



**Single Electricity Market
(SEM)**

**Capacity Remuneration Mechanism
T-1 2025/26 Capacity Auction Exception Application
and
Opt-out Notification Process**

Briefing Note

SEM-24-076

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Appendix A – T-1 2025-26 New Capacity Application Template

Appendix B – T-1 2025-26 USPC Application Template

Appendix C – T-1 2025-26 Opt-out Notification Template

Appendix D – T-1 2025-26 Intermediate Length Contract Application Template

Appendix E – T-1 2025-26 Capacity Auction Timetable

2. INTRODUCTION

- 2.1.1 The SEM CRM detailed design and auction process has been developed through a series of consultation and decision papers; these are all available on the SEM Committee's (SEMC) website. These decisions were translated into legal drafting of the market rules via an extensive consultative process leading to the publication of the Trading and Settlement Code (TSC)¹ and the Capacity Market Code (CMC). An updated version of the CMC (12.0)² was published on 5 November 2024 and the most recent version of the TSC (29.0) was published on 30 July 2024.
- 2.1.2 The CMC describes the process which market participants must follow in relation to participation in a CRM auction. This includes detail in relation to the requirement for market participants to apply for Regulatory Authority (RA) approval for opt-out notification determination (section E.3 of the CMC) and certain exception applications (section E.5 of the CMC).
- 2.1.3 An auction for capacity under the Capacity Remuneration Mechanism (CRM) is planned for 22 May 2025. The auction will procure capacity for Capacity Year 2025/26 (T-1) with delivery of capacity beginning 01 October 2025.
- 2.1.4 This document sets out the Regulatory Authorities approach to the handling of the Exceptions and Opt-out processes (as described below) for this T-1 auction.
- 2.1.5 The key processes outlined in this note relate to:
- i. The Exception Application process outlined in section E.5 of the CMC. This is for New Capacity to seek approval for a minimum capacity duration of more than 1 and up to 10 years for their RO, and for all or part of Existing Capacity to be subject to a Unit Specific Price Cap (USPC) in a capacity auction.
 - ii. Opt-out Notification applications for which the RAs are required to make a determination. This specifically relates to a capacity provider's unit which will be undertaking a Planned Outage of more than three months or will be Mothballed³ during the relevant capacity year to which the auction relates. The circumstances in which an Opt-out Notification may be submitted are set out in section E.3 of the CMC. The deadline for applying for an RA opt-out determination is 18 November 2024.
 - iii. The Intermediate Length Contract process (SEM-24-035⁴) to allow Existing Capacity and New Capacity investing more than €100,000/MWd (the Intermediate Contract Investment Rate Threshold (ICIRT)) to bid for an Intermediate Length Contract (ILC) of up to five years.

¹ <https://www.sem-o.com/rules-and-modifications/balancing-market-modifications/market-rules/>

² <https://www.sem-o.com/rules-and-modifications/capacity-market-modifications/market-rules/>

³ As per CMC "in relation to a Generator Unit or Interconnector, means that the Generator Unit or Interconnector has been placed on 'care and maintenance' so that, while it has not been permanently Closed, it is not available to generate, consume or transmit electricity and the plant is being managed to ensure that it remains in a safe and stable condition."

⁴ [SEM-24-035 Intermediate Length Contract Decision Paper](#)

- 2.1.6 It should be noted that all other Opt-out Notifications must be submitted to the System Operator by the date specified within the Capacity Auction Timetable.

3. EXCEPTION APPLICATION AND OPT-OUT NOTIFICATION PROCESS

3.1 Overview

- 3.1.1 Section E.5 of the Capacity Market Code (CMC) describes the process for market participants applying for RA approval for exception applications. The process and approach for Unit Specific Price Cap applications shall remain the same as previous auctions.
- 3.1.2 The Capacity Market Code (CMC) in section E.3 describes the concept of market participants applying for RA approval for an opt-out notification with regard to a unit that will be undertaking a planned outage that results in it not being available for more than three months; or a unit that will be mothballed.
- 3.1.3 A more detailed timeline and communication procedure for the exception application and opt-out notification process is outlined below.

3.2 Communication with Applicants

- 3.2.1 All Participants wishing to apply for RA approval for an exception application or an opt-out notification, or to communicate with the RAs during the process shall (unless otherwise notified) only contact the RAs through the use of the email addresses given below: Submissions must be made to both email addresses below:

- **CRMsubmissions@uregni.gov.uk**
- **CRMsubmissions@cru.ie**

- 3.2.2 As described in section E.5 in the CMC, an exception application shall contain the information required by the RAs and set out in the templates provided in Appendix A, B and D of this note.

