SEM COMMITTEE STRATEGY

2026 - 2031

Single Electricity Market Committee
The decision-making authority for
The Single Electricity Market on
the island of Ireland.

Foreword

I am pleased to introduce the SEM Committee Strategy for 2026–2031. This is an important moment for the Single Electricity Market Committee (SEMC). Electricity is fundamental to daily life, to local communities, to business and to economic wellbeing. It is also at the heart of the transition to a cleaner energy future. Against that backdrop, our role is to help ensure that the Single Electricity Market (SEM) continues to provide a secure electricity supply, decarbonisation, efficient market outcomes and clear benefits for consumers, while adapting to the scale of change ahead.

The energy landscape in Ireland and Northern Ireland is changing quickly. Decarbonisation, security of supply, affordability, new investment, increasing renewable generation, cross-border coordination and evolving European market arrangements all bring both opportunities and challenges. The SEM has served consumers well as a shared wholesale electricity market. However, if it is to continue to do so, it must evolve in step with the system around it and remain fit for purpose through to 2030 and beyond.

At the centre of this strategy is a simple ambition: to support a secure, competitive and sustainable electricity market that works in the long-term interests of consumers. To deliver that ambition, we have focused on four mutually reinforcing priorities. We will strengthen investment signals and market design so that the market can support the flexibility, infrastructure and innovation needed for a secure low-carbon system. We will continue to protect market integrity and competition, because confidence, fairness and value for consumers depend on them. We will ensure effectiveEU alignment and cross-border coordination, recognising the benefits that come from effective interconnection and efficient trading. Also, we will strengthen governance so that the SEMC has the structures, capacity and ways of working needed to deliver well.

These priorities are shaped by three cross-cutting themes: decarbonisation, security of supply and consumer protection. They are also supported by two important enablers: external communications and policy advice. For me, these themes are not abstract ideas. They reflect the real outcomes that people, businesses and communities need from the electricity market: reliable supply, effective competition, efficient costs and a framework that supports the energy transition in a fair and practical way.

Developing this strategy has been a genuinely collaborative process. Over the last year, we have benefited from constructive engagement with stakeholders across government, industry and consumer interests.

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I would like to thank officials in the Department for Climate, Energy and the Environment in Ireland and the Department for the Economy in Northern Ireland for their thoughtful input and support. Their contribution has helped ensure that the strategy is informed by wider policy considerations while remaining focused on the SEMC's responsibilities.

We were also grateful for the opportunity in June to brief Minister Archibald and Minister O'Brien on the proposed strategic direction. Those discussions reinforced the importance of close working between the SEMC, the regulatory authorities and both governments as we respond to shared challenges across the island. This spirit of cooperation will be essential as we move from strategy into delivery.

This strategy is ambitious, but it is also practical. It recognises that the electricity system is changing quickly and that regulatory decisions must be clear, evidence-based and capable of supporting timely delivery. It also recognises that market change affects consumers, communities and market participants in very real ways. That is why our approach will be guided by transparency, proportionality and accountability, and by a continued commitment to listening carefully to those affected by our decisions.

I would like to thank my SEMC colleagues, and the teams in the Commission for Regulation of Utilities and the Utility Regulator, for the commitment, expertise and good judgement they have brought to this work. I am especially grateful to Jon Carlton for his stewardship of the strategy process and for helping to bring the work together with great clarity and purpose.

Rosamund Blomfield-Smith
SEM Committee Chair

THE SEMC AND THE SINGLE ELECTRICITY MARKET

The role of the SEMC

The SEMC is the independent decision-making authority for the Single Electricity Market. It brings together the two energy regulators on the island of Ireland: the Commission for Regulation of Utilities (CRU) in Ireland and the Utility Regulator (UR) in Northern Ireland. The Committee also includes an independent member and a deputy independent member. This joint governance model reflects the all-island nature of the market and ensures that decisions are taken in a way that recognises the two legal and regulatory jurisdictions within which the SEM operates.

