SEM committee

ANNUAL REPORT

1 OCTOBER 2024 TO 30 SEPTEMBER 2025

ABOUT THE SEM AND THE SEM COMMITTEE

THE SINGLE ELECTRICITY MARKET

The Single Electricity Market (SEM) is the wholesale electricity market for the island of Ireland, covering both Northern Ireland and Ireland. It was established to create a unified market where electricity is traded across two jurisdictions and two currencies, making it the first and only market of its kind globally. The SEM enables generators and suppliers to buy and sell electricity in a transparent and competitive environment, ensuring that homes and businesses receive power efficiently and at fair prices. The SEM's design promotes cross-border cooperation, optimises resource use, and supports system reliability by pooling generation capacity across the island of Ireland.

THE SEM COMMITTEE

The SEM is overseen by the Single Electricity Market Committee (SEMC), which is the decision-making authority responsible for setting market rules, regulatory frameworks, and ensuring compliance. The SEMC's primary objectives include protecting consumer interests, promoting effective competition among electricity generators and traders, maintaining electricity security of supply, and encouraging investment in infrastructure and innovation. The SEMC comprises representatives from the Commission for the Regulation of Utilities (CRU), the energy regulator in Ireland, the Utility Regulator (UR), and energy regulator in Northern Ireland, an independent and deputy independent member.

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FOREWORD

The SEMC exists to provide an electricity market that operates in the best interests of consumers across the island of Ireland. As well as being a report of the SEMC's work, this annual report presents an overview of the SEM's performance.

Consumers expect that the basic requirement to keep the lights on and the power flowing will be met. Providing that certainty, of a reliable and secure electricity supply to homes and businesses, remains a constant focus for SEMC. Since 2017, we have supported investment in over 7643 Megawatt (MW) of new generation capacity, with two additional capacity auctions held in 2025 adding further future generation.

We continue to take a proactive approach to incentivising the timely delivery of this investment and have also adopted innovative measures to maximise the potential of the existing generation fleet. Our strategic focus on security of supply continues, supported by enhanced modelling capability and longer-term demand planning. This will ensure that there are clearer signals on future system requirement so that we can anticipate electricity system needs.

SEMC ANNUAL REPORT | 2024/2025
CHAIR'S FOREWORD

The SEM is complex. Several different markets interact to provide a dynamic trading environment, and our job as SEMC is to ensure that these markets work efficiently and effectively. While overall market prices rose during 2025, trading across interconnectors saw 6.4 million Megawatt hours (MWh) of lower cost energy imported into the SEM. Last year also saw the entry to the market of the Greenlink interconnector which has already contributed to lower wholesale prices and better market integration.

The complexity of the market is further increased by the drive towards decarbonisation. As the SEMC, we work within energy policy set by governments in Ireland and Northern Ireland. We are committed to playing our part in supporting the energy transition with decarbonisation as the outcome. The evolution of the market is enhanced by a more diverse generation fuel mix. In July 2025, solar generation reached a new milestone, with 291,602 MWh of generation recorded.

Our programme to develop a competitive and robust framework for the delivery of system services is also a key driver of a low carbon future. The Future Arrangements for System Services and Low Carbon Inertia Services initiatives moved forward during the last year and are designed to facilitate the integration of renewable energy sources (e.g. wind and solar), ensuring system stability with high levels of non-synchronous generation. These initiatives are crucial for maintaining a resilient electricity system on the island of Ireland while we achieve our climate change targets.

Prices remained a key issue for consumers, and we continued to pro-actively consider how we make the SEM as competitive as possible. Our Market Monitoring Unit (MMU) maintained oversight of the market to identify, and where necessary, address any anti-competitive behaviour. We also applied regulatory scrutiny through the completion of a price control review for the monopoly Single Electricity Market Operator (SEMO), ensuring that SEMO's costs were efficient and justified.

We took steps to improve SEMC's governance during 2024/2025. We enhanced our risk management arrangements and established a dedicated risk sub-committee to oversee this. Our new programme management arrangements for the all-island programme workstreams continued to evolve and progress was made on developing a multi-year plan. The need for SEMC to act strategically saw us take the initial steps to develop a new SEMC strategy. A key part of this was more engagement with stakeholders north and south.

Tanya Harrington and I were appointed as new members of SEMC. We have both been deeply impressed by the commitment and hard work of other SEMC members and the SEM staff in both CRU and UR.

Finally, I would like to recognise the co-operation of our partners in government departments in Ireland and Northern Ireland, market participants and other key stakeholders, all of whom are critical to achieving the goals we share with them.

Rosamund Blomfield-Smith
SEM Committee Chair

OUR YEAR AT A GLANCE

€8 billion

The value of the SEM

Total ex-ante market value

81%

Trading through the day ahead market

Ex-ante market volume of

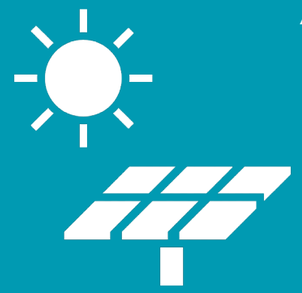
58 million MWh

Day ahead prices rose by

17%

36.8%

of electricity generation was from renewable sources



Average solar generation

72%

increase

0%

coal generation since July 2025

(still available for emergencies)

6445 MW

of capacity procured from capacity auctions

of the capacity procured is new capacity

6.4 million MWh of lower cost energy imported via interconnectors

SEMC

is developing a new strategy

KEY DEVELOPMENTS 2024/2025

2024

OCTOBER
10,963 Megavolt-Amperes (M.V.A.s) of low-carbon inertia services awarded following procurement.

NOVEMBER
Decision on the 2024 market audit terms of reference under the trading and settlement code.

DECEMBER
Procured 5942MW of capacity in the 2028/2029 T-4 capacity auction.

2025

JANUARY
The Greenlink interconnector officially entered the market on 30 January 2025.

FEBRUARY
Consultation launched on SEMO price control 2024–2029.

MARCH
In an open letter to industry, we provided guidance to market particpantds on market behaviour.

SEM Plexos model validation and backcast report for 2024/2025 published.

APRIL
We hosted an industry forum on the SEM markets multi-year plan with Eirgrid and SONI.

Procured 503MW of capacity in the 2025/2026 T-1 capacity auction.

MAY
Review of market concentration model was announced.

JUNE
Coal generation ended on 20 June.

We announced changes to simplify the generator financial performance reporting framework.

JULY
SEMO price control 2024-2029 final determination published.

July achieved the highest solar generation on record, reaching 291,602 MWh.

AUGUST
We commenced work on a new SEMC strategy.

Information paper published setting out approved SEMOpx revenue for 2024/2025.

SEPTEMBER
SEMC reduced the forecast 2025/2026 imperfections charge to €790.2m, €93m below the Transmission System Operators (TSOs) proposal.

Network imperfections tariff for 2025/2026 published.

Decision published on volume forecasting methodology and the Day Ahead System Services (DASSA) top-up mechanism.

ENSURING AN EFFECTIVE AND EFFICIENT ELECTRICITY MARKET

We want the SEM to operate effectively. Fundamental to this is providing trading opportunities for generators and suppliers that improve market efficiency, drive competition and make best use of power on the system. The value of the ex-ante SEM markets rose to €8 billion from €6.4 billion during 2024/2025. The Day Ahead Market (DAM) saw trading rise to €5.4 billion from €4.4 billion. We ensure that the market operates in an effective and efficient way through ongoing oversight of codes and market audits and performance reporting.

The market value of the SEM is determined by supply and demand dynamics. This includes factors such as the availability of generation resources and consumer demand patterns.

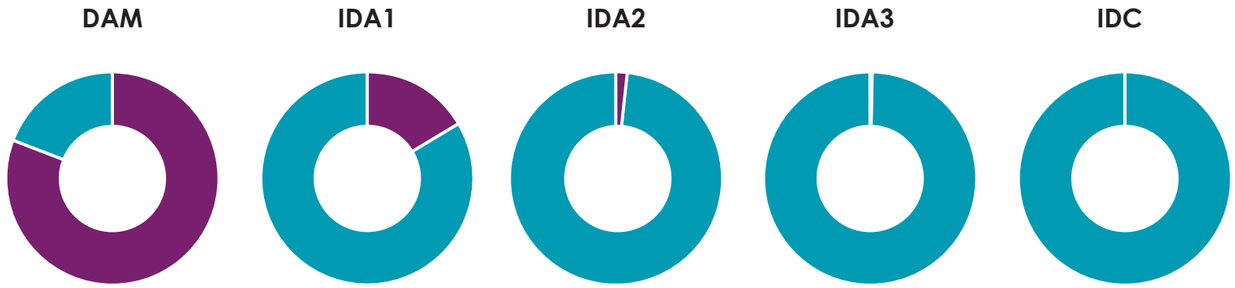
The DAM sets the day-ahead prices for wholesale electricity considering the projected supply and demand for the following day. It provides market participants with an opportunity to secure electricity at a competitive price contributing to stability and reducing price volatility.

The three Intraday Auctions (IDA) and the Intraday Continuous (IDC) market, on the other hand, enable market participants to manage short-term imbalances in electricity supply and demand by trading throughout the day and closer to real time. These markets facilitate the adjustment of electricity generation and consumption closer to real-time supporting system stability and enhancing reliability. EU market rules will require the SEM to move closer to real time trading in shorter trading units in the coming years.

MARKET ANALYSIS

54 MILLION MWh
c. total ex-ante market volume

€8 BILLION
c. total ex-ante market value



	DAM	IDA1	IDA2	IDA3	IDC
	80.9%	**16.6%**	**1.8%**	**0.5%**	**0.2%**
Volume	43,768,443.80 MWh	8,998,184.55 MWh	1,008,086.45 MWh	276,903.35 MWh	14,172.55 MWh
Value	**€5,471,893,305**	**€2,230,271,421**	**€257,456,478**	**€86,032,517**	**€20,886,764**
Average annual price	**€120.95**	**€119.41**	**€130.10**	**€149.80**	**€143.30**
2023/2024 AVERAGE ANNUAL PRICE	**€103.11**	**€101.97**	**€110.89**	**€122.47**	**€115.40**

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ENSURING AN EFFECTIVE AND EFFICIENT ELECTRICITY MARKET

MARKET PERFORMANCE

Price formation in electricity markets is complex as it arises from multiple factors, including fuel and carbon costs, plant outages and the generation mix deployed to meet varying demand levels. These dynamics are further influenced by renewable availability, system flexibility, reserve requirements, interconnector flows, bidding strategies and regulatory mechanisms such as capacity payments or balancing costs. Ultimately, prices reflect both short-term operational conditions and longer-term dynamics within the market.

DAY AHEAD MARKET (DAM)

In the DAM, the highest daily price reached €499.99/MWh, while the lowest fell to – €23.50/MWh. This development is likely driven by the design of the Capacity Remuneration Mechanism (CRM), where a Reliability Option (RO) exists and effectively caps a supplier's exposure at the Strike Price (typically €500/MWh). On average, the DAM experienced an increase in prices of approximately 17% compared with the previous year driven by the structural factors outlined earlier.

INTRADAY MARKETS

The Intraday Auction 1 (IDA1) experienced significant volatility, with the highest daily price reaching €536.91/MWh on 12 December 2024, primarily driven by low renewable generation. Conversely, the lowest daily price was – €70.54/MWh on 9 September 2025. Intraday Auction 2 (IDA2) and Intraday Auction 3 (IDA3) also saw the average daily wholesale price rise; IDA2 €130.10 up from €110.89, and IDA3 €149.80 compared to €122.47 for the same period last year.

The IDC, unlike the other intraday markets, is not an auction in which all trades in a particular period are cleared at a single price. It involves buyers and sellers posting volumes and prices on an order book visible to the market. These are cleared by sellers and buyers accepting the volumes and prices offered.

BALANCING MARKET

The Balancing Market prices rose during the 2025 SEM reporting year compared to 2024, with the average price for a 30-minute settlement period reaching €121.59, up from €102.07 in the previous year. This market typically exhibits greater volatility than the ex-ante markets, driven by real-time factors such as transmission constraints and system security requirements. The SEM Market Monitoring Unit (MMU) continuously monitors balancing market activity to ensure compliance and transparency.