This information and any further information, or clarification in respect of the exception applications are to be provided under the electricity licence condition relating to the provision of information to the Commission (CRU) or the Authority (UR).

- 3.2.3 As described in section E.3 in the CMC an opt-out notification submission shall contain the information required by the RAs and set out in the template form given in Appendix C of this note.
- 3.2.4 If an applicant attempts to contact the RAs for the purposes of an exception application or opt-out notification process through another avenue the applicant will be directed to contact the RAs through the above email addresses.
- 3.2.5 The RAs will use the email address given in the participant’s submitted template form to acknowledge receipt and for correspondence during the rest of the exception application process. Applicants may include more than one email address in the contact email address field in the template application form.
- 3.2.6 The RAs shall, upon receipt of an exception application or opt-out notification, assign a unique application file number. This will be included in the RAs acknowledgement to the applicant. Participants are required to quote this application file number in all future communication with the RAs in relation to the specific application.
- 3.2.7 If an applicant does not receive a unique application file number following the submission of an exception application, it is the responsibility of the applicant to contact the RAs to ensure safe receipt of their submission.
- 3.2.8 During the exception application process the RAs will, following the issuing of the draft determinations, offer the applicant the opportunity to meet the RAs to discuss the draft determination.
- If an applicant does not receive a draft determination, as per the timetable set out in the below tables, it is the responsibility of the applicant to contact the RAs to query this.
- 3.2.9 As part of the Exceptions Application and Opt-out Notification RA determination process the RAs may request a meeting(s) with the applicant.

3.3 PROCESS FOR MULTI-YEAR EXCEPTION APPLICATIONS

- 3.3.1 Following the publications of the ILC Briefing note for the T-4 CY2028/29 Capacity Auction (SEM-24-033⁵) and the Briefing Note for the T-4 CY2026/27 Capacity Auction (SEM-22-014⁶) and the notified changes to the Exception Application and Opt-Out Notification process detailed within, these will be applied to the approvals process for Multi-year Exception Application for this T-1 2025/26 Capacity Auction.

⁵ [SEM-24-033 T-4 2028/29 Capacity Auction Intermediate Length Contract Exception Application Process](#)

⁶ [SEM-22-014 CRM Exception Application and Opt-out Notification Process for the T-4 2026/27 Capacity Auction](#)
[| SEM Committee](#)

- Where an application is submitted to the RAs and all of the following requirements are fulfilled:
 - ❖ The New Capacity Investment Rate Threshold (NCIRT) is surpassed;
 - ❖ The Intermediate Length Contract (ILC) criteria and thresholds are met as set out in SEM-24-035⁷
 - ❖ Any and all requests for further information from the RAs are actioned within the correct timeframes set out by the RAs; and
 - ❖ The SEM Committee have granted approval.

then the application will be deemed as “Final and Approved”.

The applicant will receive a confirmation letter from the SEM Committee stating they are approved to submit a multi-year RO bid into the T-1 CY2025/26 Capacity Auction, up to the amount stipulated within the Final New Net De-Rated Capacity (MW)⁸ as set out in the approved Final Qualification Results (FQRs).

- If an application is submitted to the RAs and is rejected for any reason, this rejection will be deemed “draft” and the standing previous process will be followed.

This will allow Applicants the opportunity to engage with the RAs ahead of the production of a Final Determination.