The Committee's core role is to oversee the effective operation and development of the SEM. It sets and maintains the market rules and regulatory frameworks that govern how wholesale electricity is traded, how market participants interact, how competition is monitored, and how key market outcomes are assessed. Its work includes decisions on market design, market monitoring, market power, capacity remuneration, system services, trading arrangements and matters that affect the efficient and secure operation of the market.

In carrying out this role, the SEMC acts in the interests of consumers across the island of Ireland. Its decisions are intended to promote effective competition, support security of electricity supply, encourage efficient investment and help ensure that the market contributes to the wider transition to a low-carbon electricity system. The SEMC also has an important role in providing transparency and confidence in the market through its monitoring, reporting, consultation and engagement activities.

What the SEM is

The SEM is the wholesale electricity market for the island of Ireland, covering both Northern Ireland and Ireland. It provides the framework through which electricity generators and suppliers buy and sell electricity across a single, integrated market. By pooling generation and demand across the island, the SEM is designed to support efficient dispatch, improve competition, strengthen security of supply and help deliver electricity to homes and businesses at fair and efficient prices.

The SEM is distinctive because it operates across two jurisdictions and two currencies, with shared market arrangements supported by coordinated regulation. This makes strong governance essential. Market rules and decisions must be capable of working effectively across both Northern Ireland and Ireland, while recognising wider policy, legal and regulatory developments in each jurisdiction. The SEMC's role is therefore to maintain a coherent wholesale market framework that supports common electricity market outcomes across the island.

The SEM is also central to the energy transition. As more renewable generation connects to the electricity system, the market must continue to send clear investment signals, support flexible and reliable resources, and maintain confidence that prices and outcomes are fair. At the same time, the market must continue to protect consumers and support security of supply. This creates a complex balancing task: the SEM must enable decarbonisation while continuing to deliver reliable and efficient wholesale market outcomes.

The SEMC's strategy is therefore not simply an internal planning document. It is a statement of how the Committee intends to guide the development of the wholesale market in a period of change. It provides a framework for prioritising work, explaining decisions, engaging stakeholders and ensuring that the Committee's activities remain focused on secure, low-carbon and efficient outcomes for consumers.

DEVELOPING THE STRATEGY

The development of this strategy has been informed by analysis of the SEMC's mandate, the performance of the market, the wider policy context and the views of stakeholders.

The draft Strategic Direction published in May 2026 brought together the analysis and engagement with stakeholders undertaken to define a strategy for the wholesale markets on the island of Ireland. It set out the SEMC's proposed direction for the next five years, including a mission and vision, strategic priorities and cross-cutting themes.

Stakeholder engagement has been a key part of the strategy development process. This engagement is important because the SEM depends on the confidence and participation of generators, suppliers, system operators, interconnector owners, consumer representatives, policy makers and other interested parties. During 2025 there were interviews, surveys and workshops undertaken on SEMC's behalf by Afry (a global advisory company that operates in the infrastructure, industry, and energy sectors). The feedback from stakeholders was valuable in helping to shape the draft Strategic Direction.

The consultation responses to our draft Strategic Direction revealed a strong endorsement of our proposed strategic priorities and has given us confidence that our engagement approach over the last year was successful.

Ultimately, this strategy is intended to support a SEM that continues to work in the interests of consumers while adapting to a changing electricity system. It recognises that the market must support investment, competition, reliability and decarbonisation, and that those objectives must be pursued in a coordinated and transparent way. By setting out a clear strategic direction, the SEMC can help provide confidence that the all-island wholesale electricity market will remain robust, fair and effective as the energy transition gathers pace.

Trend Review → Stakeholder interviews → Stakeholder Workshops → SEMC Workshop → Strategy Development

MEETING THE CHALLENGE AHEAD

Electricity markets across Europe are undergoing a period of profound transformation. The transition to low- carbon energy systems, rising electricity demand, rapid technological change and increasing geopolitical uncertainty are reshaping how electricity systems operate and how markets must function to support them.

