

APPENDIX C – RESPONSE TEMPLATE

SUMMARY INFORMATION

Respondent's Name	ESB Generation and Trading
Type of Stakeholder	Generator
Contact name (for any queries)	Lenka Peskova
Contact Email Address	Lenka.peskova@esb.ie
Contact Telephone Number	085 220 6313
Confidential Response	[N]

CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

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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>CMC_10_23: Mitigation of Impact on Participants Relating to 3rd Party Gas Connection Delays</p>	<p>ESB GT agrees the proposed modification is consistent with CMC objectives, specifically (c), (f) and (g).</p> <p>ESB GT supports the principle of this modification but believes this matter should be dealt with holistically for both gas and grid connection 3rd Party delays. Proposer previously introduced modification CMC_14_22 that covered both types of connections. The modification was considered by SEM Committee as part of consultation paper issued 1st December 2022 (SEM-22-092). In its decision (SEM-23-01, 4.6.1) SEMC stated that it will request the RAs to undertake further consideration of potential modifications in this area. While we appreciate the work needed to explore the options for this modification, we would welcome an update on this matter in the earliest available time.</p>	<p>ESB GT does not support this proposal due to its focus on gas connection delays only. We request the RAs to inform market participants about the outcomes of their assessment as directed by SEM-23-01 decision.</p>	<p>ESB GT does not propose any changes into drafting as we do not support the modification proposal due its narrow focus to only gas connection delays.</p>

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	<p>ESB GT believes there is a need for an industry wide engagement between regulatory authorities, market participants and gas and grid connection providers to develop a joint understanding of timelines market participants are required to follow in order to successfully deliver the awarded capacity market project.</p>		
<p>CMC_11_23: Amendment to Drafting Introduced Under Modification CMC_15_22</p>	<p>ESB GT does not agree the proposed modification is consistent with CMC objectives, specifically (b) and (g).</p> <p>CMC_15_22 has been introduced to Capacity Market Code as part of SEM-01-23 Decision paper where the regulatory authorities explored the wide range of proposed third-party delays and decided to pursue the ones originating from the challenges of the granted planning permission. Articles 17 and 18 of the Planning (General Development Procedure) Order (Northern Ireland) 2015 however relate to the delays due to</p>	<p>ESB GT does not support the proposed modification as we believe Article 17 and Article 18 of the above-mentioned order relate to directions issued by the Department prior the planning decision is granted which is not in line with the SEM-01-23 Decision which considers only appeals to already granted planning permissions as a ground for extension.</p>	<p>ESB GT does not propose any changes into drafting as we do not support the modification proposal.</p>

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	<p>appeals before the planning permission is granted. ESB GT believes these delays should not be taken into account in respect of the above-mentioned decision as these are a part of the regular planning assessment procedure rather than appeals to reconsider the decision already made. Also, ESB GT notes that Article 17 provides for directions by the Department to restrict the grant of planning permission by a council for indefinitely. The adoption of the modification could therefore result in an indefinite delay to a Long Stop Date with negative implications for security of supply.</p>		
<p>CMC_12_23: Facilitation of Unit Specific Price Caps for Existing Capacity in Excess of the Auction Price Cap</p>	<p>ESB GT agrees the proposed modification is consistent with CMC objectives, specifically (c).</p> <p>Auction Price Cap (APC) is derived from the Best New Entrant (BNE) outcome. BNE assessment estimates the most economic way to provide</p>	<p>ESB GT believes that were an existing generation unit is constrained in its bidding by the APC such that it cannot recover its ongoing costs there that is a risk of inefficient exit with could distort the market signals produced by the capacity</p>	<p>ESB GT believes that the options proposed in the modification for implementation are all potential viable and the determination of each approach to take where the modification were accepted should be guided by an impact</p>

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	<p>new capacity to the market based on 10-year capacity contract. However, BNE does not address the situation where aging plant which had already recovered its initial cost needs extensive maintenance works in order to provide reliable capacity to the system. Retaining the current thermal fleet whilst new generation is being built is crucial to maintain Security of Supply. Allowing for the costs of this maintenance to be recovered can extend the life of the plant for a period needed to deliver the new capacity for lower costs than the costs of an alternative such as emergency generation This would benefit the end customer as it provides the needed capacity at a lower cost.</p> <p>As the Unit Specific Price Cap (USPC) is approved on the case-to-case basis by Regulatory Authorities we believe there is little to no potential for on-going costs included in a USPC to be artificially inflated as a result of the</p>	<p>market and drive the requirement for further market interventions such as the Target Contract Mechanism or the Temporary Emergency Generation.</p>	<p>assessment by the System Operator.</p>

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	<p>proposed change. The required USPC regulatory assessment ensure only the units with a strong business case which contribute to the security of supply will be able to avail the price above APC.</p>		
<p>CMC_13_23: Min Completion Prior to Long Stop Date</p>	<p>ESB GT agrees the proposed modification is consistent with CMC objectives, specifically (d), (e) and (g).</p> <p>ESB GT believes the proposal provides a better clarity in regards to the expected new capacity delivery where the units that will not be able to provide the full contracted capacity will be able to signal the revised amount of capacity early. This will both promote an early delivery of this adjusted capacity as units will be able to get their capacity payments earlier but also will provide system operators with the information regarding missing capacity previously awarded that needs to be auctioned again in a shorter timeframe.</p>	<p>No additional impacts have been identified.</p>	<p>No additional changes in proposed drafting identified.</p>

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<p>CMC_14_23: Locational Capacity Constraint Violation Criteria</p>	<p>ESB GT agrees the proposed modification is consistent with CMC objective (g) by addressing the risk introduced by CMC_08_22 but is contrary to CMC objective (e) as increases the complex of the auction process.</p> <p>ESB GT appreciates the need for this modification proposal to be introduced due to the situation that may prevent the auction from solving. Whilst we did not support the introduction of the Maximum Quantities for Locational Capacity Constraints and remain of the view that the application of Max LCCAs is contrary to the CMC objectives (c), (d), (e), and (g). ESB GT is concerned that at the time CMC_08_22 was raised by the System Operators there was no reference to the application of Max LCCAs introducing a risk that the Capacity Market Auction results that are not clearly defined. As a result of the CMC_08_22 being implemented</p>	<p>ESB GT supports the modification proposal however we request further clarity on the proposal of the methodology for determining a price-quantity pairs that are introduced by this modification. The methodology should provide market participants with a clear information of what variables are taken into consideration and therefore affect the final price quantity pairs. We expect the prices to be outside of the price range that can be submitted by market participants (e.g. higher than Auction Price Cap).</p> <p>Additionally, we request the TSOs to publish the information whether any of the notional price-quantity pairs were utilised when solving the auction and in which LCCA. This</p>	

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	by the SEM Committee, despite concerns being raised across industry, we are compelled to support the introduction of the proposed solution for situations where no feasible solution currently exists.	information should be part of the Auction Results publication.	

NB please add extra rows as needed.