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5th September 2025

RE: SEM-25-043(a)(b) - SEM Operational Parameters Consultation 2026 (the "Consultation")

Dear Caroline and TSC Team,

Bord Gáis Energy (**BGE**) welcomes this opportunity to respond to the Consultation on the SEM Operational Parameters for 2026 relating to (1) the determination of Required Credit Cover and (2) Price Materiality Threshold. We welcome this annual review. Overall, we support the proposed "no change" position for the majority of parameters across the two areas, and we query the appropriateness of the 60-day HAP continuing given prices have become more stable. Additional rationale for our view is outlined respectively for each parameter area below.

1. **The calculation of Required Credit Cover**

BGE welcome the RA's recommendation to retain the current parameters for the calculation of the Required Credit Cover. We consider that operational experience to date demonstrates that the parameter values as retained are more than sufficient to cover typical payment requirements arising without being overly burdensome on market participants.

We also support the Regulatory Authorities' ("**RAs**'") proposal to maintain the Harmonised Average Price (HAP) at 60 days. However, we request clarification from the Regulatory Authorities regarding the rationale for this recommendation. In the consultation paper, the RAs state that:

> *"The reason SEMO is proposing to maintain the value of DINHAP at 60 days is due to the volatility that the market has seen in the last few years."*

This appears to contradict SEMO's Recommendation Paper, which notes:

> *"From 2023, the Imbalance Price has become steadier and there is minimal difference between a DINHAP of 30, 60 and 100 days."*

Given this discrepancy, we ask the RAs to please clarify whether the 60-day HAP is intended as an enduring measure, or if there is an intention to increase the HAP to 100 days should price stability continue.

2. **Price Materiality Threshold**

Finally, BGE agrees to maintain the Price Materiality Threshold parameter at least at its existing value of 5% for 2026 to reduce any unnecessary complexity with the repricing process.

I hope you find the above comments and suggestions helpful. If you have any queries thereon, please do not hesitate to contact me.

Yours sincerely,

Niamh Trant
Regulatory Affairs – Commercial
Bord Gáis Energy
{By email}