

MODIFICATION PROPOSAL FORM			
<b>Proposer</b> <i>(Company)</i>	<b>Date of receipt</b> <i>(assigned by System Operator)</i>	<b>Type of Proposal</b> <i>(delete as appropriate)</i>	<b>Modification Proposal ID</b> <i>(assigned by System Operator)</i>
System Operators	06/07/2023	Urgent	CMC_17_23
Contact Details for Modification Proposal Originator			
<b>Name</b>	<b>Telephone number</b>	<b>Email address</b>	
Aodhagan Downey		Aodhagan.downey@eirgrid.com	
Modification Proposal Title			
Updates to Locational Capacity Constraint Areas			
<b>Documents affected</b> <i>(delete as appropriate)</i>	<b>Section(s) Affected</b>	<b>Version number of CMC used in Drafting</b>	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>This Modification Proposal seeks to:</p> <p>(a) provide more flexibility in the determination of LCC areas; and,  (b) to provide for instances where the defined methodology does not fully capture particular effects on the transmission system.</p> <p>Part (a)</p> <p>While it is the intention of the System Operators to provide as much useful information to Participants to help inform their offers to the Capacity Market, circumstances can arise where an LCC Area is not defined and based on the Applications for Qualification it would not be possible to clear all the qualified capacity without exceeding limits on the transmission system.</p> <p>In these instances, it is preferable to allow units to compete for scarce transmission capacity rather than to reject units outright. As such, this proposal allows for the specification of additional LCC Areas after the IAIP in the FAIP.</p> <p>This is largely provided for in the Capacity Market Code; however, the presence of the word final in respect of the nodes specified in the Initial Auction Info Pack restricts them being updated in the Final Auction Information Pack.</p> <p>Part (b)</p> <p>The System Operators are currently in the process of implementing Max Constraints in the Capacity Market. While the systems and process development are well underway, adapting the methodology to account for short circuit current assessments is a complex undertaking and it will not be complete by 27/28 T-4 Capacity Auction. To ensure that reasonable values can be specified, we are proposing this mod to allow the RAs to review and consider values determined not by means of the published process but by another means. Similarly, where the Required Quantities for a Locational Capacity Constraint Area need to take into account other factors not fully captured by the methodology, this change provides for this.</p>			
Legal Drafting Change			

<i>(Clearly show proposed code change using <b>tracked</b> changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>
<p>C.2.1.2 The System Operators shall determine Locational Capacity Constraints using the methodology determined from time to time by the Regulatory Authorities, <u>or otherwise approved by the Regulatory Authorities and published in the Final Auction Information Pack.</u></p> <p>D.3.1.2 The Initial Auction Information Pack for a Capacity Auction shall set out:</p> <p>(d) for each Locational Capacity Constraint for the relevant Capacity Year to be used in the Capacity Auction, the <del>final</del> nodes on the Transmission System (and the Distribution System, as applicable) to which the Locational Capacity Constraint applies;</p>
<b>Modification Proposal Justification</b> <i>(Clearly state the reason for the Modification)</i>
<p>Given the rapidly changing nature of the generation and demand side portfolio, it is necessary to introduce a degree of flexibility into the definition of LCC Areas and the associated Required and Maximum Quantities.</p> <p>This will ensure that competition can be maximised within the tolerable limits of the transmission systems in the timeframes and that the emerging impacts are captured to the greatest extent possible in the Locational Capacity Constraint Areas.</p>
<b>Code Objectives Furthered</b> <i>(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)</i>
<p>(a) 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>(b) to promote competition in the provision of electricity capacity to the SEM;</p>
<b>Implication of not implementing the Modification Proposal</b> <i>(State the possible outcomes should the Modification Proposal not be implemented)</i>
<p>It will not be possible ensure that Capacity Auction outcomes are technically feasible as emerging constraints are not fully captured.</p>
<b>Impacts</b> <i>(Indicate the impacts on systems, resources, processes and/or procedures)</i>
<p>Some process changes in the System Operators and Regulatory Authorities</p>
<b>Please return this form to the System Operators by email to <a href="mailto:CapacityModifications@sem-o.com">CapacityModifications@sem-o.com</a></b>

### Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Regulatory Authorities.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

CMC / Code:	means the Capacity Market Code for the Single Electricity Market
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "System Operators" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section B.12 of the Code, which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
  - 1.1 to the System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
  - 1.2 to the Regulatory Authorities to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
  - 1.3 to the System Operators and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
  - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.