



**Integrated Single Electricity Market
(I-SEM)**

Capacity Market Code Modifications Set 2

Decision Paper – Appendix A

SEM-18-164 (b)

19th November 2018

1. CMC_11_18 – LONG STOP DATE

1.1 CURRENT CAPACITY MARKET CODE DRAFTING

- J.5.2.1 A Participant or an Enforcing Party (on behalf of a Participant) may, prior to the scheduled date for achieving Substantial Financial Completion in the relevant Implementation Plan, apply to the Regulatory Authorities to extend that date to a new date later than 18 months after the Capacity Auction Results Date in the Capacity Auction Timetable for the Capacity Auction in which the capacity was allocated.
- J.6.1.1(b) Long Stop Date: the Long Stop Date in respect of Awarded New Capacity means the last day of the eighteenth full calendar Month after the start of the first Capacity Year in which the Awarded New Capacity is to be provided.
- J.6.1.2 The System Operators shall terminate all the Awarded New Capacity in respect of a new or refurbished Generator Unit or Interconnector in the event that:
- (a) Substantial Financial Completion has not been achieved within 18 months of the Capacity Auction Results Date in the Capacity Auction Timetable for the Capacity Auction in which the capacity was allocated (or such later date as allowed by the Regulatory Authorities under section J.5.2);

1.2 APPROVED MODIFICATION TO CAPACITY MARKET CODE DRAFTING

- J.5.2.1 A Participant or an Enforcing Party (on behalf of a Participant) may, prior to the scheduled date for achieving Substantial Financial Completion in the relevant Implementation Plan, apply to the Regulatory Authorities to extend that date to a new date **later more than 18 months the Substantial Financial Completion Period** after the Capacity Auction Results Date in the Capacity Auction Timetable for the Capacity Auction in which the capacity was allocated.
- J.6.1.1(b) Long Stop Date: the Long Stop Date in respect of Awarded New Capacity means
- (i) in the case of a Capacity Award with a capacity duration greater than one year, the last day of the eighteenth full calendar Month after the start of the first Capacity Year in which the Awarded New Capacity is to be provided; or**
- (ii) in the case of a Capacity Award with a capacity duration of one year or less, the last day of the first full calendar Month after the start of the first Capacity Year in which the Awarded New Capacity is to be provided.**
- J.6.1.2(a) Substantial Financial Completion has not been achieved within **18 months the Substantial Financial Completion Period** of the Capacity Auction Results Date in the Capacity Auction Timetable for the Capacity Auction in which the capacity was allocated (or such later date as allowed by the Regulatory Authorities under section J.5.2.);

Addition to CMC:

D.2.1.3A The Substantial Financial Completion Period shall be set to 18 months for each Capacity Auction or such other period as is notified to the System Operators by the Regulatory Authorities with their instruction to conduct a Capacity Auction given under paragraph D.2.1.2.

Addition of new sub-paragraph to D.3.1.2:

(r) the final Substantial Financial Completion Period.

Addition to CMC Glossary:

Substantial Financial Completion Period: the period between the Capacity Auction Results Date and the latest date by which the Substantial Financial Completion Milestone must be achieved as defined in D.2.1.3A

2. CMC_12_18 – TOLERANCE CLASS

2.1 CURRENT CAPACITY MARKET CODE DRAFTING

- D.3.1.2 (l) the final allowed Increase Tolerance and Decrease Tolerance by Technology Class that may be applied by a Participant in its Application for Qualification to Capacity Market Unit de-ratings;
- D.3.1.3 (j) the final Billing Period Stop-Loss Limit Factor applicable to Awarded Capacity allocated in the Capacity Auction;
- E.8.2.3 (f) INCTOL is the percentage Increase Tolerance applicable to the Technology Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.3 (g) DECTOL is the percentage Decrease Tolerance applicable to the Technology Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.6 (g) INCTOL is the percentage Increase Tolerance applicable to the Technology Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.6 (h) DECTOL is the percentage Decrease Tolerance applicable to the Technology Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.7 (i) INCTOL_i is the percentage Increase Tolerance applicable to the Technology Class of Generator *i* as specified in the relevant Initial Auction Information Pack;

