

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by System Operator)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by System Operator)</i>
RA's	14 th March 2023	Standard	CMC_06_23
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Marie-Therese Campbell			
Modification Proposal Title			
Outstanding Aspects of the Implementation of ARHL De-Rating Factors			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of CMC used in Drafting	
CMC	E.8.5, G.3.1, I.1.3, App E	8.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>Modification CMC_11_22 did not include all of the CMC changes required to implement the use of ARHL De-Rating Factors and, in particular, did not fully deal with FNAQ or Variation in Mix for AGUs, the changes required to the determination of De-Rated Grid Code Commissioned Capacity in G.3.1.4A.</p> <p>This proposed Modification seeks to complete the initial introduction of ARHL De-Rating Factors and bring the clarification set out in SEM-23-008 into the Code.</p>			
Legal Drafting Change <i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>			
<p><i>Modify the following paragraphs as shown:</i></p> <p>E.8.5.3 For each Capacity Market Unit, the De-Rated Firm Network Access Capacity shall be:</p> <p>(a) in the case of an Aggregated Generator Unit, the sum, for all of the Generators that form part of that Aggregated Generator Unit, of the Firm Network Access Capacity of the Generator multiplied by the De-Rating Factor applicable to a unit Generator of the Technology Class <u>and Initial Maximum On Time (Total) and Initial Annual Run Hours Limit (Total)</u> of that Generator with an Initial Capacity equal to the Firm Network Access Capacity of that Generator; and</p> <p>(b) in all other cases, the Firm Network Access Capacity of the Generator Unit or Interconnector multiplied by the De-Rating Factor applicable to a unit of the Technology Class and Initial Maximum On Time (Total) and Initial Annual Run Hour Limit (Total) of that Generator Unit or Interconnector and with an Initial Capacity equal to the Firm Network Access Capacity of that Generator Unit or Interconnector.</p> <p>G.3.1.4A For a Capacity Market Unit, the De-Rated Grid Code Commissioned Capacity shall be the Grid Code Commissioned Capacity of the Generator Unit or Interconnector multiplied by:</p> <p>(a) where a unit has a zero INCTOL value, the De-Rating Factor applicable to a unit of the Technology Class <u>and the Annual Run Hours Limit(s)</u> of that Generator Unit or Interconnector and with an Initial Capacity equal to the Grid Code Commissioned Capacity and an Initial Maximum On Time equal to the Grid</p>			

Code Commissioned ~~Maximum~~Maximum On Time of that Generator Unit or Interconnector as specified in the Initial Auction Information Pack for the relevant Capacity Auction in which the relevant Awarded New Capacity was allocated (Grid Code Commissioned De-rating Factor)

- (b) otherwise where a unit has a non-zero INCTOL value the Gross De-Rating Factor, as specified in item 3 (b) of Appendix E “Qualification Capacity Register Data”;

I.1.3.1(b)

at all times during the Capacity Year the cumulative de-rated capacity provided by the mix of Generators (based on each Generator’s individual Initial Capacity and the De-Rating Factor applicable to its Technology Class, Annual Run Hours Limit and Initial Maximum On Time (Total) at the time the Aggregated Generator Unit last Qualified) equals or exceeds the Awarded Capacity provided by that Aggregated Generator Unit applicable to that Capacity Year (except to the extent the System Operators agree otherwise in writing);

Appendix E, 3(b)

(ii)

the Gross De-Rating Factor for each Capacity Market Unit (FDERATE Ω) where this is the value determined in accordance with paragraph **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.** as applicable (and allowing for paragraph **Error! Reference source not found.**), with the exception that this is to be replaced by the value determined in accordance with paragraph **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.** as applicable in the event that New Capacity is not Awarded Capacity in the Capacity Auction or if all the Awarded Capacity in respect of New Capacity is terminated. For the avoidance of doubt, the Gross De-Rating Factor for a Capacity Market Unit which has Qualified in respect of New Capacity does not change solely as a result of it being allocated an amount of Awarded New Capacity in the Capacity Market Unit but the amount allocated is less than the amount of New Capacity Qualified in respect of that Capacity Market Unit; and

(iii)

where paragraph G.3.1.2C or G.3.1.2D or G.3.1.2F or G.3.1.2G applies or where a change in Technology Class is granted in accordance with section J.5.4 the Gross De-Rating Factor for a Capacity Market Unit (FDERATE Ω) shall be re-determined on the same basis as in sub-paragraph (ii) except that it shall use a value of Initial Capacity equal to the Grid Code Commissioned Capacity and an Initial Maximum On Time equal to the Grid Code Commissioned Maximum On Time and the updated Technology Class and Annual Run Hour Limit(s) of the Capacity Market Unit as applicable; and

Add the following paragraphs:

G.3.1.2E

The value of Commissioned Annual Run Hours Limit

- (a) in respect of New Capacity which generates using combustion shall be the maximum number of hours per Capacity Year during which the relevant combustion plant, in whole or in part, may operate in compliance with all applicable legislation, licences, authorisations, consents and permits obtained as required for **Substantial Financial Completion**; and

	<p>(b) in respect of all other capacity shall be assumed to have the value 8760 hours.</p> <p>G.3.1.2F For a Generator Unit (other a Demand Side Unit or Aggregated Generator Unit), the Commissioned Annual Run Hours Limit may differ from the Initial Annual Run Hours Limit included in the Application for Qualification only where this does not result in a breach of the relevant Connection Agreement(s) (as modified from time to time).</p> <p>G.3.1.2G For a Demand Side Unit or Aggregated Generator Unit, the Commissioned Annual Run Hours Limit may differ from the Initial Annual Run Hours Limit included in the Application for Qualification.</p>
Modification Proposal Justification <i>(Clearly state the reason for the Modification)</i>	
<p>Given the implementation of the initial code changes to allow implementation of ARHL De-Rating Factors were done as an Urgent Modification to fit within the auction timetable, some of the changes that were not required as urgently were de-scoped to allow for fuller consideration.</p> <p>The modification seeks to complete the changes needed to implement ARHL De-Rating Factors in line with the SEMC Decision (SEM-22-044).</p> <p>The drafting of G.3.1.4A is designed to be the minimum required to implement the decision, in line with the clarification issued as SEM-23-008 while retaining flexibility around implementation in systems and procedures to minimise the impacts.</p>	
Code Objectives Furthered <i>(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)</i>	
<p>A.1.2.1(a), (b) and (g).</p>	
Implication of not implementing the Modification Proposal <i>(State the possible outcomes should the Modification Proposal not be implemented)</i>	
<p>Failure to comply with SEM Committee Decision; incomplete drafting of CMC.</p>	
Impacts <i>(Indicate the impacts on systems, resources, processes and/or procedures)</i>	
<p>Intended to be minimal.</p>	
<p>Please return this form to the System Operators by email to CapacityModifications@sem-o.com</p>	

Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Regulatory Authorities.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

CMC / Code:	means the Capacity Market Code for the Single Electricity Market
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "System Operators" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section B.12 of the Code, which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
 - 1.1 to the System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
 - 1.3 to the System Operators and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
 - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.