

Response to SEM-21-066
Capacity Market Code WG20 Consultation Paper
CMC_12_21

EirGrid and SONI Response
15/09/2021



1 Introduction

1.1 EirGrid and SONI

EirGrid holds licences as independent electricity Transmission System Operator (TSO) and Market Operator (MO) in the wholesale trading system in Ireland, and is the owner of the System Operator Northern Ireland (SONI Ltd), the licensed TSO and MO in Northern Ireland. The Single Electricity Market Operator (SEMO) is part of the EirGrid Group, and operates the Single Electricity Market on the island of Ireland.

Both EirGrid, and its subsidiary SONI, have been certified by the European Commission as independent TSOs, and are licenced as the transmission system and market operators, for Ireland and Northern Ireland respectively. EirGrid also owns and operates the East West Interconnector, while SONI acts as Interconnector Administrator for both of the interconnectors that connect the island of Ireland and GB.

EirGrid and SONI, both as TSOs and MOs, are committed to delivering high quality services to all customers, including generators, suppliers and consumers across the high voltage electricity system and via the efficient operation of the wholesale power market. EirGrid and SONI therefore have a keen interest in ensuring that the market design is workable, will facilitate security of supply and compliance with the duties mandated to us and will provide the optimum outcome for customers.

EirGrid and SONI have duties under licence to advise the CRU and UR respectively on matters relating to the current and expected future reliability of the electricity supply. We have also been allocated responsibility for administering the Capacity Market Code through our TSO licences. This response is on behalf of EirGrid and SONI in their roles as TSOs for Ireland and Northern Ireland.

2 EirGrid and SONI views on the Consultation Topic

EirGrid and SONI in our role as System Operators have considered the points raised during the Capacity Market Workshops 20¹ and in the SEM-21-066 consultation papers², in relation to CMC_12_21 'Modification to the methodology for calculating the De-Rated Grid Code Commissioned Capacity'³.

EirGrid and SONI welcome some of the changes this Modification Proposal is trying to introduce but have reservations on the need of some of the proposed alterations to the existing CMC legal drafting.

It is agreed that the proposed removal of the text in limb (b) of paragraph G.3.1.4 is necessary and puts the CMC in line with the changes introduced by previously approved CMC_06_19.

With regards to changes proposed to paragraph G.3.1.4A, in line with observations made in the consultation paper by the Regulatory Authorities (RAs), the SOs do not agree with the proposed removal of limb (b) and therefore we do not agree with the changes proposed to limb (a).

EirGrid and SONI agree with the RAs' analysis that the retention of limb (b) in paragraph G.3.1.4A is necessary.

For the avoidance of doubt given that:

- two paragraphs in the Proposal contained changes in their respective limb (b); and
- the Modification form submitted contained errors in the listing of the CMC paragraphs (both paragraph G.3.1.4 and G.3.1.4A are referred to as G.3.1.4A and appear in reverse order), we hereby include the relevant extracts from the proposed legal drafting of both paragraphs G.3.1.4 and G.3.1.4A.

A green highlight indicates changes the TSOs are in support of, while a blue highlight indicates changes the TSOs is not supporting:

G.3.1.4 *The Proportion of Delivered Capacity in respect of Awarded New Capacity at a given time is a percentage value being:*

a) *the greater of:*

(i) *zero; and*

(ii) *the lesser of:*

(A) *the De-rated Grid Code Commissioned Capacity; and*

(B) *the Awarded Capacity ; less the Awarded Existing Capacity ;*

(b) *divided by:*

¹ <https://www.sem-o.com/events/capacity-market-modificat-26/Capacity-Modifications-Committee-Workshop-20-Report-v2.0.pdf>

² <https://semcommittee.us13.list-manage.com/track/click?u=35760ee9da0c8ccdadbba4c8&id=86e6e58db3&e=5e5c00bd16>

³ https://www.sem-o.com/documents/market-modifications/CMC_12_21/CMC_12_21GrossDeratingFactorModProposal.pdf

- (i) the Awarded Capacity ; less
- (ii) the Awarded Existing Capacity ,

~~where "Initial Capacity (Existing)" and "Initial Capacity (Total)" shall have the values determined when the Awarded New Capacity Qualified.~~

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 :

- (a) ~~where paragraph G.3.1.2C or G.3.1.2D 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";~~

The Proposer also asked to comment on a section of G.3.1.8 of the CMC they highlighted in yellow in their modification proposal. The SOs do not consider those changes necessary. The Initial Capacity is the correct variable to be included in the affected columns in table G.3.1.8, where the heading refers to Commissioned Capacity. Both variables (Initial and Commissioned Capacity) relates to rated quantities while the proposed replacement of Initial Quantity with Awarded Quantity (which is instead a de-rated quantity) introduces an unnecessary inconsistency in the use of those variables in the CMC.

Finally the TSOs would like to note that should this proposal be approved, it will require process changes to the calculation of the Proportion of Delivered Capacity. These are not significant and the System Operators request that the RAs make the effective date of any Modification at least one month after the decision to effect the necessary changes to the process.