

SEM-20-018 – RESPONSE FROM BGE

SUMMARY INFORMATION

Respondent's Name	Bord Gáis Energy Limited (BGE)
Type of Stakeholder	Generator (all-island wholesale electricity market); Supplier (Irish retail electricity market)
Contact name (for any queries)	Eoin McGurk
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Contact Telephone Number	

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
<p>CMC_03_20</p> <ul style="list-style-type: none"> - Modification to the Long Stop Date for the CY2023/24 T-4 Capacity Auction 	<p>BGE agrees with the aim of this modification and the urgent status applied to it. It is necessary that any potential barriers to the delivery of new capacity are mitigated where practical given the rapidly growing need for new capacity to come on the system in the next 5-6 years in particular.</p> <p>We view the proposed modification as not only reasonable but necessary and note that importantly it strikes the right balance between risks to new capacity providers as against consumer costs or security of supply exposures.</p> <p>It is important that the modification is clearly applicable only to the April 2020 auction (T-4 for CY2023/24) and BGE is satisfied that the adjusted text in M.10 of the CMC reflects this.</p> <p>CMC objectives are in our view furthered. Specifically, the modification will better enable the entry of new capacity providers into the market – a reduction in the current market concentration through increasing the capacity market share of smaller or new players will be conducive to competitive market-based pricing outcomes. Aside from fulfilling Objective (b)¹ under CMC Section A.1.2.1, we therefore believe that objectives (c), (d) and (g) of the CMC will also be furthered.²</p>	<p>None noted</p>	<p>BGE is content with current drafting</p>

¹ (b) “facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner”

² (c), “to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market”; (d) “to promote competition in the provision of electricity capacity to the SEM”; (g) “through the development of the Capacity Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, and security of supply of electricity across the Island of Ireland”