

EAI Response to SEM-20-023

Dear Paul, Karen & Kevin,

The EAI welcomes the opportunity to comment on Modification CMC 05_20. Some of our members were in attendance at Working Group 12 on the 31st March, when this modification was tabled. Whilst we recognise that the Modification proposal has been updated following feedback received at Working Group 12 and most notably in relation to clarifying the position of CHP units which is to be welcomed, the consultation period provided for this modification has been very short (8th-20th April), which we appreciate is a function of it being marked urgent. This period also included the bank holidays around Easter.

Noting the changes that have been made to the draft Modification, the dissemination of a previously unpublished technical guidance document that now accompanies the proposal (which rightly provides comfort to CHPs, but it does not address all the concerns raised in the Working Group) and the short consultation period, industry wishes to request an extension and proposes a two-phased approach, like that adapted in GB, to addressing the requirements of Articles 22(4)(a) and (b) of EU 2019/943.

The proposed first phase would focus on amendments to the CMC that are strictly necessary for New Capacity in the T-4 CY23/24 capacity auction followed later by amendments necessary for Existing Capacity in the T-4 CY24/25 capacity auction.

Industry envisage that this first phased approach would commence with a short redrafted Modification, addressing just the forthcoming T-4 2023/24 auction, and limited to New Capacity.

It should be noted however, that there is a school of thought that suggests even a redrafted and targeted Mod may not be immediately necessary, as the SEMC's information note [SEM-19-074](#) indicated that the process (Directors' certification) for ensuring compliance with the emissions limits for the forthcoming auction was already in progress?

The second phase, as well as benefiting by being able to take account of the decision on recent CRM parameters consultation, and policy approaches arising from the upcoming SEMC Clean Energy Package consultations, would deliver a well-considered Modification. This 2nd Modification would, *inter alia*, unambiguously detail how Existing Capacity complies with the relevant emissions limits in the Regulation.

The EAI and its members are fundamentally not comfortable with the speed of this modification and the manner in which the technical guidance was included, however for the avoidance of any doubt we support the clarification given to CHPs. The short time frame does not provide sufficient opportunity for reflection on the technical guidance document and the potential implications. In summary, EAI advocates a 2 stage approach to implementing these changes to the CMC as discussed above. Such an approach would be fully compliant with the CEP requirements which do not apply to Existing Capacity until CY24/25.

Again, we appreciate this opportunity to engage and are available to clarify any points raised in this short response.

Kind regards,

Niamh

On behalf of the EAI Markets Committee