Network Imperfection Charges

SSE Response:

July 2026

Who we are

At SSE, we are driven by our purpose: to provide the energy needed today while building a better world of energy for tomorrow.

SSE is a FTSE 100 listed energy company with core markets in the UK and Ireland. We develop, own and operate critical generation and network infrastructure, and supply energy to homes and businesses. Our assets and services include onshore and offshore wind, hydropower, flexible thermal generation, electricity transmission and distribution networks, and energy products and services for customers.

Since entering the Irish energy market in 2008, we have invested significantly in our Irish businesses, with a total economic contribution of almost €2bn in the last 2 years alone, supporting over 5,000 jobs in 2024/25.

Our brief response focuses on two key aspects:

- The overall transparency and timing of final tariffs and action plans delivered by the TSOs
- The monies being collected under Article 13 of Regulation (EU) 2019/943

Additional transparency and timing of final decision

SSE welcomes the opportunity to respond to this consultation on Imperfections for 2026/27. At the outset, we note that the total forecast revenue requirement for Imperfections has increased from the level set for 2025/26. The RAs' presentation of a potential annual bill reduction of €4.33 in Ireland and £2.89 in Northern Ireland is highly misleading, as total Imperfections costs are once again rising for consumers. Presenting these costs as a positive misrepresents the extent of Imperfections costs in Ireland.

In the final paper, we request that the RAs are upfront and transparent with end consumers on these costs. Using typical Estimated Annual Bills (EABs) in Ireland based on 4,200 kWh (4.2 MWh), the cost is €77.28 per domestic customer. While Northern Ireland does not use EABs, customers in that jurisdiction would see a similar sterling cost.

Secondly, as industry has repeatedly highlighted, finalised Imperfection charges are a significant cost input for suppliers and must be recovered. Publication in September means suppliers must, in practice, consider Imperfections costs and other SEMC-regulated costs after the October application timeframe.

We welcome NERA's recommendation for additional transparency from the TSOs on how outcomes are calculated, alongside the paper's detail on how SONI and EirGrid are addressing the issue.

While the range of ongoing measures is welcome, a further improvement would be to include a scorecard or RAG status update in the consultation process and final decision. This would allow industry to track progress against the targets and initiatives being implemented by the TSOs, particularly given the close scrutiny of Imperfections as a major cost for customers across the island.

Article 13 of Regulation (EU) 2019/943

We note the provision for potential payments to market participants under Article 13 of Regulation (EU) 2019/943. This includes €98 million for an under-estimation of potential payments for 1 January 2020 to 30 September 2026, plus €43 million in forecast costs attributable to Tariff Year 2026/27.

If approved, this will represent a total of €236 million already collected from end customers.

These revenues are being collected from customers and are intended to fund compensation to affected market participants. However, despite this ongoing collection, there remains no defined or committed mechanism for timely distribution, despite the issue having continued for several years.

While we acknowledge that SEM-22-009 is subject to ongoing legal proceedings, including the Supreme Court challenge in Ireland and the referral to the Court of Justice of the European Union pending since January 2025, this does not alter the fundamental issue: funds are being actively recovered for a clearly defined purpose but are not being disbursed to those owed such monies.

This growing disconnect between revenue collection and compensation delivery is increasingly difficult to justify. The continued accumulation of funds without a credible, time-bound route to payment risks undermining confidence in the regulatory framework and the integrity of market processes.

It is imperative that the TSOs have a robust process to distribute these revenues as soon as the current legal proceedings conclude. We encourage the RAs to ensure that a process is developed, approved and implemented as soon as practicable, with no unnecessary or undue delay.