

**Single Electricity Market  
(SEM)**

**SEM-26-33**

**SEM NEMO Regulation under Multi-NEMO  
Arrangements**

**Consultation Paper**

**26 June 2026**

## EXECUTIVE SUMMARY

SEMOpX, a contractual joint venture between SONI and EirGrid, operates the Single Electricity Market's (SEM) Day-Ahead Market and Intraday Auctions. As the designated Nominated Electricity Market Operator (NEMO) for Ireland and Northern Ireland since 2015, SEMOpX fulfils a range of EU mandated market coupling and operational responsibilities under EU Regulation 2015/1222 on capacity allocation and congestion management (the CACM Regulation) and services provided on the SEM-GB border under the EU-UK Trade and Cooperation Agreement (TCA).

Although EU rules require jurisdictions to facilitate competition among NEMOs unless a national legal monopoly exists, SEMOpX has functioned as a de-facto monopoly since the launch of the Integrated Single Electricity Market (I-SEM) in 2018. Its operations and cost recovery mechanisms have therefore been regulated by the SEM Committee. Over successive price control periods, from the initial 2019–2022 framework to the streamlined annual regulatory revenue model introduced in 2024, SEMOpX has been permitted to recover efficient operating and capital costs through regulated tariffs. The current revenue allowance (October 2025–September 2026) continues under this framework, which also provides for a notice period should regulated price controls cease due to competitive entry.

While the SEM is theoretically open to multiple NEMOs, it has remained a single-NEMO market to date. However, EU “passporting” and ongoing TSO and MO work to enable Multi-NEMO Arrangements, starting with the SEM–France border, are enabling the establishment of competition. Nord Pool, already a designated NEMO in several Member States, has indicated its intent to enter the SEM.

With competitive NEMO activity anticipated to begin in early 2027, the SEM Committee is consulting on the future regulatory treatment of NEMOs in the SEM and SEMOpX as the incumbent SEM NEMO. Key issues include the future of regulated revenue entitlements and how charging arrangements should evolve in a competitive market for day-ahead and intraday trading services. The SEM Committee invites stakeholders to provide views on the matters and issues raised in this consultation paper.

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## Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
CACM	Capacity Allocation and Congestion Management
CJV	Contractual Joint Venture
DAM	Day-Ahead Market
GB	Great Britain
IDA	Intraday Market
I-SEM	Integrated Single Electricity Market
MO	Market Operator
NEMO	Nominated Electricity Market Operator
NRA	National Regulatory Authority
SEM	Single Electricity Market
SEMOpX	Single Electricity Market Operator power exchange
SONI	System Operator Northern Ireland
TCA	Trade and Cooperation Agreement
TSO	Transmission System Operator

## 1. Introduction

### 1.1 Background

Under EU Regulation 2015/1222 on Capacity Allocation and Congestion Management ('the CACM Regulation'), Nominated Electricity Market Operators (NEMOs) are designated to perform tasks related to single day-ahead or single intraday market coupling.

In 2015, the Single Electricity Market (SEM) Committee ('the SEMC') consulted on the allocation of roles and responsibilities for the Integrated Single Electricity Market (I-SEM) project, including the designation of NEMOs for Ireland and Northern Ireland ([SEM-15-016](#)). As part of a designation process in 2015 the SEMC invited applications from parties who were interested in providing NEMO services ([SEM-15-033n](#)). In 2015, SONI Ltd applied and was designated<sup>1</sup> as a NEMO in Northern Ireland and EirGrid plc applied and was designated<sup>2</sup> as a NEMO in Ireland, for the period 03 October 2015 to 02 October 2019.

SONI Ltd and EirGrid plc, under the Contractual Joint Venture (CJV) SEMOpx, operate the SEM Day-Ahead Market (DAM), Intraday Continuous Market and Intraday Auctions (IDAs) and provide market operation services including market coupling, order book management, market results publication, settlement interfaces, and participant support.

On the 30 August 2016 the RAs published an Information Paper on The Regulatory Framework for NEMOs operating in I-SEM ([SEM-16-053](#)). The purpose of the paper was to outline the framework for NEMO regulation in Ireland and Northern Ireland with respect to the designated NEMO EirGrid plc in Ireland and SONI Ltd in Northern Ireland and for any additional NEMO which might seek to operate in SEM.

