2024/25 Imperfections

Mid-Year Review Updated Version

12 May 2025

EirGrid SONI

Contents

Revision	Date	Description
Final Version	12/05/25	Final Version

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1. Summary

EirGrid and SONI are Transmission System Operators (**TSOs**) in Ireland and Northern Ireland respectively. In this role, we take actions to ensure security of supply to customers across the system in real time. The cost of these actions is known as Imperfections Costs. We pay for these via the revenue we get from suppliers through Imperfection Charges.

The purpose of this report is to describe the analysis undertaken by the TSOs mid-way through the 2024/25 Tariff Year, analysing the Imperfections Costs against the revenue recovered for same. This review is prepared as per the decision in SEM-22-45.

In addition, and in the context of ongoing significant increases in the Imperfections Costs against forecast, this paper is provided in the context of Section F.22.2.5[1] of the Trading and Settlement Code (**TSC**).

Current Position & Forecast:

The original Mid-Year Review was submitted on 21st March 2025 to the Regulatory Authorities. The SEM Committee, at their April meeting, requested that a revised paper be submitted in time for the May SEM Committee with the most recent available data. This report is therefore an updated version of the report previously submitted.

For this submission, the TSOs reviewed 7 months of actual imperfections costs (01 October 2024 to 26 April 2025) and revenue[2] and prepared a revised forecast of cost and revenue for the next 5 months of the tariff year (27 April 2025 to 30 September 2025).

The estimates we provide in this Mid-Year report is based on the best available data at the point of preparation (06 May 2025).

In considering the lookahead we have reviewed the estimated K Factor included in the 2024/2025 Imperfections calculation. The K Factor included in the 2024/2025 Tariffs comprised of the actual 2022/23 K Factor and an estimate of the 2023/24 K Factor. We have reviewed the estimated 2023/24 K to consider the now known actual outturn position as reflected in the table below.

The 2025/26 K factor estimates being prepared for end of May 2025 will be based on the best available data at that time and as such will differ from the data set out in this report.

[1] If the Market Operator considers that either the current rate of draw-downs being made under the Market Working Capital Credit Facility or the amount drawn-down under the Market Working Capital Credit Facility specified in a notice to Participants under F.22.2.4 is such that there is likely to be a reduction in payments to Participants under paragraph F.22.3.1, then the Market Operator shall:

(a) investigate an increase in the level of the Market Working Capital Credit Facility, and may make a proposal to the Regulatory Authorities under paragraph F.22.1.1;

(b) identify any other measures available to it under this Code that, solely to the extent practicable in the circumstances, the Market Operator considers reasonable to lessen the likelihood of making a reduction of payments to Participants under paragraph F.22.3.1, including, but not limited to, making a Modification Proposal, proposing revisions to the Imperfections Charge Factor under paragraph F.12.1.4 (having regard to the need of Suppliers to provide adequate notice of tariff changes to their customers) or any combination of measures which the Market Operator considers appropriate in the circumstances; and

(c) submit a report to the Regulatory Authorities outlining the outcome of its considerations under paragraphs F.22.2.5(a) and F.22.2.5(b).

[2] Revenue analysis was streamlined by assuming no change in forecast to previous report.

24/25 Imperfections	Revenue Allocation (€m) [3]	Updated Nuanced Forecast Outturn (06 May 2025) (€)	Difference
Projected Imperfections Costs	633.62	809.62	**-176.00**
2022/23 Actual Adjusted & Mid-Year 2023/24 Forecast K factor	-66.41	-66.41	0.00
Total Imperfections Costs (A)	567.21	743.21	**-176.00**
Imperfections Revenue (B)	567.21	571.73	4.52
Actual Adjusted 2023/24 K factor[4] (C)			**-16.37**
(Under-recovery of costs) = (A) + (B) + (C)			**-187.85**

Table 1: 24/25 Tariff Year Projection of Imperfections Revenue and Costs to 30 Sept 25

Implications:

It is predicted that the end of Tariff Year 2024/2025 position will be a c.€188m under recovery (that is costs will notably exceed the forecast expenditure) based on current analysis and if no further action is taken.

Prediction of imperfections costs is an inherently uncertain process. The values above are based on the TSOs most realistic estimate. There is a degree of uncertainty around projection of actual imperfections costs, and the potential range of this cost could be up to c.€973m.

24/25 Imperfections €m	Assumed weekly spend going forward	Associated projected Imperfections Cost 01 Oct 24 to 30 Sept 25	Estimated Imperfections Forecast Performance as of 19 Mar 25
High Scenario	18.71	973.20	-339.58 under-recovery
Nuanced scenario	Varying (Refer Figure-3)	809.62	-176.00 under-recovery

Table 2: 24/25 Tariff Year Projection of Range of Imperfections Costs to 30 Sept 25

In determining the projection for imperfection costs for the next 5 months, our approach has been to observe the range of recent historical costs in the past 7 months. This approach gives rise to two scenarios – high and nuanced. The detail on how these scenarios were determined is outlined in Section 3.