MARKET SHARE

Market share is measured by volume, in MWh, rather than value because electricity is a uniform product and volume reflects actual physical supply and market influence.

Overall market share has remained largely consistent with previous years. The DAM continiues to hold over 80% of the total share though it has dipped slightly this year to 80.9% down from 82% the previous year. Other markets have maintained similar positions, with IDA1 showing the only upward trend, rising to 16.6% from 15.5% last year. IDA2 declined from 1.9% to 1.8%, while IDA3 fell from 0.6% to 0.5%, and IDC now holds just 0.2% of the market.

ASSURING THE EFFECTIVENESS OF THE SEM

MARKET OPERATION AND CODE GOVERNANCE

The SEM is continually evolving. We ensure that the market operates in an effective and efficient way through ongoing oversight of codes. Code governance focuses on maintaining and updating the market codes that define technical and commercial rules for participants and incorporates stakeholder input. This process ensures that codes remain fit for purpose as the market evolves. Effective code governance provides clarity, consistency and adaptability, reducing disputes and supporting an efficiently functioning market

THE TRADING AND SETTLEMENT CODE

The Trading and Settlement Code (TSC) was developed at the establishment of the SEM. It provides the rules by which the market and its participants may operate, setting out the detailed rules and procedures concerning the sale and purchase of wholesale electricity in the market.

The TSC Modifications Committee sits to progress modifications to the Code to best achieve the Code's objectives of efficiency, development, financial security, participation, competition, transparency and equity within the market. The TSC Modifications Committee comprises representatives from the Regulatory Authorities (the CRU and UR), along with market operators and market participants. Sitting at least every two months, the Committee assesses proposals submitted to them, with the SEMC making the final decisions on the approval, amendment or rejection of modifications to the TSC. Five modifications were proposed this year;

	TSC MODIFICATIONS COMMITTEE RECOMMENDATION	SEM COMMITTEE DECISION
MOD07_24 - Introduction of teg activation compensation payments	X	X
MOD01_25 - Synchronous condensers SDP_06	✓	PENDING
MOD02_25 - SEMO housekeeping 2025	✓	✓
MOD03_25 - Treatment of reliability option difference payments for hours exhausted units	X	X
MOD04_25 - Amendment to payment deferral	✓	✓

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ENSURING AN EFFECTIVE AND EFFICIENT ELECTRICITY MARKET

THE CAPACITY MARKET CODE

The Capacity Market Code (CMC) is a set of rules that govern the operation of the capacity market. The CMC modifications process is the formal way to change the legal rules of the CRM. It is administered by EirGrid and the System Operator for Northern Ireland (SONI), via the SEM Market Operator (SEMO), and decided on by the SEMC.

A series of modifications were implemented this year as a result of a lessons learnt review, prompted by legal challenges to the T-4 2028/29 auction qualification process. This process included reflection on a wide range of topics, including the qualification process and the time that was needed to review Exception Applications for parties applying for Intermediate Length Contracts (ILCs). This review resulted in seven proposed modifications and some of the outputs of this process can be found in the proposed RA modifications to the CMC raised at Workshop 43 (Part B). Four of the modifications raised in relation to this 'lessons learnt' process have been approved (CMC_10_25, CMC_12_25, CMC_13_25, CMC_14_25) while three are still pending,

Two other modifications approved this year include CMC_03_25, which resolves inconsistencies in the CMC related to commissioning incremental capacity across multiple auctions and CMC_01_25, which enhances transparency and fairness in the qualification process by requiring the Transmission System Operators (TSOs) to provide clear and relevant reasons for any proposed rejection of a qualification application. Three further modifications are still pending and six have been rejected.

CMC MODIFICATIONS

4
MODIFICATION WORKSHOPS

19
MODIFICATIONS PROPOSED

9
MODIFICATIONS ACCEPTED

9
MODIFICATIONS REJECTED

1
MODIFICATION WITHDRAWN

ASSURING THE EFFECTIVENESS OF THE SEM

MARKET OPERATION | INDEPENDENT AUDITS AND GENERATOR FINANCIAL PERFORMANCE

We ensure the market operates effectively through audits that provide an independent review of market processes, participant compliance and financial settlements. Regular audits strengthen accountability and transparency, offering assurance to market participants and consumers that the market functions fairly and efficiently. As well as overseeing these audits we can request information, reports, or assistance from TSOs to implement recommendations arising from audit findings. This fosters ongoing engagement between the RAs and the TSOs throughout the audit lifecycle, including progress updates and resolution of identified issues.

Alongside these activities, the Generator Financial Performance (GFP) Report offers aggregated insights into the financial performance of generators in the SEM, including a breakdown by fuel source.

SCHEDULING AND DISPATCH AUDIT

Under the respective TSO licences of EirGrid plc and SONI Limited, an annual audit of the scheduling and dispatch process is required. This is an audit of the TSC, its operation and implementation, and the operations, trading arrangements, procedures and processes under the TSC. This audit provides independent assurance that both TSOs comply, in all material respects, with the scheduling and dispatch obligations.

To fulfil this requirement, a third-party auditor is procured to conduct the audit, ensuring objectivity and transparency. The terms of reference for the 2024 and 2025 Scheduling and Dispatch Audits were consulted upon in mid-2024, and work is currently ongoing for the 2024 calendar year audit.

The independent assurance report for the scheduling and dispatch audit for the calendar year 2023 was published on 9 January 2025. The auditors found that, in all material respects, the TSOs had complied with the requirements as they relate to the specified elements of the scheduling and dispatch process during the 12-month period ending 31 December 2023.

SEM MARKET AUDIT

The TSC Terms of Reference for the SEM Market Audit 2024 was consulted upon by the RAs in late 2024 and the final SEM Market Audit Report 2024 was published on 29 April 2025.

The audit found that in all material aspects SEMO has complied with the Code and relevant Agreed Procedures as set out in the Terms of Reference.

GENERATOR FINANCIAL PERFORMANCE (GFP) REPORTING

The GFP report provides aggregated information on the financial performance of generators in the SEM along with a breakdown by generation fuel source. Due to the time taken for generation companies to have their financial audits completed for a given year, and for the subsequent submission and collation of the relevant data, there is a lag between the reporting period covered in the report and its publication. In July 2025, we also published a consultation on potential amendments to the GFP framework.

Analysis shows a decrease in the margin of generators operating in the SEM when compared to the previous year. Overall net margin for FY2022 was 14% compared to 16% in FY2021.

In July 2024, we published a consultation on potential amendments to the GFP framework. Following the close of the consultation we announced changes to simplify the GFP reporting framework in June 2025. Following comments from market participants specifically, a key aspect of the change will be to introduce a simplified reporting framework. There will also be an extension of the coverage of the GFP reporting to include more participants under the reporting framework. This will expand the scope of the reporting requirement under the framework to generators with a capacity of equal to or more than 10 MW and to Demand Side Units (DSUs) and assetless traders. Overall the changes will result in greater transparency into the revenue streams in the SEM.

As part of ongoing discussions with market participants to enhance the GFP Report we are planning to publish a detailed consultation on a new template for the FY2025 report. We are also planning to undertake a review of the overall approach to generator profitability reporting in 2026.

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ENSURING AN EFFECTIVE AND EFFICIENT ELECTRICITY MARKET

REGULATION OF SEMO

SEMO is the monopoly market operator that we regulate under a price control framework, which ensures that SEMO's costs and revenues are managed transparently and efficiently. The price control framework determines allowances for Operating Expenditure (Opex) and Capital Expenditure (Capex) over a five-year period alongside mechanisms such as cost-sharing, efficiency factors and performance incentives. In addition to financial regulation, SEMO must comply with a suite of market operator licence conditions and market rules under the TSC. The RAs enforce these requirements through detailed reporting, key performance indicator (KPI) based incentives and ex-post efficiency reviews ensuring SEMO delivers its core market functions while supporting system changes and reforms in a cost-effective manner.

SEMO PRICE CONTROL 2024-2029

We determined the current price control in July 2025 and this covers the period from October 2024 to September 2029. It allows for recovery of around €113 million of operating expenditure and €68 million of capital expenditure. Progress reports on expenditure and investment are provided regularly. A flexible and agile framework applies to capital investment with costs recoverable subject to SEMO evidencing that the expenditure is efficiently incurred, is demonstrably necessary, is incremental to existing price controls and is capable of being robustly validated by the regulators.

This price control also introduces an Opex cost sharing ratio of 25:75 whereby SEMO is allowed to retain 25% of the difference between the Opex allowance and the actual expenditure, if a positive amount; it will carry the risk of 25% of the cost difference if this is a negative amount. The cost sharing mechanism maintains an incentive on SEMO to outperform and to respond to information asymmetry between Regulator and regulated entity inherent in the price control process. It will allow SEMO to maintain a focus on delivery rather than cost reduction in a critical service area. The current Price Control 2024-2029 will also see a move from asymmetric KPIs incentive (positive only) to a symmetric KPI incentive (positive and negative). This will lead to the introduction of cap on incentive/ penalty amount set at €500k per annum, breaking the link between the incentive amount and total Opex (as used in previous price controls).

A focus group met bi-annually to discuss SEMO's performance and capital investment programme. A focus group consisting of 12 representatives from industry across a range of technologies met bi-annually to discuss SEMO's performance and capital investment programme. This provided a platform for accountability, transparency and two way.feedback. In March 2024 members of the focus group were invited to submit expressions of interest to join a Working Group. A terms of reference was provided to interested parties. The Working Group, consisting of 6 representatives, performed a similar function to that of the Participative Consultative Forum in the SEMO price control consultation 2021-2024. The Working Group aim was to permit engagement with SEMO on how participants views could be incorporated into the development of the SEM as supported by the 2024-2029 price control. The first meeting was convened in November 2024 and second in April 2025.

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ENSURING AN EFFECTIVE AND EFFICIENT ELECTRICITY MARKET

REGULATION OF SEMOPX

Single Electrcity Market Operator Power Exchange (SEMOpx) operates the day-ahead and intraday electricity markets within the SEM. As there is currently no competitive alternative SEMOpx is subject to a regulated price control framework. This framework is set by SEMC and directly supports the objective of ensuring an electricity market that is efficient and competitive.

On 26 August 2024 the SEMC published an Information Paper detailing the approved SEMOpx revenue for 2024/2025 as per the new framework.

The new framework has changed the process from a multi-year one to an annual one, which will reduce the administrative burden.

Under this framework, like the previous mechanism, extra revenue allowance is linked to SEMOpx's performance against several KPIs made up of auction result publication time, system availability and general query resolution. These KPI related adjustments are not applied immediately, instead they are incorporated through the K-Factor mechanism in the following tariff period. This approach ensures transparency and avoids mid-year changes while incentivising operational efficiency.

For the 2025/26 tariff year, which is the first year to operate under the new annual framework, the RAs approved a total SEMOpx revenue requirement of €4.743 million, €1.219 million less than the previous year. The main driver of the price change this year is the K-factor adjustment mechanism.

	2024/2025 (MAR 2024 PRICES)	2025/2026 (MAR 2025 PRICES)	YEAR-ON-YEAR CHANGE
TOTAL ALLOWED REVENUE (BEFORE K-FACTOR)	**€5.773m** OPEX €4.529M FINANCE €1.244M	**€5.502m** OPEX €4.657M FINANCE €0.845M	**-€0.271m** (-4.7%) OPEX +€0.128M (+2.8%) FINANCE -€0.399M (-32%)
K-FACTOR ADJUSTMENT	**+€0.189m** (Under recovery)	**-€0.760m** (Over recovery)	Swing of **-€0.949m**
FINAL REVENUE REQUIREMENT	**€5.962m**	**€4.743m**	**-€1.219m** (-20.4%)

ALL-ISLAND TARIFFS

Network imperfections charges ensure that the TSOs can recover the costs associated with addressing network constraints and maintaining system security, they are a key feature of the energy transition. The purpose of this charge is for the TSOs to recover their forecast total costs associated with:

- managing the costs that arise when the transmission system (the wires) is unable to deliver the most efficient outcomes produced by the electricity market; and
- the operational requirements of the electricity system (e.g. minimum number of generating units required, local security of supply requirements in Dublin and Northern Ireland).

