



**Single Electricity Market
(SEM)**

**Capacity Market Code Further Consideration of
Modification CMC_07_20 –
Appendix C – Updated Modification Drafting**

SEM-20-071 (c)

28 October 2020

1. CMC_07_20 – CHANGE IN TECHNOLOGY CLASS FOR AWARDED NEW CAPACITY (VERSION 2)

1.1 Proposed Modification to Capacity Market Code Drafting

Add to C.3.7

C.3.7.5 The Initial Maximum On Time (Total) of a Generator Unit that has no New Capacity for a Capacity Year shall equal the Initial ~~Capacity~~Maximum On Time (Existing) in respect of that Capacity Year.

Add to G.3.1

G.3.1.2C For a Generator Unit (other a Demand Side Unit or Aggregated Generator Unit), the Grid Code Commissioned Maximum On Time may differ from the Initial Maximum On Time included in the Application for Qualification only where this does not result in a breach of the relevant Connection Agreement(s) (as modified from time to time).

G.3.1.2D For a Demand Side Unit or Aggregated Generator Unit, the Grid Code Commissioned Maximum On Time may differ from the Initial Maximum On Time included in the Application for Qualification.

Modify existing G.3.1.4A

G.3.1.4A For a Capacity Market Unit, the De-Rated Grid Code Commissioned Capacity shall be the Grid Code Commissioned Capacity of the Generator Unit or Interconnector multiplied by the lesser of:

- (a) where paragraph G.3.1.2C or G.3.1.2 D applies or where a change in Technology Class is granted in accordance with section J.5.4, the De-Rating Factor applicable to a unit of the Technology class of that Generator Unit or Interconnector and with an Initial Capacity equal to the Grid Code Commissioned Capacity and an Initial Maximum On Time equal to the Grid Code Commissioned Maximum On Time of that Generator Unit or Interconnector as specified in the Initial Auction Information Pack for the relevant Capacity Auction in which the relevant Awarded New Capacity was allocated.
- (b) otherwise, the Gross De-Rating Factor, as specified in item 3 (b) of Appendix E “Qualification Capacity Register Data”;

Add new sub-section J.5.4

J.5.4 Technology Class Change

J.5.4.1 Where required to avoid or minimise delays in the completion of Awarded New Capacity or due to an Insolvency Event or material breach by the EPC Contractor which would entitle the Participant to terminate or replace the appointment of the EPC Contractor, a Participant or an Enforcing Party (on behalf of a Participant) may apply for approval from the System Operators for a change to the Technology Class associated with the Awarded New Capacity.

J.5.4.1 An application under paragraph J.5.4.1 shall include:

- (a) reasons for the request in reasonably sufficient detail to enable the System Operators in considering the request;
- (b) supporting evidence; and
- ~~(a)~~(c) details of any impact on other Implementation Plan dates, with detailed reasoning.

J.5.4.2 Where the application relates to Awarded New Capacity that applies for more than a single year, the Participant should re-submit to the Regulatory Authorities the Exception Application made under E.5.1.1(a) updated to take account of the revised investment. Such re-submitted Exception Application shall be made in the form specified in E.5.1.3.

J.5.4.3 The Regulatory Authorities shall notify the System Operators if any application is made under J.5.4.3.

J.5.4.4 Where a Participant re-submits an Exception Application under paragraph J.5.4.3 the Regulatory Authorities may request further information or clarification by written notice to the Participant identifying the further information or clarification required and specifying a timeframe for providing it.

J.5.4.5 If the Regulatory Authorities do not receive the clarification or the further information requested from a Participant under paragraph J.5.4.5 within the specified timeframe, the Participant shall be deemed to have withdrawn the Exception Application.

J.5.4.6 If a Participant makes an Exception Application, then the Regulatory Authorities shall notify the Participant and the System Operators whether or not they approve the Exception Application and, if they do approve it that the Maximum Capacity Duration approved by the Regulatory Authorities for the New Capacity (which must be 10 Capacity Years).

J.5.4.7 If the Regulatory Authorities do not notify the System Operators that they approve an Exception Application in respect of an application under J.5.4.3 within [20] working days, then the Regulatory Authorities shall be deemed not to have approved it.

J.5.4.8 The System Operators shall approve a request under paragraph J.5.4.1J.5.4.1, provided that:

- (a) they consider that the changed arrangements will not decrease the likelihood of delivery of the Awarded New Capacity prior to the Long Stop Date;
- (b) a new or modified Connection Agreement(s) that reflects the change in generation type has been executed by the Participant where required; and
- (c) where the Awarded New Capacity is subject to an Exception Application under J.5.4.3 and the Regulatory Authorities do not approve, or are deemed not to approve, the application then the Maximum Capacity Duration for the Awarded New Capacity shall be set to one year.

The System Operators shall not unreasonably withhold or delay their approval under this paragraph.

J.5.4.2J.5.4.9 The System Operators shall update the Qualification Capacity Register as set out in Appendix E with the relevant details of the revised application in respect of Awarded New Capacity and in particular the values of Maximum Capacity Duration and the Gross De-Rating Factor ($FDERATE_{\Omega}$).

J.5.4.10 The System Operators shall update the Capacity Quantity End Date and Time in Capacity and Trade Register as set out in Appendix F to reflect any changes make to the Maximum Capacity Duration for the Awarded New Capacity.

Modify paragraph 3(b) of Appendix E:

(b) for each Capacity Market Unit:

(i) the Firm Offer Requirement;

(ii) the Gross De-Rating Factor for each Capacity Market Unit ($FDERATE_{\Omega}$) where this is the value determined in accordance with paragraph **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.** as applicable (and allowing for paragraph **Error! Reference source not found.**), with the exception that this is to be replaced by the value determined in accordance with paragraph **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.** as applicable in the event that New Capacity is not Awarded Capacity in the Capacity Auction or if all the Awarded Capacity in respect of New Capacity is terminated. For the avoidance of doubt, the Gross De-Rating Factor for a Capacity Market Unit which has Qualified in respect of New Capacity does not change solely as a result of it being allocated an amount of Awarded New Capacity in the Capacity Market Unit but the amount allocated is less than the amount of New Capacity Qualified in respect of that Capacity Market Unit;

(iii) where paragraph G.3.1.2C or G.3.1.2 D applies or where a change in Technology Class is granted in accordance with section J.5.4 the Gross De-Rating Factor for a Capacity Market unit ($FDERATE_{\Omega}$) shall be re-determined on the same

basis as in sub-paragraph (ii) except that it shall use a value of Initial Capacity equal to the Grid Code Commissioned Capacity and an Initial Maximum On Time equal to the Grid Code Commissioned Maximum On Time and the updated Technology Class of the Capacity Market Unit as applicable; and