

# Future Power Markets Design Authority Update

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# Future Power Markets Design Authority

The Future Power Markets team is focused on how the ambition of up to 80% renewable energy share in electricity (RES-E) will be facilitated through the market.

The team's work spans across a number of core project areas, including:

- Future Arrangements for System Services (FASS)
- Scheduling and Dispatch Programme (SDP)
- Strategic Markets Programme (SMP)

Additional workstreams include:

- Long Duration Energy Storage (LDES)
- Energy Market Policy (EMP)
- Carbon Border Adjustment Mechanism



# Future Arrangements for System Services

The design and implementation of Future Arrangements for System Services (FASS) includes:

- “To deliver a competitive framework for the procurement of System Services, that ensures secure operation of the electricity system with higher levels of non-synchronous generation”, in line with the Single Electricity Market Committee (SEMC) request
- The implementation of a Day Ahead System Service Auction (daily auction/DASSA), Layered Procurement Framework and Fixed Term Contracts
- The creation of a System Services market code and updates to relevant codes and licenses.

- The SEM Committee published a decision paper approving the DASSA Parameters & Scalars Paper on the 19<sup>th</sup> December.
- The Plain English Version 3 (PEV 3) of the System Services Code was published on 22nd December 2025. The SEMC Decisions on Parameters and Scalars are being incorporated into PEV 4 of SS Code. The next System Services Code working group will be scheduled shortly and will be in person.
- The Non-Reserves Consultation Paper has been drafted and shared with the RAs. Engagement and review by the TSOs and RAs are ongoing. Alignment between the RAs and TSOs on the proposed direction is required to progress implementation activities.
- The TSOs are progressing the IT vendor design.
- The TSOs are going out to tender for a third party to provide credit management services for the FASS secondary market.

# Scheduling and Dispatch Programme

The Scheduling and Dispatch programme aims to:

- To enhance the scheduling and dispatch systems and processes in Ireland and Northern Ireland
- To bring about compliance with the Clean Energy Package (CEP) and the treatment of variable Non-Priority Dispatch Renewables (NPDRs)
- Facilitate low/zero carbon grid technologies such as Batteries, Synchronous Condensers in support of the broader goals of renewables and System Non-Synchronous Penetration (SNSP) penetration targets.

## SDP-02 Energy Storage Power Stations (ESPS) and SDP-04 Wind Dispatch Improvements (WDI):

- SDP-02 (ESPS) and SDP-04 (WDI) go-lives were successfully delivered on 11th and 26th November, as planned.
- Programme is now closing out remaining SDP\_02 and SDP\_04 activities, hypercare has been completed and support has transitioned to BAU operations.

## SDP-01 Non-Priority Dispatch Renewables

- RAs and SEMC are assessing Mod\_13\_23 Treatment of NPDRs and SEM-24-044 Definition of Curtailment, Constraint and Energy Balancing related to SEM-13-011. To facilitate this assessment the RAs have requested the TSOs undertake independent modelling to inform this decision. Two workshops have been scheduled for 20th and 26th January.
- Joint statement from RAs and TSOs:

“We acknowledge the delay in progressing the introduction of Non-Priority Dispatch Renewables (NPDRs).

To progress this initiative, the RAs and TSOs are taking the following steps:

January: TSOs and RAs to hold a series of workshops to reaffirm shared objectives, ensure alignment and review modelling approach.

Following this: TSOs will undertake modelling to inform decisions on Mod\_13\_23 and SEM-24-044.

February: TSOs intend to host an industry workshop to provide clarity on progress and next steps, subject to above activities.

- The SDP\_01 implementation timeline will depend on numerous factors, with further detail to be shared following a RA decision on Mod\_13\_23 and SEM-24-044. A comprehensive planning activity will be required after this decision to define timelines, finalise system design and test, and coordinate the necessary pre go-live activities.”

## SDP Tranche 2 Initiatives

- The programme is undertaking a planning activity to support Tranche 2 delivery. Current estimated go-live dates are in H2 2026. Tranche 2 initiatives are smaller in scope and will have limited impact on most market participants.

# Strategic Markets Programme

SMP SEM-EU covers integration initiatives such as capacity calculation, day-ahead and intraday market coupling, auctions for long-term transmission rights and Regional Coordination Centre (RCC) services, aligned with the Celtic Interconnector go-live and incorporating Multi-NEMO Arrangements (MNA) and MARI platform integration

## Looking ahead at the high-level timelines...

2027	Q1 2028
DA Core Parallel Run & SDAC External Market Testing	Coupled Operational Trading (SDAC and SIDC)
ID Core Parallel Run & SIDC External Market Testing	

## Looking ahead to 2026...

- Regulatory approval will be sought for a number of methodologies and may be sought for a number of derogations relevant to EU legislation
- 2026 will be a year of internal testing of relevant markets systems to make sure we are ready to begin external testing of these systems in 2027
- A new system Core Hub will be procured to perform the CORE capacity calculation tool for SEM. The Interconnector Management Protocol (ICMP) will also need to be updated.
- Detailed internal procedures for CORE Operations, SDAC and SIDC will be completed
- Complete Business Process Documents for all the "non-IT" services provided by CORESO
- Energisaion of converter station at Ballyadam