- E.8.2.7 (j) DECTOL_i is the percentage Decrease Tolerance applicable to the Technology Class of Generator *i* as specified in the relevant Initial Auction Information Pack;
- E.8.2.8 (j) INCTOL_i is the percentage Increase Tolerance applicable to the Technology Class of Generator *i* as specified in the relevant Initial Auction Information Pack;
- E.8.2.8 (k) DECTOL_i is the percentage Decrease Tolerance applicable to the Technology Class of Generator *i* as specified in the relevant Initial Auction Information Pack;

2.2 APPROVED MODIFICATION TO CAPACITY MARKET CODE DRAFTING

- D.3.1.2 (l) the final allowed Increase Tolerance and Decrease Tolerance by **Technology Tolerance** Class that may be applied by a Participant in its Application for Qualification to Capacity Market Unit de-ratings;
- D.3.1.3 (j) the final allowed Increase Tolerance and Decrease Tolerance by **Technology Tolerance** Class that may be applied by a Participant in its Application for Qualification to Capacity Market Unit de-ratings;
- E.8.2.3 (f) INCTOL is the percentage Increase Tolerance applicable to the **Technology-Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.3 (g) DECTOL is the percentage Decrease Tolerance applicable to the **Technology Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.6 (g) INCTOL is the percentage Increase Tolerance applicable to the **Technology-Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.6 (h) DECTOL is the percentage Decrease Tolerance applicable to the **Technology Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.7 (i) INCTOL is the percentage Increase Tolerance applicable to the **Technology-Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.7 (j) DECTOL is the percentage Decrease Tolerance applicable to the **Technology Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.8 (j) INCTOL is the percentage Increase Tolerance applicable to the **Technology-Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;
- E.8.2.8 (k) DECTOL is the percentage Decrease Tolerance applicable to the **Technology Tolerance** Class of the Generator Unit or Interconnector as specified in the relevant Initial Auction Information Pack;

Addition to CMC Glossary:

Tolerance Class: means a class, based on technology and either emission limits or technical limits on running hours, used for determining the Increase Tolerance and Decrease Tolerance applicable to a Generator, Generator Unit or Interconnectors. Tolerance Classes will be determined by the Regulatory Authorities under paragraph D.3.1.3.

2.3 ADDITIONAL MODIFICATIONS TO THE CMC AS A RESULT OF CMC_12_18

Current Capacity Market Code Drafting

E.9.5.1 The System Operators shall use reasonable endeavours to publish the following information on or before the Qualification Results Publication Date specified in the applicable Capacity Auction Timetable:

- (a) for Existing Capacity:
 - (i) the total Gross De-Rated Capacity (Total) Qualified for the Capacity Year for each Technology Class and for each Unit Type;
 - (ii) the total Awarded Capacity for the Capacity Year for each Technology Class and for each Unit Type; and
 - (iii) the total Net De-Rated Capacity (Existing) Qualified for the Capacity Year for each Technology Class and for each Unit Type;
- (b) for New Capacity:
 - (i) the total Gross De-Rated Capacity (Total) Qualified for the Capacity Year for each Technology Class and for each Unit Type;
 - (ii) the total Awarded Capacity for the Capacity Year for each Technology Class and for each Unit Type; and
 - (iii) the total Net De-Rated Capacity (Existing) Qualified for the Capacity Year for each Technology Class and for each Unit Type.

Approved Modification to Capacity Market Code Drafting

E.9.5.1 The System Operators shall use reasonable endeavours to publish the following information on or before the Qualification Results Publication Date specified in the applicable Capacity Auction Timetable:

- (a) for Existing Capacity:
 - (i) the total Gross De-Rated Capacity (Total) Qualified for the Capacity Year for each Technology Class , for each Tolerance Class and for each Unit Type;

- (ii) the total Awarded Capacity for the Capacity Year for each Technology Class , for each Tolerance Class and for each Unit Type; and
 - (iii) the total Net De-Rated Capacity (Existing) Qualified for the Capacity Year for each Technology Class, for each Tolerance Class and for each Unit Type;
- (b) for New Capacity:
- (i) the total Gross De-Rated Capacity (Total) Qualified for the Capacity Year for each Technology Class, for each Tolerance Class and for each Unit Type;
 - (ii) the total Awarded Capacity for the Capacity Year for each Technology Class, for each Tolerance Class and for each Unit Type; and
 - (iii) the total Net De-Rated Capacity (Existing) Qualified for the Capacity Year for each Technology Class, for each Tolerance Class and for each Unit Type.

