



---

## Options for the Timings of Upcoming CRM Auctions

(SEM-26-003)

SEM Committee

---

Consultation Response

24 February 2026



BnM welcomes the opportunity to provide industry feedback to the SEMC's consultation upon proposed changes to the timings of CRM auctions. BnM is one of Ireland's leading providers of renewable electricity. Alongside managing our current generation portfolio of 1GW in onshore assets, we are also progressing a 5GW development pipeline of renewable and dispatchable generation projects, which will provide climate-resilient solutions to Ireland's growing electricity demand.

CRM Auctions are fundamental to the timely delivery of New Capacity, which is urgently needed for decarbonising our energy system, enhancing system resilience and security of supply. The current auction programme is designed to match the pace of construction and project delivery, yet in recent years, market factors are pushing out project timelines across the industry. Supply chains for components are becoming increasingly constrained within the global market. As well as this New Capacity projects requiring grid delivery and gas connections, require significant financial investment ahead of auction submission.

As a result, misalignment exists between auction lead times and the reality of project delivery timelines. It is paramount that this is addressed, to ensure the timely delivery of both projects under construction and New Capacity alike.

Fundamental to delivering New Capacity is ensuring that the Auction Price Cap is sufficiently high. There has been a significant ramping upwards of Capex costs due to rising world-wide demand for generators driven by the growth in AI which is not reflected in the static and dated current BNE which underpins the Auction Price Cap calculation; this needs to be addressed. Current values severely threaten the business case for New projects, significantly reducing investor appetite for good solid projects which are capable of being delivered - necessary to provide Security of Supply and benefit to the Consumer.

Our response below provides detailed industry feedback on the proposed changes to auction timelines, with the following key points including:

- BnM prefer Option 1A, with both auctions taking place in Q1 2027 and Q1 2028, which provides a 4.5 year delivery lead time for T-4 31\_32 and T-4 32\_33 respectively.
- We also highlight the near-term opportunity for a 4.75 year cycle within current State Aids by bringing the T-4 32\_33 auction date forward to Q4 2027, from indicated date of Q1 2028

- BnM also support a transition to a potential T-5 auction for CY 32\_33<sup>1</sup> as a means of better aligning auction and project delivery timelines.
- With all options, there is concern that New Capacity is at risk of not being procured and has unequal opportunity of auction success linked to least auction design priority for 10 year contracts, which poses serious consequences for delivering the 2GW of new, flexible-gas fired generation by 2030 prescribed by the Climate Action Plan.
- To support the delivery of New Capacity, and as noted in our response to the SEMC’s consultation on the Decarbonisation of the CRM Design, we recognise the value of *The Supplementary Decision paper on Combined Modifications” SEM 23-101 (Umbrella Delay decision)* and strongly believe it should be maintained and enhanced by making its provisions more bankable – specifically calling out uncontrollable delays for Planning, Supply Chain, and Grid & Gas Connections
- Supply chain: While there is rightly much recognition of uncontrollable delays relating to Gas & Grid connection - there is increasing uncertainty over Supply Chain – ie the supply times of key components linked to continuing increasing demand for datacentres worldwide as well as from local policy. In Ireland, the recent CRU Decision on New Electricity Connection Policy for Data Centres requires datacentres to have their own on-site or proximate generation equipment scaled to match their MIC – putting increasing pressure on supplies and supply channels – inevitably leading to uncontrollable delays to the participant.
- exploring extensions for projects of scale which do not fit into the ‘one size fits all’ approach for New Capacity. Such New Capacity may have project specific very different timelines for implementation, especially for Gas and Grid delivery for projects of scale, dependent on the extent of works and physical distance of delivery, etc.

---

<sup>1</sup> Under New State Aid rules

## Consultation Questions:

### 1. Do you have a preference between the two options presented in this section?

To address misalignment discussed in our introduction, BnM prefer Option 1A, with both auctions taking place in Q1 2027 and Q1 2028, which provides a 4.5 year delivery lead time for T-4 31\_32 and T-4 32\_33 respectively.

We also highlight that there is near-term opportunity for a 4.75 cycle within current State Aids, by bringing the T-4 32\_33 auction date forward to Q4 2027, from indicated date of Q1 2028.

Commenting generally on need for longer delivery leadtimes:

New Capacity projects requiring Gas and Grid delivery/connection of scale necessary for security of supply and progression towards to Net Zero, currently require very significant financial investment well ahead of Auction submission, ie, before the final Project Financial Investment decision is made. This is a key reason underpinning the need for extension of delivery timelines, towards more appropriate durations – and for setting longer duration lead times in the first instance and for Retention and Improvement of the ‘Umbrella Delay’ Modification.

We believe that there are some potential learnings from the current approach to grid delivery being proposed in RESS 6 – specifically, the introduction of adjustment periods to projects undergoing issues with grid connections which recognises that these issues are usually outside of the control of the project developer. This would provide further investment certainty to developers concerned about current infrastructure constraints and knock-on delays to timely delivery of projects.

Finally, BnM also see merit in exploring how the CRM Exemption Application current provisions could be broadened to include timeline extensions for projects of scale, which do not fit into the ‘one size fits all’ approach. Specifically, we believe that complex projects including gas connection and grid delivery should be accounted for. This is discussed further in our response to the SEMC’s consultation upon the Decarbonisation of the CRM Design.

