



**Single Electricity Market
(SEM)**

Capacity Market Code Modifications

Workshop 47

Consultation Paper

CMC_22_25

Termination and Re-Entry

SEM-26-009

27 February 2026

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Appendix A – Response Template

1. OVERVIEW

1.1 ABSTRACT

- 1.1.1 The purpose of this consultation paper is to invite industry participants to provide feedback and comments regarding the Modification Proposal to the Capacity Market Code (CMC) discussed at Workshop 47, held on 21 January 2026.
- 1.1.2 During this Workshop, one Modification Proposal was presented. This consultation paper relates to:
- CMC_22_25 [Termination and Re-Entry](#)

1.2 BACKGROUND

- 1.2.1 On 22 December 2025, The Regulatory Authorities (RAs) submitted one Modification Proposal ([CMC 22 25](#)) under the terms of B.12.4 of the CMC.
- 1.2.2 On 28 January 2026, the RAs then determined the procedure to apply to the Modification Proposal. This is shown in [SEM-26-004](#). An overview of the timetable is as follows:
- i. The System Operators convened Workshop 47 where the Modification Proposal was considered on 21 January 2026.
 - ii. The System Operators, as set out in B.12.7.1 (j) of the CMC, prepared a report¹ of the discussion which took place at the workshop, provided the report to the RAs, and published it on the SEM-O website promptly after the workshop.
 - iii. The RAs are now consulting on the Modification Proposal, from the date of publication of this consultation paper until the closing date of Tuesday, 31 March 2026.
 - iv. As contemplated by B.12.11.6, the RAs will make their decision as soon as reasonably practicable following conclusion of the consultation and will publish a report(s) in respect of their decision, at the earliest, by 05 June 2026.

1.3 PURPOSE OF THIS CONSULTATION PAPER

- 1.3.1 The purpose of this paper is to consult on the proposed Modification. Further detail is set out in the hyperlinks embedded above.
- 1.3.2 The Regulatory Authorities hereby give notice to all Parties and the Market Operator of a consultation on the Modification Proposal.

¹[Capacity Modifications Workshop 47 Report v1.0.pdf](#)

- 1.3.3 Interested Parties and the Market Operator are invited to make written submissions concerning the proposed Modification by no later than 17:00 on Tuesday 31 March 2026.
- 1.3.4 **Please note that late submissions will not be accepted.**
- 1.3.5 Upon closure of the consultation process, the Regulatory Authorities intend to assess all valid submissions received and form a decision to make a modification, not make a modification or undertake further consideration of the modification in respect of CMC_22_25.

2. MODIFICATION PROPOSALS

2.1 CMC_22_25- TERMINATION AND RE-ENTRY

Proposer: RAs

[CMC_22_25: Proposal Overview](#)

- 2.1.1 This Modification Proposal seeks to increase the robustness of the Code and mitigate potential gaming opportunities for projects that have achieved Substantial Financial Completion (SFC). It aims to do this by seeking to prevent these units from terminating and re-entering the same capacity that was terminated into the next two subsequent T-1 auctions held in the two years after termination, potentially to receive a higher Capacity Payment Price.
- 2.1.2 The change is proposed to be achieved by splitting J.6.1.10 of the CMC into two parts. The first part would clarify that if termination occurs prior to a unit achieving SFC, the existing clause applies. The second part would state that if it occurs after achieving the Substantial Financial Completion milestone, a two T-1 Capacity Auction suspension will apply, where a Participant may not submit an Application for Qualification in respect of the same capacity that was terminated for two consecutive T-1 Capacity Auctions held in the next 24 months only.
- 2.1.3 Two new clauses are also proposed to be introduced; J.6.1.10A to define 'same capacity' for the purposes of J.6.1.10, and J.6.1.10B to clarify that the definition of 'same capacity' set out in J.6.1.10A shall not apply if the unit terminating holds an Intermediate Length Contract (ILC).

[CMC_22_25: Workshop Feedback](#)

- 2.1.4 Capacity Market Code Modifications Workshop 47 took place on 21 January 2026, where the Modification Proposal was presented and discussed by the RAs.
- 2.1.5 EP UK Investments (EPUKI) asked what the underlying reason for this Modification Proposal was and stated that there already seemed to be significant risk and downside for these projects to take this approach to terminate and re-enter into a T-1 auction where the perceived upside is not clear.
- 2.1.6 EPUKI also asked if it was considered how this issue could be addressed absent of a Code Modification such as through raising issues at Developer Reporting Sessions or via the RAs not approving the termination.
- 2.1.7 The RAs responded to the questions where they stated that there is a potential gaming risk which exists and this proposal is being raised to reduce this risk. The RAs also considered that this could only be addressed via a Code Modification.
- 2.1.8 Bord Gáis Energy (BGE) asked if this was a potential concern and not a tangible one. It further opined that posting Performance Security exists to prevent this scenario from occurring. Adding to this, BGE stated that it did not understand the need for this Modification given the existence of Performance Security and the provision of market manipulation already stipulated in the

CMC. BGE opined that in the event of a termination post-SFC, it could lead to possible stranded assets.

