

Via email to: [CRMsubmissions@cru.ie](mailto:CRMsubmissions@cru.ie) / [crmsubmissions@uregni.gov.uk](mailto:crmsubmissions@uregni.gov.uk)

February 2026

## Re: Options for Decarbonisation of the Existing CRM Design

Dear Sir/Madam,

I am writing on behalf of the Demand Response Association of Ireland (DRAI), which represents flexible energy demand customers participating in the all-island Single Electricity Market (SEM). These flexible customers create predictable, reliable, and controllable resources that provide the Demand Side Flexibility (DSF) essential for meeting the near-term operational needs of the power system.

DRAI members collectively represent approximately 700 MW of demand and embedded generation response across hundreds of industrial and commercial sites throughout Ireland. These sites are actively managed by our members, who participate in the capacity, DS3, and energy markets. We remain committed to advancing DSF and shaping the future of power system flexibility on the island. We welcome the opportunity to respond to this consultation and appreciate your consideration of our views.

The DRAI offers the following responses to the consultation questions:

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

DRAI believes that the Green Bonus would create only a **minimal incentive** for action within the timeframe. It would likely result in limited compliance rather than meaningful decarbonisation. Key concerns include:

- In the context of a 10-year contract, an additional year adds very limited value when time discounted.
- The bonus applies only to new generation and does not provide an exit signal for existing higher-carbon units.
- The bonus operates as a single step change, encouraging minimal compliance rather than deeper carbon reductions.
- Many low-carbon technologies—such as load shifting—do not qualify for 10-year contracts and therefore would not benefit.

### 2. Where should the CO<sub>2</sub> emissions threshold be set to incentivise higher-efficiency gas plant and lower-carbon technologies?

DRAI recommends a threshold of **100 g/kWh**, which represents a meaningful and necessary reduction from the current 550 g/kWh requirement.

### 3. Is one year the appropriate additional contract duration?

No. If a Green Bonus is adopted, the additional duration should be **five years** to provide a material incentive.

#### **4. Is the definition of blended hydrogen-readiness appropriate?**

DRAI has no specific comment on this issue.

#### **5. Would the Green Scalar create an incentive that market participants could respond to within the timeframe?**

Yes. DRAI believes the Green Scalar is a **stronger and more effective incentive** than the Green Bonus. Its advantages include:

- Applicability to both existing and new participants, providing continuation signals for low-carbon units and exit signals for higher-carbon ones.
- Flexible implementation (linear or stepwise).
- Ease of annual adjustment.
- More visible value in early project financing, improving investment signals relative to the Green Bonus.

#### **6. What CO<sub>2</sub> emissions thresholds should apply for the Green Scalar?**

DRAI supports a **linear scale** starting at **225 g/kWh** (50% of the existing threshold) down to **0 g/kWh**.

#### **7. Should the Green Scalar be continuous or stepwise?**

A **linear function** is preferable, as it encourages optimal decarbonisation outcomes.

#### **8. Which option—Green Scalar or Green Bonus—is likely to be more effective within the remaining CRM timeframe?**

The primary challenge lies in governance rather than implementation. Both options could technically be delivered within the timeframe. However, the CRM already requires participants to calculate derating factors at qualification, and integrating the Green Scalar into this process would be straightforward. This makes the Green Scalar operationally more practical.

#### **9. What technologies might benefit from the Green Bonus or Green Scalar?**

- **Demand flexibility** would benefit significantly from the **Green Scalar**, as it is unlikely to qualify for 10-year contracts and therefore would not benefit from the Green Bonus. Potential scale could be in the order of *500 MW*.
- **Behind-the-meter batteries** and **low-carbon generation technologies** would also benefit from the Green Scalar. These technologies can be rapidly deployed, as they typically avoid planning and grid connection delays. Several thousand MW could feasibly be delivered within the required timeline.

**10. What is the expected commercial running pattern for these technologies?**

Operation will depend on market rules and incentives. Generally, these technologies are available year-round but will only operate when appropriately incentivised.

**11. What verification process should apply to ensure compliance with emissions thresholds?**

DRAI recommends adopting a process similar to the current verification mechanism used to confirm compliance with the 550 g/kWh requirement.

**12. Do you agree with publishing carbon emissions data submitted at qualification and any ex-post data?**

Yes. DRAI supports the proposal.

**13–14. Comments on the “Decarbonisation Declaration” and its proposed content**

DRAI has no specific comment on these items.

**15. Should other measures identified in the AFRY Assessment Report—or others not included—be considered further?**

DRAI has no additional comments at this time.

On behalf of the DRAI, we hope our views will assist in your assessment of the proposed measures. We welcome further engagement as this work progresses.

Yours sincerely,

**Patrick Liddy**



**DRAI**