

## APPENDIX C – RESPONSE TEMPLATE

### SUMMARY INFORMATION

<b>Respondent's Name</b>	<i>Bord Gais Energy</i>
<b>Type of Stakeholder</b>	<i>Generator &amp; Supplier in SEM</i>
<b>Contact name (for any queries)</b>	<i>Eoghan Cudmore</i>
<b>Contact Email Address</b>	<i>Ecudmore@bordgais.ie</i>
<b>Contact Telephone Number</b>	<i>+3533965941</i>
<b>Confidential Response</b>	[N]

### CAPACITY MARKET CODE MODIFICATIONS WORKSHOP 34 CONSULTATION COMMENTS:

Bord Gáis Energy (**BGE**) welcomes the opportunity to respond to this SEM-23-109 consultation on the modification proposal that was initially discussed at the Capacity Market Code (**'Code'**) Working Group 34:

#### **CMC\_24\_23: Revision of the Exception Application timelines**

**BGE would like to reiterate the importance of the proposed modification.** The timelines around the Exception Application process and how it interacts with the Opt-Out notification process do not align to provide participants with full transparency on the economic signals for their participation in capacity auctions in the bidding in of their existing units. We see the existing timelines as a threat to the security of supply for consumers, as this lack of timely economic transparency can be considered an exit signal for conventional thermal plant to leave the market. BGE marked this mod as 'urgent' as we are concerned the current situation could lead to critically important conventional generation units choosing to exit the market or mothball rather than being exposed to this open-ended financial risk related to the uncertainty of whether the auction clearing price subsequent to a rejected USPC application will be sufficiently high to maintain financial viability for a unit.

## APPENDIX C – RESPONSE TEMPLATE

BGE welcomed the RAs' proposal on the introduction of Intermediate length contracts based on our understanding that the rationale was to provide financial certainty for market participants necessary to ensure security of supply in the short to medium term. However, the proposal does nothing to assuage our original concerns around the exception application process itself and the timelines involved. Under Intermediate Length Contracts the risks that currently exist around the exception application process will remain. Nothing in the Intermediate Length Contracts (**ILC**) consultation addresses the fundamental issues around the USPC process and as a result the proposal cannot be viewed as part of the solution to address the existing issues around the USPC process particularly for units that are currently efficient and are not the target units for the ILCs.

For the ILC proposal to be effective and to maintain fairness in the market, BGE asks that should ILCs of 3–5-year durations be granted, then the RAs should also grant other efficient units requiring USPCs the same 3- or 5- year durations. Failure to do so would remove the level playing field from the market in direct contravention of the objectives of CMC. For the ILC Proposal and BGE's suggested addition (of concurrent 3-5 year USPCs for units critical for Security of Supply) to be effective, necessary improvements must be made to USPC Process, as these new proposals will fully rely on it.

## APPENDIX C – RESPONSE TEMPLATE

ID	Proposed Modification and its Consistency with the Code Objectives	Impacts Not Identified in the Modification Proposal Form	Detailed CMC Drafting Proposed to Deliver the Modification
<p><b>CMC_24_23: Revision of the Exception Application timelines</b></p>	<p>BGE believes the modification as drafted is consistent and will deliver under the following code objectives:</p> <p>(c) to facilitate the efficient discharge by EirGrid and SONI of the obligations imposed by their respective Transmission System Operator Licenses in relation to the Capacity Market;</p> <p>(d) 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;</p> <p>(f) through the development of the Capacity Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, and security of supply of electricity across the Island of Ireland</p>	<p>The Intermediate Length Contracts (ILCs) approach should not be considered as ameliorating the concern which this Mod is seeking to address. Furthermore, if the contract durations of the ILCs and USPCs are not equalised it will have the unintended consequence of driving the most efficient units on the system to pursue the ILC option also, to secure long term financial security as is their entitlement. This would undermine the security of supply aim of the ILC process to extend the lifetimes of units already near their end of life.</p>	<p>Included in Modification Proposal</p>

NB please add extra rows as needed.