Single Electricity Market

FINAL RECOMMENDATION REPORT

MOD_01_26 IMPLEMENTATION OF ASP DECISION SEM-25-029

18 JUNE 2026

Document History

Version	Date	Author	Comment
1.0	6th July 2026	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	13th July 2026	Modifications Committee Secretariat	Issued to Regulatory Authorities for final decision

Reference Documents

Document Name
Trading and Settlement Code
Modification Proposal Form
Presentation 16.04.26
Presentation 18.06.26

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1. MODIFICATIONS COMMITTEE RECOMMENDATION

RECOMMENDED FOR APPROVAL– MAJORITY VOTE

Recommended for Approval by Majority Vote		
Andrew Burke (Chair)	Renewable Generator Member	Approve
David Caldwell	Supplier Member	Approve
Nick Brown	Supplier Alternate	Approve
Eoin Murphy	Assetless Member	Approve
Stacy Feldmann	Generator Member	Approve
Harry Molloy	Generator Member	Approve
Javaid Waqas	Generator Alternate	Abstain
Julie Anne Hannon	Supplier Alternate	Approve
Andrew McCorriston	Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve
Peter Brett	Supplier Member	Approve

2. BACKGROUND

This Modification Proposal was raised by CRU and UREGNI and received by the Secretariat on 30th March 2026 and raised at Modifications Committee Meeting 134 on 16th April 2026. The Modification Proposal was deferred and was discussed and voted on at Meeting 135 on 18th June 2026.

This proposal amends the definition of Short-Term Reserve Quantity in the T&SC Glossary to refer to available Replacement Reserves only, i.e., remove reference to Tertiary Operating Reserve Band 2, in line with the SEM Committee's decision in SEM-25-029.

In E.4.2.2(a), the Reserve Scarcity Price (PRS) is calculated by comparing the Short-Term Reserve Quantity (qSTR) and qORR (Operating Reserve Requirement Quantity). Currently, qSTR comprises available Tertiary Operating Reserve (Band 2) *and* available Replacement Reserve, while qORR comprises the requirement for Tertiary Operating Reserve (Band 2) only. Thus, the proposal resolves this anomaly such that available Replacement Reserve is compared to the requirement for Replacement Reserve, and hence ensures that PRS is set on consistent basis. The SEM Committee's decision (SEM-25-029) gives further details.

As an option for further consideration, it also amends the terms "Short Term Reserve Quantity" and "Operating Reserve Requirement Quantity" to "Available Reserve Quantity" and "Required Reserve Quantity" respectively in the T&SC Glossary and Sections E.4.2 and E.4.3.

3. PURPOSE OF PROPOSED MODIFICATION

3A.) JUSTIFICATION OF MODIFICATION

The SEM Committee's decision on Administered Scarcity Pricing (SEM-25-029) followed a review of the Administered Scarcity Pricing mechanism that itself followed the EY review of the Capacity Remuneration Mechanism in 2022. This Modification Proposal is required to implement both elements of this decision, being firstly to amend the definition of qSTR so that it refers to Replacement Reserve only.

Secondly, the decision also recommended that consideration is given to amending the terms "Short Term Reserve Quantity" and "Operating Reserve Requirement Quantity" to "Available Reserve Quantity" and "Required Reserve Quantity" respectively. This is included as an option for consideration by the Modifications Committee to determine whether such a change of terminology would have any disproportionate impacts. The purpose of this change is to make it clearer and more transparent that E.4.2.2 is comparing the available quantity and the required quantity of the one reserve category.

The changes are being made to ensure the mechanism is functioning correctly and as envisioned in the market design; a correction which should allow triggering of ASP when appropriate.

3B.) IMPACT OF NOT IMPLEMENTING A SOLUTION

If this Modification is not implemented, it would mean that the T&SC would not reflect the policy decision set out in SEM-25-029.

3C.) IMPACT ON CODE OBJECTIVES

This proposal furthers the following Code Objectives set out in A.2.1.4 of the T&SC:

b. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;

d. to promote competition in the Single Electricity Market;

e. to provide transparency in the operation of the Single Electricity Market;

g. to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.

4. WORKING GROUP AND/OR CONSULTATION

N/A

5. IMPACT ON SYSTEMS AND RESOURCES

Process of calculating qSTR will change.

6. IMPACT ON OTHER CODES/DOCUMENTS

N/A

7. MODIFICATION COMMITTEE VIEWS

MODIFICATIONS MEETING 134 – 16TH APRIL 2026

The Proposer delivered a presentation on this Modification Proposal noting that it was drafted based on the SEM Committee decision on SEM-25-029 published in June 2025, which followed a consultation that ran in 2023. The proposal was raised so that the T&SC would reflect this policy decision. The RAs noted they had received feedback regarding updated modelling and went through a couple of charts using data provided by SEMO showing available reserve on two dates in January if Mod_01_26 was in place. It was advised that the charts did not represent a normal operating day but days where system margin warnings were in place.