3.3.2 As per changes set out within SEM-22-014, all approvals will be worded as such that:

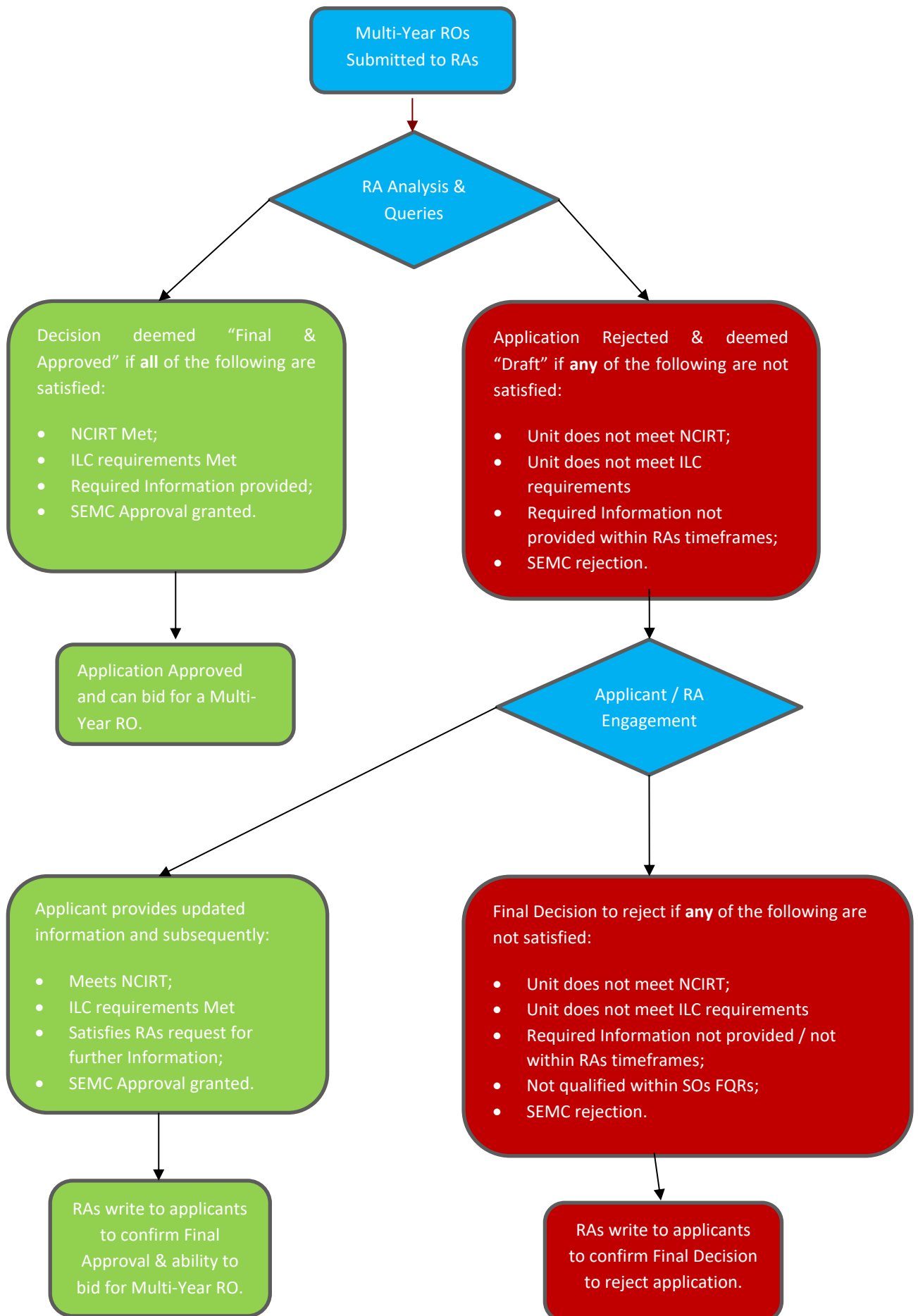
- (a) the amount of capacity that may be bid multi-year is capped at the size of the ultimate FQR for the unit, or a lower value as the SEMC see fit; and
- (b) will reiterate that the ability to bid for a Multi-Year RO is ultimately conditional on the Unit being deemed qualified at the FQR stage.

3.3.3 In this way, at the time the approval is given, there is not a firm value but rather a rule encoded in the decision to give effect to this. This decision does not prejudice qualification.

3.3.4 Should the RAs not have the sufficient information to issue final exception letters, draft exception letters will be issued.

⁷ [SEM-24-035 Intermediate Length Contract Decision Paper](#)

⁸ Final New Net De-Rated Capacity (MW) is issued later in the auction process.



3.4 Process Timeline

3.4.1 The expected timelines for the exception application and opt-out processes for this CRM T-1 auction for Capacity Year 2025/26 are set out below in Tables 1, 2 and 3 respectively.

Exceptions Applications

3.4.2 Tables 1, 2 and 3 below set out the key dates and deadlines for communications between the applicant and the RAs with regards to Multi-Year RO New Capacity Applications (Table 1), Unit Specific Price Cap (USPC) applications (Table 2) and Intermediate Length Contract (ILC) applications (Table 3). As set out in section E.5 in the CMC, there is a requirement for applicants to provide information requested by the RAs within the specified timeframe, otherwise the participant is deemed to have withdrawn the exception application.

3.4.3 As described in section E.5 in the CMC an exception application shall:

- contain the information required by the RAs. Information request templates are included in Appendix A, B and D of this note; and
- contain a certificate signed on behalf of the participant by a participant director.