Across Europe the level of these charges has shown an increasing trend in recent years, due to various changes in market conditions, including, inter-alia, significant increases in underlying wholesale energy prices (the cost of deviating from the market position increases as the cost of energy itself increases).

For Tariff Year 2025/2026 the total estimated network imperfections charges sought by the TSOs was €883.2 million. These charges are largely driven by constraint and curtailment costs.

In June 2025 the RAs, consulted on the TSOs' submission for the Imperfections Charge for Tariff Year 2025/26 (i.e., to apply 01/10/2025 to 30/9/2026).

Further analysis of the TSOs' submission was carried out by external and independent consultants, NERA, who were engaged to provide additional support in reviewing the TSOs' modelling.

Following the consultation process in September 2025 we published the Networks Imperfections Charges October 2025 to September 2026 and Reforecast Report October 2023 to September 2024 Decision Paper. We decided to reduce the original Network Imperfections Costs sought by the TSOs by 13%, from €883.2 million to €790.2 million, representing a reduction of €93 million.

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ENSURING AN EFFECTIVE AND EFFICIENT ELECTRICITY MARKET

STRATEGIC MARKETS PROGRAMME

The Strategic Markets Programme (SMP) is a programme of work led by EirGrid and SONI which consists of 3 Pillars: Pillar 1 aims to reintegrate the SEM into the European single electricity market; Pillar 2 aims to implement reforms to the Balancing Market; and Pillar 3 will update the trading arrangements between the SEM and Great Britain (GB) to develop enduring arrangements post-Brexit and facilitate relevant developments in both markets.

The SMP consists of multiple initiatives, many of which are linked to the commissioning of the Celtic Interconnector, a 575km-long 700MW High Voltage Direct Current undersea electricity cable that will connect Ireland electrically with France for the first time. Other drivers of the programme include requirements of the European Clean Energy Package, the Climate Action and Low Carbon Development (Amendment) Act 2021 and associated Climate Action Plans (Ireland) and the Climate Change Act (Northern Ireland) 2022 as well as the need for appropriate trading arrangements between the SEM and GB post Brexit.

In the reporting year, the RAs engaged with EirGrid and SONI to progress the programme through the All-Island Programme (AIP) governance arrangements. This includes proposals for delivering the SMP provided by EirGrid and SONI and progressing the required RA approvals under European regulations. Work on the arrangements for trading between the SEM and GB is discussed elsewhere in this report.

PILLAR 1
Aims to align the SEM with the European single electricity market

PILLAR 2
Aims to deliver reforms to the Balancing Market

PILLAR 3
Aims to update SEM–GB trading arrangements for enduring post-Brexit operation

PROMOTING FAIR AND EFFECTIVE COMPETITION

As well as providing a market that operates as an effective trading market with appropriate governance arrangements, we also want to do everything possible to promote competition. The SEM provides flexibility for those who wish to sell or purchase power, with markets spanning different timeframes, designed to enable increasing levels of competition that place a downward pressure on prices (whilst ensuring that the supply of power matches demand).

During 2024/2025 demand changes tended to correlate with prices. Overall, gas prices were higher than last year, while carbon prices remained stable and three interconnectors imported 6.4 million MWh of lower cost energy.

To ensure that the market works fairly we robustly monitor the markets to prevent abuse, and during 2024/2025 €1.5 million was recovered from market inquiries.

SEASONAL DEMAND AND PRICE TRENDS

Demand represents the fundamental need the electricity market must serve, and understanding demand patterns provides the baseline against which supply behaviour, bidding strategies, and market outcomes can be assessed. The MMU uses this demand baseline as a key analytical reference point in its monitoring work.

Overall energy demand is rising, driven by the growth of data centres and the increasing electrification of heating and transport as part of wider decarbonisation efforts.

Demand and price both follow a clear seasonal pattern, rising into the winter and easing through spring and summer. Demand, on average, climbs from 4,670 MW in October 2024 to a peak of 5,256 MW in January 2025, and the wholesale market price rises in tandem from €122.90/MWh to a high of €167.51/MWh.

As demand falls through the spring and summer of 2025, prices also soften, reaching their lowest levels averaging around €94 – €100/MWh.

While month-to-month movements aren't perfectly linear, the table below suggests a positive relationship: higher demand months tend to coincide with higher market prices, and lower demand months with lower prices.

		AVERAGE DEMAND* MW	AVERAGE WHOLESALE MARKET PRICE	AVERAGE WIND GENERATION MW	AVERAGE GAS PRICE CENTS/THERM
2024	October	4670.91	€122.90/MWh	1668	116.87
	November	5083.51	€146.14/MWh	1448	130.98
	December	5019.58	€136.99/MWh	2040	131.24
2025	January	5256.18	€167.51/MWh	1948	144.96
	February	5194.02	€140.88/MWh	2509	145.19
	March	4952.92	€131.8/MWh	1615	119.11
	April	4593.56	€111.11/MWh	1278	99.97
	May	4323.43	€108.54/MWh	933	96.55
	June	4424.77	€95.25/MWh	1306	101.93
	July	4355.21	€99.61/MWh	1057	95.21
	August	4314.54	€96.38/MWh	1169	93.52
	September	4525.19	€94.47/MWh	1567	93.49

*15 Minute Monthly Average

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PROMOTING FAIR AND EFFECTIVE COMPETITION

2025

monthly average demand

ALL-ISLAND

4,726MWh

ROI **3,913**MWh

NI **813**MWh

2024

monthly average demand

ALL-ISLAND

4,612MWh

ROI **3,796**MWh

NI **816**MWh

GENERATION TYPE AND ITS IMPACT ON MARKET PRICE

Fuel type plays a critical role in both carbon intensity and generation cost. High-carbon fuels such as natural gas contribute significantly to greenhouse gas emissions. Their continued use can lead to higher long-term costs as decarbonisation policies and compliance requirements become more stringent. While low-carbon options like renewables significantly reduce emissions and support sustainability goals. This dynamic directly influences market pricing.

CARBON GENERATION

The carbon price represents the cost applied to each tonne of CO_2 emitted. Within the European Union Emissions Trading System (EU ETS), this cost is determined by the market price of emission allowances. In the SEM, these carbon-related costs are reflected in generator bid prices and are therefore passed through into wholesale electricity prices.

Natural gas is traded on global markets, meaning both the SEM and GB are exposed to the same international price drivers. Key factors include global supply and demand dynamics, geopolitical developments, LNG availability, weather conditions, storage levels, upstream production issues, trading behaviour and regulatory interventions. As gas fired plant frequently sets the marginal price in the SEM, fluctuations in wholesale gas costs translate directly into electricity prices, influencing the costs ultimately borne by suppliers and consumers.

GAS PRICE

Fuel costs have risen over the past year placing increased pressure on wholesale electricity prices. The average gas price for 2024/2025 is114c/therm, compared with 94c/therm in 2023/2024. The uplift in fuel costs has direct implications for generators and, ultimately, consumers, as higher input costs flow through to market prices and system charges.

114c/therm
Average Price 2024/2025

94c/therm
Average Price 2023/2024

CARBON PRICE

Carbon prices have remained relatively stable, though have slightly increased in 2024/25 to an average price of €70.43 per tonne, compared with €67.73 per tonne in 2023/24. While the increase is not dramatic, even small movements in carbon prices can affect generator costs and overall market pricing.

€70.43/Tonne
Average Price 2024/2025

€67.73/Tonne
Average Price 2023/2024

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WIND GENERATION

DAM prices are strongly affected by forecast wind generation levels. Periods of high wind typically correlate with lower prices, whereas reduced wind availability often results in higher prices, although wind generation isn't the only contributing factor.

LOW WIND | HIGH PRICE

	WIND FORECAST	PRICE
12 DECEMBER 24	166 MW	€500.00/MWh
20 JANUARY 25	183 MW	€494.10/MWh
11 DECEMBER 24	164 MW	€458.20/MWh
22 JANUARY 25	481 MW	€456.60/MWh
08 JANUARY 25	604 MW	€439.30/MWh

HIGH WIND | LOW PRICE

	WIND FORECAST	PRICE
25 MAY 25	4198 MW	-€23.50/MWh
25 MAY 25	4298 MW	-€23.12/MWh
01 JUNE 25	3709 MW	-€5.17/MWh
24 NOVEMBER 24	4555 MW	-€4.12/MWh
15 SEPTEMBER 25	4419 MW	-€3.19/MWh

6.4 million MWh

of lower cost energy imported via interconnection

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PROMOTING FAIR AND EFFECTIVE COMPETITION

INTERCONNECTION AND MARKET PRICE

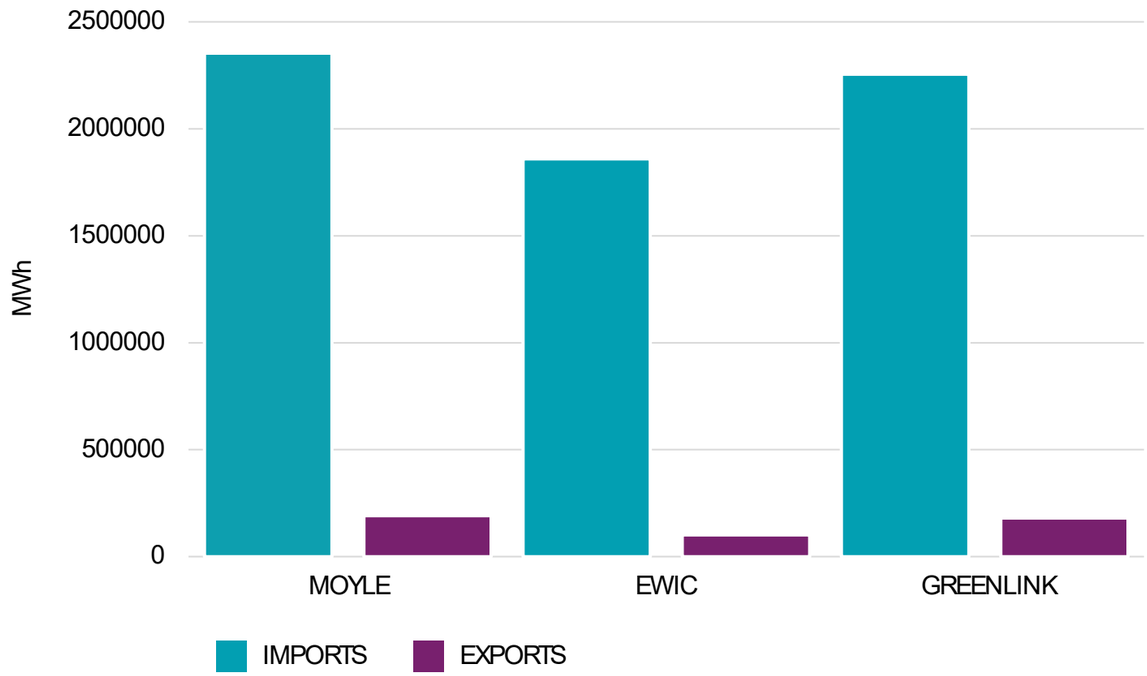
Interconnectors play a critical role in ensuring greater market stability by reducing price differentials between the SEM and GB markets. During periods of surplus generation in the SEM, interconnectors enable excess electricity generation that might otherwise be curtailed to be exported to GB. Conversely, during periods of scarcity, interconnectors help mitigate high prices.

Within the SEM interconnection operates through the IDA1 and IDA2 auctions, allowing participants to adjust positions closer to real time. Interconnector capacity continues to be allocated via implicit intraday auctions, meaning capacity and energy are traded together, promoting efficient use of cross-border capacity and supporting market coupling objectives.