The Chair asked for clarification on how frequently the short-term reserve would be reduced and by how much. The RAs noted that would be the value of what TOR 2 typically was, and that would be dependent on the system's condition in real time.

Due to this change in short term reserve, a Supplier Member raised concerns because of a lack of understanding of the impact this could have; not all Participants had been involved in the consultation which was mostly of interest to Generators. It was also requested that Participants should be shown more supporting data and made aware of this change in other fora such as the MOUG. The Proposer replied that some analysis was already provided in the consultation, but they would take the suggestion on board to reach out to the wider industry.

Generator Member noted that this was a significant change for Generators and advised that progress should be made on other decisions such as Capacity Secondary Trading before this proposal was progressed. It was also requested to check if TOR2 data feeding into the calculation was publicly available in order for Participants to do their own analysis.

MO Member took an action to find out if the quantity relating to TOR2 is available in either the SEMO or the EirGrid websites in order for analysis to take place. MO Member believed Participant reports only contain the aggregated value.

A number of other Members supported the point made about progressing the Secondary Trading proposals. The RAs provided assurance that the go-live date is scheduled for the end of April 2026 and within the same timelines, the RAs are also progressing the next phases regarding CMC_11_21.

A Supplier Member stated that the supplier had not been close to the consultation on ASP, so there was a struggle to understand the implications of this decision.

Generator Member then asked what would happen if, when setting the NI and ROI System Services requirements, one was left short, and what kind of correlation would be made? MO Member stated that these would be concerns that need to be raised in the appropriate forum for the development of System Services.

DSU Member noted that if the system service requirement was coming in with a different value from what is in the Balancing Market, there would be a misalignment that needs to be considered by the RAs in the future. It was also advised that the charts in the presentation for those dates in January 2026 showed that the change was still not delivering ASP even in scenarios where a system margin warning was in place and wind was quite low.

Supplier Member questioned the role of the Committee at this meeting, noting that a decision had already been made by the RAs to approve this proposal, and it was asked if the Panel were merely asked to ratify that the change was in line with the decision. MO Member stated the opinion that the Committee would confirm if they were satisfied with the changes proposed reflected in the policy decision. RA Member also added that their understanding was that the decision was basically removing double counting from the calculation and clarifying what the policy should be, while the Modification itself is implementing the decision.

DSU Member advised that they felt that regardless of the result of the voting recommendation, unless the Members can prove that there is something fundamentally wrong and against the principles of the decision, it will be implemented. However, this proposal had a wider reach than just the Modifications Committee, and it was felt that an industry webinar would be welcome to communicate the introduction of this proposal. The Chair agreed with this sentiment but stressed that this was something to be hosted and managed by the RAs if convened rather than part of the Modification Panel process.

The Chair summarized the concerns expressed relating to DASSA, remit of Committee in approving this proposal, and impact on Scarcity pricing events and their frequency in the future following implementation of this proposal. It was also noted that the desire for more background data on this proposal and confirmation of the implementation of the Secondary Trading Modification before a vote can be cast.

MO Member provided assurance that an Impact Assessment with the vendor had been initiated and although the details were not yet received, the system changes associated with this proposal were considered a low impact change and they could potentially be included in time for Release R which is planned to be deployed together with Release Q at the end of 2026. Deferring the Modification to meeting 135 in June would not affect these timelines given that the policy decision is already in place.

It was concluded that the majority of Members recognized that the Modification will be eventually implemented because of the existing decision SEM-25- were not happy to vote at this time due to the request for more data analysis and certainty over the Secondary Trading implementation. It was noted that the consultation ended with a reference to a Modification being raised followed by a period of further consultation. Therefore, an industry webinar run by the RAs was encouraged to cover the questions raised. Secretariat advised Members to submit any queries relating to the proposal following the meeting, and they would be included in the Appendix of the minutes that would be drafted. RA Observer supported the Secretariat’s comment, to allow it to prepare the material which would facilitate a vote being taken at the next Mods Committee meeting.

MODIFICATIONS MEETING 135 – 18TH JUNE 2026

The Proposer delivered a presentation on this Modification Proposal noting that queries had been raised following Modifications Committee Meeting 134 and they would be addressed in this presentation. The Proposer gave a background on the ASP workstream reminding Participants that SEMC had launched a consultation to propose changes to the Reserve Scarcity Price and after publishing the consultation’s decision, the RAs worked on a proposal to reflect the new policy. The Proposer went through the questions received and displayed the graphs that had been modeled from data provided by SEMO. It was noted that they are representable of the past 24 months as requested by Members because of the instances of system warnings. The Proposer went through each of the charts with ASP never being triggered and only coming close in one instance.