3.4.4 In regard to an applicant's USPC/ILCs exception applications, the RAs would request that applicants provide sufficient detailed information and calculations to support the submission of cost items within their USPC/ILC application, which may include independent third-party quotes as justification. This detailed information assists the RAs in assessing the applicants USPC/ILC application and determining a draft and final decision.

Opt-Out Application to the RAs

3.4.5 As described in section E.3.2 of the CMC an opt-out notification submission for RA determination shall:

- contain the information required by the RAs. The information request template is included in Appendix C of this note;
- contain a certificate signed on behalf of the participant by a participant director.

3.4.6 As set out in section E.3 in the CMC, applicants are required to submit their opt-out notification to the System Operators by the opt-out notification date. If applicable (under E.3.1.1 (b) of CMC) applicants must provide a copy of the RAs determination as part of their opt-out notification submission to the System Operators.

3.4.7 As set out in Section E.3.2.1 of the CMC states a Participant is to submit an application to the RAs not later than four weeks prior to the opt-out Notification Date specified in the Capacity Auction Timetable. The opt-out Notification Date specified in the Capacity Auction Timetable is 16 December 2024.

3.4.8 Table 4 below sets out the key dates and deadlines for communications between the applicant and the RAs for the opt-out process. The deadline for applying for an RA opt-out determination is 18 November 2024.

Table 1: Multi-Year RO Exception application process timeline for T-1 CY2025/26 Capacity Auction

Date (2024)	Description	
03 Dec 24	Initial Auction Information Pack published	
17 Dec 24	Exception Application deadline	
13 Jan 25	Qualification Application deadline	
14 Jan 25	RAs notify System Operators of all Exception Applications and will also issue an acknowledgement to all applicants confirming receipt of Application.	
14 Jan 25 - 31 Jan 25	RAs initial assessment/screening of applications	
20 Jan 25	RAs may send follow up questions to exception application participants	
31 Jan 25	Deadline by which exception application participant(s) respond to RA questions	
20 Feb 25	If applicant does not meet criteria in E.5.1.3 RAs issue draft exception application decision(s) to participant(s) and the steps below will follow	If applicant satisfies criteria in E.5.1.3 – RAs will issue a Final Decision and approve Application for a Multi-Year RO
21 Feb 25	RAs issue draft exception application decision(s) to System Operators	RAs issue Final exception application decision(s) to System Operators
24 Feb 25 – 28 Feb 25	RAs offer meeting with exception application participant(s)	No further Application action required
14 Mar 25	Deadline by which exception application participant(s) can provide feedback to draft decision	
25 Apr 25	RAs submit final exception application decision(s) to System Operators (ahead of deemed approval deadline in CMC)	
30 Apr 25	Final qualification results announced	
30 Apr 25	Final Auction Information Pack published	
22 May 25	T-1 2025/26 Auction date	

Table 2: USPC Exception application process timeline for T-1 CY2025/26 Capacity Auction

Date (2024)	Description	
03 Dec 24	Initial Auction Information Pack published	
17 Dec 24	Exception Application deadline	
13 Jan 25	Qualification Application deadline	
14 Jan 25	RAs notify System Operators of all Exception Applications and will also issue an acknowledgement to all applicants confirming receipt of Application.	
14 Jan 25 -31 Jan 25	RAs initial assessment/screening of applications	
20 Jan 25	RAs may send follow up questions to exception application participants	
31 Jan 25	Deadline by which exception application participant(s) respond to RA questions	
20 Feb 25	If applicant does not meet criteria in E.5.1.3 RAs issue draft exception application decision(s) to participant(s) and the steps below will follow	If applicant satisfies criteria in E.5.1.3 – RAs will issue a Final Decision and approve Application for a Multi-Year RO
21 Feb 25	RAs issue draft exception application decision(s) to System Operators	RAs issue Final exception application decision(s) to System Operators
24 Feb 25 – 28 Feb 25	RAs offer meeting with exception application participant(s)	No further Application action required
14 Mar 25	Deadline by which exception application participant(s) can provide feedback to draft decision	
25 Apr 25	RAs submit final exception application decision(s) to System Operators (ahead of deemed approval deadline in CMC)	
30 Apr 25	Final qualification results announced	
30 Apr 25	Final Auction Information Pack published	
22 May 25	T-1 2025/26 Auction date	

Table 3: Intermediate Length Contract application process timeline for T-1 CY2025/26 Capacity Auction

