

I-SEM Market Rules Working Group

Capacity Remuneration Mechanism Issues



Outline of Key Issues

Consultation and Decision 1

- Capacity requirement – adequacy assessment and locational issues
- Product - penalty arrangements
- Eligibility rules
- Reference market
- Institutional arrangements
- Supplier interactions and charging basis for consumers

Consultation and Decision 2

- Delivery timeframe and contract length
- Transitional arrangements
- Secondary trading
- Strike Price
- Cross border arrangements

Consultation on Auction Rules

- Auction Frequency
- Auction Format
- Market Power Mitigation Measures

High-level Timelines

Deliverable	From	To
Consultation and Decision 1	Jun-15	Nov-15
TSO system procurement	Oct-15	Sep-16
Consultation and Decision 2	Nov-15	Mar-16
Consultation on Auction Rules	Apr-16	Aug-16
Preparation for Auction	Sep-16	Dec-16
First Auction(s)	Jun-17	

Initial thinking of Issues picked up by the working groups

- There is still no SEMC decision made on CRM rules. However below outlines some issues that will we worked on by the working groups:
 - Capacity provider payments
 - Supplier Settlement
 - Difference Payments
 - Scarcity Event Rules
 - Market Reference Price arrangements and algebra
 - Prequalification arrangements

Reminder

- Currently the SEMC has not made any recommendations on the design I-SEM CRM
- The first detailed design decision, and second consultation will both be published November.
- Once decision and publication of the first SEMC decision has occurred the CRM working group will be in a better place to move forward