



iPower Response to

# SEM-24-012 CRM 2027/28 T-3 Capacity Auction Parameters Consultation Paper

iPower participates in both the Aggregated Generator Unit and Demand Side Unit response sectors 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.

iPower currently have a capacity of 100MW, which carries a significant contribution to system support and stability, and have considerable experience in working with SONI and EirGrid to provide stability and balance to system operations.

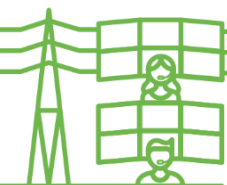
The following comments are in relation to the published SEM-24-012 CRM 2027/28 T-3 Capacity Auction Parameters Consultation Paper.

## Introduction

iPower operates the aggregation of multiple sites in both the provision of Demand Response via DSUs and Generation via an AGU. These units are able to reduce load, self-generate and export to the grid across multiple sites. The spread of multiple sites means that outage rates are much lower and 'trips' of generation do not impact the whole unit. This functionality means that dispatched DSUs and AGUs are more robust in delivering the required volume than an equivalent conventional unit, which would lose all its provision during a trip.

Aggregated demand across numerous sites provide greater flexibility.

It is for this reason that iPower wish to comment on the following parameter noted within the Consultation.



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**Parameter**

‘De-Rating Curves, defining De-Rating Factors by unit Initial Capacity and by Technology Class (including Interconnectors)’

**Proposed Value for 2027/28 T-3 capacity Auction**

‘As per the T-4 2027/28 Capacity Auction.’

An emergence of variable renewable energy resources over recent years increases the need for a flexible energy system. High levels of flexibility are required both through Supply and Demand side. DSUs and AGUs both significantly contribute to providing flexibility and in turn facilitating clean power generation operations.

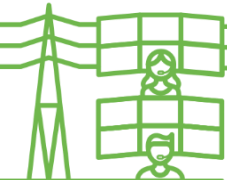
DSUs, in particular, are heavily derated. This, along with being treated less favourably regarding energy payments, discourages new capacity entry and sends exit signals to existing participants.

iPower request that the derating factors are indeed reviewed across technologies with a view to not only encourage the building of new capacity, but to incentivise the retention of existing capacity into the future. Downward derating factors do not encourage investment in either retaining / upgrading existing capacity nor in the development of new capacity.

Yours Sincerely,

**Matt O’Kane**

**Managing Director**



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