

SEMOpX Revenue Requirement for 2025/26

Information Paper

SEM-25-042

08 August 2025

EXECUTIVE SUMMARY

EirGrid and SONI, in their capacities as designated NEMO in Ireland and Northern Ireland respectively, submitted their initial SEMOpx Revenue Requirement for 2025/26 and 2023/24 K-Factor on 20th June 2025.

On 18 December 2023, SEMOpx submitted a proposal to the RAs for a more streamlined Regulatory Revenue Recovery Framework. This proposal was presented to the RAs with the aim of stepping away from the multiannual price control process for SEMOpx while continuing to ensure RA oversight on the SEMOpx revenue provision. Following consultation in SEM-24-022 regarding the Regulatory Revenue Framework, the RAs confirmed in their decision SEM-24-043 that a new annual framework as proposed in the consultation should be adopted. This framework [‘the new framework’] provides for a broad retention of many elements of the regulatory framework within the 2019 to 2022 period and includes the inclusion of a Best Available Forecast CapEx element. Under the new framework, CapEx is added to the SEMOpx RAB as incurred. This Information Paper provides an overview of the annual K-Factor and Revenue setting process in line with the allowances set out for the tariff year and next steps for the publication of the SEMOpx Charges for 2025/26.

The RAs reviewed the SEMOpx submission and calculations and following engagement with SEMOpx have approved the revenues shown in Table 1 below for the period from 01 October 2025 to 30 September 2026.

The overall revenue requirement below is approved until 30 September 2026. The Statement of Charges will be published by SEMOpx based on Table 1 below.

Table 1. Total SEMOpx Revenue Requirement 2025/26.

Total SEMOpx Revenue Requirement 2025/26 (Mar 25 Prices) (€m)	
SEMOpx 2025/26	5.502
2023/2024 K-Factor	-0.760
Total Revenue Required	4.743

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1. Introduction

1.1 Background

SEMOpx provides day-ahead and intraday electricity market trading within the Single Electricity Market (SEM). The SEMOpx revenue requirement outlined in this Information Paper covers the period from 1 October 2025 until 30 September 2026 and the K-Factor for 2023/24.

SEM-20-007¹ set out the SEM Committee's Decision in relation to the SEMOpx Price Control and therefore SEMOpx's revenues from October 2019 to September 2022. In the interim period since this price control period concluded the price control had been "rolled over".

On 18 December 2023, SEMOpx submitted a proposal to the RAs for a more streamlined Regulatory Revenue Recovery Framework. This proposal was presented to the RAs with the aim of stepping away from the multiannual price control process for SEMOpx while continuing to ensure RA oversight on the SEMOpx revenue provision. Following consultation in SEM-24-022² regarding the Regulatory Revenue Framework, the RAs confirmed in their decision SEM-24-043³ that a new annual framework as proposed in the consultation should be adopted. This framework [‘the new framework’] provides for a broad retention of many elements of the regulatory framework within the 2019 to 2022 period and includes the inclusion of a Best Available Forecast CapEx element. Under the new framework CapEx is added to the SEMOpx RAB as incurred. This Information Paper provides an overview of the annual K-Factor and Revenue setting process in line with the allowances set out for the tariff year and next steps for the publication of the SEMOpx Charges for 2025/26.

The annual revenues for SEMOpx are adjusted to account for any K-Factor for over or under recovery.

¹ [SEM-20-007 SEMOpx Price Control Decision Paper published on 11th March 2020](#)

² [SEM-24-022 SEMOpx Revised Regulatory Revenue Recovery Framework Consultation Paper published on 19th March 2024](#)

³ [SEM-24-043 SEMOpx Revised Regulatory Revenue Recovery Framework Decision Paper published on 10th June 2024](#)

2. SEMOpx 2025/26 Revenue Requirement

2.1 SEM-24-043 Revenue Requirement

The total revenue allowance for SEMOpx for the 2025/26 period is €4.743m in March 2025 prices. The OpEx figures as set are based on the previous year's cost (adjusted for inflation) as per the framework outlined in SEM-24-043. This is comprised of Opex and Finance costs as set out in Table 2.

Opex costs include Payroll, Facilities and Overheads, IT and Telecommunications, Finance and Regulation Costs, Contract Services and Market Coupling Costs, FX Settlement and Other Pass-Through Costs and IT Cloud Projects as set out in SEM-24-043. Finance costs include the return on SEMOpx's Regulatory Asset Base, Depreciation and SEMOpx's margin, which are calculated as per the framework.

Table 2. Total allowed revenues for OpEx and Finance 2025/26.

SEM-24-043 Revenue Requirement	Tariff Year 2025/26 €m (March 2025 prices)
OPEX	4.657
Finance	0.845
Total	5.502

2.2 Correction Factor for 2023/24

SEMOpx over-recovered €742k (in March 2024 prices) in total for tariff year 2023/24.

Table 3. Correction factor for 2023/24.

2023/24 K-factor summary	€m (March 2024 prices)
2023/24 Revenue allowance	5.694
Total recovered through tariffs	6.436
K factor	-0.742
	€m (March 2025 prices)
K factor	-0.760

2.3 Total Revenue Requirement for 2025/26

Table 4. Total SEMOpx revenue requirement for 2025/26.

Category	€m (March 2025 prices)
2025/26 SEM-24-043 Revenue	€5.502
2023/24 K-Factor	-€0.760
Total 2025/26 Revenue	€4.743