If the drawdowns on the Market Working Capital Credit Facility are exceeded, and as a result the Available Working Capital Amount[5] in any Billing Period is less than the maximum aggregate amount that the Market

[3] Original Numbers as per SEMC Decision SEM-24-064 - Table 1
[4] See section 5 for further details.
[5] Per the TSC Glossary: Available Working Capital Amount For a Billing Period, means the amount calculated under Paragraph F.22.2.2., i.e.,
"The Market Operator shall calculate the Available Working Capital Amount for each Billing Period, as follows:

(a) *The total amount of Settlement Charges calculated by the Market Operator as being payable by Participants for that Billing Period;* ***minus***

(b) *The total amount of Settlement Payments calculated by the Market Operator as being payable to Participants for that Billing Period;* ***plus***

(c) *The amount of working capital which the Market Operator determines is available for use in respect of that Billing Period, by reference to the Working Capital Account as at the commencement of that Billing Period, which may be negative or zero;* ***plus***

(d) *The amount which the Market Operator determines is available to be drawn down under the Market Working Capital Credit Facility in respect of that Billing Period, which amount (i) shall not cause the total amount drawn down under the Market Working Capital Credit Facility in aggregate to exceed the Contingent Capital Requirement and (ii) may be zero"*

Operator is required to pay Participants in respect of any Billing Period section F22.2.3 (Payment Deferral) of the TSC sets out the actions to be taken by SEMO.

Our latest nuanced scenario is our most realistic forecast and based on this scenario it is anticipated that the SEMO Market Working Capital Credit Facility (MWCCF) of €200m (as per section B13.2 and F22 of the TSC), including the accordion, will not be fully drawn down by the end of the tariff year. However, it is likely to be significantly drawn, which would put the Market Operator in a challenging position at the start of the next tariff year.

The graphic below shows until the end of FY2024/2025 the impact on the credit facility in the nuanced scenario if no change is made to the charge factor. From FY2025/2026 (on the right side of the vertical dashed line) we have graphed a projection of the further possible impact on the WCF from the start of that tariff year using the same cost-revenue delta that arose last year during this time (i.e., we have not assumed any underlying revenues or costs for that period). It is a highly indicative approach but demonstrates the risk to further draws on the RCF.