For the second query, the Proposer linked in the RA review and the decision that was published for CMC_11_21 and explained that they invited the original Proposer of CMC_11_21 to submit a new Proposal in relation to outstanding items.

For the third query, it was advised that qSTR is a measurement not a target for procurement reserves. It was also advised that SEMC had not approved the consequential losses, and discussion was still ongoing about this.

8. PROPOSED LEGAL DRAFTING

As per Appendix 1.

9. LEGAL REVIEW

N/A

10. IMPLEMENTATION TIMESCALE

It is recommended that this Modification is implemented on a Trading Day basis following the relevant Market System Release.

1 APPENDIX 1: MOD_01_26 IMPEMENTATION OF ASP DECISION SEM-25-029

Proposer *(Company)*	**Date of receipt** *(assigned by Secretariat)*	**Type of Proposal** *(delete as appropriate)*	**Modification Proposal ID** *(assigned by Secretariat)*
RAs	**30th March 2026**	**Standard**	**Mod_01_26**

Contact Details for Modification Proposal Originator		
Name	**Telephone number**	**Email address**
Elvis Sebastian		**esebastian@cru.ie**

Modification Proposal Title
Implementation of ASP decision SEM-25-029

Documents affected *(delete as appropriate)*	**Section(s) Affected**	**Version number of T&SC or AP used in Drafting**
T&SC, T&SC Glossary	**E.4.2, E.4.3, Glossary**	**31.0**

Explanation of Proposed Change *(mandatory by originator)*
This proposal amends the definition of Short Term Reserve Quantity in the T&SC Glossary to refer to available Replacement Reserves only, i.e., remove reference to Tertiary Operating Reserve Band 2, in line with the SEM Committee's decision in SEM-25-029. In E.4.2.2(a), the Reserve Scarcity Price (PRS) is calculated by comparing the Short Term Reserve Quantity (qSTR) and qORR (Operating Reserve Requirement Quantity). Currently, qSTR comprises available Tertiary Operating Reserve (Band 2) *and* available Replacement Reserve, while qORR comprises the requirement for Tertiary Operating Reserve (Band 2) only. Thus, the proposal resolves this anomaly such that available Replacement Reserve is compared to the requirement for Replacement Reserve, and hence ensures that PRS is set on consistent basis. The SEM Committee's decision (SEM-25-029) gives further details. As an option for further consideration, it also amends the terms "Short Term Reserve Quantity" and "Operating Reserve Requirement Quantity" to "Available Reserve Quantity" and "Required Reserve Quantity" respectively in the T&SC Glossary and Sections E.4.2 and E.4.3.
Legal Drafting Change

(Clearly show proposed code change using ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)*

In the Glossary, amend and delete the following:

DEFINITIONS

Required~~Operating~~ Reserve ~~Requirement~~ Quantity	means the operating reserve requirement for Tertiary Operating Reserve band 2 used to determine the most recent Indicative Operations Schedule in respect of an Imbalance Pricing Period, as submitted by the relevant System Operator to the Market Operator under paragraph E.4.2.1 and in accordance with Appendix K “Other Market Data Transactions”.
Reserve Scarcity Price Curve	means a piecewise linear curve defining the relationship between the Reserve Scarcity Price (PRS_{φ}) and the Available~~Short Term~~ Reserve Quantity ($qSTR_{\varphi}$). The term “Reserve Scarcity Price Quantity Pair” shall be interpreted accordingly.
Available~~Short Term~~ Reserve Quantity	means the available reserves for~~ Tertiary Operating Reserve band 2 and~~ Replacement Reserve in the most recent Indicative Operations Schedule, as submitted by the relevant System Operator to the Market Operator under paragraph E.4.2.1 and in accordance with Appendix K “Other Market Data Transactions”.

LIST OF VARIABLES AND PARAMETERS

Topic:	**Element:**	**Long Name:**	**Definition/Description:**	**Units:**
Variable	$qORR_{\varphi}$	Required~~Operating~~ Reserve ~~Requirement~~ Quantity	The Required~~Operating~~ Reserve ~~Requirement~~ Quantity in an Imbalance Pricing Period, φ, meaning the operating reserve requirement for Tertiary Operating Reserve band 2 used to determine the most recent Indicative Operations Schedule and submitted by the System Operator under paragraph E.4.2.1.	MW

Variable	$qSTR_{\varphi}$	Available~~Short Term~~ Reserve Quantity	The Available~~Short Term~~ Reserve Quantity in an Imbalance Pricing Period, φ, representing the available reserves for ~~Tertiary Operating Reserve band 2 and~~ Replacement Reserve in the most recent Indicative Operations Schedule, as submitted by the System Operator under paragraph E.4.2.1.	MW

In E.4.2, amend the following:

Determination of the Reserve Scarcity Price

For each Imbalance Pricing Period, φ, the System Operator shall submit the Required~~Operating~~ Reserve~~ Requirement~~ Quantity ($qORR_{\varphi}$) and Available~~Short Term~~ Reserve Quantity ($qSTR_{\varphi}$) to the Market Operator in accordance with Appendix K "Other Market Data Transactions".