On 29 January 2025 a new interconnector, Greenlink, became commercially operational, enhancing market flexibility. The link spanning from County Wexford to Pembrokeshire, Wales, offers a nominal capacity of 500 MW via a high-voltage direct current (HVDC) subsea and underground cable system. Since its launch, Greenlink has enhanced cross-border electricity integration, imports have increased and the imported power has reduced reliance on higher price local generation, decreasing the system's marginal fuel dependency.

It joins Moyle and the East West Interconnector (EWIC) as the third subsea link connecting SEM and GB, bringing total SEM to GB interconnection capacity to approximately 1,500 MW.

This year, 93% (6,469,400 MWh) of lower priced energy was imported to the SEM from GB via interconnectors, while 473,474 MWh was exported from the SEM to GB.



SEM VERSUS GB PRICES

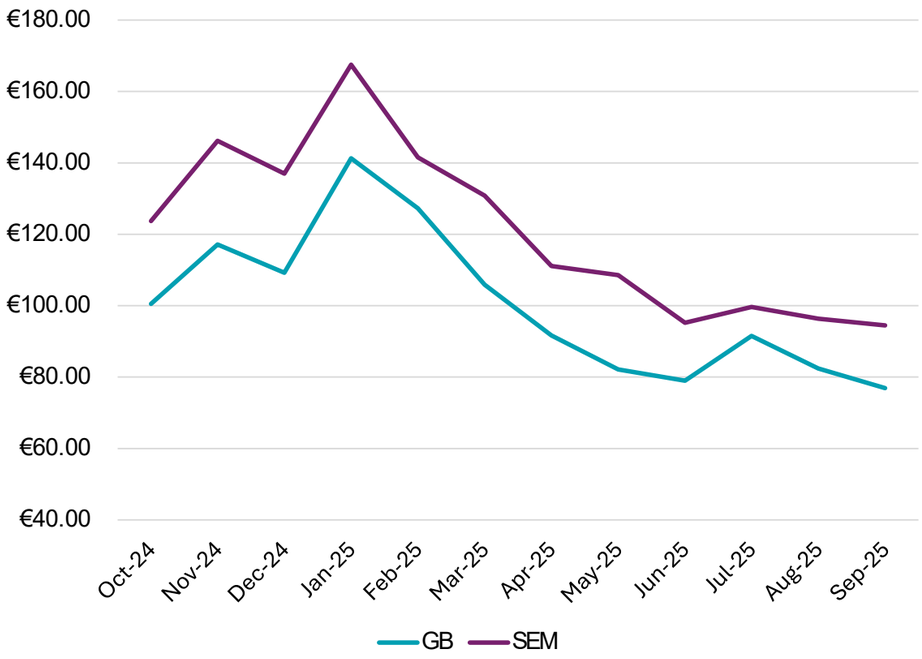
Developments in the GB market can have a measurable influence on price formation, trading behaviour and system conditions in SEM. While the SEM is a separate market, it is closely interconnected with GB, and as a result, changes in GB supply and demand balances or policy decisions can affect cross-border flows and, ultimately, wholesale prices in Ireland and Northern Ireland.

Monitoring GB prices provides valuable context. It helps us understand periods of divergence or convergence between markets, assessing interconnector flows and identifying whether SEM price movements are being driven by local factors or wider regional trends. This information supports effective market monitoring informs operational and regulatory analysis. It helps ensure that market outcomes remain consistent with expectations under the SEM design.

The chart below compares the monthly average of SEM and GB day-ahead electricity. This shows that the SEM prices remain consistently higher. Both markets rise into the winter months, with SEM reaching an average price of €167.50/MWh in January, while GBs average price for January is €141.29/MWh. From February onward, prices in both markets decline steadily as seasonal demand eases, though GB falls more sharply, dropping below €100/MWh by April. By contrast, SEM prices decline more gradually, levelling off around €95 - €100/MWh between June and September. Overall, the graph highlights a persistent SEM price difference and a shared seasonal pattern, with both markets easing from winter highs into more stable summer levels.

Lower wholesale prices in GB can be attributed to several factors. GB benefits from abundant onshore and offshore wind generation, which frequently drives prices down. Additionally, GB has multiple interconnectors with Denmark, France, Norway, the Netherlands, and Belgium, that often supply cheaper nuclear energy or hydropower.

MONTHLY AVERAGE MONTHLY PRICES | SEM VERSUS GB COMPARISON



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PROMOTING FAIR AND EFFECTIVE COMPETITION

MARKET FORECASTING

The RAs carry out the forecasting of the wholesale electricity market spot prices and generator market schedules in the SEM using software called PLEXOS. This modelling software is an integral component to a number of functions and workstreams including Directed Contracts (DCs), CRM, Imperfection Charges, wider policy analysis and ad-hoc modelling exercises.

The primary purpose of the RAs SEM PLEXOS Model is to calculate hourly DAM prices and determine the dispatch of dispatchable generators based on inputs such as fuel and CO_2 costs, demand levels and generator availability.

The model is structured on the following;

Generator commercial offers are based on fuel, CO_2-emission, and Variable Operation and Maintenance costs

Generator start-up, no-load, and incremental costs are provided separately, along with key technical requirements such as minimum runtimes

An explicit uplift algorithm determines prices that reflect recovery of start and no-load costs

No adjustments are made to the SEM PLEXOS Model to better align with the EUPHEMIA algorithm

SEM PLEXOS MODEL

Validated for 2024-2032 regulatory use

The model assumes generators in the SEM will seek to structure their offers to recover their costs including start and no-load costs and stated Variable Operation and Maintenance (VOM) costs, and so they only operate within their technical limits.

In March 2025, the SEM PLEXOS Model Validation (2024-2032) and Backcast Report was published. External consultants were appointed to update and validate the model and to backcast it against historical SEM data.

This project successfully produced a PLEXOS Model of the SEM that is validated for the 2024 to 2032 period. A detailed iterative backcast of the model focused on the 2020-2023 time period, this helped test the resilience of the model in a period with a wide range of market conditions. The strong correlation in price trends over time, combined with the small overall percentage differences observed, provides confidence that the SEM PLEXOS Model is appropriate for regulatory purposes.

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PROMOTING FAIR AND EFFECTIVE COMPETITION

ENSURING THE SEM OPERATES COMPETITIVELY

MARKET MONITORING

Market monitoring is a critical function in ensuring that electricity markets operate efficiently, transparently and competitively, by monitoring trading activity, participant behaviour, and market outcomes.

Its role is to detect and prevent market abuse, promote compliance with market rules and safeguard the integrity of both the ex-ante and balancing markets.

The MMU monitors the operation of the day-ahead, intraday auctions and balancing market, including coupled auctions with GB, and assesses key market fundamentals such as demand, generation availability, system conditions, and network constraints, which underpin price formation across the SEM.

As part of the broader Market Power Mitigation strategy, alongside the Directed Contracts process and the Bidding Code of Practice, the MMU monitors short and long-term market outcomes and participant behaviour, reports regularly to the SEMC through internal and public reports, works with other regulatory workstreams to inform decision-making, and provides a channel through which market participants can raise concerns about potential abuse of market power or breaches of market rules.

MMU OVERSIGHT ARRANGEMENTS

Strategic oversight of the MMU's activities is provided by the Senior Staff Group (SSG). Comprised of senior staff from each RA, the SSG has been delegated various decision-making responsibilities, including determining whether a market inquiry should be referred for further consideration and enforcement action. The SSG strengthens governance arrangements around market monitoring and ensures a robust, transparent process for handling potential issues.

In the 2024/2025 year, approximately €1.5 million has been recovered. The repaid monies will be directed by SEMO to reducing Imperfections Charges for the following Tariff Year in order to return the money to the consumer.

c.€1.5 million

recovered for reinvestment in reducing system costs

DIRECTED CONTRACTS

Directed Contracts (DCs) form a key part of the RAs market power mitigation strategy, helping ensure that the benefits associated with the SEM are not undermined by the abuse of market power. DCs limit market power by reducing the incentive for incumbent generators to bid above competitive levels or withhold capacity to influence spot or forward prices. These contracts are a cornerstone of the market power mitigation plan and provide the opportunity and ability to place greater reliance on competitive forces. DC subscription windows are typically held every quarter, with DCs allocated on a rolling basis up to five quarters ahead.

There has been a recent trend of zero volumes across all modelled quarters that were output from the DC Market Concentration Model. This reflects a sustained downward trend driven by increased interconnection, growing renewable capacity in the SEM PLEXOS model and the planned transition of ESB's Moneypoint units in 2025.

We informed market participants in May 2024 of our intention to review the Market Concentration Model. This review has been ongoing, with a consultation paper expected in early 2026.

INVESTING IN LONG-TERM SECURITY OF ELECTRICITY SUPPLY

Our focus is on ensuring that business and household consumers on the island of Ireland have a reliable and secure electricity supply. While overall demand continued to increase, we held capacity auctions which secured a combined 6,445 MW of capacity for future delivery. We introduced early delivery incentives to encourage delivery of new capacity. Additionally, the recent T-4 auction committed €400 million to refurbish 1,650 MW of existing capacity, which will enhance efficiency, flexibility, and emissions performance. Further to that our modelling work and the National Resource Adequacy Assessment ensure that we plan for long-term security of supply scenarios.

SECURING CAPACITY FROM PREVIOUS AUCTIONS FOR 2024/2025

AUCTION	WIND FORECAST
T-1 2020/2021	11 MW
T-1 2022/2023	13 MW
T-1 2024/2025	778 MW
T-2 2021/2022	2 MW
T-3 2024/2025	1177 MW
T-4 2022/2023	81 MW
T-4 2023/2024	450 MW
T-4 2024/2025	6052 MW

TECHNOLOGY TYPE	CAPACTIY PROCURED FOR 2024/2025
Gas Turbine	6183 MW
Steam Turbine	623 MW
Interconnector	498 MW
Demand Side Unit	451 MW
Pumped Hydro Storage	399 MW
Other Storage	235 MW
Autoproducer	115 MW
Wind*	61 MW

*windfarms with RESS contracts cannot enter the capacity auction

Procured capacity from prior auctions for the current year provides assurance for security of supply. This forward procurement approach reduces the risk of shortfalls, supports system reliability and ensures compliance with regulatory capacity obligations. By securing capacity in advance, the market maintains stability and mitigates potential supply risks, contributing to overall confidence in meeting the required capacity margin for the delivery year.

Several SEM capacity auctions have secured 8,564 MW of capacity for the 2024/2025 delivery year. The results are presented in the tables opposite, broken down by auction and technology type. Figures are shown net of terminations.

SEMC ANNUAL REPORT | 2024/2025
ENSURING LONG TERM SECURITY OF SUPPLY

SECURING CAPACITY FOR FUTURE YEARS

The CRM ensures long-term security of electricity supply by procuring electricity generation to meet future demand across the island of Ireland.

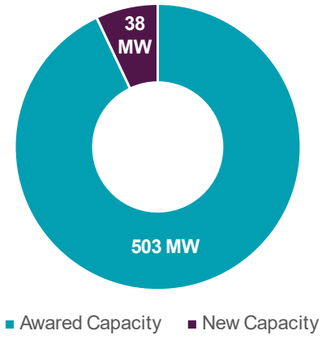
The Capacity Market operates as an auction system designed to secure the most efficient and cost-effective capacity. Successful participants are awarded capacity contracts, which provide regular payments for each MW of capacity committed. In exchange, these units must meet their Capacity Market obligations and are incentivised to ensure reliability and maintain security of supply during periods of system stress.

Since 2018, sixteen capacity auctions have been delivered.

Two auctions were carried out in the reporting year, the T-4 2028/2029 auction for delivery of capacity four years in advance and the T-1 2025/2026 auction for delivery one year in advance.

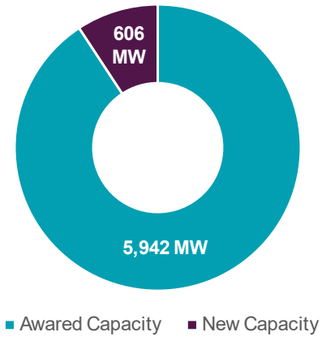
T-1 2025/2026 CAPACITY AUCTION

The T-1 2025/2026 Capacity Auction resulted in a total of 503 MW of capacity being awarded, of which 38 MW represents new capacity, clearing at a price of €90,000 per MW per annum. The auction took place on 22 May 2025, with the results published on 1 July 2025.