Date (2024)	Description	
03 Dec 24	Initial Auction Information Pack published	
17 Dec 24	Exception Application deadline	
13 Jan 25	Qualification Application deadline	
14 Jan 25	RAs notify System Operators of all Exception Applications and will also issue an acknowledgement to all applicants confirming receipt of Application.	
14 Jan 25 -31 Jan 25	RAs initial assessment/screening of applications	
20 Jan 25	RAs may send follow up questions to exception application participants	
31 Jan 25	Deadline by which exception application participant(s) respond to RA questions	
20 Feb 25	If applicant does not meet criteria in E.5.1.3 RAs issue draft exception application decision(s) to participant(s) and the steps below will follow	If applicant satisfies criteria in E.5.1.3 – RAs will issue a Final Decision and approve Application for a Multi-Year RO
21 Feb 25	RAs issue draft exception application decision(s) to System Operators	RAs issue Final exception application decision(s) to System Operators
24 Feb 25 – 28 Feb 25	RAs offer meeting with exception application participant(s)	No further Application action required
14 Mar 25	Deadline by which exception application participant(s) can provide feedback to draft decision	
25 Apr 25	RAs submit final exception application decision(s) to System Operators (ahead of deemed approval deadline in CMC)	
30 Apr 25	Final qualification results announced	
30 Apr 25	Final Auction Information Pack published	
22 May 25	T-1 2025/26 Auction date	

Table 4: Proposed Opt-Out notification RA determination process timeline for T-1 CY2025/26 Capacity Auction

Date (2024)	Description
18 Nov 24	Deadline for applying for RA opt-out determination according to the CMC.
19 Nov 24	RAs notify System Operators giving details of opt-out notification submission(s) received and will also issue an acknowledgement to all applicants confirming receipt of Application.
25 Nov 24	If required, RAs send follow up questions/requests for information to opt-out notification applicant(s). Alternatively, RAs may request a meeting.
03 Dec 24	Initial Auction Information Pack published
9 Dec 24	Date by which RAs notify applicant(s) of determination on opt-out notification
9 Dec 24	Date by which RAs notify System Operators of determination on opt-out notification submission(s)
16 Dec 24	Opt-out notification deadline to System Operators for opt-outs under CMC E.3.1.1
25 Feb 25	Provisional Qualification Results announced
30 Apr 25	Final qualification results announced
30 Apr 25	Final Auction Information Pack published
22 May 25	T-1 2025/26 Auction date

4. TREATMENT OF CONFIDENTIAL INFORMATION

- 4.1.1 The RAs will put in place procedures to protect confidential information generated by the processes outlined in this note. All reasonable precautions will be taken by both RAs to ensure that:
- any confidential information generated by the process, is kept confidential.
 - confidential information is provided only to those persons to whom it is deemed necessary for the conduct and management of the process.
 - confidential information is clearly labelled and securely stored.
- 4.1.2 Dissemination of applicant's data within the RAs will be limited, with access to storage of physical and electronic copies being protected.
- 4.1.3 Any persons required to assess/review sensitive information will be notified that they are being provided with confidential data (e.g. the SEM Committee members), as above this data will be clearly labelled as such.
- 4.1.4 It is the applicant's responsibility to clearly mark as confidential any information that it considers confidential.

5. NEXT STEPS

- 5.1.1 The System Operators will publish an Initial Auction Information Pack on 03 December 2024, at the start of the Qualification window. The Initial Auction Information Pack will set out a range of information (set out in section D.3 of CMC) that will help market participants to submit their qualification information, and to decide whether to submit an exception application.
- 5.1.2 The RA opt-out deadline is 18 November 2024.
- 5.1.3 The exception application deadline is 17 December 2024.
- 5.1.4 The qualification deadline is 13 January 2025.
- 5.1.5 As set out in section E.3 in the CMC, applicants are required to submit their opt-out notification to the System Operators no later than the opt-out notification deadline of 16 December 2024.
- 5.1.6 If applicable (under E.3.1.1 (b) of CMC) applicants must provide a copy of the RAs determination as part of their opt-out notification submission to the System Operators. The deadline for applying for RA approval for opt-out determination is 18 November 2024.
- 5.1.7 As set out in section 3.2 above, please note the following:

All participants wishing to apply for RA approval for an exception application and/or opt-out notification must submit applications to both Regulatory Authorities via email to both email addresses listed below:

CRMsubmissions@uregni.gov.uk

CRMsubmissions@cru.ie