

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by System Operator)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by System Operator)</i>
Regulatory Authorities		Urgent	CMC_03_20 – Supplemental to CMC_02_20
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Kevin Lenaghan		Kevin.Lenaghan@uregni.gov.uk	
Modification Proposal Title			
Modification to the Long Stop Date for the CY2023/24 T-4 Capacity Auction			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of CMC used in Drafting	
Capacity Market Code	M. Interim Arrangements	3.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>Modification CMC_02_20, which was implemented through SEM Committee Decision SEM-20-008, shortened the time between the CY2023/24 T-4 Auction and the start of the delivery year to less than the 42 months set out in the main body of the CMC.</p> <p>Respondents to the consultation on CMC_02_20 raised the issue of the reduced delivery window for new capacity and noted the increased delivery risk that would arise. Some respondents requested that the Long Stop Date be adjusted to maintain the full 42+18 months from the Auction to delivery.</p> <p>The RAs believe that it is reasonable to make such an adjustment in the case of a multi-year contract award as this reduces risk for new capacity providers without material impact on security of supply and the value of the CRM hedge to consumers.</p>			
Legal Drafting Change <i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>			
A new paragraph, M.10.1.4A has been added to section M.10 as shown below.			
M.10.	PROVISIONS APPLICABLE TO THE T-4 CAPACITY AUCTION FOR CAPACITY YEAR 2023/24 ONLY		
M.10.1.1	The provisions of this section M.10 apply only to the T-4 Auction for Capacity Year 2023/24, (the T-4 2023/24 Auction).		
M.10.1.2	(a) Paragraph D.2.1.5(d) shall be replaced with: <i>“for a T-4 Auction, fall in the period no less than forty and no more than fifty-four months prior to the start of the relevant Capacity Year.”</i> The same change shall be made to the definition of T-4 Auction in the Glossary.		

(b) The Glossary definition of T-4 Auction shall be replaced with “means a Capacity Auction held for the purposes of awarding Awarded Capacity for a Capacity Year not less than forty months and not more than fifty-four months before the start of the Capacity Year.”

M.10.1.3 Within two Working Days of [10 February 2020] the System Operators shall submit to the RAs an amended Capacity Auction Timetable.

M.10.1.4 The Qualification Process, (to the extent already carried out) for the T-4 2023/24 Auction and any of the other steps already taken by the Parties in preparation for the T-4 2023/24 Capacity Auction shall not be repeated as a consequence of any amendment of the Capacity Auction Timetable under this section M.10.

M.10.1.4A The following paragraph shall replace paragraph J.6.1.1(b):

“Long Stop Date: the Long Stop Date in respect of Awarded New Capacity means

- (i) in the case of a Capacity Award with a capacity duration greater than one year, the last day of the sixtieth full calendar Month after the Capacity Auction Run Start; or
- (ii) in the case of a Capacity Award with a capacity duration of one year or less, the last day of the first full calendar Month after the start of the first Capacity Year in which the Awarded New Capacity is to be provided.”

M.10.1.5 In the event of any inconsistency or conflict between a provision of this section M.10 and any other provision of this Code, the provision of this section M.10 shall prevail to the extent of the inconsistency or conflict. Save as expressly amended by this section M.10 the Capacity Market Code shall continue to apply to the T-4 2023/24 Auction in accordance with its terms.

Modification Proposal Justification

(Clearly state the reason for the Modification)

To balance the risk impact of Modification CMC_02_20 on consumers and new capacity providers.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)

The relevant Capacity Market Code objectives are as follows.

“A.1.2 Capacity Market Code Objectives

A.1.2.1 *This Code is designed to facilitate achievement of the following objectives (the “Capacity Market Code Objectives”):*

- a) *to facilitate the efficient discharge by EirGrid and SONI of the obligations imposed by their respective Transmission System Operator Licences in relation to the Capacity Market;*
- b) ***to facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner;***
- c) *to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market;”*

Objective (b). Efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity...

Helps to manage the delivery risk on new capacity providers without materially impacting security of supply or the value of the CRM hedge to consumers.

Implication of not implementing the Modification Proposal

(State the possible outcomes should the Modification Proposal not be implemented)

The impact would be a reduction in delivery time for new capacity projects with an associated increase in the risk associated with such projects.

Impacts

(Indicate the impacts on systems, resources, processes and/or procedures)

No material impact to systems, resources and processes/procedures.

Please return this form to the System Operators by email to modifications@sem-o.com

Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

Agreed Procedure(s): means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in Appendix D "List of Agreed Procedures".

T&SC / Code: means the Trading and Settlement Code for the Single Electricity Market

Modification Proposal: means the proposal to modify the Code as set out in the attached form

Derivative Work: means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "Market Operator", "Modifications Committee" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of the Code (and Agreed Procedure 12), which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
 - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
 - 1.3 to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
 - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.