T-4 2028/2029 CAPACITY AUCTION

The T-4 2028/2029 Capacity Auction resulted in a total of 5,942 MW of capacity being awarded, of which 606 MW represents new capacity, clearing at a price of €149,960 per MW per annum. The auction took place on 17 December 2024, with the results published on 16 January 2025.



SEMC ANNUAL REPORT | 2024/2025
ENSURING LONG TERM SECURITY OF SUPPLY

DEVELOPING AND ENHANCING CAPACITY AUCTIONS

We continue to review how we might further enhance the capacity auctions to deliver beneficial outcomes. Over the last year we introduced early delivery incentives to promote delivery of future generation capacity.

Intermediate Length Contracts (ILCs) were introduced for the first time on the T-4 2028/29 auction. These contracts of five years are for existing and new capacity investing more than the Intermediate Contract Investment Rate Threshold (ICIRT) of €100,000/MW derated.

The introduction of ILCs to refurbish existing units is to reduce the need to lock-in new capacity with an economic life extending further into the future, at which time additional zero and low-carbon technologies are anticipated to be available. In the T-4 2028/29 auction, the CRM secured significant investment to refurbish and extend the life of existing capacity, with ILC contracts awarded to support the refurbishment of 1,646 MW of existing units.

In response to industry feedback on the need for longer lead in times for capacity auctions, we have launched a consultation regarding planning for the next T-4.

TECHNOLOGY TYPE	AWARDED CAPACITY
Gas Turbine	1584 MW
Other Storage	39 MW
Pumped Hydro Storage	62 MW
Total	**1685 MW**

CAPACITY AUCTION MODELLING AND THE ASSESSMENT OF EXCEPTION APPLICATIONS

Capacity auction modelling provides a robust benchmark for evaluating Exception Applications by comparing applicants submitted Unit Specific Price Cap (USPC) and ILCs revenue projections against our modelled assessment of those future revenues.

Our modelling team conducted the modelling processes for the T-4 and T-1 Capacity Auctions using the NERA validated SEM Plexos model. This included all-island Day-Ahead Modelling out to 2033 to support assessments for exception application applicants. Using NERA model inputs and additional model assumptions the team ran multiple scenarios and sensitivities. This provided insights into potential dispatch decisions for thermal and renewable generation on an unconstrained basis.

A key output of this modelling is the estimation of potential revenues for the generation portfolio. These revenue projections are analysed and provided to the CRM team to assess against applicants USPC or ILC revenue submissions. In addition, modelling of scarcity, available capacity reserve and potential system service revenues informs the overall evaluation of the final bid price for USPC/ILC applicants, as approved by SEMO.

STORAGE PROCUREMENT SUPPORTING FUTURE SECURITY OF SUPPLY

In the T-4 2028/2029 there was a total of 270 MWd of derated (adjusted for unavailability) storage defined capacity procured. When broken down Battery Storage accounted for 147 MW while Pumped Hydro Storage accounted for 123 MW. 132 MW of the Battery storage capacity awarded was new capacity.

The storage capacity secured through capacity auctions strengthens security of supply by adding fast, flexible resources that can support the system during periods of high demand, variability in renewable output, or unexpected outages.

A number of SEM capacity auctions to date have procured storage capacity. The outcomes for each auction are summarised in the table below. Please note that the figures are not cumulative; each auction year is reported independently and may include some of the same storage units appearing in multiple years.

AUCTION	CAPACITY AWARDED TO STORAGE
T-1 2018/2019	228 MW
T-1 2019/2020	228 MW
T-1 2020/2021	227 MW
T-1 2022/2023	54 MW
T-1 2023/2024	4 MW
T-1 2024/2025	10 MW
T-1 2025/2026	6 MW
T-2 2021/2022	227 MW
T-3 2024/2025	144 MW
T-4 2022/2023	290 MW
T-4 2023/2024	289 MW
T-4 2024/2025	225 MW
T-4 2025/2026	323 MW
T-4 2026/2027	312 MW
T-4 2027/2028	143 MW
T-4 2028/2029	270 MW

LONG TERM PLANNING

RESOURCE ADEQUACY ASSESSMENT

The All-Island Resource Adequacy Assessment (AIRAA) represents an evolution of the Generation Capacity Statement (GCS), and the AIRAA 2025–2034 published by the TSOs marks its first iteration.

The AIRAA is an annual report produced by the TSOs that looks at the balance between electricity generation and demand over the following 10-year period. The requirement to produce and publish the report is set out in the respective TSO licences. The TSOs produce the report based on a published methodology, using a range of inputs and assumptions to forecast generation and demand.

The shift to the AIRAA methodology was driven by EU requirements set out in the Clean Energy Package which establishes a common European approach to resource adequacy assessments. The updated methodology also aims to more accurately reflect the evolving power system, including the growing roles of renewables, interconnection and storage.

The report focuses on two scenarios, base and secure, to determine whether there will be a capacity surplus or shortfall over the next ten years, with the secure scenario incorporating a range of sensitivities that may affect the adequacy position (for example, the temporary unavailability of a large unit).

The report is intended to provide industry and other stakeholders with an indication of the future position, highlight the need for investment and support actions that safeguard security of supply and facilitate the energy transition. The process for producing this report takes approximately 9 to 10 months with both CRU and UR engaging extensively with the TSOs throughout. Both RAs have a role in reviewing the methodology, inputs, assumptions and main report.

The RAs do not reperform any modelling but consider and provide feedback on the report's assumptions, outputs, adequacy position and associated commentary. The report is considered by the SEMC and UR Board. Under SONI's licence condition, the UR has an approval role.

SUPPORTING THE DECARBONISATION OF THE ENERGY SYSTEM

We work within energy policy and strategy frameworks set by governments in Ireland and Northern Ireland, and are committed to playing our part in supporting the decarbonisation of the energy system. We achieve this by enabling flexible technologies such as gas turbines, batteries, and demand-side management. During 2024/2025 the contribution of renewable technologies increased with wind generation making up over 32% of the fuel mix, with a record high proportion of generation from solar at 2.3%. We facilitated the integration of renewable energy sources, moving forward on an innovative system services programme which ensures system stability with high levels of non-synchronous generation.

SECURING A DIVERSE FUEL MIX

In 2024/2025, renewable generation accounted for 36.8% of the overall fuel mix, decreasing from last year's figure of 38.6%. Within this category, there were notable shifts.

Solar experienced its most significant growth to date, increasing from 1.4% to 2.46%, reflecting ongoing investment and favorable conditions.

Hydro saw a drop to 1.28% from 2.16% the previous year. Conversely, coal generation declined to a historic low of 1.94%, down from 2.98% the previous year, and coal generation ceased entirely in June 2025, underscoring the continued transition away from high-carbon sources.

Despite this progress, carbon-based generation still accounts for 48.4% of the fuel mix, underscoring the continued reliance on thermal generation.

The remainder of supply was supported by interconnector imports, which contributed 14.6%, a slight increase from 12.7% last year, helping to reduce reliance on gas.

FUEL MIX ANALYSIS | RENEWABLE VERSUS CARBON BASED GENERATION

	WIND	SOLAR	HYDRO	BIOMAS	CARBON BASED
					
	32.36%	**2.3%**	**1.28%**	**0.9%**	**48.4%**
	13.2 million MWh	944,022 MWh	527,264 MWh	368,350 MWh	
2023/2024					
	34.23%	**1.4%**	**2.16%**	**0.84%**	**48.6%**
	13.6 million MWh	558,440 MWh	860,147 MWh	335,748 MWh	

CARBON INTENSITY

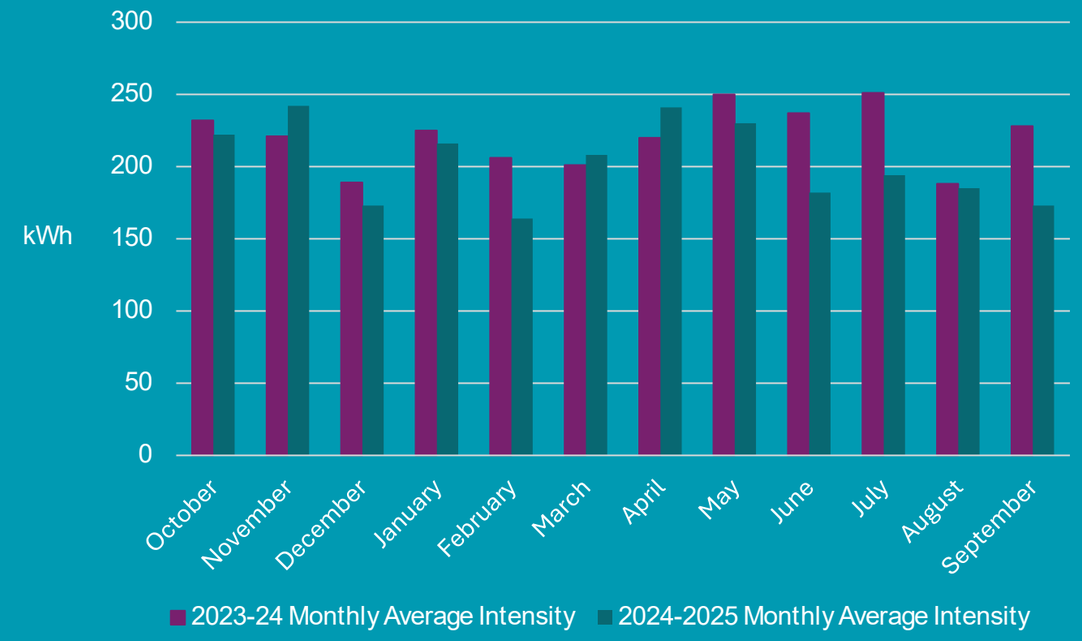
Comparison of monthly CO_2 intensity from the previous SEM year to the current shows a broadly encouraging downward trend, with many months in 2024/2025 recording noticeably lower carbon intensity than the same period the year before. Some of the biggest improvements happened in February, June, July and September, where carbon intensity dropped noticeably. These reductions suggest a cleaner generation mix, likely supported by increased renewable output and reduced reliance on fossil-fuelled generation at key times of the year. Although a few months show slight increases, the general trend indicates that the electricity system is becoming steadily less carbon intensive. A lower CO_2 intensity means cleaner electricity, better progress towards climate goals and a more sustainable energy system for the long term.

203.26
gCO_2/kWh

Average for 2024/2025

221.27
gCO_2/kWh

Average for 2023/2024



ENSURING SYSTEMS STABILITY AND SUPPORTING RENEWABLE PENETRATION

The system services workstream aims to improve the technical capability of the generation fleet and the system more generally. System services allow participants to provide services which support operating the system with increased renewable penetration. This allows the TSO to deploy units when a frequency deviation occurs.

The Delivering a Secure, Sustainable Power System (DS3) programme, aims to meet the challenges of operating the electricity system in a secure manner while achieving the renewables targets set in both Ireland and Northern Ireland.

The Future Arrangements for System Services (FASS) project was established with the objective to deliver a competitive framework for the procurement of System Services. This ensures secure operation of the electricity system with higher levels of non-synchronous generation.

The Day Ahead System Services Auction (DASSA) is a market-based mechanism introduced under the FASS framework to procure reserve and ancillary services required for secure system operation.

In 2025 we published a decision on the volume forecasting methodology and the DASSA top-up mechanism. These decisions ensure there will be a framework which enables the TSOs to procure sufficient reserves to meet the needs of the system. It incentivises units to maintain availability even when not successful in the initial auction through the potential reward in the top-up auction ensuring the TSOs can procure adequate volumes of reserves to maintain security of supply.

