



Capacity Market Code Workshop 29  
24 January 2023

CMC\_01\_23 – Amendment to Substantial Completion Drafting

- This modification seeks to introduce the ability of the Regulatory Authorities to waive requirements for Substantial Completion as set out under Section J.2.1.1 (c) of the Capacity Market Code.
- J.2.1.1 (c) sets out the steps required for New Capacity to achieve Substantial Completion.
- J.2.1.1 (c) (iv) requires all New Capacity to meet “*all Trading and Settlement Code and Grid Code requirements for participating in the Balancing Market*”.
- This modification seeks to add an amendment to this section, which provides a mechanism for the RA’s to waive such requirements.

*“...(iv) each new or refurbished Generator Unit or Interconnector providing the Awarded New Capacity has met all Trading and Settlement Code and Grid Code requirements for participating in the Balancing Market, with the exception of any such requirements which have been waived at the discretion of the Regulatory Authorities”.*

- J.2.1.1 (c) (iii) is an onerous requirement with a multitude of various steps, some of which may be primarily administrative processes. This creates a risk where all other requirements have been met bar one minor one. In such instances, this modification would allow the SEMC to waive this requirement.
- The other requirements of J.2.1.1 (c) would ensure that a New Capacity requirement is able to deliver its obligations and provide energy to the system regardless of any administrative requirements under J.2.1.1 (c) (iii). This section requires New Capacity to:
  - Have all construction substantially completed;
  - Have a final compliance cert, operational cert, or operational notification issued under the applicable Grid Code;
  - 90% of Capacity delivered; and
  - Compliance with relevant CO2 limits.
- If all of the above requirements are satisfied, it would be impractical not to deem New Capacity to be completed based on administrative requirements which might be delayed.

## CMC\_01\_23 – Rationale

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- This modification will support the delivery of New Capacity projects by removing potential obstacles to the Substantial Completion process.
- This modification supports the objective of Security of Supply.