In early 2019 the SEM Committee consulted on and issued a final decision on the Framework for NEMO Regulation from October 2019 ([SEM-19-019](#)). In parallel with this process in March 2019, CRU and UR issued a public request for applications for NEMO designation for the period from October 2019. EirGrid plc applied for

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<sup>1</sup> UR Decision on NEMO Designation for Northern Ireland (2015) ([here](#)) & Designation Order (2015) ([here](#))

<sup>2</sup> CRU Decision on NEMO Designation for Ireland (2015) ([here](#)) & Designation Order (2015) ([here](#))

designation in Ireland and SONI Ltd for designation in Northern Ireland to jointly deliver NEMO services for the SEM, through SEMOpx, continuing the existing joint venture arrangements.

In July 2019 the CRU and UR published their respective decisions to re-designate EirGrid plc<sup>3</sup> and SONI Ltd<sup>4</sup> as NEMOs for the period from 3 October 2019 to 3 October 2022 under Article 4 of the CACM Guidelines.

In January 2022 EirGrid plc and SONI Ltd respectively applied for designation as a NEMO in Ireland and Northern Ireland respectively from 03 October 2022. On 30 September 2022 the CRU and UR published their respective decisions to re-designate EirGrid plc<sup>5</sup> and SONI Ltd<sup>6</sup> as NEMOs for the period from 3 October 2022 on an enduring basis, under Article 4 of the CACM Guidelines.

In October 2022, the SEM Committee published a decision paper on the Framework for NEMO Regulation ([SEM-22-070](#)). That decision reaffirmed the designation of SEMOpx while recognising that the SEM NEMO framework would need to evolve as wider European NEMO competition progressed. Under the EU legal framework for NEMO competition, all jurisdictions participating in day-ahead and intraday market coupling are required to facilitate competitive entry by other NEMOs, unless a national legal monopoly for day ahead and intraday trading services exists in the jurisdiction.

While a national legal monopoly does not exist in Ireland or Northern Ireland, SEMOpx has operated as a de-facto monopoly business in the SEM since go-live of the I-SEM arrangements in 2018. In that context, the RAs determined that the NEMO activities would be regulated and placed specific NEMO licence conditions on both the EirGrid plc and SONI Ltd Market Operator licences issued by the CRU and UR respectively.

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<sup>3</sup> CRU Decision on NEMO Designation for Ireland (2019) ([CRU19805a](#)) & Designation Order (2019) ([CRU19805b](#))

<sup>4</sup> UR Decision on NEMO Designation for Northern Ireland (2019) ([here](#)) & Designation Order (2019) ([here](#))

<sup>5</sup> CRU Designation Order for Ireland (2022) ([CRU2022969a](#))

<sup>6</sup> UR Designation Order for Northern Ireland (2022) ([here](#)) for Northern Ireland

## 1.2 NEMO Regulation in the SEM

At present, SEMOpx is regulated in the SEM through the EirGrid and SONI Market Operator licences. There is no separate NEMO licence in either jurisdiction.

There is a specific condition relating to the licensee's role as a NEMO (the NEMO Condition) (numbered Condition 3A in the EirGrid licence and Condition 15A in the SONI licence) which requires that, at all times during which the relevant NEMO designation is in effect, the licensee must fulfil its obligations as a NEMO in accordance with the CACM Regulation (the NEMO Compliance Duty).

The NEMO Condition also provides for the development, jointly by EirGrid plc and SONI Ltd, of a set of Exchange Rules governing the operation of SEMOpx and the terms of participation in the market. These Exchange Rules are subject to approval by the RAs and may be amended or revised at their direction (the Approved Rules Duty).

In addition, the NEMO Condition requires that the charges levied by SEMOpx in respect of its NEMO activities are set out in a NEMO Statement of Charges, which must be approved by the RAs. SEMOpx is required to ensure that its charges comply with this approved statement (the Approved Charges Duty). Where the RAs determine that there is sufficient competition in the provision of NEMO services in the SEM, they may issue a direction removing the requirement for prior approval of such charges.

