iPower Comments on
SEM-26-003 Options for the timings of the upcoming CRM auctions
closing **24.02.2026**

iPower Flexible Energy participates actively in both the Aggregated Generator Unit (AGU) and Demand Side Unit (DSU) sectors of the electricity industry. Through these activities, iPower plays a significant role in supporting the operation of the I-SEM balancing market and facilitating the continued integration of renewable generation.

iPower currently operates approximately 100 MW of flexible capacity, providing a material contribution to system support and stability. We have experience working collaboratively with SONI and EirGrid to support secure and balanced system operations. In addition, iPower is a member of FERA, whose members collectively represent circa 200 MW of registered capacity across the island.

iPower welcomes the opportunity to provide feedback on SEM-26-003.

We acknowledge that the SEM Committee is seeking to ensure that auctions are released in a timely and orderly manner, and we recognise the practical constraints associated with the current State aid window and the transition towards a potentially revised CRM design. We also note that the longer-term consideration of T-5 auctions under the CRM Development Programme is intended to address industry concerns regarding delivery timelines. However, the prospect of a future move to T-5 auctions does not, in our view, justify constraining the available lead time in the interim where the Capacity Market Code already provides flexibility. As set out in Section D.2.1.5(d) of the CMC and referenced in the consultation paper, a period of up to fifty-four months between the Auction Run Start and the relevant Capacity Year is explicitly permitted. This existing provision should be fully utilised.

While Options 1a and 1b seek to manage the transition through bridging arrangements for Existing Capacity and the use of EDIs, these mechanisms introduce additional complexity and potential delivery risk, particularly where no explicit auction is held for a given Capacity Year. The consultation itself highlights that under Option 1a or 1b, one delivery year would not have a dedicated T-4 auction for New Capacity, relying instead on two-year contracts and incentives rather than firm procurement signals. In our view, this represents a sub-optimal approach when compared to simply exercising the full 54-month window already allowed under the Code. Until such time as auction timing can be formally extended further (for example through a structured transition to T-5), **the most proportionate and least disruptive course of action is to utilise the existing 54-month flexibility to provide longer lead times without creating gaps or reliance on interim arrangements which appear to be more complex than needs be.**

Question 1: Do you have a preference between the two options presented in this section?

We do not support Option 1a or Option 1b. While the objective of increasing lead times is supported, both options introduce unnecessary complexity and create delivery years that are not supported by a standard capacity auction. This is a material departure from the core CRM principle that each Capacity Year should be underpinned by a competitive procurement process. The proposed use of one-off two-year "bridging" contracts for Existing Capacity and reliance on Early Delivery Incentives (EDIs) for New Capacity does not provide a coherent or durable solution.

Question 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?

Two-year bridging contracts introduce several risks: Existing Capacity would be mandated to deliver in a Capacity Year that is not auctioned, while New Capacity would only be incentivised (not obligated) to deliver early. It is unclear how terminations and replacement capacity would operate if capacity failed during the "bridged" year. Security of supply would be assumed rather than competitively procured for the unauctioned year.

Question 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?

A simpler and more robust solution would be to ensure that the 2030/31 auction delivers a full four-year lead time, by opening qualification earlier (e.g. October 2026, or earlier if feasible), and maintain explicit auctions for all Capacity Years.

In addition, the SEM Committee should consider increasing contract duration for Existing Capacity, where justified by adequacy needs.
Longer-duration contracts would: reduce exit risk, provide stronger signals to remain available, support security of supply directly and do so without undermining auction integrity.

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

Both options appear to assume that Existing Capacity awarded extended contracts will remain available and deliver early, and any shortfall can be mitigated through EDIs or later auctions.

However, EDIs are incentive-based, not obligation-based, and do not guarantee delivery.

If Existing Capacity fails to deliver in the “bridged” year, it is unclear whether this risk is explicitly assessed. Security of supply should not rely on assumed delivery outside of a standard auction framework. Each delivery year should be underpinned by a clear, competitive procurement process with defined obligations and liabilities.

Question 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.

T-5 auctions are welcomed in principle. However, the immediate priority should be to ensure that the CRM consistently delivers at least four years of lead time, which it has failed to do in recent years. This could be achieved through earlier qualification and auction scheduling for the 2030/31 delivery year, without recourse to transitional mechanisms that complicate the market and weaken clarity. This option is already provided for under the current CMC.

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

Yes. T-5 auctions are welcomed. For too long, the CRM has failed to consistently deliver even four years of lead time. Auction timelines have been inconsistent, undermining investor confidence and planning certainty. A move to T-5 auctions would, provide durable long-term signals, reduce reliance on ad-hoc adjustments, and better reflect real-world development and asset life considerations.

Question 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.

Any transition should be, simple and transparent, and implemented as part of an enduring CRM redesign, not through interim exceptions, which are not required under the current rules.

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Crucially, longer-duration contracts should not be limited to New or refurbished capacity. Existing Capacity plays a critical role in security of supply and faces real investment and life-extension decisions. Allowing Existing Capacity access to longer-duration contracts would, reduce exit risks. Transition arrangements that create unauctioned Capacity Years or asymmetric delivery obligations should be avoided due to their complexity.

Question 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?

Key considerations include increasing system complexity and uncertainty, the need for clearer long-term signals for all capacity types, and the risk of premature exit of Existing Capacity in the absence of longer-term certainty. These trends support longer lead times and longer contract durations across the system, rather than narrowly targeted mechanisms.

Question 9: What impacts, if any, could moving to a T-5 auction have on clearing prices in the CRM, and therefore on consumer costs?
If well designed, T-5 auctions could reduce overall consumer costs by lowering risk premiums, improving investment efficiency, and reducing the need for corrective or emergency procurement closer to delivery.

Extending longer-duration contracts to Existing Capacity would further enhance competition and reduce clearing prices by enabling efficient assets to remain in the market on a stable footing.

Yours sincerely,

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