



SINGLE ELECTRICITY MARKET COMMITTEE

**Round 32 of Quarterly Directed Contracts
Q1 2026 to Q4 2026**

Information Paper

4th September 2025

SEM-25-052

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1. Introduction

This paper provides information on the quantities and pricing for the upcoming quarterly Directed Contract (DC) subscription round, Round 32, covering the period Q1 2026 to Q4 2026 inclusive. The Regulatory Authorities (RAs, i.e., CRU and UREGNI) are notifying market participants that zero volumes were output from the DC Market Concentration Model for Round 32. Consequently, zero volumes are offered for this DC round.

In DC Round 18, market participants were notified of amendments made to the process of calculating DC pricing formulae ([SEM-22-017](#)). Participants were also informed of the RAs' decision to hold the Primary Subscription Window over six days.

2. Directed Contract Quantities

DC subscription windows are typically held every quarter, with DCs allocated on a rolling basis up to five quarters ahead.

There are three DC products in the market: Baseload, Mid-Merit and Peak. Suppliers can elect to subscribe for any given product for which they are eligible in any particular quarter from ESB. The definitions of the products are set out in the ESB PG DC Subscription Rules. These are as follows:

- **Baseload Product:** For Trading Periods at the Contract Quantity arising in all hours.
- **Mid-merit Product:** For Trading Periods at the Contract Quantity during the hours beginning at 07:00 and ending at 23:00 on Business Days and for Trading Periods on days that are not Business Days at 80% of the Contract Quantity.
- **Peak Product:** For Trading Periods arising during the hours beginning at 17:00 and ending at 21:00 on all days during October, November, December, January, February and March at the Contract Quantity.

The RAs used the Herfindahl Hirschman Index (HHI) to set DC quantities and use a target HHI level of 1,150 for the period Q1 2026 to Q4 2026.

The DC quantities to be offered by ESB for Q1 2026 to Q4 2026 in Round 32 are set out in Table 1 below.

Quarter	Baseload	Mid-Merit	Peak
Q1 2026	0	0	0
Q2 2026	0	0	N/A
Q3 2026	0	0	N/A
Q4 2026	0	0	0

Table 1: ESB DCs for Q1 2026 to Q4 2026 in the forthcoming Round 32 Subscription (MW)

The Market Concentration Model is used by RAs to calculate the quantity of Directed Contracts (DC) required to be offered to eligible suppliers in each DC round. The RAs note that zero Volumes across all modelled quarters were output from the DC Round 32 Market Concentration Model. DC Volumes have been following a downward trend in recent DC Rounds due to the impact of increased interconnection and the increase in renewable capacity forecast within the SEM PLEXOS Model. This has consequently contributed to a reduction in the HHI levels prior to allocating DCs across all modelled months and quarters, thus, it resulted in zero volumes output from the Market Concentration Model. Other factors contributing to the reduction in HHI levels prior to allocating DCs is the transition of ESB'S Moneypoint Units that was scheduled in the year 2025.

The RAs had previously notified market participants of their intention to commence a review of the Market Concentration Model ([SEM-24-038](#)) in 2024. This review is ongoing, and the RAs intend to expedite this review in the coming weeks.

3. Directed Contract Pricing

The prices of DCs are determined by regression formulae that express the DC CfD Fixed Price in a given quarter and for a given product (Baseload, Mid-merit or Peak) as a function of forward fuel and carbon prices. Section 3 of [SEM-22-017](#) outlined amendments made to the process of calculating DC pricing formulae in DC Round 18. Such amendments are also implemented in DC Round 32.

The pricing formulae are updated every quarter in line with the established rolling approach to DCs as per [SEM-12-026](#) and [SEM-17-081](#).

The CfD Strike Price for each transaction will be set using the published formulae and associated forward fuel prices, as set out in the Subscription Rules [SEM-18-036d](#).

The DC seller, ESB, will apply the approved published fuel and carbon indices to the regression formulae each day throughout the subscription window and notify suppliers who have elected to subscribe for DC products on that day of the calculated CfD Fixed Price. ESB contracts will be priced in euro.

The DC regression formulae for the forthcoming round will take the following form:

$$\text{CfD Fixed Price}_{q,p} = \alpha_{q,p} + \beta_{q,p} * \text{Gas}_q + \delta_{q,p} * \text{Coal}_q + \epsilon_{q,p} * \text{CO2}_q$$

where:

CfD Fixed Price_{q,p} = DC Fixed Price (in €/MWh) for the relevant quarter (q) and product (p), i.e., Baseload, Mid-merit and Peak.