3. CMC_13_18 – LETTER OF CREDIT

3.1 CURRENT CAPACITY MARKET CODE DRAFTING

This Appendix H contains a standard template for a Letter of Credit

Form of Doc Credit: IRREVOCABLE STANDBY LETTER OF CREDIT

Documentary Credit Number:

Date of Issue:

Applicable Rules: UCP [LATEST VERSION NO]

Date and Place of Expiry:

Applicant [insert Participant's name] or [insert company name] on behalf of [insert Participant's name]

Beneficiary: EirGrid plc and SONI Limited, being the System Operators under the Capacity Market Code. [address]

Currency Code, Amount (Maximum total amount):

Available With (ADVISING BANK IE SO'S BANK BY PAYMENT)

Partial Shipments/Drawings: Allowed

Documents required:

Beneficiary Statement, as detailed below, must be on [System Operators letterhead]

QUOTE:

"We, the System Operators under the Capacity Market Code (the "Beneficiary") hereby state that [insert Participant's name] is in default of its obligation to pay pursuant to the Capacity Market Code (to which the Participant is a party) under paragraph [insert details] and as a result we hereby demand[insert amount being claimed] under Standby Letter of Credit number..... issued by[insert name of Issuing Bank]. Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant account details]. We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.

Terms defined in the Standby Letter of Credit referred to above have the same meaning when used in this Beneficiary Statement."

SIGNED FOR AND ON BEHALF OF THE SYSTEM OPERATORS.

NAME..... TITLE.....

UNQUOTE

Additional Conditions:

1. Not Used.
2. This irrevocable Standby Letter of Credit is available by payment at sight against presentation to the Advising Bank of a Beneficiary Statement as detailed in Documents required.
3. The Beneficiary Statement must be made on original letterhead paper of the Beneficiary and signed on its behalf, and must be presented to the Advising Bank on or before the Expiry Date.
4. Upon receipt of a signed Beneficiary Statement in compliance with the above conditions the Advising Bank is required promptly to notify us by SWIFT of receipt of such Beneficiary Statement and inform us of the relevant details of such Beneficiary Statement. Provided such notification is received by us no later than 14:00 hrs on any week day on which banks are open for business in Dublin and Belfast, we shall make payment under this Standby Letter of Credit for Same Day Value on that day or if received after 14.00hrs on the next such week day in accordance with such notification and shall confirm payment by notifying the Advising Bank by SWIFT.
5. Where we, the Issuing Bank are also the Advising Bank, we may revise the above notification requirements as appropriate provided that this shall in no way affect the obligation on us to make payment under this Standby Letter of Credit.
6. We the Issuing Bank hereby waive any right to set off or counterclaim whatsoever against any amounts payable under this Standby Letter of Credit in respect of any claims we may have against the Beneficiary and such amounts shall be paid free and clear of all deductions or withholdings whatsoever.
7. Effective From:
8. This Standby Letter of Credit is personal to you and your rights hereunder including the right to receive proceeds to this Standby Letter of Credit, are not assignable.
9. This Letter of Credit shall be governed by and construed in accordance with the laws of Northern Ireland and the parties submit to the jurisdiction of the Courts of Ireland and the Courts of Northern Ireland (and no other court) for all disputes arising under, out of, or in relation to this Letter of Credit.

Charges:

All Issuing Bank charges are for the account of the Applicant.

All Advising Bank charges are for the account of the Beneficiary.

Confirmation:

CONFIRMATION WITH OR WITHOUT? (THIS INSTRUCTION IS TO SO'S BANK TO ADD CONFIRMATION OR NOT)

Instruction to Pay:

PLEASE REFER TO ADDITIONAL CONDITIONS.

ADVISING BANK TO CLAIM REIMBURSEMENT BY SWIFT AND RETAIN BENEFICIARY STATEMENT ON FILE.

APPENDIX

[System Operators letterhead]

We, the System Operators under the Capacity Market Code (the "Beneficiary") hereby state that [insert Participant's name] is in default of its obligation to pay pursuant to the Capacity Market Code (to which the Participant is a party) under paragraph [insert details]

and as a result we hereby demand[insert amount being claimed] under Standby Letter of Credit number..... issued by[insert name of Issuing Bank]. Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant account details]. We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.

Terms defined in the Standby Letter of Credit referred to above have the same meaning when used in this Beneficiary Statement.

