

## Single Electricity Market (SEM)

Information Note related to the Capacity Requirements contained in the Initial Auction Information Packs for the T-3 2024/25 and T-4 2025/26 Capacity Auctions

SEM-21-084 08 November 2021

## Information Note related to the Capacity Requirements contained in the Initial Auction Information Packs for the T-3 2024/25 and T-4 2025/26 Capacity Auctions

The Initial Auction Information Pack (IAIP) for the T-3 2024/25 Capacity Auction was published by SEMO on 4 August 2021. The IAIP for the T-4 2025/26 was published by SEMO on 1 October 2021, when the SEM Committee also published the Parameters for the T-4 2025/26 Capacity Auction. As explained on the SEM Committee website alongside the publication of this T-4 2025/26 Parameters paper, the CRM is central to meeting the security of supply challenge of the next few years.

The procurement of new capacity in an auction a number of years ahead of the delivery year, allows for a diverse and dynamic portfolio of technology and fuel types, to meet the demands of domestic and business consumers of electricity. The forthcoming T-3 2024/25 and T-4 2025/26 auctions seek to qualify new projects across a range of technologies and fuel types, alongside the existing fleet, to compete for capacity contracts for delivery in the years Oct 2024 to Sept 2025 and Oct 2025 to Sept 2026 respectively.

The Capacity Requirements set out for each of these auctions in the relevant IAIP are as recommended by the TSOs based upon the 2020-29 Generation Capacity Statement (GCS). It is important to note however that since the publication of these IAIPs, a new GCS has been published for the period 2021-2030 with a new adequacy assessment as described in Section 4 of that publication<sup>1</sup>.

Adjustments needed to reflect the adequacy assessment from the 2021-2030 GCS will be published in the Final Auction Information Packs (FAIP) for the T-3 2024/25 and the T-4 2025/26 in December and March respectively.

It should also be noted that the Capacity Requirements published in the IAIPs represent an all-island requirement before system constraints are taken into account. For the FAIPs, the Locational Capacity Constraint volumes will be calculated, which will reflect not only the adjustments related to the updated GCS, but also the impact of constraints on the overall capacity requirement.

<sup>&</sup>lt;sup>1</sup> 208281-All-Island-Generation-Capacity-Statement-LR13A.pdf (eirgridgroup.com)