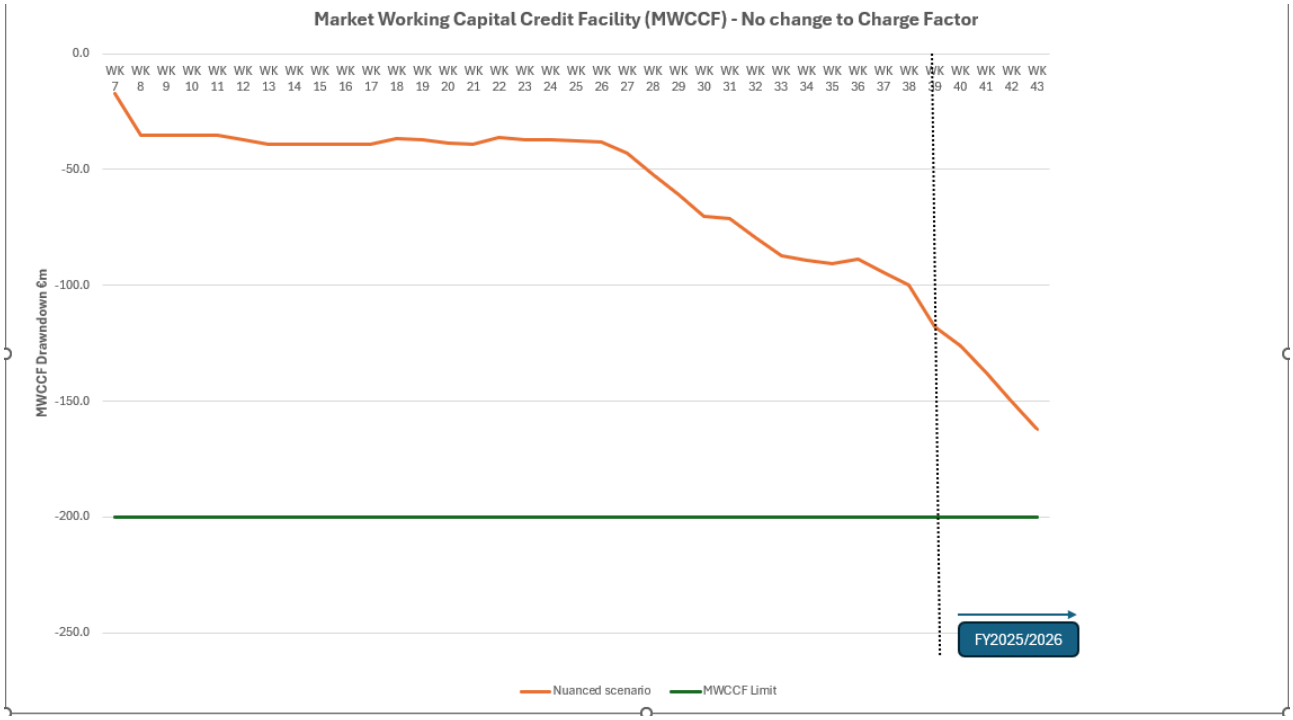


Figure-1: Impact of projected imperfections on the market working capital credit facility (MWCCF)

Thus, although we no longer expect to draw down the full updated Working Capital Facility by the end of the 2024/25 Tariff year, the above demonstrates that underlying cashflow risks to the market remain. From our perspective it is still necessary to request a change to the Imperfections Charge Factor (FCIMP) to:

- Mitigate against another unforeseen event that drives up the costs of Imperfections for the remainder of the Tariff Year
- Mitigate against the anticipated under-recovery of Imperfections Costs at the start of the 2025/26 Tariff Year while entering the year with expected draw downs on the Working Capital Facility.
- Lessen the sharp increase of cost driven by a sizeable K from the 2024/25 Imperfections K-Factor.

This proposal recognises the increasing risk that is being placed on the Available SEMO Working Capital Facility.

Proposal:

Recognising that the current Imperfection Charge will not provide for the adequate recovery of anticipated costs and after utilising all possible options of mitigating the exhausting of Market Working Capital Credit Facility due to the current expenditure against forecast, we consider the best option to minimise the increased burden on consumers in 2025/26 is to request a mid-year change to the Imperfections Charge Factor (FCIMP).

In accordance with Section F.12.1.1 (b), we are now seeking the approval for **the Imperfections Charge Factor to be set to 1.5 for the period of 1 July 2025 to 30 September 2025.**

Primary Cause of the under forecast of Imperfection costs:

There has been significant variance seen between our Imperfections forecast and actual costs on the system for the first 7 months of the 2025 Financial Year with an overspend against forecasted Imperfections of ~€136 million. The primary contributory factor to this is the challenges encountered in satisfying the Northern Ireland (NI) Security of Supply dynamic stability requirements in a cost-effective manner most notably satisfying the Minimum NI units Transmission Constraint Group (MINNIU). The main factors associated with this is outside of the TSOs control.

The TSOs have estimated that if the influence of this unforeseen driver was removed then the underlying Imperfections forecast is performing quite well with an estimated €16.4 million underspend.

	2024/2025 YTD Outturn (€m) [01/10/24 - 26/04/25]
Imperfections Costs Outturn	407.42
Imperfections Forecast Allocated	271.47
Deficit	-135.95
Estimate of under forecast of MINNIU	-152.35
Imperfections Forecast Performance taking out MINNIU Influence	+16.4

Table 3: 24/25 YTD Outturn Performance

2. Projected imperfections costs for 27 Apr 25 to 30 Sept 25

In determining the projection for imperfection costs for the next 5 months, we used the range of recent historical costs as a starting point. The profile of recent weekly spend is shown in Figure 2 below. As there is a degree of uncertainty inherent in the projection of imperfection costs, we have prepared a 'High' scenario and a 'Nuanced' scenario to inform this analysis.

Whereas we used a similar approach for the 'high' scenario this year as previously (i.e., we assumed an average weekly cost for the remainder of the year), we used a different approach to estimate the nuanced scenario due to particular considerations within this year, including:

- The forecast performance is quite strong when the impact of the MINNIU influence is isolated showing some degree of underspend (~6%)
- On the basis of the above, it makes sense to project that underspend in the forecast except where we have more up to date information (see note re six-week outage below)

Further detail on the methodology of the nuanced scenario is captured below. Based on the foregoing, we did not think it made sense to model a 'low' scenario.

