

Via email to: CRMsubmissions@uregni.gov.uk/CRMsubmissions@cru.ie



November 2025

Re: Capacity Market Code Modifications Workshop 45 Consultation Paper

Dear Sir/Madam,

I am writing on behalf of the Demand Response Association of Ireland (DRAI), a group that represents flexible energy demand customers participating in the all-island Single Electricity Market (SEM). These flexible customers create predictable, reliable, and controllable assets, which provide the valuable source of Demand Side Flexibility (DSF) that can be actively used by system operators to meet the near-time needs of the power system.

Today, the DRAI represents approximately 700 MW of demand and embedded generation response across hundreds of industrial and commercial customer sites throughout the island of Ireland. These sites are managed by our members each of whom actively participate in the capacity, DS3, and energy markets.

DRAI members are committed to shaping the future of power system flexibility through advancing DSF on the island of Ireland. The organisation expresses a single voice on policy and regulatory matters of common interest to its members, and we welcome the opportunity to respond to Modifications proposed in Workshop 45.

CMC_16_25: CRM De-Rating Factors for DSU

2.1.18 Recognition of the shortcomings of technology Class DRF

The DRAI welcomes the SEM Committee acknowledgement that there shortcomings with the use of technology class Derating Factors (DRFs). We would like to highlight the seriousness of these shortcomings to cost of electricity and the resiliency of the electricity system in Ireland.

When a DRF is applied to Capacity Market Participant that under-recognises the quantity of capacity they provide to the system, the market needs to procure additional capacity and so the cost to the consumer rises.

When a DRF is applied to Capacity Market Participant that over-recognises the quantity of capacity they provide to the system, it creates a risk whereby there could be a shortfall of capacity available to the TSO. It is our understanding that extensive efforts are made to calculate the quantity of capacity required by the TSO accurately. So ignoring this problem should not be accepted.

A further important issue that must be addressed is that technology class DRFs does not encourage higher availability from participants. In recent years the average availability of the generation fleet has fallen, but particularly in DSUs. DSU aggregators are currently incentivised to design portfolios to hit the average de-rating rather than maximise availability. As DSU availability levels fall to match reduced de-rating, this leads to lower de-rating factors for DSUs per the current methodology, which in turn leads to lower DSU availabilities, and the cycle of reduced availability & de-rating factors for DSUs is locked in. The relationship between technology class DRFs and availability must be addressed.

With regards to the point made by the SEMC that changes to technology class DRFs would require significant policy analysis and development, the DRAI accepts this point but believes that considering this modification only refers to DSU providers, the amount of analysis required within the context of this modification proposal is appropriate.

Finally, with regards to availability being only one of the factors that impact DRFs, please note that the modification allows for these other factors by requiring the TSO to provide a table of possible DRFs which already allow for those factors to participants. In other words the TSO would follow the same process they currently follow in developing DRFs, including all the other factors, but only varying the availability to create the required table.

2.1.19 Design of the process

The process proposed in the modification attempts to follow the current system as closely as possible. See the table below to compare the current process (as best we understand it, much of it is not published by the TSO) and the proposed process.

Current Process	Proposed Process
TSO prepares derating factors for inclusion in the Initial Auction Information Pack. This includes 1. Calculation non-availability factors which make up DSU derating factors 2. Calculating the average availability for the DSU technology class 3. Publishing the derating factors	TSO prepares derating factors for inclusion in the Initial Auction Information Pack. This includes 1. Calculation non-availability factors which make up DSU derating factors 2. Calculating the DRFs using the results for above for various availability metrics, creating a table of DRFs for units which meet the availability levels. 3. Publishing the derating factors
The participant reviews the IAIP and applies the appropriate derating factor in their Capacity Market Application Form (Form CU31-CU32a)	The participant reviews the IAIP and applies the appropriate derating factor in their Capacity Market Application Form (Form CU31-CU32a)
The TSO checks the application form and includes the participant in the auction	The TSO checks the application form and includes the participant in the auction
The TSO regularly calculates and publishes the average availability for each technology class	The TSO regularly calculates the average availability for each participant, compares to the registered derating factor requirements, and applies a GPI where appropriate

2.1.20 DSU only application

DRAI believes DSUs are unique given the heterogeneity of portfolios, their highly variable availability, and as previously noted, the fact that the current methodology has demonstrably led to downward pressure on DRFs. Thus, there is a strong justification for a tailored approach.

2.1.22 The impact of wider introduction of unit-specific DRFs.

While the DRAI acknowledges the reasoning for including the wider introduction of unit specific DRFs, we do request that this broadening of the scope not result in the rejection or delay of the modification. We suggest the SEMC commit to a roadmap or “second phase” review for other technologies where appropriate. That way, the DSU methodology can be piloted and lessons learned before broader rollout.

CMC_17_25: Drawdown of Performance Security

The DRAI is supportive of this proposed modification

CMC_18_25: Introduction of Modular Generator Unit Types and De Rating Methodology

The DRAI is highly supportive of this modification as it recognises the reality that the generator type proposed provides greater availability certainty and so should have a higher derating factor applied to it. Along with fairness to the participant, it would result in a lower cost of power to the consumer.

On behalf of the DRAI we hope that you consider the points we have put forward, and we welcome future engagement on the matter.

Your sincerely,



Patrick Liddy
DRAI