Decarbonisation policies are accelerating the deployment of renewable generation across Europe. Wind and solar capacity are expanding rapidly, supported by European policy frameworks such as the European Green Deal, Fit for 55 and REPowerEU. At the same time, national climate legislation in both jurisdictions on the island of Ireland, including Ireland's Climate Action Plan, Northern Ireland's Climate Change Act, and the United Kingdom's net zero commitments, is driving the transformation of electricity systems and increasing the pace of renewable deployment. Electrification of transport, heating and industry is also increasing electricity demand and altering consumption patterns. These developments are reshaping how electricity markets operate and creating the conditions for more flexible, resilient and efficient markets.

Recent geopolitical developments have also reinforced the importance of energy security and resilience. Disruptions to global gas markets and shifts in international energy trade have highlighted the need for electricity systems that are both flexible and capable of supporting secure supplies during periods of volatility. Across Europe this has led to renewed investment in infrastructure, stronger emphasis on system adequacy and greater focus on resilience within market design.

Technological change is further transforming the energy landscape. Rapid advances in renewable technologies, battery storage, digitalisation and automation are enabling deeper decarbonisation while increasing the complexity of system operation. Electricity markets must increasingly accommodate a wider range of participants, technologies and operating conditions, while continuing to provide efficient price signals and maintain confidence among investors and consumers.

The SEM is experiencing many of these developments in a particularly concentrated way. This strengthens the contribution of the all-island system to climate objectives across both jurisdictions and creates new opportunities for innovation in system operation. At the same time, gas fired generation continues to provide the flexibility needed to support this transition. New interconnection, including the forthcoming Celtic Interconnector, will enhance access to neighbouring markets and increase the scope for efficient cross border trading. Electricity demand is expected to grow in the coming years, reflecting economic activity, electrification and the expansion of data driven industries. This provides a strong signal for investment in new capacity, flexibility and network infrastructure.

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As these trends unfold, the SEM will need to ensure that generation adequacy, system flexibility and network capacity keep pace with growing demand and evolving consumption patterns. The projected expansion of electricity use strengthens the case for sustained investment in new infrastructure, technologies and operational capabilities that can support a secure and efficient low carbon system. In this context, well-functioning wholesale electricity markets play a critical role. Market arrangements must provide clear investment signals to support the development of new generation, flexibility and infrastructure, while ensuring that operational price signals reflect underlying system conditions. At the same time, robust oversight and effective competition are required to maintain confidence in the market and ensure efficient price formation.

The SEMC is responsible for overseeing and developing these wholesale market arrangements. As the electricity system continues to evolve, the SEMC must ensure that the SEM remains capable of supporting secure, low-carbon and efficient outcomes for consumers across the island of Ireland. This strategy sets out the priorities through which the SEMC will strengthen market design, oversight and governance in response to these changing conditions.

MISSION

The SEMC's mission is to ensure that the SEM operates efficiently, transparently and competitively in the interests of the all-island consumer. Through its oversight and development of the wholesale market framework, the SEMC plays a central role in supporting the delivery of a secure, low-carbon and competitive electricity system. While wider system outcomes, such as costs to consumers depend on multiple actors, including governments, system operators and market participants, the SEMC contributes by ensuring that market arrangements provide clear signals, robust governance and fair competition.

VISION

The SEMC's vision describes the long-term ambition for the SEM. The SEM is expected to continue evolving in response to rapid decarbonisation, increased electrification, technological innovation and changing patterns of supply and demand. In this context, the SEMC seeks to ensure that the market remains competitive, resilient and capable of enabling the transition to a low-carbon energy system.

The vision balances three dimensions:

1. **Competitiveness:** ensuring that market structures promote efficiency, innovation and cost discipline.
2. **Sustainability:** enabling the integration of low-carbon generation and supporting climate objectives.
3. **Security of Supply:** ensuring that sufficient capacity and flexibility are available to meet demand reliably as the system transitions.