OCTOBER 2024

FIRST PROCUREMENT PHASE OF LOW CARBON INERTIA SERVICES

We issued an information paper on the first procurement phase of Low Carbon Inertia Services (LCIS), following its 2023 phased procurement plan targeting 10,000 M.V.A.s (Megavolt-Ampere) of inertia. The first phase successfully contracted 10,963 M.V.A.s, 6,963 M.V.A.s in RoI and 4,000 M.V.A.s in Northern Ireland. This equates to approximately 45% of the system's current inertia floor requirement and represents a substantial achievement in lowering carbon emissions from the electricity system. These contracts are scheduled to go live in 2027, enabling the TSOs to operate the system securely while reducing reliance on thermal generation.

Phase 2 advanced substantially in 2025 with a TSO-led consultation and the SEMC is expected to make a decision on the contractual framework in 2026. This will be followed by a tender process to deliver a substantial portion of the remaining inertia requirement.

We expect LCIS will significantly reduce renewable dispatch down and lower carbon emissions by allowing substantial and earlier decreases in the minimum number of thermal units required.

SEMC ANNUAL REPORT | 2024/2025
SUPPORTING THE DECARBONISATION OF THE ENERGY SYSTEM

MARCH 2025

VOLUME FORECASTING METHODOLOGY

We approved the TSOs Volume Forecasting Methodology for the DASSA, establishing a structured approach for annual, weekly and daily forecasts to ensure secure system operation with increasing non-synchronous generation.

We endorsed the more prudent approach for initial operations, which emphasised the need for improved accuracy over time and rejected proposals to procure additional reserves to meet stricter frequency targets beyond System Operator Guidelines (SOGL) standards.

The decision also limits the use of implicit service bundles to system needs, mandates IT capability for explicit bundles and requires a review of the methodology after 12 months of DASSA operation. This will help refine forecasts and support efficient procurement aligned with energy transition goals.

SEPTEMBER/OCTOBER 2025

TOP-UP MECHANISM

Our decision outlines the introduction of a DASSA Top-Up Mechanism under the FASS framework. This mechanism is called the Residual Availability Determination (RAD), which is designed to ensure the TSOs can incentivise the availability of the System Services of providers who were not successful in the DASSA auction.

It will operate as a separate auction from the DASSA, using similar bidding formats and locational constraints and will apply a price cap at the DASSA clearing price to maintain market integrity. The RAD will remain in place for an initial two-year period, subject to review and possible extension, with a robust monthly reporting framework to monitor usage, volumes and costs. The SEMC emphasises that this will be phased out over time if no longer needed.

DECARBONISING WHILE MAINTAINING GRID STABILITY

The two key approaches the SEM use to handle system inertia without relying on carbon-intensive generation are, System Non-Synchronous Penetration (SNSP) and Low Carbon Inertia Services (LCIS).

SNSP

Traditionally, synchronous generators (thermal units) provide inertia. By raising SNSP limits through advanced grid controls and system services we reduce the need for fossil-fuel units to stay online just for inertia.

LCIS

LCIS provides synthetic or alternative inertia from low-carbon technologies like batteries, flywheels, and advanced wind turbines, that replicate the stabilising effect of synchronous machines without burning fossil fuels. This maintains system stability and frequency control while allowing thermal units to be displaced, reducing carbon emissions.

SYSTEM NON-SYNCHRONOUS PENETRATION

SNSP measures, at any given moment, the percentage of electricity demand supplied by non-synchronous sources, such as wind, solar, hydro, battery storage discharges and HVDC interconnector imports relative to total demand plus exports.

Unlike its maximum limit, the minimum SNSP is not fixed and simply reflects real-time conditions. During periods of low renewable generation and minimal interconnector activity, SNSP can fall close to zero, indicating negligible non-synchronous contribution. Over time, the SEMC has progressively increased its maximum operational SNSP limit through the DS3 Programme, which introduced a series of trials to enhance system stability. The initial limit of 50% was raised to 65% following successful trials in 2015–2016 and later expanded to 75% after further testing and operational confidence (with peaks of 77.13% recorded). 75% remains the current cap. Increasing SNSP allows more renewables on the grid, which directly supports decarbonisation by reducing reliance on fossil fuels.

SCHEDULING AND DISPATCH PROGRAMME

The Scheduling and Dispatch Programme (SDP) objectives are to enhance and improve the technology and capability of scheduling and dispatch on the island of Ireland. This programme is driven by the Clean Energy Package (CEP), and in support of broader goals, including additional renewable generation and SNSP targets.

Over the past year, RAs have worked closely with TSOs to progress delivery of the six SDP initiatives, namely SDP_02 Energy Storage Power Stations (ESPS) and SDP_04 Wind Dispatchability Improvements, both of which went live in November 2025. At the time of writing, SDP_02 has enabled a drastic increase in the utilisation of batteries. TSOs and RAs will continue to monitor the outcomes of delivered initiatives and will progress ongoing initiatives.

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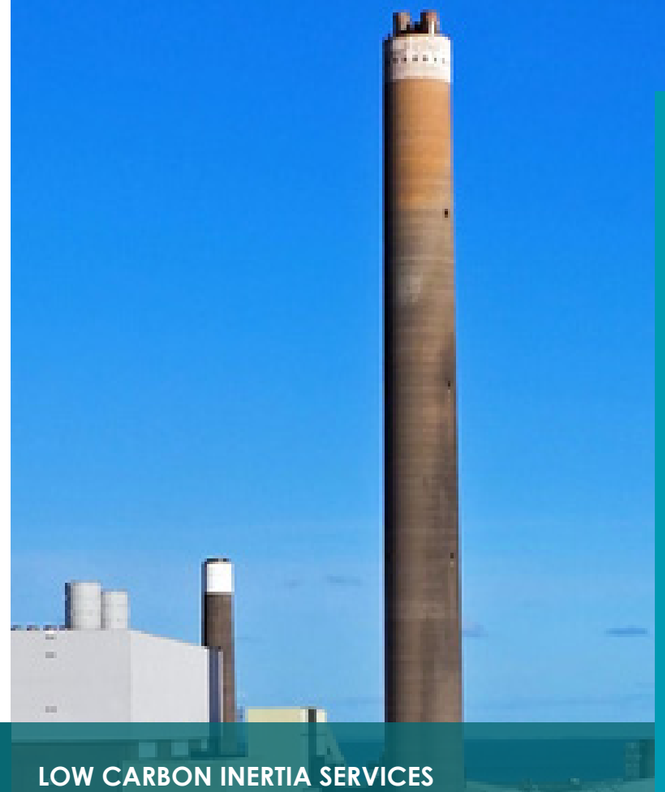
SUPPORTING THE DECARBONISATION OF THE ENERGY SYSTEM



LOW CARBON INERTIA SERVICES

We have enabled LCIS as part of our strategy to maintain system stability while advancing decarbonisation. Our decisions subsequently provided direction to the TSOs to design and implement a procurement framework for zero-carbon inertia solutions, including synchronous condensers and advanced inverter-based technologies. We set clear targets for inertia procurement, approved locational requirements, and established contractual principles to incentivise providers. By overseeing consultation processes, approving phased procurement plans, and embedding performance standards, the SEMC ensures that LCIS reduces reliance on fossil-fuel generators for inertia. This supports higher renewable penetration, and aligns with the SEM's long-term decarbonisation objectives.

PHASE 1

10,963 M.V.A.s
Procured

45%

of the system's current inertia floor requirement

PHASE ONE

Phase one exceeded targets and successfully contracted 10,963 M.V.A.s, which equates to approximately 45% of the system's current inertia floor requirement and represents a substantial achievement in lowering carbon emissions from the electricity system. Six contracts were executed, with four in Ireland and two in Northern Ireland. The contractual target go-live date for all six contracts is set for 2027.

PHASE TWO

We expect to publish a decision paper on Phase 2 in the 2025/2026 reporting period. To date, our focus has been on reviewing the TSOs proposals and ensuring that lessons learned from Phase 1 are fully incorporated into the next stage. Phase 2 targets the procurement of 14,000 M.V.A.s of low-carbon inertia across the island of Ireland, with flexibility to increase up to 18,000 M.V.A.s. This expansion is designed to further reduce reliance on carbon-intensive conventional generation in both jurisdictions, supporting system stability and decarbonisation goals.

SEM FUEL MIX

The all-island Fuel Mix Disclosure (FMD) report sets out how electricity supplied in the SEM is allocated across different fuel sources and the associated CO_2 emissions. It explains that these fuel mix figures are not based solely on physical generation; they are also significantly influenced by suppliers' use of electronic certificates issued for energy generated from renewable sources. In Ireland, these certificates are known as Guarantees of Origin (GOs), while in Northern Ireland they are referred to as Renewable Energy Guarantees of Origin (REGOs).

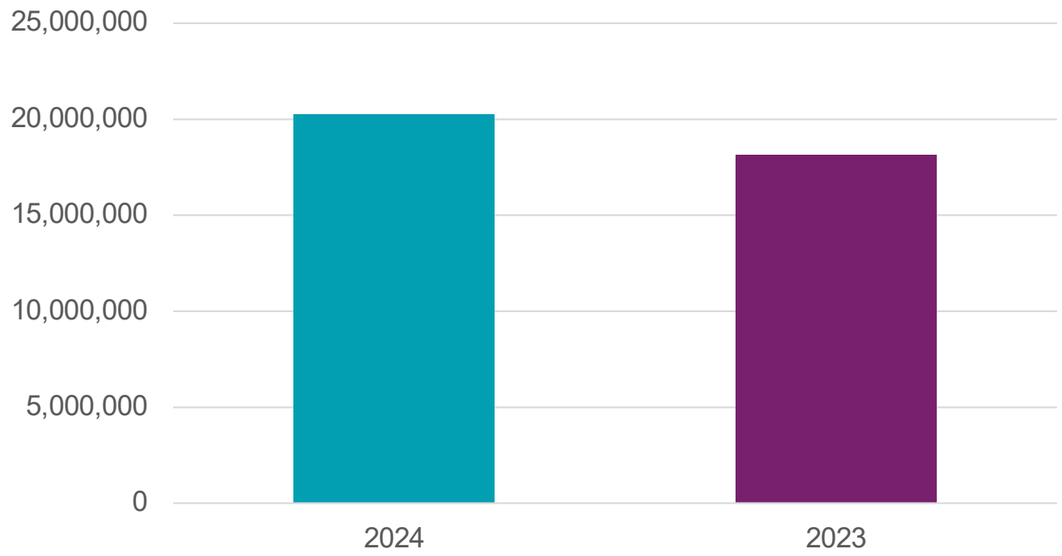
These GOs and REGOs are tradeable and do not need to follow the physical flow of energy. This allows suppliers to purchase the renewable benefit of certain generators and include it in their total fuel mix. GOs are both exported from SEM and imported into SEM, to and from the rest of Europe. The EU no longer recognises UK REGOs.

The 2024 FMD shows a continuing trend toward a more renewable heavy disclosed electricity mix and falling CO_2 intensity, largely influenced by the increasing use of GOs. The SEM's fuel mix was dominated by renewables (62.35%) and gas (34.72%), which together accounted for more than 97% of the disclosed supply. Coal (1.12%), oil (1.32%), and waste (0.49%) made up the remainder. Gas shows a modest increase from 34.13% in 2023 to 34.72% in 2024, and renewables have risen from 61.01% in 2023 to 62.35% in 2024. A large proportion of the renewables were made up of imports claimed from outside of the SEM. In total, 20,259,452 GO certificates were imported into the SEM in 2024, an 11.7% increase from the previous year.

The average all-island CO_2 emissions factor fell sharply from 223 g/kWh in 2023 to 163 g/kWh in 2024, a 26.9% reduction. This decline was driven by reduced fossil generation (notably coal and peat) and the strong weighting of renewable attributes through GOs. Peat generation fell to zero in 2024.

Some suppliers disclose 100% renewable supply due to their purchase of GOs/REGOs, resulting in reported emissions of 0 g/kWh. Suppliers that did not submit fuel mix declarations for this report were assigned the Residual Mix, which carried an emissions factor of 341 g/kWh, down from 461 g/kWh in 2023.