- 2.1.9 The RAs responded and said that they considered any options available and concluded that this was the best solution. However, they noted that they remained open to further feedback in this regard via the consultation process. The RAs also stated that the Modification Proposal is relatively narrow in scope and will only include an auction restriction for T-1 auctions held in the 24 months post-termination. They further said that there is a differentiation between projects who terminate before and after SFC and that the Modification Proposal was drafted to narrow the scope to limit impacting those who seek to participate fairly.
- 2.1.10 BGE asked a question around the pre- versus post-SFC termination and stated that terminating before reaching SFC suggests speculative bidding behaviour.
- 2.1.11 The RAs responded to BGE and agreed this could suggest speculative behaviour and opined that projects post-SFC are more developed and closer to delivery.
- 2.1.12 SSE asked why the RAs believe there is a risk for gaming as a unit may not clear the next auction and would not know the auction parameters and they ultimately believed that this approach carries significant risk.
- 2.1.13 The RAs responded that price is the primary driving factor and participants may take on that risk if the price arbitrage between auction is sufficiently high to take this approach. They also stated that while this scenario is unlikely, it is possible, and analysis of the GB Capacity Market Rules has informed this Modification Proposal in this regard.
- 2.1.14 Bord na Móna (BnM) asked if there is an SFC extension granted to a unit, how will this impact on the mechanics of this Modification.
- 2.1.15 The RAs stated that this does not relate to the SFC deadline, rather SFC completion.
- 2.1.16 BnM questioned the rationale for section J.6.1.10B.
- 2.1.17 The RAs stated that in a scenario where New Capacity that is repowered or refurbished capacity based on Existing Capacity (an ILC unit) is about to refurbish and reverts to Existing Capacity, mandatory bidding comes into force, and this would clash with the proposed wording.
- 2.1.18 Captured Carbon asked if the timing of the Modification Proposal is on foot of the publication of the CRU's LEU Decision Paper.
- 2.1.19 The RAs stated there is no correlation to the publication of the LEU Decision Paper.
- 2.1.20 BGE asked if there was a scenario where a unit could come close to deliver but then terminate. It also asked what would happen if a project hit an unexpected snag and couldn't meet its Long Stop Date (LSD).
- 2.1.21 The RAs responded to say that if a legitimate reason was provided, then an application for an extension to the project's LSD could be considered under the current arrangements. It also questioned why a unit would come close to deliver but then terminate rather than applying for

an extension request. In relation to participation in the next T-1 auction, the RAs questioned if, in any case, the unit could be considered to deliver on time for that auction in such a scenario.

- 2.1.22 BGE asked what would happen in the event of a minor delay where there is not sufficient time to inform the RAs, and the LSD is moved.
- 2.1.23 The RAs stated the same answer would apply to this scenario as the above and further outlined that they don't expect for this to be a scenario to occur given the associated deadlines for the T-1 may have lapsed.
- 2.1.24 Captured Carbon asked in relation to the previous query, assuming an RA decline of an extension, would this result in a unit not being permitted to enter the subsequent T-1 auction.
- 2.1.25 The RAs stated that the change proposed to be introduced with this Modification Proposal is to consider post-SFC timing of terminations and re-entry into T-1 auctions and if a participant considers this timing to be unrealistic, it can reflect this in consultation feedback.
- 2.1.26 FERA asked if DSUs will be excluded given how SFC applies differently for these units.
- 2.1.27 The RAs responded to this question and said there were no exclusions under the current drafting and invited feedback in this regard.
- 2.1.28 SSE returned to the example provided by Captured Carbon where they stated that auctions are not held each year and that units could be out of market for multiple years if no auctions are held.
- 2.1.29 The RAs responded to this query and said the restriction was for 24 months and not linked to the number of auctions held. This is explained in the worked examples provided by the RAs.
- 2.1.30 BnM supported the position of Captured Carbon and said if an extension to the LSD was not granted for a unit and it subsequently terminates and was prevented from re-entering into a T-1 auction, this would be extremely punitive.

[CMC_22_25: RA Considerations](#)

- 2.1.31 The SEM Committee welcomes feedback and comments regarding this Modification Proposal.

3. CONSULTATION QUESTIONS

- 3.1.1 The SEM Committee welcomes views and responses on the Modification Proposals raised within this consultation paper.
- 3.1.2 Respondents are invited to provide comments and feedback in respect of:
 - the Modification Proposals and their consistency with the Code Objectives.
 - any impacts not identified in the Modification Proposals Forms, e.g., to the Agreed Procedures, the Trading and Settlement Code, IT systems etc.; and

- the detailed CMC drafting proposed to deliver the Modifications.

3.1.3 A template has been provided in Appendix A for the provision of responses.

4. NEXT STEPS

- 4.1.1 The SEM Committee intends to decide, at the earliest, by 05 June 2026 on the implementation or otherwise of the Modifications outlined within this consultation paper as per B.12.11.6 of the CMC.
- 4.1.2 Responses to the consultation paper **must** be sent to both the UR and CRU CRM Submissions inboxes (CRMsubmissions@uregni.gov.uk and CRMsubmissions@cru.ie), **by close of business 17:00 on Tuesday 31 March 2026. Please note that late submissions will not be accepted.**
- 4.1.3 We intend to publish all responses unless marked confidential. While respondents may wish to identify some aspects of their responses as confidential, we request that non-confidential versions are also provided, or that the confidential information is provided in a separate annex. Please note that both Regulatory Authorities are subject to Freedom of Information legislation.