These dimensions describe the type of electricity market the SEMC seeks to enable over the long term: one that supports efficient competition, facilitates decarbonisation, and ensures that sufficient capacity and flexibility are available to maintain reliable supply. The SEMC contributes to this vision through its mission of ensuring that wholesale markets operate efficiently, transparently and competitively in the interests of the all-island consumer. Within this mandate, the SEMC's role is to develop and oversee market arrangements that provide clear investment and operational signals, support fair competition, and maintain confidence in the functioning of the market.

This strategy therefore focuses on four strategic priorities that will enable the SEMC to most effectively influence market outcomes: ensuring that market design provides efficient investment and operational signals, safeguarding market integrity and effective competition, maintaining alignment with European market frameworks and cross-border arrangements, and strengthening governance and delivery capability. The strategic priorities set out in the following section translate the mission into the SEMC's core areas of focus for the coming years.

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MISSION

Deliver wholesale market arrangements that support security of supply, decarbonisation and efficient outcomes for consumers across the island of Ireland

VISION

A competitive, and sustainable electricity market that delivers clean, secure energy for consumers across the island of Ireland, supporting the transition to a net zero future

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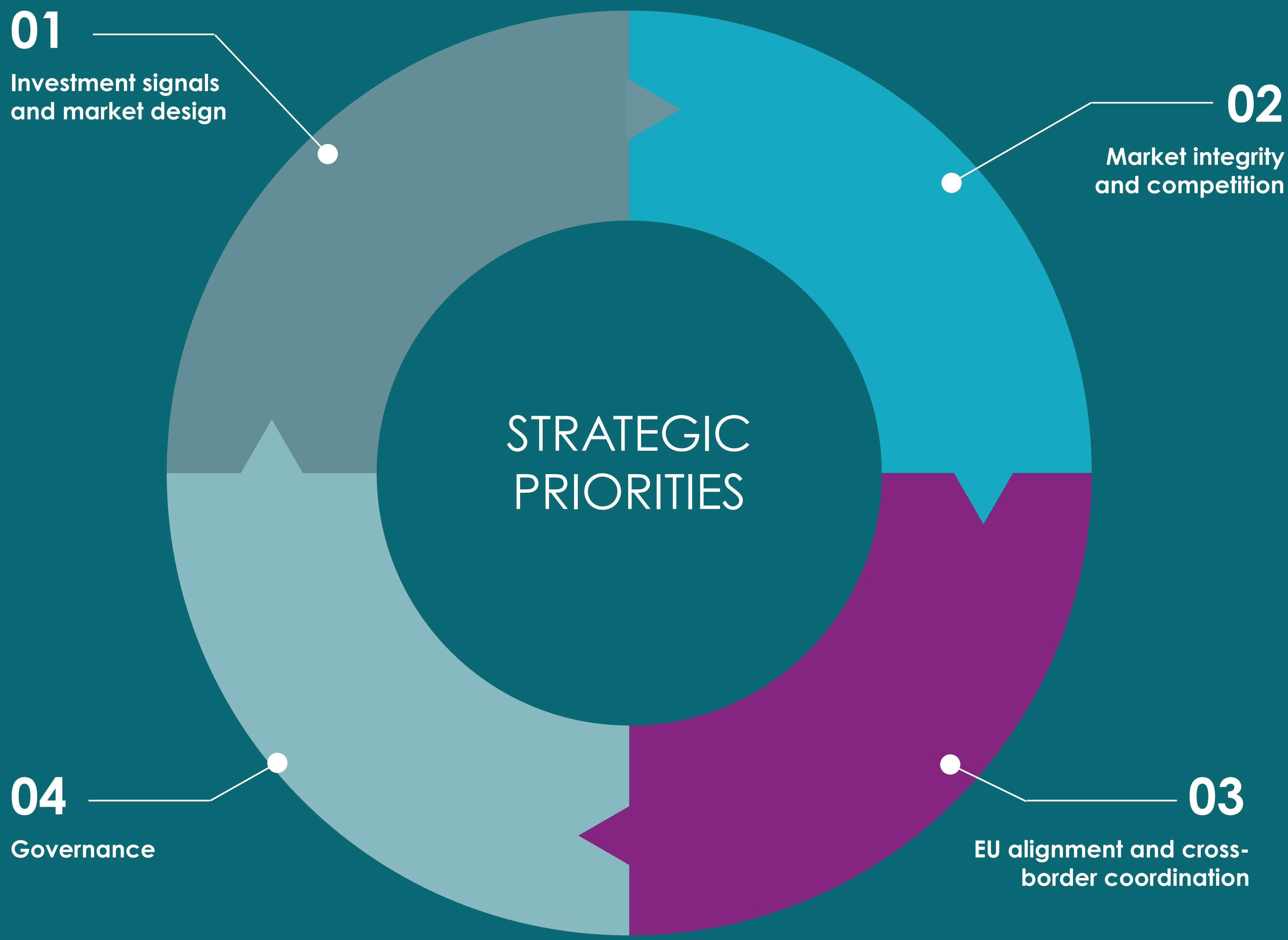
OUR PRIORITIES AND CROSS CUTTING THEMES

