SEM Capacity Market Code Mods Workshop 45 Consultation paper SEM-25-057 13th October 2025

SSE Response

November 2025

Who we are

At SSE we are driven by our purpose: to provide the energy needed today while building a better world of energy for tomorrow. SSE develops, owns, and operates low-carbon infrastructure to support the transition to net-zero. This includes onshore and offshore wind, hydropower, flexible thermal generation, electricity transmission and distribution networks, alongside providing energy products and services to customers. With current interests across the island of Ireland and Great Britain, in addition to carefully selected international markets, including East Asia, Europe and North America, SSE is both growing its footprint and its range of expertise in our bid to lead the transition to net-zero.

Since entering the Irish energy market in 2008, we have invested significantly, with a total economic contribution of just under €2bn in the last 3 years, supporting over 3,270 jobs in 2023/24. SSE Renewables owns 700MW of onshore wind capacity across the island and operates a total of over 1,000MW, with SSE Thermal owning and operating 672MW of flexible generation capacity to support security of supply.[1] SSER is currently developing additional onshore wind capacity in Ireland, as well as offshore wind projects like Arklow Bank Wind Park 2, and an emerging solar and battery pipeline. SSE Renewables has operated a voluntary Community Fund in Ireland since 2008, and SSE Renewables has awarded almost €1 million over the last year to over 268 community groups that neighbour our wind farms here. To date we have invested over €12.3million to community groups across the country.

At SSE, we have a clear focus on electricity infrastructure as the key to unlocking decarbonisation. Our growth helps power and is powered by society's drive to develop a clean, secure and affordable energy system. Recognising the international importance of decarbonising the power sector, SSE aims to achieve net zero across scope 1 and 2 emissions by 2040 at the latest including through investment in low-carbon dispatchable power generation options such as Carbon Capture and Storage, Hydrogen and electricity storage.

[1] SSE's Economic Contribution to the UK, Scotland and the Republic of Ireland, FY24 results (PwC report), May 2024. https://www.sse.com/media/zz3huuie/eia-group-report-fy24.pdf

SSE Response

SSE welcomes the opportunity to respond to SEM Capacity Market Code Mods Workshop 45 Consultation Paper SEM-25-057. This is a non-confidential response.

CMC_16_25 CRM De-rating factors DRFs for DSUs

This Mod relates to a proposal to introduce a new method for calculating DRFs for DSUs based on their projected availability. It proposes that the DRFs would be a function of an 'availability metric' and hours of demand reduction. Derating factors for DSUs use historical available data. This mod proposes that DRFs would be a function of a DSU's projected availability.

While we understand and share the concern with the DRFs regarding how they are calculated and volatility between auctions, we would have some concerns about unit specific DRFs as these could lead to unintended consequences if changing around the edges. They may potentially impact on auction supply and impact clearing.

Our view is that the current punitive DRFs do not accurately reflect the expected performance of units in the Capacity market and should be reviewed, ideally for all technologies. SSE proposes that the RAs consider consulting on the methodology used to derive the factors to ensure that they are transparently derived and reflective of units' reliability, investment and refurbishment. The DRF process should be more transparent, practical and implementable.

In general, SSE would support use of projected availability in lieu of historical availability for all units. Historical availability is not always an indication of future availability/ reliability e.g. where investment, refurbishment has taken place. Plant performance includes many factors including load factor, investment, refurbishment, plant changes and profile of running, and these could be taken into account when projecting future availability.

We would also propose the use of INCTOL. This does not fix the underlying problem of punitive de-rating factors, but it can be applied to all technologies and allows generators to offer more capacity than their required obligation in the capacity auction. This can incentivise new capacity and contribute to security of supply.

CMC_17_25 Drawdown of Performance Security

This Mod seeks to provide an additional option to the SOs to draw down a Participant's Performance Security before an issued invoice payment period has elapsed, provided authorisation is granted by the Participant.

SSE welcomes this proposed elective option in particular allowing for ample time for the Participant to provide authorisation. We note that the SOs will develop a detailed process and will continue to work on this with their Finance team. We await these details to ensure that the process is clear and implementable.

CMC_18_25 Introduction of Modular Generator Unit types and De-rating Methodology

This mod proposed the introduction of a new modular generator unit, similar to an Aggregated unit, which can operate independently as more than 1 unit, for example an Open cycle Gas Turbine and a Combined cycle Gas Turbine which has a bypass stack allowing for the Open cycle to operate as an individual unit. The mod also proposes that the derating would be calculated separately for each and then summed. This arrangement could also have other benefits for the aggregated unit e.g. for refurbishment, outages.

We note that the derating factors for this type of arrangement would be calculated as in the example provided which reflects the manner in which this unit could be operated as 2 different units.

However, SSE would like to see further clarity and detail in relation to this proposal to understand how it would be operated and dispatched in the Balancing and other markets and how it would be provided for in the Balancing and Capacity Codes.