# Additional Market Developments

## Energy Market Policy

**The Energy Market Policy team is responsible for the development, co-ordination and communication of positions regarding all aspects of market policy. The team works closely with key stakeholders at EU and national level to analyse the impact of key regulatory and legislative changes on SEM.**

- The Energy Market Policy team has commenced engagement with the SEMC regarding updates to the Capacity Market. Consultations SEM-25-70 (cross-border participation) and SEM-25-71 (de-carbonisation) were published by the SEMC in late December and we will be responding accordingly.
- We continue to work with the Department of Climate, Energy and the Environment (DCEE) and Regulatory Authorities to track the progress of CACM2.0 which has been delayed. We have been informed by the EU Commission that an updated version will be released over the next month or so. This will be the third version since June 2025. We are also working with ENTSO-E to advance our position regarding the new regulation.
- We continue to monitor events regarding Post Brexit Arrangements having led the development of a TSO Report which was published in December. The UK government and EU intend to negotiate a new agreement for GB participation in the Internal Electricity Market which will include dynamic alignment with EU rules, participation in ENTSO-E and EU DSO Entity, non-voting participation in ACER and a financial contribution from the UK to the EU. The arrangement will feature phased integration, state aid compliance and a dispute resolution mechanism with an independent arbitration tribunal based on the TCA and CJEU authority. The EU has highlighted the need for any new agreement to disapply the parts of the TCA which mandate the introduction of MRLVC.

## Additional Market Developments

### Long Duration Energy Storage

The TSO has responsibilities under Action 6 of DCEE's Electricity Policy Storage Framework (ESPF) in progressing an immediate procurement of LDES services. The TSO is currently focused on establishing a design of a procurement mechanism to procure services from LDES assets and will consult on this through two consultations; a **Procurement Mechanism consultation** and a **Contractual Arrangements consultation**.

- Work is ongoing on finalizing a Procurement Approach Recommendation paper that will inform the CRU decision paper.
- Contractual consultation will follow - aiming to ensure Contractual consultation, and associated Recommendation paper and CRU decision paper on the Contractual aspects will be finalized by the end of 2026

# Additional Market Developments

## Carbon Border Adjustment Mechanism

The Carbon Border Adjustment Mechanism (CBAM) is a key environmental policy initiative by the European Union aimed at addressing the issue of carbon leakage. CBAM looks to ensure that imported goods into the EU (including electricity) bear a carbon cost equivalent to that faced by EU producers under the EU Emissions Trading System (ETS). The legal basis for CBAM is Regulation (EU)2023/956, complemented by Implementing Regulation (EU) 2023/1773 and amending Regulation (EU) 2025/2083.

- European Commission has published further amendments to CBAM Regulations. The amendment will allow renewable and low carbon to be accounted for in the imported energy mix. This further reduces emission factor relevant for imports and the associated CBAM financial obligation.
- This amendment combined with the previous amendment of offsetting of UK carbon prices already paid (i.e. UK ETS and Carbon Price Support (CPS)) could, based on current ETS and CPS prices, mean that the financial obligations on electricity imports to the SEM are minimal to none.

# Upcoming Events



## Future Power Markets Workshops 2026



Dates	Location
Tuesday, 27 <sup>th</sup> January 2026	In person, Europa Hotel, Belfast
Wednesday, 25 <sup>th</sup> February 2026	Online
Wednesday, 25 <sup>th</sup> March 2026	In person, Dublin
Wednesday, 22 <sup>nd</sup> April 2026	Online
Wednesday, 20 <sup>th</sup> May 2026	In person, Dublin
Wednesday, 24 <sup>th</sup> June 2026	Online

# Workshop Preview & Appreciation

The Future Power Markets team looks forward to welcoming industry participants to the upcoming FPMDA Workshop:

- Date: Wednesday, 25th February 2026
- Time: 10:00 - 11:30

Your continued engagement is vital in shaping the future of our electricity markets.

Thank you in advance for your participation and insights.

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Séanadh: Cé go ndearnadh cúram réasúnta agus réamhchúram chun a chruinneas a chinntí, cuirtear an tuarascáil seo agus an fhaisnéis atá inti ar fáil gan aon bharántais ná léirithe de chineál ar bith maidir le (gan teorainn) a cailíocht, a cruinneas ná a hiomláine. Tá an fhaisnéis go léir atá sa tuarascáil seo faoi réit aithraithe gan fógra. Ní ghlacann EirGrid (mar Oibreoir Córais Tarchurtha d'Éirinn), SONI (mar Oibreoir Córais Tarchurtha d'Tuaisceart Éireann) ná SEMO (mar Oibreoir Margaidh Leictreachais Aonair d'Éirinn agus d'Tuaisceart Éireann) aon fhreagrácht as aon neamhreireachtaí, earráidí ná easnaimh sa tuarascáil seo, agus diúltáin siad go hiomlán, a mhéid is ceadaíthe faoin dí, aon díltéanas as aon chailteanas ná damáiste a easraíonn as úsáid na tuarascála seo ná os brath ar an bhfaisnéis atá inti. Tá aon ghníomhartha a dhéantar bunaithe ar an tuarascáil seo agus ar an bhfaisnéis atá inti á ndéanamh ar riosca agus rogha an úsáideora amháin, agus moltar do pháirtithe tuairim ar leith agus neamhspleách a lorg maidir leis na nithe atá clúdaithe sa tuarascáil seo.