Deliver wholesale market arrangements that support security of supply, decarbonisation and efficient outcomes for consumers across the island of Ireland.



Cross-Cutting Themes

- Decarbonisation
- Security of supply (adequacy and reliability)
- Consumer Protection

Cross-Cutting Enablers

- External Communications
- Policy Advice

STRATEGIC PRIORITIES AND CROSS-CUTTING THEMES

OVERVIEW OF STRATEGIC PRIORITIES

The SEMC aims to ensure that the wholesale electricity market continues to deliver clean, secure and efficient outcomes for consumers, now and in the future.

The SEMC's strategy is structured around four strategic priorities. Together, these priorities define the core areas of focus through which the SEMC will strengthen the functioning of the SEM and support secure, low-carbon and efficient outcomes for consumers.

The four strategic priorities are central to ensuring that market arrangements provide clear and predictable signals for investment and operation, that competition and integrity are maintained, that cross-border coordination and EU alignment are maximised, and that the SEMC's governance structures and capabilities enable effective delivery.

The strategic priorities are mutually reinforcing. Strong market design requires effective oversight. Cross- border integration depends on robust governance and coordinated decision-making. Clear investment signals support both system security and decarbonisation. Together, they form a coherent framework for action rather than a set of standalone priorities.

In addition, several cross-cutting themes and enablers, which comprise decarbonisation, security of supply, consumer protection, external communications and policy advice, inform and shape activity across all four priorities. These themes are not separate workstreams, but lenses applied consistently to the SEMC's remit.

CROSS-CUTTING THEMES AND ENABLERS

The SEMC has identified three cross-cutting themes: decarbonisation, security of supply and consumer protection, and two cross-cutting enablers: external communication and policy advice that shape how the strategic priorities will be delivered (as illustrated in the figure above). These do not constitute additional strategic priorities; rather, they act as cross-cutting considerations that guide how each strategic priority is pursued.

Decarbonisation, security of supply and consumer protection represent key system outcomes that the wholesale electricity market must support. While the SEMC does not deliver these outcomes on its own, its decisions on market design, oversight and governance influence how effectively the electricity system can integrate low-carbon generation, maintain reliable supply and deliver efficient outcomes for consumers. When pursuing each of its strategic priorities, the SEMC therefore considers how its decisions support these wider system outcomes.

External communications and policy advice also shape the delivery of the strategic priorities. Clear communication supports transparency and stakeholder confidence in the functioning of the wholesale market, while engagement with governments and European institutions helps ensure that market arrangements remain aligned with wider policy developments.