3.2 APPROVED MODIFICATION TO CAPACITY MARKET CODE DRAFTING

This Appendix H contains a standard template for a Letter of Credit

Form of Doc Credit: IRREVOCABLE STANDBY LETTER OF CREDIT

Documentary Credit Number:

Date of Issue:

Applicable Rules: UCP [LATEST VERSION NO]

Date and Place of Expiry:

Applicant [insert Participant's name] or [insert company name] on behalf of [insert Participant's name]

Beneficiary: EirGrid plc and SONI Limited, being the System Operators under the Capacity Market Code. [address]

Currency Code, Amount (Maximum total amount):

Available With (ADVISING BANK IE ~~SO's~~ SEM BANK acting on behalf of the System Operators)

Partial Shipments/Drawings: Allowed

Documents required:

Beneficiary Statement, as detailed below, must be on [System Operators letterhead]

QUOTE:

"We, the System Operators under the Capacity Market Code (the "Beneficiary") hereby state that [insert Participant's name] is in default of its obligation to pay pursuant to the Capacity Market Code (to which the Participant is a party) under paragraph [insert details] and as a result we hereby demand[insert amount being claimed] under Standby Letter of Credit number..... issued by[insert name of Issuing Bank]. Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant account details]. We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.

Terms defined in the Standby Letter of Credit referred to above have the same meaning when used in this Beneficiary Statement."

SIGNED FOR AND ON BEHALF OF THE SYSTEM OPERATORS.

NAME..... TITLE.....

UNQUOTE

Additional Conditions:

1. Not Used.
2. This irrevocable Standby Letter of Credit is available by payment at sight against presentation to the Advising Bank of a Beneficiary Statement as detailed in Documents required.
3. The Beneficiary Statement must be made on original letterhead paper of the Beneficiary and signed on its behalf, and must be presented to the Advising Bank on or before the Expiry Date.
4. Upon receipt of a signed Beneficiary Statement in compliance with the above conditions the Advising Bank is required promptly to notify us by SWIFT of receipt of such Beneficiary Statement and inform us of the relevant details of such Beneficiary Statement. Provided such notification is received by us no later than 14:00 hrs on any week day on which banks are open for business in Dublin and Belfast, we shall make payment under this Standby Letter of Credit for Same Day Value on that day or if received after 14.00hrs on the next such week day in accordance with such notification and shall confirm payment by notifying the Advising Bank by SWIFT.

5. Where we, the Issuing Bank are also the Advising Bank, we may revise the above notification requirements as appropriate provided that this shall in no way affect the obligation on us to make payment under this Standby Letter of Credit.
6. We the Issuing Bank hereby waive any right to set off or counterclaim whatsoever against any amounts payable under this Standby Letter of Credit in respect of any claims we may have against the Beneficiary and such amounts shall be paid free and clear of all deductions or withholdings whatsoever.
7. Effective From:
8. This Standby Letter of Credit is personal to you and your rights hereunder including the right to receive proceeds to this Standby Letter of Credit, are not assignable.
9. This Letter of Credit shall be governed by and construed in accordance with the laws of Northern Ireland and the parties submit to the jurisdiction of the Courts of Ireland and the Courts of Northern Ireland (and no other court) for all disputes arising under, out of, or in relation to this Letter of Credit.

Charges:

All Issuing Bank charges are for the account of the Applicant.

All Advising Bank charges are for the account of the Beneficiary.

Confirmation:

CONFIRMATION WITH OR WITHOUT? (THIS INSTRUCTION IS TO **SEM BANK ACTING ON BEHALF OF THE SYSTEM OPERATORS** ~~SO's BANK~~ TO ADD CONFIRMATION OR NOT)

Instruction to Pay:

PLEASE REFER TO ADDITIONAL CONDITIONS.

ADVISING BANK TO CLAIM REIMBURSEMENT BY SWIFT AND RETAIN BENEFICIARY STATEMENT ON FILE.

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[System Operators letterhead]

We, the System Operators under the Capacity Market Code (the "Beneficiary") hereby state that [insert Participant's name] is in default of its obligation to pay pursuant to the Capacity Market Code (to which the Participant is a party) under paragraph [insert details]

and as a result we hereby demand[insert amount being claimed] under Standby Letter of Credit number..... issued by[insert name of Issuing Bank]. Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant

account details]. We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.

Terms defined in the Standby Letter of Credit referred to above have the same meaning when used in this Beneficiary Statement.