

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>
Energia Group	7 th May 2021	Standard	CMC_11_21
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Caoimhe.McWeeney@energia.ie		Caoimhe.mcweeney@energia.ie	
Modification Proposal Title			
Extension of ASTN Arrangements			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of CMC used in Drafting	
CMC	M		
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>This modification seeks to extend existing Alternative Secondary Trade Notification arrangements as per M.11 of the Capacity Market Code, which was decided under the decision SEM-20-064 in relation to CMC_09_19.</p> <p>Modification CMC_09_19 was first discussed at Working Group 10 on 21 November 2019, it was deferred and subsequently presented at Working Group 12, 31 March 2020. This was then consulted upon in SEM-20-2040 on 19 June 2020. Section 2.1.39 of SEM-20-2040 stated that after feedback from the SOs at the working group, the draft text providing the ability to trade above de-rated capacity had been de-scoped, however the RAs committed to continuing engagement with the SOs in order to be in a position to facilitate this additional trading capability.</p> <p>This modification seeks to now include the option that a seller, when entering a secondary trade, may have the option to trade above the unit's de-rated capacity volume. This element was included in the original proposal for the modification CMC_09_19 however this was de-scoped at the time to facilitate the modification's implementation as soon as possible as stated above. Notwithstanding this in the summary of consultation responses received, in section 2.2.16 of SEM-20-64 EAI requested that, "a commitment be given to when the ability to trade above the de-rated capacity will be possible, and that such date should not be after 1st October 2021."</p> <p>Further to this in section 2.3.15 of SEM-20-064 stated that, "The CRM Team will continue to engage with the SOs to develop the systems necessary to extending the scope of the Alternative Secondary Trading Arrangements to allow trading above de-rated capacity."</p> <p>This matter was raised again by Energia in the consultation response to the "Roadmap for Market Development 2020-2025". In response to the consultation response, EirGrid and SONI advised that that there were several elements required to implement this change and this would need to be supported by a modification of the Capacity Market Code. Therefore in order to formally trigger the necessary system changes to the CMP to facilitate this we are proposing this modification.</p>			
Legal Drafting Change			
<i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate</i>			

best estimate of potential changes)

M.11.6 Buyer Limits and Seller Limits

M.11.6.1 The “Initial Position” of a Capacity Market Unit in respect of the period of time to which a proposed Secondary Trade relates is the Net Capacity Quantity of that Capacity Market Unit in respect of that period of time immediately prior to the proposed Secondary Trade

M.11.6.2 The Buyer Limit for a Capacity Market Unit is the Initial Position of the Capacity Market Unit

M.11.6.3 The Seller Limit for a Capacity Market Unit is the value calculated as:

~~(a)~~

- ~~i. the Available De-Rated Capacity less~~
- ~~ii. the Initial Position of the Capacity Market Unit, multiplied by the Product Load Following Factor for the traded~~

~~(b) divided by the Product Load Following Factor for the traded period.~~

~~(a) the value calculated as follows:~~

~~(i) if the Participant is seeking to trade above its Gross De-Rated Capacity:~~

~~(A) the lesser of:~~

- ~~i. the Gross De-Rated Capacity (Total) of the Capacity Market Unit (when the Capacity Market Unit was last Qualified in respect of the Capacity Year) multiplied by one plus the Secondary Trade De-Rated Capacity Tolerance applicable to that unit;~~
- ~~ii. the Commissioned Capacity of the Capacity Market Unit; and~~
- ~~iii. the Initial Capacity (Total) of the Capacity Market Unit (as determined when the Capacity Market Unit was last Qualified in respect of the Capacity Year); less~~

~~(B) the Initial Position of the Capacity Market Unit.~~

~~(ii) otherwise:~~

~~(A) the Available De-Rated Capacity; less~~

~~(B) the Initial Position of the Capacity Market Unit multiplied by the Product Load Following Factor for the traded period,~~

~~(b) divided by the Product Load Following Factor for the applicable Product.~~

M.11.6.4 For the purposes of paragraph M.11.6.3:

- (a) the level at which a Participant is seeking to trade in a proposed Secondary Trade is the Initial Position of the relevant Capacity Market Unit plus the incremental MW quantity offered in that proposed Secondary Trade; and
- (b) “Available De-Rated Capacity” is the lesser of the Commissioned Capacity and the Gross De-Rated Capacity (Total) of the Capacity Market Unit (when the Capacity Market Unit was last Qualified in respect of the Capacity Year).
- (c) The “Secondary Trade De-Rated Capacity” is set as per H.7.3.5 and H.7.3.6 of the

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Capacity Market Code.
Modification Proposal Justification <i>(Clearly state the reason for the Modification)</i>
<p>The modification will contribute to Security of Supply, as participants will be in a position to trade above their derated capacity in the market. This modification will allow parties to trade obligations and reduce their exposure and <u>it</u> is considered a necessary supplement to the existing interim solution <u>and</u> a driver to ultimately fulfilling <u>the Capacity Market Code</u> enduring <u>requirements under section H Secondary Trading</u>.</p> <p>This modification if successful will trigger the necessary system changes to the CMP to facilitate a unit trading above the de-rated capacity, as required by EirGrid and SONI (EirGrid and SONI advised in response to Energia’s submission to the “Roadmap for Market Development 2020-2025” Consultation, that there were several elements required to facilitate greater flexibility within secondary trading arrangements and this would need to be supported by a modification of the Capacity Market Code.) Therefore in order to trigger the necessary system changes to the CMP we are proposing this modification.</p>
Code Objectives Furthered <i>(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)</i>
A, D, G
Implication of not implementing the Modification Proposal <i>(State the possible outcomes should the Modification Proposal not be implemented)</i>
<ul style="list-style-type: none"> • Security of Supply
Impacts <i>(Indicate the impacts on systems, resources, processes and/or procedures)</i>
<p>Update to CMP to facilitate:</p> <ul style="list-style-type: none"> i. online submission of secondary trades through CMP ii. online validation of secondary trades iii. inclusion of trading above de-rated capacity
<i>Please return this form to the System Operators by email to CapacityModifications@sem-o.com</i>

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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 Regulatory Authorities.
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:

CMC / Code: means the Capacity Market 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 "System Operators" 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 B.12 of the Code, 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 System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities 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 System Operators 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 Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.