These cross-cutting themes and enablers are therefore applied across all strategic priorities. The following section sets out in detail the strategic objectives that sit beneath each strategic priority and on which the SEMC will focus its efforts. The cross-cutting considerations will guide how those objectives are implemented in practice.

STRATEGIC PRIORITY 1

INVESTMENT SIGNALS AND MARKET DESIGN

Deliver predictable wholesale market signals that support flexibility, investment, cost efficiency and the transition to a secure low-carbon system.

As the system transitions toward higher levels of renewable generation, increased electrification and evolving adequacy requirements, market design must ensure that price signals remain clear and aligned with system needs.

Efficient investment and operational decisions depend on predictable and transparent market frameworks. Where signals are distorted, unstable or insufficiently aligned with system requirements, risks increase for consumers in the form of higher costs, delayed infrastructure or inadequate flexibility.

By maintaining robust and adaptive wholesale market arrangements, the SEMC supports efficient capital allocation, competition and innovation. Effective market design therefore underpins security of supply, decarbonisation and consumer benefit, while remaining firmly within the SEMC's statutory remit.

Each strategic priority is supported by a set of strategic objectives that define the areas of focus through which the SEM Committee will deliver the strategy.

OBJECTIVES

1. **Flexibility signals** - Enhance market arrangements to enable participation of flexible and emerging technologies in all relevant markets including shorter market time windows and gate closure times.
2. **Investment bankability** - Provide stable and transparent market frameworks to support long-term investment decisions.
3. **Imperfections** - Ensure TSOs establish and maintain a structured approach to monitoring and assessing network constraint and curtailment costs in order to identify opportunities to reduce costs for consumers.
4. **Market development** - Ensure SEM market arrangements evolve in line with EU requirements on decarbonisation, electrification and security of supply, including considering the evolution of price formation and underlying system needs.
5. **Resource adequacy and system services** - Oversee and refine capacity and system services frameworks to ensure system reliability and efficient remuneration.

Success under this priority will be reflected in wholesale markets that provide clear and credible signals for both short-term operation and long-term investment. Market arrangements will enable the participation of flexible and low-carbon technologies while ensuring that prices reflect underlying system conditions and support efficient outcomes for consumers.

STRATEGIC PRIORITY 2

MARKET INTEGRITY AND COMPETITION

Ensure robust oversight, mitigate market power and support competition in the functioning of the wholesale market.

A well-designed market cannot deliver efficient outcomes without strong integrity and oversight. As the SEM evolves, increasing complexity, concentration risks and new technologies may create opportunities for distortion, abuse or reduced transparency.

Maintaining confidence in the wholesale market is essential for investment, competition and consumer trust. The SEMC therefore plays a central role in ensuring that the market operates fairly, transparently and in accordance with its licences and legislation.

Each strategic priority is supported by a set of strategic objectives that define the areas of focus through which the SEM Committee will deliver the strategy.

OBJECTIVES

1. **Monitoring** - Develop market monitoring and analytical capabilities to identify abnormal bidding behaviour, price anomalies and rule breaches.
2. **Market power mitigation** - Monitor market concentration and assess potential market power, applying mitigation measures where risks to effective competition are identified.
3. **Transparency** - Continue publication of market information and improve communication to support transparency, market confidence and informed participation.
4. **System operator accountability** - Strengthen reporting arrangements and activities to support transparency in market operation.
5. **Remit clarity and communication** - Strengthen transparency of the SEMC's remit, including its role in EU legislation and cross-border coordination, through clear communication and engagement.

Success will be reflected in a market that operates transparently and competitively, where participants have confidence that rules are applied consistently and that market abuse is effectively monitored and addressed. Robust oversight and clear market information will support fair competition and reinforce trust in the functioning of the SEM.

STRATEGIC PRIORITY 3

EU ALIGNMENT AND CROSS-BORDER COORDINATION

Accelerate alignment with EU market design and ensure effective cross-border coordination.

