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14<sup>th</sup> November 2025

**RE: SEM-25-057 - Capacity Market Code (“CMC”) Modifications Workshop 45 Consultation Paper (the “Consultation”)**

Dear CRM Teams,

Bord Gáis Energy (“**BGE**”) welcomes this opportunity to respond to the Consultation on CMC Modifications Workshop 45 (“**the consultation**”). BGE is largely supportive of the proposals set out in the consultation, particularly where they aim to improve transparency, cost-reflectivity, and market efficiency. Our response focuses on CMC\_16\_25 – CRM De-Rating Factors for DSUs and CMC\_18\_25 – Modular Generator Unit Types & DRF Methodology, and sets out our key asks for

- the TSO’s Impact Assessment on CMC\_16\_25 to be made publicly available to participants before any decision is taken; and
- any Decision to introduce “Modular Units” should make it clear that this classification has no impact on the unit’s Reliability Obligation.

Our detailed views on each proposal are outlined below.

**1. CMC\_16\_25 – CRM De-Rating Factors for DSUs**

BGE acknowledges the intent behind the proposed modification CMC\_16\_25 to address a real issue in the SEM regarding DSU de-rating factors. We are supportive of an outcome that aims at ensuring value for money for consumers and providing transparency to the market regarding DSU performance and their contribution to system adequacy. We also accept the Proposer’s concern that the current methodology penalises high-performing DSUs by averaging their availability performance with that of poorer performing DSUs, resulting in a DSU performance “death spiral”<sup>1</sup>, and we agree with the objective to help reverse this trend by providing better incentives for high-performing units.

However, we note that the proposed implementation approach relies heavily on DSUs self-declaring ‘projected availability’, and that this will be difficult to verify should the proposal be implemented. It is therefore important to assess the risk of unintended consequences before making a decision. The technology-based DRF methodology is no longer producing desired results in general and we welcome the SEMC’s request for an Impact Assessment (**IA**) to be provided by the TSOs to better understand potential market impacts and transparency in implementation of unit specific DRFs for all technologies. We ask that this IA be made publicly available before a decision on this matter is made.

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<sup>1</sup> A DSU performance “death spiral” occurs where poor availability performance by some units, reduces the DRFs for others which disincentivise participation and further erodes performance

## **2. CMC\_17\_25 – Early Drawdown of Performance Security**

BGE supports the proposed modification to allow the early drawdown of performance security (where held as cash) when termination charges are owed. We agree that this change will help streamline the termination process and reduce administrative burden.

However, we recommend that the affected party be notified reasonably in advance if their performance security is to be accessed. We do not believe that this would materially impact the intended benefits of the proposal but would ensure transparency and fairness, particularly for smaller parties.

## **3. CMC\_18\_25 – Modular Generator Unit Types & DRF Methodology**

This proposal presents a reasonable case for applying separate de-rating factors to modular components of a unit, where a unit can operate in two separate modes. This approach could in practice be more cost-reflective of actual capability and less penal compared to the current methodology, which applies a single DRF to the entire unit instead of to the individual component.

Lastly, any Decision to introduce “Modular Units” should make it clear that this classification has no impact on the unit’s Reliability Obligation e.g., if a single point of failure occurs that impacts one or both components of the Modular Unit, then the obligation to deliver the full contracted capacity remains unchanged.

I hope you find the above comments and suggestions helpful. Please do not hesitate to contact me should you require any clarification.

Yours sincerely,

**Niamh Trant**  
**Regulatory Affairs – Commercial**  
**Bord Gáis Energy**

*{By email}*