



**Energia response to SEM Committee
Consultation Paper SEM-20-040**

***Capacity Market Code Working Group 12: CMC_09_19,
CMC_07_20 and CMC_08_20***

31 July 2020

1. Introduction

Energia welcomes the opportunity to respond to the SEM Committee Consultation Paper SEM-20-040 (the “Consultation Paper”) on proposed modifications to the Capacity Market Code (CMC_09_19, CMC_07_20 and CMC_08_20) discussed at Working Group 12 on 31 March 2020.

2. Comments on Proposed Modifications

Energia fully endorses the EAI response to this consultation and we wish to highlight the following points of emphasis in particular with respect to each of the proposed modifications:

CMC_09_19 – Supplementary Interim Secondary Trading (Version 2)

- Supporting the proposed modification to introduce a Supplementary Secondary Trading mechanism as a necessary supplement to the existing interim solution.
- Noting that the effectiveness of the Supplementary Secondary Trading arrangements as proposed will depend, among other things, on the flexibility it gives market participants to use it at short notice and in conjunction with the existing Interim Secondary Trading Arrangements. On the latter note, the RAs and TSOs are strongly encouraged to implement and expedite any changes required to support the interoperability of both mechanisms by 1 October 2020.
- Favouring the notice period being as short as possible and alignment of both mechanisms (in terms of notice periods and flexibility) such that they can supplement one another as intended while not undermining transparency and simplicity of use of the mechanism for the TSOs and market participants.
- Emphasising the need for the Product Load Following Factor methodology and all relevant variables required in the calculation of the load following obligation to be published in advance (by no later than 1 September 2020) for market participants to understand and use so that they have certainty over the eligible volumes that can be submitted in an Supplementary Secondary Trade.
- It being imperative that the revised Secondary Trading Arrangements are implemented in a timely manner – i.e. by 1 October 2020, coinciding with the start of the next Capacity Year, particularly given the impact of COVID-19 on outage schedules which has required outage dates to be amended creating additional uncertainties and risks for participants.

CMC_07_20 – Change in Technology Class for Awarded New Capacity

- Opposing this proposed modification and supports the minded to position of the RAs’ to reject it.

CMC_08_20 – Change of Awarded Existing Capacity to Awarded New Capacity

- Opposing this proposed modification and supports the minded to position of the RAs to reject it.

We would be happy to discuss the above comments at your convenience if that would be helpful and we look forward to the timely and effective implementation of CMC_09_19 taking the above comments into account.