Single Electricity Market

(SEM)

Capacity Market Code Modifications

Workshop 50

Consultation Paper

CMC_06_26: Secondary Trading Above De-Rated Capacity

SEM-26-051

14 August 2026

Contents

1. OVERVIEW

1.1 ABSTRACT

1.1.1 The purpose of this consultation paper is to invite industry participants to provide feedback and comments regarding the Modification Proposal to the Capacity Market Code (CMC) discussed at Workshop 50, held on 22 July 2026.

1.1.2 During this workshop, a Modification Proposal was presented. This consultation paper relates to:

- CMC_06_26: **Secondary Trading Above De-Rated Capacity**

1.2 BACKGROUND

1.2.1 On 07 July 2026, the Energia submitted a Modification Proposal (CMC_06_26) under the terms of B.12.4 of the CMC.

1.2.2 On 30 July 2026, the Regulatory Authorities (RAs) then determined the procedure to apply to the Modification Proposal. This is shown in SEM-26-042. An overview of the timetable is as follows:

1.2.3 The SOs convened Workshop 50 where the Modification Proposal was considered on 22 July 2026.

i. The SOs, as set out in B.12.7.1 (j) of the CMC, prepared a report[1] of the discussion which took place at the workshop, provided the report to the RAs, and published it on the SEM-O website promptly after the workshop.

1.2.4 The RAs are now consulting on the Modification Proposal, from the date of publication of this consultation paper until the closing date of Friday, 25 September 2026.

1.2.5 As contemplated by B.12.11.6, the RAs will make their decision as soon as reasonably practicable following conclusion of the consultation and will publish a report(s) in respect of their decision, at the earliest, by 16 October 2026.

1.3 PURPOSE OF THIS CONSULTATION PAPER

1.3.1 The purpose of this paper is to consult on the proposed Modification. Further detail is set out in the hyperlinks embedded above.

[1]Capacity Modifications Workshop 50 Report .pdf

1.3.2 The Regulatory Authorities hereby give notice to all Parties and the Market Operator of a consultation on the Modification Proposal.

1.3.3 Interested Parties and the Market Operator are invited to make written submissions concerning the proposed Modification by no later than 17:00 on Friday, 25 September 2026.

1.3.4 **Please note that late submissions will not be accepted.**

1.3.5 Upon closure of the consultation process, the Regulatory Authorities intend to assess all valid submissions received and form a decision to make a modification, not make a modification or undertake further consideration of the modification in respect of CMC_06_26.

2. MODIFICATION PROPOSALS

2.1 CMC_06_26 – SECONDARY TRADING ABOVE DE-RATED CAPACITY

Proposer: Energia

CMC_06_26: Proposal Overview

2.1.1 This Modification Proposal seeks to allow Capacity Market Units (CMUs) to take on additional CRM obligations beyond their de-rated capacity. Specifically, a Seller would be permitted to increase its total CRM obligation up to the lower of its Commissioned Capacity or twice its Gross De-Rated Capacity. Buyers of secondary trades would be limited to 70 days during a capacity year for secondary trades in which the seller is taking on a total CRM obligation in excess of its de-rated capacity. Buyers would also be able to trade with sellers for an unlimited number of days provided they trade at or below their de-rated capacity.

2.1.2 The modification proposes amendments to Section M.12 of the Capacity Market Code to update the calculation of Seller Limits, introduce new monitoring and record-keeping requirements for System Operators, and provide a mechanism for rejecting trades that would breach the 70-day threshold.

2.1.3 Overall, the modification seeks to improve market flexibility and trading efficiency while ensuring that system security and capacity adequacy protections are maintained.

CMC_06_26: Workshop Feedback

2.1.4 Capacity Market Code Modifications Workshop 50 took place on 22 July 2026, where the Modification Proposal was presented and discussed by Energia.

2.1.5 BGE sought clarification of the application of the 70-Day Limit from the worked examples.

2.1.6 Energia confirmed that the restriction only applies where a Seller's post-trade obligation exceeds its de-rated capacity, while trades that remain at or below de-rated capacity would continue to be unrestricted.

2.1.7 The TSOs noted that, while secondary trading systems are progressing, the specific functionality required for this Modification is not currently implemented. A full impact assessment may be required to assess the system and process changes needed to facilitate its implementation.

2.1.8 The TSO questioned the rationale for setting the Seller limit at the lower of Commissioned Capacity or 2x Gross De-Rated Capacity. The TSOs further queried if this limit was related to DRFs and would this limit be determined by the RAs and be parameterised.

2.1.9 Energia explained that a fixed multiplier would provide certainty to industry and that "2x" was selected as a pragmatic approach, using previous grid direction letters issued by CRU for a benchmark number. However, they noted that this multiple could change in the future if sufficiently evidenced. Energia also noted that should this be parameterised, this would reduce investor certainty.

2.1.10 Energia also confirmed it understood an Impact assessment may be required. It clarified that the underlying calculations are simple and manageable, that it complies with CMC section H, that it aligns with 70-day limit and it attempted to cover everything identified to date.

2.1.11 SSE noted that the presentation was clear and it supports this modification. It highlighted changes to ASP and proposed CRM 2.0 changes may enhance availability incentives and this Modification Proposal would allow industry the opportunity to mitigate on this increased risk through secondary trading. It also stated it was positive to see that TSO systems are operational.

2.1.12 Energia noted that the ASP changes are under development via the Trading and Settlement Code.

CMC_06 _26: RA Considerations

2.1.13 The SEM Committee welcomes feedback and comments regarding this Modification Proposal.

3. CONSULTATION QUESTIONS

3.1.1 The SEM Committee welcomes views and responses on the Modification Proposal raised within this consultation paper.

3.1.2 Respondents are invited to provide comments and feedback in respect of:

- the Modification Proposals and their consistency with the Code Objectives.
- any impacts not identified in the Modification Proposals Forms, e.g., to the Agreed Procedures, the Trading and Settlement Code, IT systems etc.; and
- the detailed CMC drafting proposed to deliver the Modifications.

3.1.3 A template has been provided in Appendix A for the provision of responses.

4. NEXT STEPS

4.1.1 The SEM Committee intends to decide, at the earliest, by 16 October 2026 on the implementation or otherwise of the Modification Proposal outlined within this consultation paper as per B.12.11.6 of the CMC.

4.1.2 Responses to the consultation paper **must** be sent to both the UR and CRU CRM Submissions inboxes (CRMsubmissions@uregni.gov.uk and CRMsubmissions@cru.ie), **by close of business 17:00 on Friday, 25 September 2026. Please note that late submissions will not be accepted.**

4.1.3 We intend to publish all responses unless marked confidential. While respondents may wish to identify some aspects of their responses as confidential, we request that non-confidential versions are also provided, or that the confidential information is provided in a separate annex. Please note that both Regulatory Authorities are subject to Freedom of Information legislation.