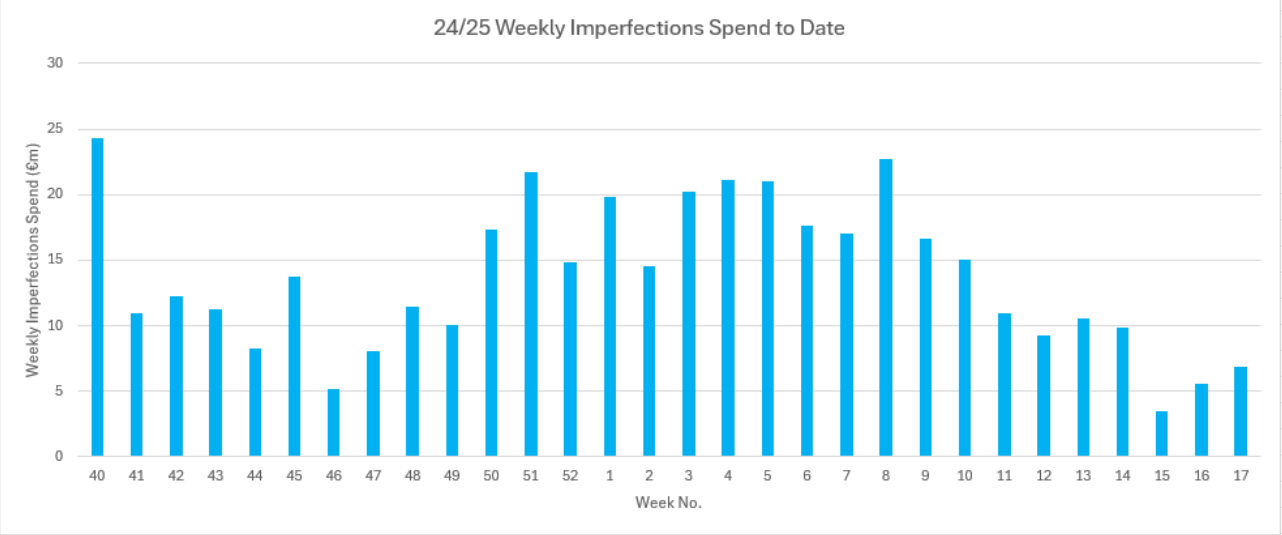


Figure 2: First 22 Weeks of Imperfection Cost for 24/25

High – €18.71m per week

This scenario assumes an average of the weekly Imperfections Costs since the storm Darragh damage forced off several large units since the start of Dec 24, i.e., it is an average of week 50 to week 9 actual Imperfections Costs, projected out for the remainder of the 2024/25 tariff year starting at week 20. It assumes a similar HILP (high impact low probability) event that occurred in December 2024 rendering several large units unavailable from the start of week 20.

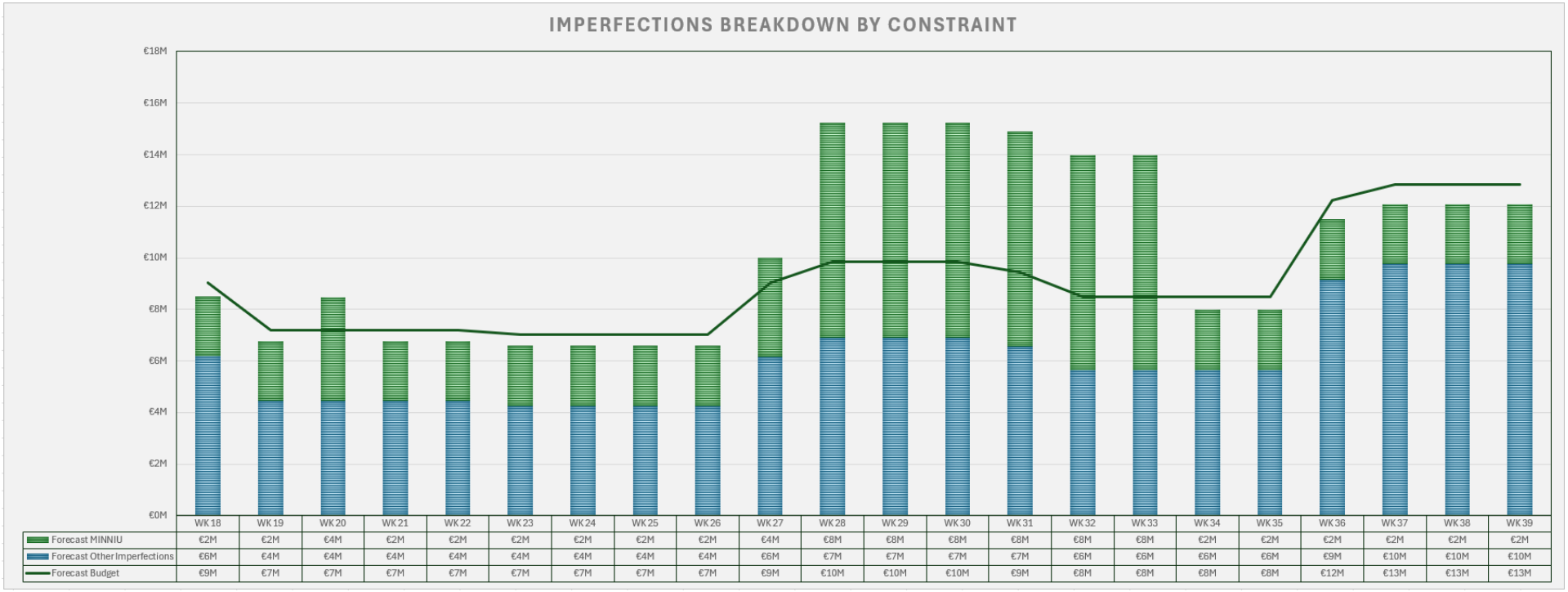
Nuanced – Varying cost per week based on projected system operational challenges