For each Imbalance Pricing Period, φ, the Market Operator shall calculate the Reserve Scarcity Price (PRS_{φ}) as follows:

If $qSTR_{\varphi} < qORR_{\varphi}$, and $qSTR_{\varphi} \leq qRSC_{(\Theta=N)}$, the Market Operator shall calculate the value of Θ that satisfies $qRSC_{\Theta-1} \leq qSTR_{\varphi} \leq qRSC_{\Theta}$ where $2 \leq \Theta \leq N$ and then calculate,

$$PRS_{\varphi} = \left(\frac{PRSC_{\Theta} - PRSC_{\Theta-1}}{qRSC_{\Theta} - qRSC_{\Theta-1}}\right) \times \left(qSTR_{\varphi} - qRSC_{\Theta-1}\right) + PRSC_{\Theta-1}$$

where ($PRSC_{\Theta}$, $qRSC_{\Theta}$) is the Θth Reserve Scarcity Price Quantity Pair in the Reserve Scarcity Price Curve applying to the Capacity Year in which Imbalance Pricing Period φ falls and $qSTR_{\varphi}$ is the ~~Short Term~~Available Reserve Quantity for Imbalance Pricing Period, φ;

Otherwise, the Reserve Scarcity Price (PRS_{φ}) is set equal to PFLOOR.

In E.4.3, amend the following:

Determination of Demand Control Quantities

If during an Imbalance Pricing Period, φ:

the Available~~Short Term~~ Reserve Quantity ($qSTR_{\varphi}$) is less than the Required~~Operating~~ Reserve ~~Requirement~~ Quantity ($qORR_{\varphi}$); and

any of the following Demand Control events occurs:

Customer Voltage Reduction in Northern Ireland, in accordance with section OC4.4.5 of the Northern Ireland Grid Code;

Emergency or Exceptional Voltage Control, in Ireland in accordance with OC4.4.6 of the Ireland Grid Code;

Automatic Load Shedding in Northern Ireland, in accordance with section OC4.4.8 of the Northern Ireland Grid Code;

Automatic Low Frequency Demand Disconnection in Ireland, in accordance with section OC5.5 of the Ireland Grid Code;

Planned or Emergency Manual Disconnection in Northern Ireland, in accordance with section OC4.4.6 of the Northern Ireland Grid Code; or

Demand Control on the instructions of the TSO in Ireland, in accordance with section OC5.4 of the Ireland Grid Code.

then the relevant System Operator shall determine that the Imbalance Pricing Period, φ, is an Affected Imbalance Pricing Period.

Modification Proposal Justification

(Clearly state the reason for the Modification)

The SEM Committee's decision on Administered Scarcity Pricing (SEM-25-029) followed a review of the Administered Scarcity Pricing mechanism that itself followed the EY review of the Capacity Remuneration Mechanism in 2022. This Modification Proposal is required to implement both elements of this decision, being firstly to amend the definition of qSTR so that it refers to Replacement Reserve only.

Secondly, the decision also recommended that consideration is given to amending the terms "Short Term Reserve Quantity" and "Operating Reserve Requirement Quantity" to "Available Reserve Quantity" and "Required Reserve Quantity" respectively. This is included as an option for consideration by the Modifications Committee to determine whether such a change of terminology would have any disproportionate impacts. The purpose of this change is to make it clearer and more transparent that E.4.2.2 is comparing the available quantity and the required quantity of the one reserve category.

The changes are being made to ensure the mechanism is functioning correctly and as envisioned in the market design; a correction which should allow triggering of ASP when appropriate.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)

This proposal furthers the following Code Objectives set out in A.2.1.4 of the T&SC:

- to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
- to promote competition in the Single Electricity Market;
- to provide transparency in the operation of the Single Electricity Market;
- to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.

Implication of not implementing the Modification Proposal *(State the possible outcomes should the Modification Proposal not be implemented)*	
If this Modification is not implemented, it would mean that the T&SC would not reflect the policy decision set out in SEM-25-029.	
Working Group *(State if Working Group considered necessary to develop proposal)*	**Impacts** *(Indicate the impacts on systems, resources, processes and/or procedures)*
No	Process of calculating qSTR will change.
Please return this form to Secretariat by email to modifications@sem-o.com	