



**Energia response to SEM Committee
Consultation Paper SEM-20-056**

***Capacity Market Code Working Group 14: CMC_10_20
and CMC_11_20***

14 September 2020

1. Introduction

Energia welcomes the opportunity to respond to the SEM Committee Consultation Paper SEM-20-056 (the “Consultation Paper”) on proposed modifications to the Capacity Market Code (CMC_10_20 and CMC_11_20) discussed at Working Group 14 on 23 July 2020.

2. Comments on Proposed Modifications

Energia fully endorses the EAI response to this consultation and we wish to highlight a number of points of emphasis with respect to the proposed modifications. We also wish to emphasise the requirement for modification CMC_11_20 to be implemented as soon as possible and noting the RA decision is due on 16th October 2020 we recommend that implication is effective on this date as no system changes are required.

CMC_11_20 – Providing Greater Flexibility for the current Interim Secondary Trading Notification (ISTN) process (Version 2)

- Strongly supporting the proposed modification to provide greater flexibility to the ISTN process and the ‘minded to’ position of the RA’s to approve the modification proposal.
- Agreeing that the current Interim Secondary Trading Arrangements are highly restrictive and that the proposed modification is essential in providing additional flexibility that will assist market participants in managing the risk of their Reliability Option (RO).
- Agreeing with the justification outlined in the modification proposal which includes addressing the unfair treatment of plants when partially available and weakening the incentive for plants to adjust their outage to the benefit of system requirements.
- Supporting a reduction of the notice times to both activate an ISTN (5 Working Days) at the commencement of a planned outage and to amend the ISTN (ideally 3 Working Days but with a commitment to reducing to 1 Working Day over a 12 month period from implementation) during the course of a planned outage to reflect varying volumes of Net Capacity Quantity.
- Emphasising the urgency of implementation of the proposed modification as soon as possible so that market participants and the SO can avail of the much-needed additional flexibility that this creates.
- Supplementing modification proposal CMC_09_19, which seeks to introduce Alternative Secondary Trading Arrangements, as intended.
- In addition, the Consultation Paper asks whether section M.7.2.6(b)(i) of the CMC is sufficiently clear. At the Working Group the SO outlined that the end point of a secondary trade was when the unit returned from outage, even if this was earlier than the planned outage date. We would welcome clarification to be provided with changed wording to the CMC as appropriate but note that this change would not be required to give effect to the proposed modification.
- In summary, noting how essential the modification is to provide the necessary flexibility to manage RO risk, supporting its implementation as soon as possible (the RA decision is due on 16th October 2020 and we recommend that implication is effective on this date as no system changes are required) and that it is applied supplementary to modification proposal CMC_09_19.

CMC_10_20 – Change to Determinations made in F.4.1.1 (Version 2)

- Supporting the proposed modification and also the minded to position of the RAs to approve it.

We will be happy to discuss above of the above points further at your convenience.