GO CERTIFICATES IMPORTED INTO THE SEM



SEMC ANNUAL REPORT | 2024/2025
SUPPORTING THE DECARBONISATION OF THE ENERGY SYSTEM

DISPATCH DOWN NORTHERN IRELAND

UR continues to be an active member of the Dispatch Down Working Group, consisting of the Department for the Economy (DfE), SONI and the UR. SONI delivered their Dispatch Down Draft Action Plan in December 2024. This includes several initiatives to reduce dispatch down levels in Northern Ireland. If dispatch down is reduced, more renewables will be able to be facilitated on the grid, thereby reducing compensation and consumer costs whilst contributing to Northern Ireland's target of 80% renewable electricity consumption by 2030. Reduced dispatch down levels will also provide more positive signals to developers that may be seeking to invest in Northern Ireland.

For calendar year 2024 Northern Ireland wind dispatch down was 29.6%. Dispatch down in 2025 is lower year-on-year, however levels remain high (22.4% dispatch down for NI wind from January to October 2025 inclusive). In line with UR's Corporate Strategy, UR will continue to support the Just Transition to Net Zero. Decarbonisation presents numerous challenges, including the need to facilitate the right mix of technologies to meet business and household demand as older forms of generation are replaced by new technologies.

DISPATCH DOWN IRELAND

In June 2025 EirGrid established a Wind and Solar Dispatch Down Working Group. The Group comprised TSO and industry members and is expected to finalise their recommendations in Q1 2026.

REGULATING THE MARKET EFFECTIVELY

As the regulator of the SEM we want our regulation to be effective. While we place expectations on market participants, we understand the need to also set a good example in how we carry out our work. During 2024/2025 we improved our governance arrangements and embarked on the journey to develop a new SEMC strategy. Accountability for what we do is important to us and that is why an increasing emphasis on stakeholder engagement and performance reporting is key to how we work both now and into the future.

THE DECISION-MAKING BODY FOR THE SEM

The SEMC is the regulator and decision maker for the SEM. We are a unique cross-border body comprising representatives from CRU, UR and an independent and deputy independent member.

We held 12 scheduled meetings during 2024/2025. The minutes of these meetings are published on our website, semcommittee.com.

Our decision-making focus means that we are committed to transparency around how we do our business. Our draft decisions and proposals are publicly consulted on, and the subsequent decisions, are all published on our website.

We are supported by the SEM Oversight Committee (SEMOC), comprising CRU and UR directors and staff, which is authorised to make and implement decisions delegated by the SEMC.

SEMC ANNUAL REPORT | 2024/2025
REGULATING THE MARKET EFFECTIVELY

SEMC STRATEGY DEVELOPMENT

We operate in a dynamic strategic environment largely associated with the energy transition to a low-carbon future. Being mindful of this environment we decided to begin the process for developing a new strategy and external advisors were commissioned to assist. At a workshop in August 2025, we discussed and agreed the next steps in developing our strategy, with an initial focus on engaging both external and internal stakeholders. Engagement events were held in October 2025.

It is currently anticipated our new strategy will be published, following further external consultation, in the first part of 2026.

ENHANCING OUR GOVERNANCE

During 2024/2025 we enhanced our governance with the aim of being a well-run regulator of the SEM.

To give greater emphasis to strategic risk management we established a risk sub-committee (comprising SEMC members and executives) to increase our risk management focus.

The risk management sub-committee will oversee the risk management framework for SEMC and the development of a strategic risk register, alongside the existing operational register.

SEMC PERFORMANCE

We publish a Forward Work Programme (FWP) each year. For the 2024/2025 year, 85% of our work projects were either completed or progressing on schedule..

Below are some of our reporting-year statistics;

12
Scheduled meetings (meeting 209 to 220)

26
Published decisions

131
Publications

ALL-ISLAND PROGRAMME

In 2024 we established an All-Island Programme (AIP) sub-committee comprising the CRU Chair and UR Chief Executive. During 2024/2025 we established a Project Management Office to oversee the delivery of the AIP programmes. Representatives of the TSOs also attended SEMC meetings on three occasions to provide an update on the delivery of the AIPs.

The currently designated AIPs are, the Future Arrangements for System Services Scheduling and Dispatch and Strategic Markets Programmes.

This year we commenced the process of developing a SEM Markets Multi-Year Plan, which will set a roadmap for collaborative delivery across the island over the coming years.

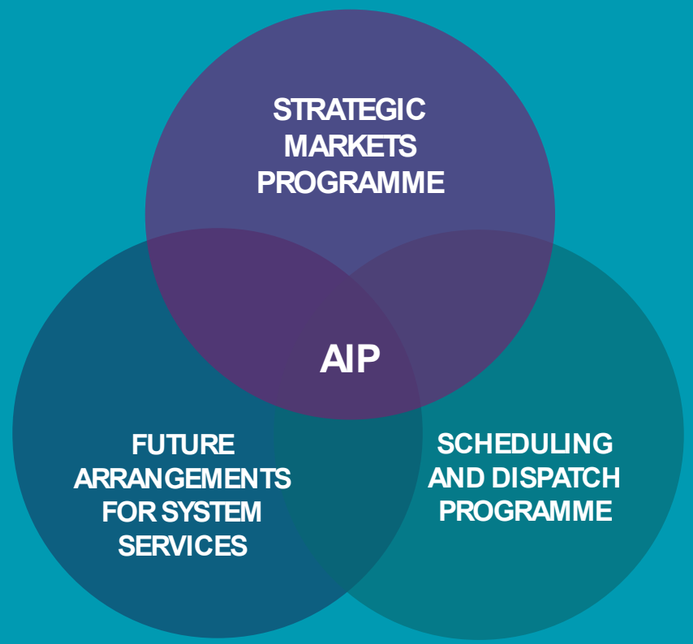
On 11 April 2025, the SEM Committee, RAs, EirGrid, and SONI hosted an Industry Forum in Dundalk to discuss initial proposals for a SEM Multi-Year Markets Plan. The event aimed to gather feedback on what the plan should include, prioritisation and industry preparedness. Key themes from participants emphasised the need for a holistic, long-term plan with clear objectives, timelines and interdependencies, supported by strong coordination across stakeholders and a structured change management programme, similar to I-SEM.

We were encouraged that participants showed significant interest in the proposed plan. While participants were not currently prepared for the scale of change required in the market in the coming years, the opportunity to meet these challenges through further engagement was emphasised.

We also heard from participants on the importance of realistic timelines, prioritisation criteria, and transparency on costs and deliverables. The forum concluded that ongoing engagement and workshops will be essential.

Since April, work has been ongoing with EirGrid and SONI to determine the governance for any future plan and the projects to be included. The RAs have also been scoping how any future plan would interact with the forthcoming SEMC strategy. Further engagement with market participants is expected in 2026.

THE ALL-ISLAND PROGRAMME WORKSTREAMS



SEMC ANNUAL REPORT | 2024/2025
REGULATING THE MARKET EFFECTIVELY

AIP GOVERNANCE STRUCTURE

The AIP governance arrangements are designed to ensure clear accountability and coordination across stakeholders in the delivery of the AIPs. At the top level, the SEM Committee, supported by the AIP sub-committee, provides all-island governance and decision-making on policy and Phase 1 cost recovery.

Delivery oversight flows through the Joint Programme Board (JPB), comprising RA Markets Directors and senior representatives from EirGrid and SONI. Operational management is handled by the Programme Manager Group (PMG), which includes RA Managers and TSO Managers, while execution is carried out by Project Teams from RA and TSO teams.

An all-island Programme Management Office (PMO) acts as a central coordination hub for RAs, ensuring alignment and transparency. This structure supports a collaborative, well-governed approach to implementing long-term market changes.

The governance arrangements are available to view on the SEM Committee website. These will be reviewed in early 2026 as required by the arrangements.

10
programme managers group meetings

8
joint programme board meetings

THE SEM COMMITTEE

SEMC ANNUAL REPORT | 2024/2025
THE SEM COMMITTEE

Jon Carlton

UR Member

Fergal Mulligan

CRU Member

Dr. Chris Harris

Deputy Independent Member

Rosamund Blomfield-Smith

UR Member & Chair 2025/2026

Jim Gannon

CRU Member

Jonathan Hodgkin

Independent Member

John French

UR Member

Dr. Tanya Harrington

CRU Member & Chair 2024/2025

SEM COMMITTEE MEMBERS

WORK PROGRAMME REPORT

OCTOBER 2024 - SEPTEMBER 2025

ALL-ISLAND GOVERNANCE

SEMC ANNUAL REPORT | 2024/2025
WORK PROGRAMME REPORT

		PROJECT OVERVIEW	TIMESCALE	OUTCOME AT END OF 2024/25
STRATEGIC MARKETS PROGRAMME (SMP)	1 **Reintegration of SEM into the Internal Energy Market**	Reintegration work package under SMP covering transmission rights, ex ante coupling and cross border balancing arrangements once the SEM is physically connected with continental Europe via the Celtic interconnector.	Multi-year work with an anticipated delivery in Spring 2028.	RAs engaging with TSOs on project scope and delivery approach. Work will continue on the project through 2026 and 2027.
	2 **Balancing Market Reform**	Balancing market enhancements under SMP covering enduring scheduling, dispatch and settlement treatments for storage, nonpriority dispatch renewables and demand side units, introduction of treatments for dispatchable demand and delivery of a full market model for low carbon sources of inertia, and EGBL compliance assessment and capacity calculation integration to Core Capacity Calculation Region (CCR).	Multi-year project.	RAs engaging with TSOs on project scope and delivery approach. Work will continue on the project through 2026 and 2027.
	3 **SEM-GB arrangements**	Assessment of Physical Transmission Rights (PTRs) and Financial Transmission Rights (FTRs) in line with the Post-Brexit Trading Arrangements set out in the SMP. Ongoing engagement with TSOs to support the EC-UK Specialised Committee's request for the development of a prototype calculator for Multi-Regional Loose Volume Coupling (MRLVC).	Timeframe for delivery will be kept under review depending on progress under the Common Understanding.	RAs engaging with TSOs on project scope and delivery approach. Work will continue on the project through 2026 and 2027.
MULTI YEAR PLAN	4 **Long Duration Energy Storage Incentivisation**	Project to develop appropriate commercial incentives to prompt investment in Long Duration Energy Storage.	Modelling analysis report to be produced by 25 July 2026.	On track, with the project continuing in 2026.
	5 **EU Market Design Reform Assessment**	Project to assess the implications of new EU regulation on improving the Union's electricity market design (2024/1747).	Timeframe for delivery will be kept under review as necessary.	Delayed.
	6 **All Island Programme (AIP) Governance and Project Management Office**	Maintain the current AIP arrangements, including delivery programme plans and ongoing engagement, and undertake a project to review the effectiveness of these arrangements as set out in the programme document.	Review of effectiveness of arrangements commenced in Q1 2026.	On track. Review delayed until Q1 2026.
	7 **Carbon Border Adjustment Mechanism (CBAM)**	Review consequences of implementation of CBAM to electricity imports from GB.	EU CBAM commences 1st January 2026.	No material update following Common Understanding from May 2025 regarding the linking of UK and EU Emissions Trading Systems.

ALL-ISLAND GOVERNANCE

SEMC ANNUAL REPORT | 2024/2025
WORK PROGRAMME REPORT

			PROJECT OVERVIEW	TIMESCALE	OUTCOME AT END OF 2024/25
SCHEDULING DISPATCH	8	**Clean Energy Package - decision on priority dispatch**	A consultation and decision will be undertaken as part of a wider review of the priority dispatch hierarchy. This work will align with the requirements of the EU Clean Energy Package.		Delayed - work on this has paused until the Scheduling and Dispatch project has progressed further.
	9	**Scheduling and Dispatch Programme**	The programme will continue to progress in collaboration with the TSOs to update and improve how electricity is scheduled and dispatched across the SEM.	SDP_02 ESPS and SDP_04 WDI was implemented in November 2025. Delivery is targeted for 2026.	RAs and TSOs are working together to deliver the remaining SDP initiatives, namely SDP_01 NPDR and SDP_06 Synchronous Condensers.
FUTURE OF SYSTEM SERVICES (FASS)	10	**Progression of the Future Arrangements System Services (FASS Project)**	The FASS project aims to design and implement a competitive framework for procuring System Services that will enable the secure and efficient operation of the electricity system as levels of non-synchronous renewable generation continue to grow.	Multi-year project with an anticipated delivery in May 2027.	On track, with the project continuing into 2026. Decision published on Volume Forecasting Methodology, and System Services Charge.
	11	**TSO operational changes to develop markets to integrate low carbon sources**	Low-Carbon Inertia Services Phase II will include a detailed review of the TSOs' proposals, ensuring that insights and lessons from Phase I are fully embedded into the next stage of development. Phase II will oversee the procurement of 14,000 MVA-s of low-carbon inertia, with the flexibility to scale up to 18,000 MVA-s across the island of Ireland.	Multi-year project. Phase 1 contracts are scheduled to go live in 2027. Phase 2 go-live dates are dependent upon awarded contracts. Contracts targeted to be awarded in Q3 2026.	On track, with the project continuing into 2026.