Cost recovery has historically been underpinned through regulated tariffs charged to market participants. This approach has ensured stability and predictability in the provision of NEMO services during the period of single-NEMO operation in the SEM.

The first SEMOpx price control period (under [SEM-17-096](#)) covered the initial period of designation, from the envisaged I-SEM Go-Live on 23 May 2018 until October 2019. The RAs' second price control decision (under [SEM-20-007](#)) covered a three-year period from 3 October 2019 to 2 October 2022. This price control was subsequently carried forward for a further two years, with allowed revenue calculated using annual adjustments for inflation and incremental costs.

In 2024 the SEM Committee published a decision on a streamlined annual Regulatory Revenue Recovery Framework for SEMOpx ([SEM-24-043](#)) which applies from 2024/2025 (the 'revised framework'). The most recent allowed revenue under this framework covers the period October 2025 – September 2026. An Information Paper

detailing this allowed revenue was published by the RAs in August 2025 ([SEM-25-042](#)). The revised framework allows recovery of efficiently incurred costs. Under this, if price regulation should cease, SEMOpx must observe a “notice period” during which time the framework continues to apply even if competition emerges.

### 1.3 Introduction of Competition into the SEM

As mentioned above, all jurisdictions participating in the EU's coupled electricity markets must allow for competitive entry from other NEMOs, provided no legal monopoly for these services exists nationally. The 'passporting' provisions of the CACM Regulation permit a NEMO designated in one Member State to expand into others via a simple notification process to the NRAs. The TSOs and MO, through the Strategic Markets Programme, are progressing changes to enable Multi-NEMO Arrangements to operate for the SEM–France border. Future developments may also facilitate Multi-NEMO Arrangements in the SEM-GB auctions.

Nord Pool, a NEMO designated in other European Member States,<sup>7</sup> has notified the UR and CRU of its intentions to begin offering day-ahead and intraday trading services in the SEM. This was approved in 2017 pending the necessary changes being delivered to enable Multiple-NEMO Arrangements (see CRU and UR letters to Nord Pool in 2017 published alongside this paper).

This consultation seeks views on the regulatory treatment of NEMOs in the SEM and SEMOpx as the incumbent SEM NEMO at the point at which NEMO competition begins in the SEM.

### 1.4 Related Documents

- I-SEM Roles and Responsibilities. Consultation Paper. 6 March 2015. [SEM-15-016](#).
- Decision on NEMO Designation for Ireland under Article 4 of the European Commission Regulation on Capacity Allocation and Congestion Management. 2 October 2015. [SEM-15-073](#).

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<sup>7</sup> See [list of currently designated NEMOs](#)

- Information Paper on Regulatory Framework for NEMOs Operating in I-SEM. [SEM-16-053](#)
- SEMOpx Price Control Decision Paper. 21 December 2017 [SEM-17-096](#)
- Framework for NEMO Regulation from October 2019, [SEM-19-019](#).
- SEMOpx Price Control Decision Paper. 11 March 2020. [SEM-20-007](#).
- Regulatory Framework for NEMO From October 2022. 12 October 2022. [SEM-22-070](#).
- SEMOpx Revised Regulatory Revenue Recovery Framework. 10 June 2024. [SEM-24-043](#).
- SEMOpx Revenue Requirement for 2025/26 Information Paper. 8 August 2025. [SEM-25-042](#).

## 2. NEMO Regulation in a Competitive Environment

### 2.1 Overview

The introduction of competition in the provision of NEMO services requires an assessment of the regulation of NEMOs in the SEM and SEMOpx as the incumbent SEM NEMO. As outlined in Section 1, the existing framework for SEMOpx was developed in a context where it operated as the sole provider of NEMO services. This framework includes licence-based obligations relating to service provision, compliance with approved rules, and ex-ante approval of charges and revenue. These arrangements have supported the stable and efficient delivery of market coupling services to date but may not be proportionate or appropriate in a competitive environment.