2. Could the introduction of two-year contracts for Existing Capacity create any risks from a capacity availability perspective, that would result in less capacity being available than under the current approach of two one-year contracts?

BnM is conscious of there being a potential disadvantage to new capacity, due to less certainty over the demand curve where two capacity years are being satisfied in one auction. This could lead to an over reliance on T-1 contracts for the respective two years, and therein less opportunity for new capacity to satisfy the volume gap due to its longer lead time requirement.

3. Are there any solutions, other than two-year contracts for Existing Capacity, which should be considered by the SEM Committee to provide clarity to industry under Options 1a/1b?

BnM propose that the SEMC consider moving the auction for CY32\_33 forward from Q1 2028 to Q4 2027. This would provide an effective 4.75 year delivery time that enhances development certainty, without necessarily requiring an immediate structural move to T-5. This could effectively bridge the pathway to a T-5 plus auction under CRM development and new State Aids.

4. Do any of the options outlined above create risks or benefits not covered in this consultation?

In BnM's view, all the options presented within the current auction solution methodology pose significant disadvantages to New Capacity and serious risk that New Capacity will not be successfully procured owing to 10 year New Capacity contracts being least priority in the Auction solution design. Across all options, including current conditions, new capacity units will only be successful once all existing units have succeeded. This means that regardless of pricing, new capacity has the lowest priority in the auction solutions and thereby unequal opportunity of success. We believe it is vital that this issue is addressed so that New Capacity has a fair chance of procurement. This will be essential if Ireland is to develop the 2GW of new, flexible gas-fired generation by 2030 as mandated in our national Climate Action Plans.

Critical as a risk across all options is to recognise the importance of the 'Umbrella Delay' SEM 23-101<sup>2</sup> the Supplementary Decision paper on Combined Modifications, and consideration of how to make its provisions more bankable.

---

<sup>2</sup> SEM 23-101 Decision on Supplementary Consultation Paper on modified and combined Modifications to Facilitate Delivery of Capacity (the Umbrella Modification)

5. Which option, out of Options 1a, 1b, and a “do nothing” do you consider to be best? If your response is dependent on the Decision taken for the longer-term, please state this and explain why.

BnM considers Option 1a to be best.

Our response is partly dependent on the transition towards a T-5 auction. If a T-5 auction is not possible for 2032/33 delivery we believe it straightforward, under current State Aids, for a T-4.75 for CY32\_33 by bringing forward the auction for CY32\_33 forward from Q1 2028 to Q4 2027 – as explained in Q3 response.

6. Would moving to T-5 auctions be preferable to the current approach of T-4 auctions? Would some alternative auction schedule be preferred to T-5?

In BnM’s view, moving to T-5 auctions would be a positive change that would provide a closer alignment with present-day project delivery timelines; which we believe would reduce the significant number of terminations of well-intended and good-faith projects.

Moving to a T-5 auction would somewhat account for current delivery obstacles and give a greater chance for new projects to be delivered successfully. One such major obstacle is referred to in our response to Q1.

New Capacity projects requiring Gas and Grid delivery/connection of scale necessary for security of supply and progression towards to Net Zero, currently require very significant financial investment well ahead of Auction submission, ie, before the final Project Financial Investment decision is made. T-5 would be helpful in addressing this issue.

7. If moving towards T-5 auctions, how should the SEM Committee transition to this longer lead time? Responses could refer to proposals outlined in Options 1a/1b or other suggestions.

We propose that under Option 1a, the SEMC consider moving the T-4.5 auction for CY32\_33 forward from Q1 2028 to Q4 year 2027. This would provide an effective T-4.75 lead time, enhancing development certainty without necessarily requiring an immediate structural move to T-5.

We understand this could serve as a bridging measure toward a T-5 structure without creating an explicit gap year, while compliant with State Aids. For the potential transition, we refer to the table below:

Auction Type	Auction Date	Delivery Year	Delivery Window
T-4 (in progress)	Q1 2026	2029/30	T-3.5
T-4 (per Option 1a)	Q1 2027	2031/32 with EDI 2030_31	T-4.5
T-4 (per Option 1a brought forward by 1 Qtr))	Q4 2027	2032/33 with EDI 2031_32	T-4.75
T-5*	Q2 2028 Under New State Aid	potentially 2032_33 & 2033/34	T-5.25*

We would urge that adequate resources could be planned and allocated.

8. Are there any wider considerations or market trends which would indicate that moving to a T-5 schedule is unnecessary or inappropriate in the longer-term?

BnM do not see any drawbacks to moving to a T-5 auction, and view the move as extremely important in ensuring that the challenges in achieving timely gas connections and grid delivery and Supply Chain are factored into auction timings.

9. What impacts, if any, could moving to a T-5 auction have on clearing prices in the CRM, and therefore on consumer costs?

We do not foresee negative impact to consumer prices from moving to a T-5 auction.

Conversely, we believe that prices could be reduced in the long term, since a T-5 auction will improve project delivery thereby reduce system constraint costs.