



**Single Electricity Market
(SEM)**

**Consultation on the proposed enhancements to the
methodology for determination of the CRM Capacity
Requirement and Associated De-Rating Factors**

**Consultation Paper
SEM-22-075**

14 October 2022

1. OVERVIEW

Under the revised SEM arrangements, implemented in October 2018, capacity revenues are allocated by capacity auction for a relevant capacity year. Prior to each capacity auction, a number of capacity auction parameters must be set.

As part of the most recent Parameters consultation paper for the T-1 2023/24 auction¹ the SEM Committee had requested that the TSOs consult upon enhancements to the Adequacy Calculator, as a matter of urgency so that the new approach may be deployed for the 2023/24 T-1 Auction as appropriate following consideration of the responses to this consultation.

This paper describes the TSO's proposals for enhancing the model that underpins the determination of the Capacity Requirement and the De-Rating Factors associated to each Capacity Auction.

If adoption is approved following this consultation then the Capacity Requirement and the associated De-Rating Factors will be implemented within the Initial Auction Information pack for the T-1 2023/24 auction². This would mean an end to freezing the de-rating factors that has been in place for a number of auctions to date.

¹ See [T-1 2023/24 Parameters Consultation.pdf \(semcommittee.com\)](#)

² Scheduled for 5 December 2022 as per [CAT2324T-1-2023-2024-T-1-Capacity-Auction-Timetable.pdf \(sem-o.com\)](#)

2. NEXT STEPS

Responses to the proposals within this consultation should be sent to CRMSubmissions@uregni.gov.uk and CRMsubmissions@cru.ie by 10 November 2022. We intend to publish all responses unless they have been marked confidential. **All** responses will be shared with the TSOs.