The SEM operates within the framework of the EU Internal Energy Market, including day-ahead and intraday market coupling arrangements. Enhancing alignment with EU legislation, the EU target model and market coupling arrangements is essential to maintain competitive and efficient trading arrangements and investor confidence. This will provide clarity to industry on the direction of market design and allow better use of SEMC time and resources by focusing on those areas of market design that provide the greatest impact to SEM.

Greater alignment with the EU market will also support more effective engagement with European Union Agency for the Cooperation of Energy Regulators (ACER), Ofgem and other European regulators. This will help ensure that future changes to market rules take account of the SEM and its trading arrangements with both GB and EU markets.

Effective cross-border coordination between Northern Ireland and Ireland has been fundamental for ensuring coherent decision-making and stable market arrangements and maintaining that co-ordination will be critical to the delivery of this strategy.

Each strategic priority is supported by a set of strategic objectives that define the areas of focus through which the SEM Committee will deliver the strategy.

OBJECTIVES

1. **EU Market alignment** - Ensure SEM arrangements remain aligned with European electricity market design, and oversee TSO proposals to ensure alignment with EU requirements.
2. **Cross-border market coupling** - Ensure SEM market arrangements continue to support efficient cross-border trading and effective use of interconnection capacity with both SEM - GB and SEM - EU.
3. **Interconnector and cross-border trading frameworks** Proactively represent SEM interests in European discussions and working groups.
4. **Regulatory engagement at EU level** - Monitor EU electricity market reforms and engage with relevant European regulatory bodies to ensure representation of SEM interests in evolving EU Market design.

Success under this priority will be reflected in the SEM continuing to operate in alignment with evolving European market frameworks while maintaining efficient cross-border trading arrangements. Effective coordination between institutions and jurisdictions will ensure that SEM developments remain compatible with EU market design and support efficient use of interconnection.

STRATEGIC PRIORITY 4

GOVERNANCE

Ensure the SEMC's governance structure and enable effective delivery.

The effectiveness of the SEMC's market oversight and design functions depends on its governance arrangements, clarity of remit and organisational capability.

As the market becomes more complex and technical, ensuring sufficient expertise, resource, coordination and decision-making efficiency is critical. Strong governance underpins all other strategic objectives.

Each strategic priority is supported by a set of strategic objectives that define the areas of focus through which the SEM Committee will deliver the strategy.

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OBJECTIVES

1. **Clarity on role and remit** - Maintain clear and complementary responsibilities between the SEMC, governments, system operators and regulatory authorities, in its role as an independent regulator.
2. **Strengthen cross-regulator delivery structure** - Enhance joint working arrangements between UR and CRU at the working level on SEMC matters, through well-defined processes for joint planning, information sharing and decision-making.
3. **Technical capability and capacity** - Ensure expertise and resourcing to oversee evolving market complexity.
4. **Efficient and transparent decision-making** - Streamline approval processes and governance procedures to support efficient, transparent and accountable decision-making.
5. **Interaction with the Northern Ireland and Ireland departments** - Maintain regular proactive communication with the relevant department in each jurisdiction, including through structured, collective and cross-border engagement.

Success will be reflected in governance arrangements that enable the SEMC to respond effectively to evolving market conditions. Clear roles, strong coordination between regulators and efficient decision-making processes will support the timely delivery of SEMC priorities.

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IMPLEMENTING THE STRATEGY

Our new strategy will facilitate projects, and core business work, that will help us meet our strategic priorities.

Key to this will be our annual business plan, called our Forward Work Programme (FWP), which sets out those projects that will support the achievement of our strategy priorities.

From 2027 onwards, our FWP will be developed on a calendar year basis to align delivery with the new strategy.

We will develop a range of performance metrics that will help us to assess the effectiveness of our strategy and delivery against FWP projects. Each year we will report on progress in delivering our strategy and FWP in the SEMC Annual Report.

Being mindful of our strategy enablers we will focus on our policy advice and communications role. One communications specifically, we will develop and deliver a new communications plan that will support our strategy priorities.

SEM committee

semcommittee.com