Notice to Industry in the event of a 'no deal' Brexit

The SEM Committee is today, 28 March 2019, publishing an information note regarding a 'no deal', Brexit i.e. without a Withdrawal Agreement. There is an all-island wholesale electricity market, called the Single Electricity Market, or SEM. The SEM will continue to operate as an all-island market in the event of a 'no deal' Brexit.

The SEM allows generators and suppliers to trade electricity in a single market across the island of Ireland. This all-island trade will continue in the event of a 'no deal' Brexit. Trade between the all-island market and Great Britain, through the interconnectors, will continue although this trade may be less efficient, as some platforms operated under EU rules may not be used in the same way as today.

In the SEM, generators and suppliers can trade electricity in a number of timeframes. Electricity can be traded the day before it is expected to be used (known as the Single Day Ahead Coupling - SDAC) and can be traded on the day itself (known as the Intraday Markets). Currently the SDAC operates as part of a pan-European market, with the SEM connected through Great Britain. Electricity is traded across almost all the EU Member States simultaneously in this market. For the Intraday Market electricity is traded at a regional level between SEM and Great Britain.

In the event of a 'no deal' Brexit, Great Britain will no longer be part of the pan-EU Day Ahead Market which will impact on the SEM's ability to connect with the pan-EU market. In this situation, the SEM will continue to operate as an isolated, all-island market within the SDAC but with no connection between the SEM, GB and the wider EU market.

Trade with Great Britain will continue, unaffected, in the Intraday Markets.

The decision-making body for the SEM, the SEM Committee, alongside the two Regulatory Authorities (CRU and UR) will seek to minimise this loss in efficiency, working in conjunction with Departments and with the Transmission System Operators and Market Operators (EirGrid, SONI and SEMO, SEMOpX).