

FERA Response on SEMC consultation SEM-26-009 on CMC Workshop 47

20/03/2026

FERA's members operate in the Demand Side Response sector of the electricity industry and perform a significant role in supporting the operation of the I-SEM balancing market and facilitating the continuous introduction of renewables. The FERA members have together a registered capacity above 160MW, which carries a significant contribution to system support and stability.

Our members have been operational since 2014 and have client sites right across the island of Ireland and thus operate in both jurisdictions.

Their portfolios include Demand Response through turning equipment off, as well as behind the meter generation. They utilise diesel and HVO, along with gas cleanup capabilities. Some members operate AGUs and others have actual Generation stations.

FERA welcomes the opportunity to respond to SEM-26-009 and understands the rationale behind the proposed modification, namely, to address the risk of gaming behaviour by generation projects that, having secured Substantial Financial Completion (SFC), might elect to terminate, and re-enter future capacity auctions at more favourable prices.

However, FERA has concerns regarding the unintended consequences of applying this restriction to demand-side units.

The pathway to SFC for demand-side participants is fundamentally different from that of new-build generation. DSUs and AGUs achieve SFC through the Proof of Contract mechanism, reflecting the fact that the underlying assets are already operational and connected to the grid. The incremental work required to add sites to these aggregations, primarily the installation of communications and metering, is typically completed within a matter of weeks. This stands in stark contrast to the multi-year construction programmes associated with new generation projects, which the proposed modification appears principally designed to address.

The existing Proof of Contract route was deliberately designed to encourage demand-side participation in the capacity market, including in four-year-ahead auctions. Applying the proposed termination restriction to DSUs and AGUs without exemption would, in practice, undermine this intent and introduce unnecessary barriers to participation for precisely the type of flexible, responsive resources that are most suited to T-1 auctions.

Furthermore, the application of the "Same Capacity" definition presents practical challenges in the context of demand-side participation. DSUs and AGUs are dynamic aggregations by nature and their composition can evolve over time as individual sites are added, removed, or substituted. This points to a fundamental misalignment between the definition as currently framed and the operational reality of aggregated demand-side resources.



This misalignment is not limited to DSUs and AGUs alone. As the energy landscape evolves, new technologies and participation models, such as Demand Consumption Units (DCUs), are emerging that share the same dynamic and aggregated characteristics. Applying the proposed restriction to these unit types would risk creating a structural barrier to the participation of innovative and flexible technologies that the capacity market should, in principle, be seeking to encourage.

Therefore, FERA proposes that DSUs, AGUs, and comparable emerging technology unit types, including DCUs, should be exempt from the provisions in question and suggests the following clause be included to reflect this broader exemption:

Proposed Draft Exemption:

New Clause J.6.1.10 (c) – Demand Side Units, Aggregated Generator Units and comparable emerging technology unit types, including Demand Consumption Units (DCUs).

The provisions of J.6.1.10 relating to termination following the achievement of Substantial Financial Completion shall not apply to Capacity Market Units classified as Demand Side Units (DSUs) or Aggregated Generator Units (AGUs) or comparable emerging technology unit types, including Demand Consumption Units (DCUs).

Yours sincerely,

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