

## APPENDIX C – RESPONSE TEMPLATE

### SUMMARY INFORMATION

<b>Respondent's Name</b>	ESB Generation and Trading
<b>Type of Stakeholder</b>	Generator
<b>Contact name (for any queries)</b>	Paraic Higgins
<b>Contact Email Address</b>	<a href="mailto:Paraic.higgins@esb.ie">Paraic.higgins@esb.ie</a>
<b>Contact Telephone Number</b>	01 7027119

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CAPACITY MARKET CODE MODIFICATIONS CONSULTATION COMMENTS:

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ID	Proposed Modification and its Consistency with the Code Objectives	Impacts Not Identified in the Modification Proposal Form	Detailed CMC Drafting Proposed to Deliver the Modification
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<p><b>CMC_07_19</b></p> <ul style="list-style-type: none"> <li>- Treatment of Multiyear Contracts in the Event of Simultaneous Capacity Auctions</li> </ul>	<p>ESB Generation and Trading (ESB GT) understands the necessity to address the issue that is currently presented in the upcoming T-1 and T-2 auctions. However, ESB GT believes this modification is addressing the symptom rather than the root cause.</p> <p>It appears that the root cause of the issue this modification is seeking to address is the close timing of the two auctions as the final results of the first auction will not be determined until after the second auction is held.</p> <p>Considering the issue, ESB GT is of the opinion that the most appropriate method to mitigating this exposure for the upcoming auctions and future auctions is to ensure there is sufficient time between the two auctions. Subsequently, ESB GT requests the RAs to review the current timetables for the upcoming auctions and change the T-2 auction date. The delay of the T-2 auction would remove the need for the RAs, as proposed in this modification, to either (1) manipulate the auction</p>	<p>A major impact not assessed in the modification proposal is the undue exposure on market participants from inaccurate exit signals due to the possibility of applying F.9.3.3A(a) rather than rerunning the auction.</p> <p>2.2.22 of the Consultation Paper highlights the concerns raised in relation to the increased complexity of the Code due to this modification. There are no comments on this in the Consultation Paper. Consequently, ESB GT must assume that this is not a concern for this modification. ESB GT recognises that a modification is viewed in its own light, however, the CMC should not become so difficult that it becomes a barrier for new entrants due to its increased complexity, especially in light of small new entrants that are being attracted to the market. Especially as this undue</p>	<p>ESB GT would rather see the T-2 auction delayed than the proposed modification be implemented. However, if the RAs are of the view that delaying the T-2 auction is not a viable option ESB GT believes the modification should not include F.9.3.3A(a) and that the only option available to the RAs is the annulment of the capacity auction in such an event as E.9.6, for reasons specified in the previous columns.</p>
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	<p>results or (2) annul the auction and re-run the auction. This would mean delaying the T-2 auction timetable back to late January, as allowed by the D.2.1.10, following the publication of the final auction results thus removing any potential for distortionary interference by outside of the market forces.</p> <p>In relation to the Code Objectives, ESB GT is concerned that the application of the proposed modification will adversely affect the achievement of the CMC objectives (d) and (f) as the process for applying F.9.3.3A(a) is not transparent and could distort competition through unintended manipulated exit/entry signals.</p> <p>The proposed modification has provided no guidance as to the methodology that the RAs will use when implementing F.9.3.3A(a). Any process that can have an impact on a participants' livelihood, e.g. exit signals for a participant, needs to be transparent and precise.</p>	<p>exposure on market participants could be easily mitigated by delaying the T-2 auction.</p>	
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NB please add extra rows as needed.