



SEM-23-040 CMC Modifications Working Group 29 Supplementary Consultation Paper

SSE Response

Introduction

SSE welcomes the opportunity to respond to this consultation SEM-23-040 seeking views on the Capacity Market Code Modifications Working group 29 Supplementary Consultation Paper.

For the avoidance of doubt, this is a non-confidential response.

Who we are

SSE is the largest renewable energy developer, operator, and owner in Ireland's all-island Integrated Single Electricity Market. Since entering the Irish energy market in 2008, SSE Group has invested significantly to grow its business in Ireland, with a total economic contribution of €3.8bn to the State's economy over the past five years. We have also awarded over €9 million to communities in the past 10 years as part of our community benefit programme.

SSE is building more offshore wind energy than any other company in the world right now. We are currently constructing the world's largest offshore wind energy project, the 3.6 GW Dogger Bank Wind Farm in the North Sea, a joint venture with Equinor and Eni. This is in addition to Scotland's largest and the world's deepest fixed bottom offshore site, the 1.1 GW Seagreen Offshore Wind Farm in the Firth of Forth, a joint venture with TotalEnergies, which reached first power in recent weeks. In the most recent Scotwind process, SSE Renewables was awarded the rights, along with partners Marubeni Corporation (Marubeni) and Copenhagen Infrastructure Partners (CIP), to develop what will become one of the world's largest floating offshore wind farms off the east coast of Scotland.

We plan to bring our world-leading expertise in offshore wind energy to Ireland with plans to deliver over 3 GW of offshore wind energy in Irish waters, starting with our Arklow Bank Wind Park Phase 2 project off the coast of Co. Wicklow.

Through our SSE Thermal business, we continue to provide important flexible power generation. SSE's power station Great Island is Ireland's newest combined cycle gas turbine (CCGT) power station and one of the cleanest and most efficient on the system, generating enough electricity to power half a million homes. The acute need for flexible generation in Ireland has been demonstrated over the last twelve months, with EirGrid's most recent generation capacity statement showing that a shortfall in generation capacity was a significant risk for a number of winters to come, resulting in emergency measures being implemented by the CRU and Government.

While existing power stations continue to play a critical role on the system, SSE view the future of dispatchable thermal generation as being abated thermal, with Carbon Capture and Storage, hydrogen or other low-carbon fuels being the primary options. SSE have over 5 GW of zero and low carbon thermal under active co-development in the UK.

We will continue to evaluate opportunities to bring our expertise and investment in decarbonised flexible generation to Ireland, but it is vital that the state, Regulator and TSO provides an appropriate investment landscape to unlock such developments.

SSE Response

This Paper consists of an Amendment to the Long Stop Date for T-1 Capacity Auction based on a modification which was outlined in the previous Consultation CMC_03_23.

CMC 03 23 AMENDMENT OF LONG STOP DATE FOR T-1 CAPACITY AUCTION

This modification seeks to extend the Long Stop Date associated with the single year T-1 capacity contracts from 1 month after the Capacity year to 3 months.

The EPUKI modification explains that as the context of the SEM has changed significantly with the closure of older plant and sharp increases in demand, the need for delivering New Capacity has increased exponentially. The TSO's confirmed there had been termination as a result of the one-month deadline and there have been challenges meeting the 1 month Long Stop Date deadline for single year T-1 contracts. However this modification may weaken the incentive to deliver within the year and meet the winter deadline, and it may lead to speculative applications.

This supplementary Paper consults on proposed revised legal text from SEMC. SEMC proposes, as an interim measure, to allow the RAs to grant an extension to the LSD on a case by case basis to apply only to the Capacity year 2023/24 and to continue to examine the merits of a more enduring solution.

SSE is supportive of this solution for 2023/24 if the extension is for a few additional days/ weeks. SSE supports the intention to aim for an enduring solution.