The nuanced forecast uses a trend analysis to determine the new expected cost to satisfy the NI Security of Supply TCG (MINNIU) while assuming the latest Generator Outage schedules of large Northern Ireland

Combined Cycle Gas Turbines (CCGTs). Specifically, this scenario projects an increase in unforeseen[6] spend in Imperfections to satisfy the NI Security of Supply TCG (MINNIU) during a six-week outage of units from the start of July 2025 (note that it was assumed in the previous report that this would occur from the start of May 2025). For this scenario we have assumed all other weeks will be consistent with a 6% underspend on our original imperfections forecast in line with annual year to date trends. Whereas the previous report assumed all other weeks would equal the original forecast, at the time of that report the 'other' imperfections costs were only slightly above the original forecast so there was no clear argument for deviating. However, based on the latest information we are now expecting some degree of underspend in the 'other' category to persist to the end of the tariff year so have updated the forecast accordingly. This assumption is underpinned by the fact that when the unforeseen cost influence of satisfying the MINNIU TCG is removed, Imperfections costs is currently estimated as a €16.4m underspend equating to ~6% under-forecast. This scenario also includes an extra €12.8m for re-settlement purposes.

[6] This outage would not have been considered to cause an increase in the cost to satisfy the MINNIU TCG due to the COD data assumed for relevant units in the forecast.

This forecast assumes no further unforeseen events or market volatilities not previously forecasted.



	WK 18	WK 19	WK 20	WK 21	WK 22	WK 23	WK 24	WK 25	WK 26	WK 27	WK 28	WK 29	WK 30	WK 31	WK 32	WK 33	WK 34	WK 35	WK 36	WK 37	WK 38	WK 39
Forecast MINNIU	€2M	€2M	€4M	€2M	€2M	€2M	€2M	€2M	€2M	€4M	€8M	€8M	€8M	€8M	€8M	€8M	€2M	€2M	€2M	€2M	€2M	€2M
Forecast Other Imperfections	€6M	€4M	€4M	€4M	€4M	€4M	€4M	€4M	€4M	€6M	€7M	€7M	€7M	€7M	€6M	€6M	€6M	€6M	€9M	€10M	€10M	€10M
Forecast Budget	€9M	€7M	€7M	€7M	€7M	€7M	€7M	€7M	€7M	€9M	€10M	€10M	€10M	€9M	€8M	€8M	€8M	€8M	€12M	€13M	€13M	€13M

Figure 3: Forecasted Imperfections cost for the remainder of the 2024/25 tariff year broken down into costs to satisfy the MINNIU TCG and other

The below is our high and nuanced estimate of projected costs until 30 Sept 25.

Projected Imperfections Cost 01 Mar 25 to 30 Sept 25	€m per Week	Associated projected spend 01 Oct 24 to 30 Sept 25	Forecast Imperfections Costs in SEM-24-064	Delta
High	18.71	973.20	633.62	-339.58 under-recovery
Nuanced	Varying (Refer Figure-2)	809.62		-176.00 under-recovery

Table 4: Projected Imperfections Costs -01 Oct 24 to 30 Sept 25

Some of the factors which impact standard Imperfections Costs include wholesale fuel costs, levels of wind/solar, outages (of both generators and transmission network) and operational constraints. Critically, actual Imperfection Costs will be a function of all these (and other) interrelated variables. While some variables may arise as eminent from time to time (as is currently the case with costs associated with MINNIU at present).

In our view, historical data serves as the most reliable indicator for estimating imperfection costs over the next 5 months. Historical data under various operational conditions to satisfy the MINNIU TCG were used in parallel with estimated generator outage dates to forecast future imperfections costs in satisfying the MINNIU TCG. As standard imperfections costs is a function of a multitude of factors, with no single variable having dominant predictive power, the forecast of these costs are projected based on historical data.

3. Imperfections Revenue[7]

3.1 Projection of Imperfections Revenue for 02 Mar 25 to 30 Sept 25

Our projection of imperfection revenue was based on a consideration of:

- Actual energy consumed between 01 Oct 24 and 01 Mar 25 (which as noted above is higher than what would have been anticipated based on the underlying forecast demand)
- Typical energy consumed by month (we assume 44% of energy is consumed between 01 Oct 24 and 01 Mar 25 and 56% is consumed between 02 Mar 25 and 30 Sep 25, based on the ratios from historic data).
- The meter data is subject to M+4 and M+13 resettlement. Our end of year position with respect to demand and revenue will always be different from actual initial figures and/or any projections we make in advance.

