



Energia Response to SEM-25-057
CMC Modifications Workshop 45 Consultation Paper

14 November 2025

1 Introduction

Energia welcomes the opportunity to respond to the SEM Committee and the three CMC modifications proposed within SEM-25-057. Energia actively participated at CMC Workshop 45 where the proposed modifications were discussed. Energia's positions on the three proposed modifications are as follows:

- CMC_16_25: Energia does not support this modification
- CMC_17_25: Energia supports this modification
- CMC_18_25: Energia does not support this modification

2 CMC_16_25: CRM De-Rating Factors for DSU

Energia does not support this modification and strongly maintains that it would be inappropriate to only single out Demand Side Units (DSUs) for a review of the de-rating methodology. The proposal is based on factors which apply consistently across multiple technologies, not only DSUs, and therefore a selective review on this basis would be wholly inappropriate.

Furthermore, there are additional aspects of DSU participation in the CRM which require attention (including, for example, the qualification criteria for DSUs) should a de-rating review be undertaken, and this modification fails to address these. As it stands the proposed modification risks overstating DSU availability which could in turn lead to a material capacity shortfall. Ultimately, any review of de-rating methodology would require significant analysis, thorough industry engagement and policy development. It should not be selectively reviewed per technology type.

Energia notes several other concerns were raised at Workshop 45, not least from other participants representing DSUs which further undermines the rationale behind this modification. Considering all of the above, Energia notes that CMC_16_25 is inconsistent with code objectives A.1.2.1 (b), (d), (f), and (g).

3 CMC_17_25: Drawdown of Performance Security

Energia supports this modification and welcomes the RAs request for greater clarity regarding the specific point at which authorisation will be granted.

Energia encourages the RAs to ensure that the authorisation mechanism is clearly defined and communicated to market participants well in advance of implementation. Furthermore, authorisation should be offered on an elective basis, allowing participants to opt in at their discretion.

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

Energia does not support modification CMC_18_25. As outlined in the above position on CMC_16_25, it is inappropriate to selectively review de-rating factors for a single technology type. Any such review should be conducted holistically and consistently across all technologies, and would require significant analysis, resourcing and industry engagement.

Following an assessment of the proposal and the representations made at Workshop 45, Energia acknowledges there may be rationale behind the modification, but equally

there is also rationale for review across other technology classes. Furthermore, several critical challenges raised at the workshop by industry participants and the System Operator remain unaddressed. Energia supports these concerns and is of the opinion that there are components of this modification which are not sound. The complexity and uncertain implications of this proposal make it untenable for implementation.

Energia firmly opposes any selective review of derating methodology by technology class. Any proposed review must be equitable and consider all technology classes and, most importantly, be underpinned by rigorous, evidence-based analysis to ensure it will not create unintended consequences that could compromise security of supply or impose unnecessary costs on consumers.