SEM OPERATIONS

SEMC ANNUAL REPORT | 2024/2025
WORK PROGRAMME REPORT

			PROJECT OVERVIEW	TIMESCALE	OUTCOME AT END OF 2024/25
TARIFFS	12	**Annual All-island tariff reviews**	This project will deliver the annual review of all-island tariffs for the 2024/25 tariff year, covering Generator Transmission Use of System (GTUoS) charges, Other System Charges (OSC), Transmission Loss Adjustment Factors (TLAFs), capacity charges, as well as SEMO and SEMOpx tariffs.	Completed on a yearly basis. May to November 2026.	Project completed.
	13	**Imperfections Tariff**	Conduct annual Imperfections Charges review that allow the TSOs to recover the forecast costs of managing network constraints and maintaining system security during the energy transition.	Completed on a yearly basis. Decision published in September 2025.	Project completed.
MARKET AUDITS	14	**Trading and Settlement Code market audit 2024**	Conduct the annual Trading and Settlement Code audit.	Completed on a yearly basis. Decision published in November 2024.	Project completed.
	15	**Trading and settlement code market audit 2025**	Conduct the annual Trading and Settlement Code audit.	Completed on a yearly basis. Decision published in September 2025.	Project completed.
	16	**Scheduling and dispatch audit 2024**	Oversee the annual Scheduling and Dispatch Audit required under the TSO licences for EirGrid plc and SONI Limited.	Completed on a yearly basis. Anticipated delivery in early 2026.	Project will be completed in early 2026.

SEM OPERATIONS

SEMC ANNUAL REPORT | 2024/2025
WORK PROGRAMME REPORT

	PROJECT OVERVIEW	TIMESCALE	OUTCOME AT END OF 2024/25
17 Directed Contracts (DCs) Modelling	The project will involve completing quarterly DCs modelling for Rounds 29, 30, 31, and 32 ensuring that each round is fully analysed, tested, and prepared in line with the SEMCs directed contract framework.	Completed annually on a quarterly schedule.	Project completed. Rounds 29, 30, 31, and 32 were completed, with publications released in November 2025, March 2025, June 2025, and September 2025 respectively.
18 SEMO Price Control	SEMO Price Control decision sets out the revenue requirements of SEMO from 1 October 2024 to 30 September 2029 which includes SEMO's operating costs, capital expenditure, KPIs and financeability. This is the third price control period since Go-Live of the revised SEM arrangements in 2018.	Completed by Summer 2025.	Project completed. Final determination published July 2025.
19 Balancing Market Trading and Settlement Code (TSC) modifications	This project supports the ongoing development and governance of the TSC, ensuring the code remains effective, transparent, and aligned with the evolving needs of the SEM. The RAs as part of the TSC Modifications Committee leads this work by overseeing and progressing updates to the code.	Ongoing - continual delivery.	Ongoing.
20 Fuel Mix disclosure	Publish Annual Fuel Mix disclosure decision and publish consultation and decision on Fuel Mix disclosure methodology amendments. Publish the Annual Fuel Mix Disclosure decision, along with a consultation and subsequent decision on proposed amendments to the Fuel Mix Disclosure methodology.	Completed on a yearly basis.	Report published in November 2025 Work on revisions to framework now planned in 2026.
21 Generator Financial Performance (GFP)	This project involves the production of the GFP Report, which provides aggregated analysis of generator profitability in the SEM, including detailed insights by fuel type.	Report expected to be published early 2026.	On track.

CAPACITY REMUNERATION MECHANISM (CRM)

SEMC ANNUAL REPORT | 2024/2025
WORK PROGRAMME REPORT

		PROJECT OVERVIEW	TIMESCALE	OUTCOME AT END OF 2024/25
CRM OPERATIONS	22 **T-4 2028/29 capacity auction**	Oversee the T-4 2028/29 capacity auction by setting key auction parameters, reviewing qualification decisions, monitoring compliance, assessing system operator analysis, approving auction documentation, addressing disputes, and confirming final auction results.	Auction scheduled to be held December 2024.	Project complete. Auction held on 17 December 2024; results published on 16 January 2025.
	23 **T-4 2028/29 capacity auction**	Oversee the T-1 2025/26 capacity auction by setting key auction parameters, reviewing qualification decisions, monitoring compliance, assessing system operator analysis, approving auction documentation, addressing disputes, and confirming final auction results.	Auction scheduled to be held May 2025.	Project complete. Auction held on 22 May 2025; results published on 1 July 2025.
	24 **T-4 2029/30 capacity auction**	Oversee the T-4 2029/30 capacity auction by setting key auction parameters, reviewing qualification decisions, monitoring compliance, assessing system operator analysis, approving auction documentation, addressing disputes, and confirming final auction results.	Auction scheduled for 26 March 2026.	On track.
	25 **Monitor and respond to capacity delivery**	Oversee the Capacity Market Code (CMC) modifications process, the formal mechanism for updating the legal rules governing the CRM, contributing to the assessment of proposed modifications and support the SEMC in making final decisions.	Ongoing - continual delivery.	On track. We received significantly more CMC modifications in 2025 than previous years.
CRM DEVELOPMENT	26 **Assess the CRM to ensure compliance with Climate Environment and Energy Aid Guidelines (CEEAG)**	Assess measures to reduce carbon emissions within the current CRM framework. In the context of evolving EU policy, particularly the CEEAG, and tightening climate targets in Ireland, Northern Ireland, and the EU. Exploring potential decarbonisation options and develop recommendations for proposals that align the CRM with emerging climate and energy objectives.	Work ongoing throughout the year.	Consultation paper published on 19 December 2025. Consultation closing on 6 March 2026.
	27 **Development of policy regarding cross border participation in the CRM**	This project focuses on developing the high-level principles needed to enable explicit cross-border participation in the SEM CRM once the Celtic Interconnector goes live in 2028, as required under EU Regulation 2019/943.	Multi-year project with an anticipated delivery in 2028.	Consultation paper published on 9 December 2025. Consultation closing on 27 February 2026.
STATE AID	28 **Commence Preparation for next State aid application**	This project will involve a comprehensive review and plan for the next State aid application, including an assessment of the current CRM, legislative alignment, international best practice, interaction with other functionalities such as flexibility incentives and long-term strategic design.	Project planning commenced in 2025 on next State aid application. Project update to be published shortly.	On track.

ADDITIONAL WORKSTREAMS

SEMC ANNUAL REPORT | 2024/2025
WORK PROGRAMME REPORT

			PROJECT OVERVIEW	TIMESCALE	OUTCOME AT END OF 2024/25
MARKET INCENTIVISATION	29	**Demand Side Units (DSU) Energy Payments**	Review of energy payments for DSUs. The proposed Revised Phase 1 solution aims to provide energy payments to DSUs.	March 2026, with potentially further consultation and decision to follow	Aiming to publish Revised Phase 1 decision paper in March 2026.
	30	**Decision on Administered Scarcity Pricing**	Publish decision and progress work on any Trading and Settlement/ Capacity Market Code modifications as required.	Decision to be published in Q2 2025, with work on Trading and Settlement Code modification to follow.	Decision paper published in June 2025. TSC modification to be raised at April 2026 workshop.
GCS AND NRAA	31	**Review and approval of annual All-Island Resource Adequacy Assessment (AIRAA)**	Oversee the annual AIRAA, the successor to the Generation Capacity Statement and now the primary assessment of system adequacy produced by the TSOs. Review and provide feedback on the AIRAA's methodology, assumptions, outputs, and adequacy findings.	Completed on a yearly basis.	Project completed.
	32	**Work towards National Resource Adequacy Assessment (NRAA) 2025, to include Economic Visability Assessment (EVA)**	This project will deliver the first NRAA that incorporates lessons learned to inform the 2025 NRAA, while also incorporating the EVA to ensure full compliance with the European Resource Adequacy Assessment (ERAA) framework.	Work on NRAA 2025 was ongoing throughout 2025.	Under RA review at this time with publication expected in February 2026.
DISPATCH DOWN	33	**Dispatch Down**	Working with the TSOs to improve the operation of power system to facilitate increased levels of renewable generation and minimise dispatch down levels. The scope also includes concluding the consultation on Article 13(4) reporting.		Engagement continues with TSOs on this topic.
MMU	34	**Review of ex-ante market outcomes and price formation evolution in the SEM**	Conduct an analysis of ex-ante market outcomes with a focus on trends in market participant bidding behaviour and changes in supply and demand dynamics.	Delivery in July 2025.	Project complete.

GLOSSARY

AIP	All-island Programme
AIRAA	All-island Resource Adequacy Assessment
c/therm	Cents (Euro)/Therm
Capex	Capital Expenditure
CBAM	Carbon Border Adjustment Mechanism
CEEAG	Climate, Environment and Energy Aid Guidelines
CEP	Clean Energy Package
CMC	Capacity Market Code
CRM	Capacity Remuneration Mechanism
CRU	Commission for the Regulation of Utilities
DAM	Day Ahead Market
DASSA	Day Ahead System Services Auction
DCs	Directed Contracts
DSU	Demand Side Units
DS3	Delivering a Secure, Sustainable Power System
EU ETS	European Union Emissions Trading System
EVA	Economic Viability Assessment
EWIC	East-West Interconnector
FASS	Future Arrangement for System Services
FMD	Fuel Mix Disclosure

FTR	Financial Transmission Rights
GB	Great Britain
GCS	Generation Capacity Statement
GFP	Generation Financial Performance
GO	Guarantee of Origin
HVDC	High-voltage Direct Current
ICIRT	Intermediate Contract Investment Rate Threshold
IDA1/2/3	Intraday Auction 1/2/3
IDC	Intraday Continuous
ILCs	Intermediate Length Contracts
KPI	Key Performance Indicator
kWh	Kilowatt Hour
LCIS	Low Carbon Inertia Services
M.V.A.s	Megavolt-ampere
MMU	Market Monitoring Unit
MRLVC	Multi-Regional Loose Volume Coupling
MW	Megawatt
MWd	Megawatt-derated
MWh	Megawatt Hour
NC DR	Network Code on Demand Response
NRAA	National Resource Adequacy Assessment
Opex	Operating Expenditure
OSCs	Other System Charges
PMO	Programme Management Office
PMG	Programme Manager Group
PTR	Physical Transmission Rights
PLEXOS	Market modelling software (treated as an acronym)
RAD	Residual Availability Determination
RA	Regulatory Authority
REGO	Renewable Energy Guarantee of Origin
RO	Reliability Option
SDP	Scheduling and Dispatch Programme

GLOSSARY

SEM	Single Electricity Market
SEMC	Single Electricity Market Committee
SEMO	Single Electricity Market Operator
SEMOC	Single Electricity Market Oversight Committee
SEMOpx	Single Electricity Market Operator Power Exchange
SMP	Strategic Markets Programme
SNSP	System Non-synchronous Penetraion
SOGL	System Operator Guidelines
SONI	System Operator Northern Ireland
SSG	Senior Staff Group
TLAFs	Transmission Loss Adjustment Factors
TSC	Trading and Settlement Code
TSO	Transmission System Operators (Eirgrid and SONI)
UR	Utility Regulator
USPC	Unit Specific Price Cap
VOMs	Variable Operation and Maintenance Costs

SEM committee