SEM-26-009 CMC Modifications Workshop 47 Consultation 27th February 2026

SSE Response

31st March 2026

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-2026-009 CMC Code Modifications Workshop 47 Consultation Paper on CMC_22_25 Termination and Re-entry. This is a non-confidential response.

The RAs propose CMC_22_25 to 'increase the robustness of the Code and mitigate potential gaming opportunities for project that have achieved Substantial Financial Completeness (SFC).' The modification entails splitting Clause J.6.1.10 into two parts and the addition of two new clauses.

It seeks to prevent units which have reached Substantial Financial Completeness SFC from terminating and re-entering that terminated capacity 'into the next two subsequent auctions held in the two years after termination, potentially to receive a higher Capacity Payment Price.' This would not apply to capacity which has not yet achieved SFC, or capacity which holds an Intermediate Level Contract

Feedback:

SSE perceive a significant risk and potential downside to terminating a project and hoping that it will a) clear the next Auction b) achieve a Capacity contract c) at a higher Auction price. In particular, if a project has achieved Substantial Financial Completion, this means that it has secured financial resources, permits and consents, Authorisation to Construct and License and major contracts for construction and commissioning. Terminating the capacity contract in the hope of entering a subsequent Auction may create a risk to some of these e.g. if any expiry dates.

We note the clarifications which were provided by the RAs at Workshop 47 in response to Industry questions. In response to an industry view that this issue could be addressed through raising issues at the Developer Adequacy Forums or by not approving the terminations, the view of the RAs was that this risk could only be addressed via a Code modification.

We believe that there are sufficient regulatory checks and balances in place via Performance Securities, Market manipulation rules, twice-yearly Developer forums, Progress Reports and RA approvals of terminations which in our view prevent the need for this Modification.

In relation to price as the driving factor and participants taking on the risk to benefit from price arbitrage, there was a reference to the GB Capacity market rules informing this Modification proposal. SSE's understanding is that the 2-year ban on T-1 auctions in the GB market is related to a breach of rules, not to price issues.

There is also the risk that a Market Participant may require an extension to SFC or Long Stop Date LSD due to a short notice unexpected delay and not secure this extension e.g. upon a belated request. In that case, the participant may have to terminate and would not have the option to enter a T-1 Auction(s) for the next 24 months, even though it may be possible to address the delay in that time and be ready to deliver, thereby contributing to Adequacy. This

also raises the question of whether the participant would be allowed to enter a T-1 Auction within the following 24 months if the extension request was not approved.

Also, if the Developer did not achieve a capacity contract in a subsequent Auction, there is the risk that construction has commenced and may be close to delivery so termination without the ability to enter into subsequent auctions could lead to Stranded assets and costs.

We note that 24 months is a significant and punitive duration for a developer to be out of the markets, have no facility to enter a T-1 auction and no certainty as to participation in the CRM.