The transition to a multi-NEMO framework raises several interrelated considerations. A key issue is the extent to which SEMOpx should continue to be subject to regulatory oversight of its activities and pricing. This includes whether ex-ante approval of charges remains necessary, or whether a greater reliance can be placed on market-based pricing supported by transparency and monitoring. Any changes in this regard would need to ensure that outcomes remain consistent with principles of non-discrimination, proportionality, and effective market functioning.

The introduction of competing NEMOs also raises questions regarding the consistent treatment of market participants. Where SEMOpx remains subject to obligations that do not apply to other NEMOs, there is a potential for asymmetry in regulatory treatment. Conversely, removing such obligations without appropriate replacement mechanisms may reduce regulatory visibility in areas where it remains necessary. Consideration is therefore required as to how a level playing field can be maintained while ensuring that all NEMOs operate within an appropriate and consistent framework.

Another important area for consideration is the approach to cost recovery. In a competitive environment, it may be appropriate to distinguish between different categories of costs. Costs associated with market coupling activities under CACM may

be recovered through structured arrangements, potentially involving the TSOs and subject to defined eligibility and allocation rules. In contrast, costs associated with commercial or operational activities may be more appropriately recovered through fees charged to market participants. The interaction between these approaches, and the extent to which regulatory approval of charges remains necessary, will require careful consideration.

For the purposes of this consultation, SEM-NEMO Services refer to the services associated with participation in day-ahead and intraday market coupling processes. SEM-GB Services refer to the services associated with trading of electricity across the SEM–GB border. Consideration will also need to be given to the appropriate regulatory framework for SEMOpx in respect of SEM-GB Services. In particular, where SEMOpx continues to operate as the sole provider of such services, it may be necessary to assess whether alternative arrangements, such as the introduction of competition or the use of competitive procurement processes, would be appropriate to ensure effective market outcomes.

Stakeholders are invited to consider the issues outlined above in the context of both service areas.

## **2.2 Questions for Stakeholders**

The SEM Committee invites views from all stakeholders on the matters and issues raised in this consultation paper. In particular, stakeholders are invited to provide responses to the consultation questions set out below, as well as any other issues they consider relevant.

Specifically, the SEM Committee is seeking views on:

1. What duties, if any, should continue to apply specifically to SEMOpx in a multi-NEMO environment? In your view, should SEMOpx remain subject to a distinct set of licence-based obligations, or should a more common framework apply across all NEMOs such as those included in the CACM Regulation?

2. Is there a continued role for RA approval of SEMOpx's charges in a competitive environment? Under what circumstances, if any, would it be appropriate to retain, modify, or remove the Approved Charges Duty?
3. Any transitional considerations arising from the exit of SEMOpx from the current regulatory framework both for SEM-NEMO and SEM-GB Services.
4. What do you see as the necessary regulatory requirements for all NEMOs active in the SEM. Could there be any additional local regulation, over and above CACM, that would be appropriate for all SEM NEMOs?
5. How should designation or licensing adapt to a multi-NEMO environment to ensure proportionality, market stability, and fair competition?
6. Any further observations or considerations for NEMO regulation and SEM MNA.

### 3 Views Invited and Next Steps

The SEM Committee invites views from stakeholders on all of the discussion and issues raised in this consultation paper, plus any other issues stakeholders may consider relevant. Responses to this consultation paper should be sent to both [kgoslin@cru.ie](mailto:kgoslin@cru.ie) and [niall.robb@uregni.gov.uk](mailto:niall.robb@uregni.gov.uk) by close of business on 07 August 2026.

It would be appreciated if responses are submitted in searchable PDF or Microsoft Word format. Unless marked confidential, responses will be published on the SEM Committee website. Respondents may request that their response is kept confidential, and such request will be respected subject to any legal disclosure requirements. Respondents who wish to have their responses remain confidential should clearly mark their response to that effect and include the reasons for confidentiality. Confidential information should be contained in a separate appendix, if possible, to allow publication of the rest of the response.

The SEM Committee will carefully consider all comments received, with a view to publishing a decision and working with SEMOpx, SEMO, other NEMOs and the TSOs on facilitating a competitive NEMO environment. Some detailed issues may require further consultation.