3.2 Imperfections revenue 01 Oct 24 to 30 Sept 25

The outturn imperfections revenue, recovered via the Imperfection Charge, up to 30 Sept 25 was estimated by combining actual revenue for 01 Oct 24 to 01 Mar 25 with our most recent projection of revenue from 02 Mar 25 to 30 Sept 25, shown in Table 5.

[7] This position was taken from the original Mid-Year Review submitted on the 21st of March 2025 in order to streamline analysis.

24/25 Imperfections Tariff Revenue	1 Oct 24 to 30 Sep 25 (€m) (19 March 2025)
Original Tariff Revenue Requirement (Includes K-factor of -€66.41m as per SEM-24-064)	**567.21**
Imperfections Actual Revenue (01 Oct 23 to 01 Mar 25)	250.35
Imperfections Projected Revenue (02 Mar 25 to 30 Sept 25) Projection based on typical monthly energy profile	321.37
Imperfections Tariff Revenue - Forecast for year end	**571.73**

Table 5: Imperfections Revenue - Forecast to year end.

As shown in table 6, we then compared our imperfections revenue projection to the *ex-ante* Approved Revenue.

24/25 Imperfections	1 Oct 24 to 30 Sep 25 (€m) (19 March 2025)
Original Tariff Revenue Requirement (Includes K-factor of -€66.41m as per SEM-24-064)	567.21
Imperfections Tariff Revenue – Forecast for year end	571.73
Revenue over/under recovery (i.e. Forecast minus Original)	4.52

Table 6: Imperfections Revenue Projection compared to Approved Revenue

Thus, we expect to collect more money (c.€4.5m) over the 2024/2025 tariff year period to fund Imperfections Costs, then originally envisaged would be collected. The driver for this forecast over recovery is due to the outturn demand on which charges are levied and recovered. The forecast demand employed to set the imperfections charges was 38,800 GWh. Actual demand as of the 1st of March 2025 is estimated at 17,129 GWh based on meter readings. This is reflected in the actual revenues received at the end of February being higher than the forecast revenues envisaged.

4. K Factor included in the 2024/25 tariff vs Outturn

The Imperfections Charge is calculated based on the projected Imperfections Costs for year Y inclusive of the forecast K factor which may be positive or negative. The K factor is calculated based on the actual K factor for Y-2 and an estimated within year K factor for Y-1.

Please see table 7 below for the updated breakdown of 2024/25 Imperfections recovery:

24/25 Imperfections	Revenue Allocation (€m) [8]	Updated Nuanced Forecast Outturn (06 May 2025) (€)	Difference
Projected Imperfections Costs	633.62	809.62	**-176.00**
2022/23 Actual Adjusted & Mid-Year 2023/24 Forecast K factor	-66.41	-66.41	0.00
Total Imperfections Costs (A)	567.21	743.21	**-176.00**
Imperfections Revenue (B)	567.21	571.73	4.52

[8] Original Numbers as per SEMC Decision SEM-24-064 - Table 1

Actual Adjusted 2023/24 K factor[9] (C)			**-16.37**
(Under-recovery of costs) = (A) + (B) + (C)			**-187.85**

Table 7: 24/25 Tariff Year Projection of Imperfections Revenue and Costs to 30 Sept 25

The K factor applied in the Original 2024/2025 decision was €66.41m (i.e. an over-recovery). This reflected the net of the actual K factor for tariff year 2022/23 (an under recovery of €21.59m) and a forecast within year K factor for 2023/2024 (an estimated over recovery of €88m) [10].

Description	€m
Actual Y-2 K Factor - 2022/23 is an Under recovery	-21.59
Estimate within Year K Factor – 2023/24 forecast Over Recovery	88
Total Forecast Imperfections K Factor for inclusion in the 2023/24 tariffs (net Over Recovery)	**66.41**

Table 8: K Factor included in 2024/25 tariffs.

The true K-factor arising for 2023/2024 was lower than forecast, an over recovery of €71.63m. The delta between the forecast 2023/2024 K-factor and the true 2023/2024 K-factor results in an under recovery of €16.37m. In effect the tariff has been set net of monies not ultimately recovered.

This 2024/2025 tariff year net position will be considered when the TSOs calculate the K-factor to be applied to the 2025/2026 Imperfections Charge. However, it is important that this K-factor position is considered in the mid-year review. As to omit same would in this event overstate the TSOs forecast cash position at the end of the 2024/2025 tariff year period.

