capacity Auction Offers;
- (g) the final Allowed Timeframe;
- (h) the final Annual Capacity Payment Exchange Rate to be used by the System Operators in conducting the Capacity Auction and applicable to Awarded Capacity in the Capacity Auction;
- (i) the final Capacity Requirement to be used in the Capacity Auction;
- (j) at the date of the Final Auction Information Pack, how much Awarded Capacity has already been procured for the relevant Capacity Year
- (k) the final Annual Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;
- (l) the final Billing Period Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;

- (m) in respect of Performance Securities:
  - (i) the final Performance Security Posting Dates/ Events applicable to Awarded New Capacity allocated in the Capacity Auction; and
  - (ii) for each Performance Security Posting Date/ Event, the final €/MW rate to be applied in setting Performance Securities applicable to Awarded New Capacity allocated in the Capacity Auction;
- (n) the final €/MW fee rates for calculating Termination Charges applicable to Awarded New Capacity allocated in the Capacity Auction;
- (o) anticipated values for the Full Administered Scarcity Price and the Reserve Scarcity Price Curve applicable to the Capacity Year; ~~and~~
- ~~(p)~~ anticipated values for the parameters listed in paragraph F.16.1.1 and F.16.1.5 of the Trading and Settlement Code to be applied in determining the Strike Price in accordance with the Trading and Settlement Code for the Capacity Year; ~~and~~
- ~~(q)~~ The final Capacity Auction Threshold for the Capacity Auction.

### Add the following to the Glossary

**Capacity Aggregation Threshold** means the value determined by the Regulatory Authorities for a Capacity Auction as set out in D.2.1.3 which defines the maximum size of Candidate Unit which can be aggregated under E.7.6.1 (i)(i). If no value is determined by the Regulatory Authorities for a Capacity Auction, it shall be set equal to the De Minimis Threshold.

### Modify paragraph 3 of Appendix D

- 3 Where the Application for Qualification relates to a proposed Capacity Market Unit which will comprise a group of Generator Units:
  - (a) a mapping between the proposed Capacity Market Unit and each Generator Unit to which the application relates;
  - (b) an indication as to whether each Generator Unit to be included is below the ~~De Minimis~~ Capacity Aggregation Threshold;
  - (c) an indication as to whether each Generator Unit to be included is a Variable Generator Unit;