

DRAI CONSULTATION RESPONSE: SEM-20-056

SUMMARY INFORMATION:

Respondent's Name	Demand Response Association Ireland (DRAI)
Type of Stakeholder	Industry Association
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The Demand Response Association of Ireland (DRAI) would like to make the following submission in relation to Modification Proposals CMC_10_20 and CMC_11_20 as per Consultation Paper SEM-20-056. The following sections set out the DRAI's comments on the two Modification Proposals consulted on.

CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

ID	Proposed Modification and Consistency with the Code Objectives	Impacts Not Identified in Proposal Form	Detailed CMC Drafting Proposed to Deliver the Modification
CMC_10_20 - Change to determinations made in F.4.1.1 (Version 2)	<p>The DRAI supports the intent of this modification to further increase clarity for both the RAs and Participants regarding the minimum de-rated capacity required in each Locational Capacity Constrained Area. The DRAI recognises the value in ensuring the visibility of both the gross capacity quantity required in each constrained area and the net capacity quantity (with any previously Awarded Capacity netted off) which is used to determine the auction parameters.</p> <p>The DRAI understands the Modification is intended to address an information gap, as opposed to making any change to how the associated capacity quantities / auction parameters are calculated.</p> <p>The proposal appears to be effectively a housekeeping modification, focussed on improving clarity and transparency in how this important auction parameter is calculated, and the DRAI has no objection to this and supports the SEM-Committee's minded to position to approve the Modification.</p>		

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<p>CMC_11_20 - Providing greater flexibility for the current Interim Secondary Trading Notification (ISTN) process (version 2)</p>	<p>Similarly to Modification proposal CMC_09_19 (Supplementary Interim Secondary Trading v2) which seeks to enhance their scope, the DRAI supports the general intent of this Modification to provide greater flexibility within the existing interim secondary trading arrangements.</p> <p>In addition to progressing the proposed Modification, the DRAI reiterates its view that having a full set of enduring arrangements in place to enable the secondary trading of Reliability Obligations is an important part of the development of the Capacity Market, and part of the original European state aid approval for the mechanism was based on this being in place.</p> <p>The rationale set out in support of the proposed Modification is clear, and the DRAI recognises the significant lack of flexibility afforded within the current ISTN process.</p> <p>In particular, the requirement to submit an ISTN no later than 10 working days prior to the beginning of the month specified in the ISTN seems overly restrictive, and the DRAI supports the proposal to reduce this notification period to 5 days prior to the ISTN becoming active.</p> <p>The DRAI also supports the proposal to allow Participants to amend or inactivate an ISTN if it becomes possible to return a unit to service earlier than originally envisaged. This will benefit capacity providers availing of the ISTN process as well as security of supply and the value of the CRM hedge to consumers.</p> <p>In summary, in advance of the enduring secondary trading arrangements being in place, the DRAI supports the proposed Modification to make the existing ISTN process more flexible, in terms of notice periods and flexibility to amend an ISTN if returning earlier than envisaged from an outage. The DRAI therefore supports the SEM-Committee’s minded to position to approve the Modification.</p>		
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