

# DRAI RESPONSE TO SEM-23-040

## SUMMARY INFORMATION

<b>Respondent's Name</b>	<i>DRAI (Demand Response Association Ireland)</i>
<b>Type of Stakeholder</b>	<i>Association of Demand Response Aggregators</i>
<b>Contact name (for any queries)</b>	<i>Vlastimil Buzek</i>
<b>Contact Email Address</b>	<a href="mailto:vlastik.buzek@viotas.com">vlastik.buzek@viotas.com</a>
<b>Contact Telephone Number</b>	<i>098 2459608</i>
<b>Confidential Response</b>	[N]

## CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

<b>ID</b>	<b>Proposed Legal Text and its Consistency with the Code Objectives</b>	<b>Impacts Not Identified in the proposed Legal Text</b>	<b>Detailed CMC Drafting Proposed to Deliver the Modification</b>
<b>CMC_03_23:</b> Amendment to Long Stop Date for T-1 Capacity Auction (Legal Text)	<p>Consultation paper SEM-23-040 considers the potential to modify the CMC to allow the RAs to extend the Long Stop Date (LSD) by which Awarded New Capacity with a capacity duration of 1 year or less in respect of Capacity Year 2023/24 must be delivered. This is a material change vs. the current requirement that such New Capacity must be delivered by 31<sup>st</sup> October 2023 (1 calendar month after the start of the Capacity Year), with no ability for this to be extended.</p> <p>DRAI Members acknowledge the material concerns raised by the RAs, other market Participants and the System Operators alike – in respect of Modification CMC_03_23 and other similar modification proposals – that any LSD extension exposes end consumers to significant risk; they will be</p>		

## DRAI RESPONSE TO SEM-23-040

	<p>paying for capacity that is not available for a material portion of the critical winter period during which the security of supply contribution of Awarded Capacity is of the highest importance. This has often been raised as a critical concern when considering any potential LSD extension, and the DRAI believes this concern remains paramount.</p> <p>Affording an LSD extension to any Awarded New Capacity creates a risk that this capacity displaces in the 2023/24 T-1 Capacity Auction other capacity providers which could have delivered capacity by the current LSD (31<sup>st</sup> Oct 2023) and therefore could have been available for the entire winter period. The System Operators have often iterated the importance of Awarded Capacity being available during the <u>entirety</u> of the critical winter period when such capacity is of the highest value to the system to deliver the required security of supply to end consumers.</p> <p>DRAI believes that implementing the modification as proposed in SEM-23-040 would, by risking displacing capacity which could be delivered by the existing LSD, be to the detriment of end consumers and security of supply. Therefore, DRAI recommends the modification is rejected by the SEMC.</p> <p>If the SEMC does decide to proceed with this Modification in some format, the DRAI believes that – as an absolute minimum – the maximum permissible LSD extension should be capped at a maximum of 3 months after the start of the Capacity Year (i.e. not beyond 31<sup>st</sup> December 2023). This would already potentially result in capacity providers availing of such an LSD extension receiving 9/12 of the capacity remuneration associated with Capacity Year 2023/24 despite only being available (and delivering value to consumers in terms of security of supply) for 50% of the critical winter period.</p>		
--	---	--	--