Description	€m
Actual outturn over/(under) recovery for 2023/24 (true k-factor arising in year)	71.63
An estimated over recovery of €88m was included in calculating the tariff for 2024/25, this must be taken into account to arrive at what is left to be taken into account in setting the k factor for 25/26	-88
2023/24 k-Factor to be included in 2025/26 tariff	**-16.37**

Table 9: K Factor to be included in 2025/26 tariffs.

5. Imperfections Charge Factor

Under the current SEM arrangements, as detailed in the Trading and Settlement Code, RA/ SEMC approval is required for changes to the Imperfections Charge Factor (FCIMP).

The intent of this is to enable EirGrid and SONI, when it becomes evident within a given year that the Imperfections Charge is not providing the adequate recovery or is over recovering the anticipated costs, to seek approval from the RAs to increase or decrease the factor. This charge factor then adjusts the previously approved Imperfections Charge up or down, with the objective of converging actual cost recovery with actual costs incurred. This allows the revenues to be recovered within the given year and thus minimise the K Factor for the relevant Tariff Year.

[9] See section 5 for further details.
[10] Ref. Table 3 of SEM-24-064

If the drawdowns on the Market Working Capital Credit Facility are exceeded, and as a result the Available Working Capital Amount[11] in any Billing Period is less than the maximum aggregate amount that the Market Operator is required to pay Participants in respect of any Billing Period, section F22.2.3 (Payment Deferral) of the TSC sets out the actions to be taken by SEMO. However, based on the most up to date information our latest nuanced scenario anticipates that the SEMO Market Working Capital Facility of €200m (as per section B13.2 and F22 of the TSC), plus the accordion, will not be fully drawn down by the end of the tariff year.

Although we no longer expect to draw down the full updated Working Capital Facility by the end of the 2024/25 Tariff year, we believe it is still necessary to request a change to the Imperfections Charge Factor (FCIMP) to address the following risks:

- To mitigate against another unforeseen event that drives up the costs of Imperfections for the remainder of the Tariff Year
- To mitigate against the anticipated under recovery of Imperfections Costs at the start of the 2025/26 Tariff Year while entering the year with expected draw downs on the Working Capital Facility.
- To lessen the sharp increase of costs on energy suppliers who will have to carry the burden of a substantial 2024/25 Imperfections K-Factor.

This recognises the increasing risk that is on the Available SEMO Working Capital Facility, and we propose to apply a change to the charge factor to 1.5 effective from the 1st of July 2025.

In determining the proposed charge factor, we explored a charge factor based on partial recovery of the nuanced scenario, deferring recovery of the remaining costs to tariff year 25/26 through the existing K factor process (i.e., we would propose to carry the remaining costs as a K Factor).

Partial recovery of the nuanced forecast scenario with K-Factor Forecast:

Estimated Metered Demand 01/07/25 - 30/09/25 (MWh)	**9,359,938**
Additional CIMP to be recovered 01/07/25 - 30/09/25 (€)	68,500,000[12]
2024/25 Forecasted K-Factor	-119,350,000
Current PIMP (€)	14.62
Estimated PIMP from 1st July (€)[13]	22.00
Charge Factor	1.5

[11] Per the TSC Glossary: Available Working Capital Amount For a Billing Period, means the amount calculated under Paragraph F.22.2.2., i.e.,
"The Market Operator shall calculate the Available Working Capital Amount for each Billing Period, as follows:

*(e) The total amount of Settlement Charges calculated by the Market Operator as being payable by Participants for that Billing Period; **minus***

*(f) The total amount of Settlement Payments calculated by the Market Operator as being payable to Participants for that Billing Period; **plus***

*(g) The amount of working capital which the Market Operator determines is available for use in respect of that Billing Period, by reference to the Working Capital Account as at the commencement of that Billing Period, which may be negative or zero; **plus***

(h) The amount which the Market Operator determines is available to be drawn down under the Market Working Capital Credit Facility in respect of that Billing Period, which amount (i) shall not cause the total amount drawn down under the Market Working Capital Credit Facility in aggregate to exceed the Contingent Capital Requirement and (ii) may be zero"

[12] While this approach is based on the 'Nuanced' scenario, it essentially assumes a 2024/25 K-Factor of €119.35m which is based on the total CIMP costs delta less €68.5m which we are proposing to recover via an adjustment to the charge factor. For the avoidance of doubt, the 2024/25 K-factor will be determined based on actual outturn costs as per existing process.
[13] Presented as a rounded figure for information

The graphic below shows until the end of FY2024/2025 the impact on the credit facility in the nuanced scenario if no change is made to the charge factor, alongside a projection of the credit facility if the charge factor were changed to 1.5 from 01 July. In both scenarios, from FY2025/2026 (on the right side of the vertical dashed line) we have graphed a projection of the further possible impact on the WCF from the start of that tariff year using the same cost-revenue delta that arose last year during this time (i.e., we have not assumed any underlying revenues or costs for that period) to demonstrate the inter-tariff year impact of this significant draw on the RCF in both scenarios.

