

SEM Committee
Sent Via email to:
CRMsubmissions@cru.ie
crmsubmissions@uregni.gov.uk

27/02/2026

**Options for Decarbonisation of
the existing CRM design**

Captured Carbon

Dear SEM Committee

Captured Carbon welcomes the publication of SEM-25-070 and the AFRY assessment on options for decarbonising the existing CRM.

The evolution of the CRM to further support low carbon investments is timely to ensure that Irelands electricity system is aligned with carbon targets and EU policy.

We do not see the Green Bonus as a sufficient incentive for new low carbon generation, and furthermore it does not support the existing low carbon technologies which are operational and participating in the Capacity Market.

Our preferred approach is the Green Scalar, with support for the additional proposals regarding emissions data publications and decarbonisation declarations.

With regard to the Green Scalar design:

- The scalar multiplier should allow for a 100% increase in the Capacity Contract value for zero emission technologies with no run hour limits. This ensures the most sustainable technologies are rewarded appropriately for their low carbon generation;
- The scalar function should be continuous function, which allows for a diverse range of technologies, and allows for future readiness of new technologies who may have varying ranges of carbon emissions;
- A negative scalar continuous function should be considered which reduce capacity payments for technologies over an emissions point.
- We do not have strong views on the relevant emissions point; however, this factor should be consulted upon for each auction along with the relevant auction parameters.



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We appreciate the opportunity to respond to this consultation and would welcome further engagement regarding decarbonising the CRM.

Sincerely,

Cormac Daly,

Head of Consultancy

Response to Consultation Questions

1. Would the Green Bonus create an incentive that market participants can respond to within the timeframe of the remaining auctions under the existing CRM?

No, we do not feel that within the remaining auctions the Green Bonus can provide an incentive to respond to.

2. Where should the CO2 emissions threshold be set to incentivise higher efficiency gas plant as well as lower carbon technologies? Please provide appropriate evidence and rationale to support.

We do not have a view on where the emissions threshold should be set, however we encourage the RAs to consult on this value along with the auction parameters ahead of qualification.

3. Is one year the appropriate additional contract duration?

One year is not sufficient to support new low carbon generation. Longer lead in times to auctions, and extended support periods for generation which are aligned with future carbon emission trajectories could be supported with an additional 5-year contract. This should be considered as part of the CRM review for State Aid.

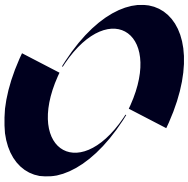
4. Is the definition of blended hydrogen-readiness appropriate i.e. that the unit must incorporate combustion equipment that is capable of burning a blend of up to 30% hydrogen? Should a higher/lower percentage blend be applied for the blended hydrogen-readiness definition?

We do not have specific views on hydrogen blends used in generation. Gas quality blends have been under consideration from Gas Networks Ireland to incorporate increased biomethane blends, and changes from the UK.

Projected gas quality values into the future, and a trajectory on gas quality would benefit the industry.

5. Would the Green Scalar create an incentive that market participants could respond to within the timeframe of the remaining auctions under the existing CRM?

Yes, the introduction of a Green Scalar would incentivise participation in the CRM from low carbon technologies within the timeframe.



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6. What are the appropriate CO2 emissions thresholds that should apply for the Green Scalar? Please provide appropriate evidence and rationale to support.

We do not have specific views, other than it should be lower than the current emissions limit for CRM supported generation.

7. Should the Green Scalar be a continuous or stepwise function?

It should be a continuous function to incorporate various technologies, both existing and developing along with varying blends of renewable fuels used by generators.

8. Which of these two options – the Green Scalar or the Green Bonus – do respondents consider is likely to be more effective within the timeframe of the remaining auctions under the existing CRM?

Green Scalar.

9. What technologies could be expected to benefit from the Green Bonus or the Green Scalar in the specified timeframe?

- a. For each technology referred to, what is the associated scale of and timeframe for investment for an existing or a new plant?

Demand flexibility, storage, variable generation units, CHP units with renewable gas and efficient gas units.

10. What is the expected commercial running pattern for each technology and are there constraints on its flexibility?

11. What verification process should apply to ensure compliance with the emissions thresholds for either measure?

EPA data where available, emissions calculators as part of CRM qualification and generator statements where applicable for existing units.

12. Do you agree with the proposal to publish the carbon emissions data submitted at qualification by successful units, and where relevant, ex-post data provided by successful units?

Yes, this improves the transparency of the CRM.

13. How effective do respondents consider the proposed “Decarbonisation Declaration” would be?

Not particularly effective. It may be more effective in 2036 when new units participating in CRM auctions may hold a capacity award in 2050.

14. Is the proposed content of the “Decarbonisation Declaration” sufficient? Could other elements be included e.g. feasibility study, interim targets?

No views on this.



15. Do you consider that any of the other measures discussed in the accompanying AFRY Assessment Report, or any measures to achieve decarbonisation that not identified by AFRY, should be considered further by the SEM Committee?

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