α_{q,p} = formula constant, which may vary by quarter (q) and product (p).

β_{q,p}, δ_{q,p}, and ε_{q,p} = formula coefficients, which may vary by quarter (q) and product (p).

Gas_q = the price (in pence sterling per therm) for quarterly Intercontinental Exchange Natural Gas Futures for the relevant quarter. As stated in [SEM-21-005](#), the RAs notified industry of updates to the calculation of quarterly “ICE UK Natural Gas Futures – NBP” ÷ (GBP/EURO Exchange Rate).

Coal_q = the price (in US dollars per tonne) for quarterly ARA Coal Futures. As noted in [SEM-21-005](#), the RAs noted updates to the calculation of quarterly “Rotterdam Coal Futures – ARA” ÷ (USD/EURO Exchange Rate).

CO2_q = the settle price (in Euro per tonne of Carbon Dioxide) for the December month Intercontinental Exchange ECX EUA Carbon futures as reported as “ICE ECX EUA Futures – EUX – (monthly)” for the given calendar year. The December price for a given year will apply to all quarters falling within that year. As noted in [SEM-21-005](#), the commodity data provider, ICE, transitioned from a public to a fee-based subscription for access to Carbon data.

The values of the constants and the independent variable coefficients are set out in the following table.

Coefficients Multiply Gas coefficient by euro/therm Gas price, Coal coefficient by euro/tonne Coal price, and CO₂ coefficient by euro/tonne CO₂ price.					
Contract (p)	Quarter (q)	Constant ($\alpha_{q,p}$)	Gas ($\beta_{q,p}$)	Coal ($\delta_{q,p}$)	CO₂ ($\epsilon_{q,p}$)
Baseload	Q1 26	23.05	61.859	0.0000	0.3581
Midmerit 1	Q1 26	28.84	66.239	0.0000	0.3854
Peak	Q1 26	47.73	73.385	0.0000	0.4390
Baseload	Q2 26	17.66	65.143	0.0000	0.3617
Midmerit 1	Q2 26	19.98	68.059	0.0000	0.3769
Baseload	Q3 26	16.24	66.846	0.0000	0.3756
Midmerit 1	Q3 26	19.59	69.778	0.0000	0.3924
Baseload	Q4 26	19.27	61.770	0.0000	0.3530
Midmerit 1	Q4 26	23.58	66.899	0.0000	0.3851
Peak	Q4 26	34.54	74.925	0.0000	0.4402

4. Subscription Rules

The Subscription Rules ([SEM-18-036d](#)) for the DCs have been made evergreen. To allow this, two items which require updating will be included in the Information Paper published by the RAs prior to each quarterly DC Round. These are the details of the matrix of ESTSEM p,q prices for the purpose of credit cover calculations and Bank Holidays.

Prices for Credit Cover calculations

The matrix of ESTSEM p,q prices for the purpose of credit cover calculations based on closing fuel and carbon prices from 14th August 2025 are as follows¹:

¹ The RAs note that the prices calculated are based on the most recently validated 2024-2032 SEM PLEXOS Model([SEM-25-010](#)) and incorporates the 2024 All-Island Resource Adequacy Assessment (NRAA) inputs.

	ESTSEM p,q		
	Baseload € per MWh	Mid-Merit € per MWh	Peak € per MWh
Q1 26	112.83	125.12	155.27
Q2 26	103.89	110.00	
Q3 26	104.12	111.34	
Q4 26	105.96	117.67	140.57

5. Directed Contract Round 33

The Primary Subscription Window and Supplemental Subscription Window of Directed Contract Round 33 is envisaged to take place in Quarter 4 2025. The RAs intend to publish the dates of Directed Contract Rounds 33 – 36 before the end of Quarter 3 2025.

6. Public/Bank Holidays 2026

The following dates are those known at the time of execution to be bank and public holidays (in the Republic of Ireland and Northern Ireland) between Q1 2026 and Q4 2026:

1 January 2026
2 February 2026
17 March 2026
03 April 2026
06 April 2026
04 May 2026
25 May 2026

1 June 2026
13 July 2026
03 August 2026
31 August 2026
26 October 2026
25 December 2026
26 December 2026
28 December 2026