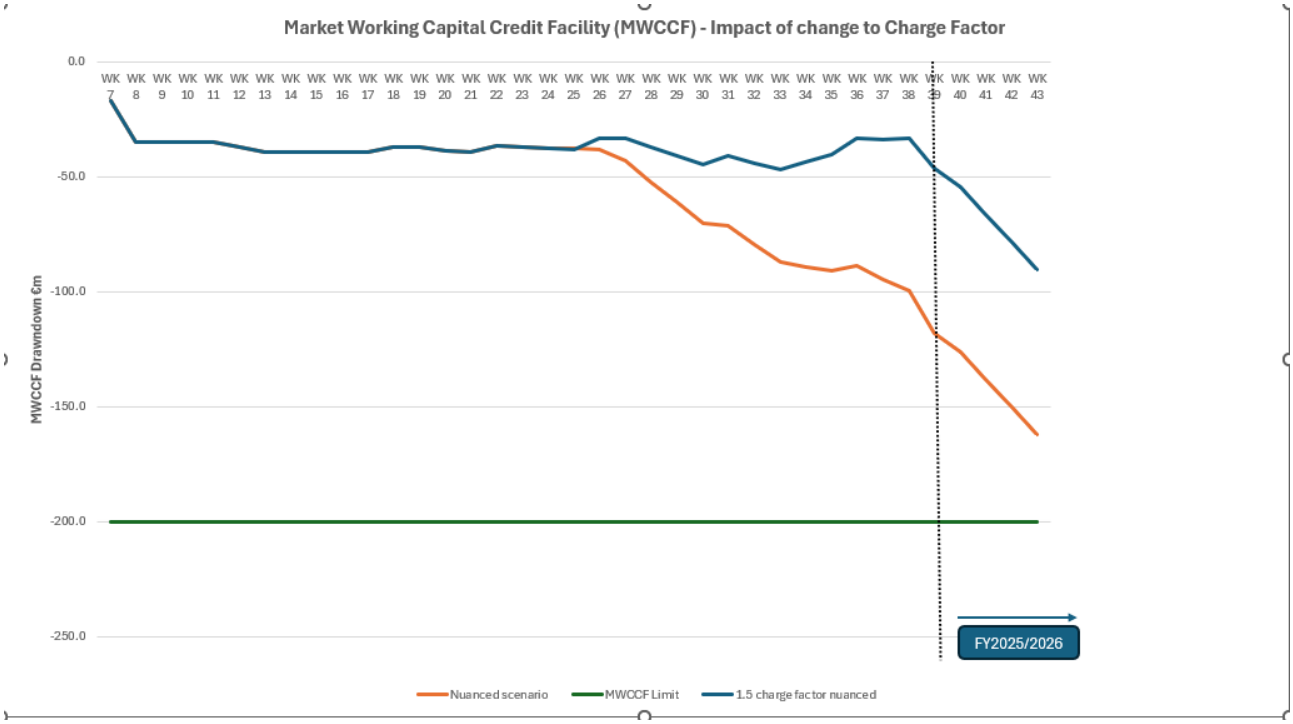


Figure-4: Impact of change in charge factor on the market working capital credit facility (MWCCF)

In the interest of creating a balance of the recovery of imperfections cost and to minimise sudden impact on the energy suppliers, the option to recover a portion of the overspend and maintaining a within year K Factor seems like a prudent option.

In the 2024/25 Imperfections Decision Paper (SEM-24-064), the SEMC decided that "*The Imperfections Charge Factor (FCIMPy) will be set to 1 for the period of 1 October 2024 to 30 September 2025, subject to any alterations following the biannual review process.*". This 2024/25 Mid-Year Report seeks approval from SEMC to revise the Imperfections Charge Factor (FCIMPy) to 1.5 to recover c.€68.5m of the forecast under-recovery within Tariff year 2024/25. The balance of the forecast under recover, c.€119.35m under-recovery (the currently forecast under recovery of €187.85m less the €68.5m that would be recovered via an increase in the Charge Factor) will be included in the K factor for Recovery over tariff year 25/26.

In accordance with Section F.12.1.1 (b), we are now seeking the approval for the Imperfections Charge Factor to be set to 1.5 for the period of 1 July 2025 to 30 September 2025.

Should approval be granted by the RA's, the Market Operator shall publish the approved revised Charge Factor and the approved date and time on which it comes into effect, within 5 working days of receipt of the Regulatory Authorities' determination as per section F 12.1.5 of the Trading and Settlement Code.