



Single Electricity Market

MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 131C

MS Teams Call

11th November 2025

10.30AM – 12.30PM

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Document History

Version	Date	Author	Comment
1.0	12 th Nov 2025	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	14 th Nov 2025	Modifications Committee Secretariat	Committee and Observer review complete

Distribution List

Name	Organization
Modifications Committee Members	SEM Modifications Committee
Modification Committee Observers	Attendees other than Modifications Panel in attendance at Meeting
Interested Parties	Modifications & Market Rules registered contacts

Reference Documents

Document Name
Balancing Market Rules – Trading and Settlement Code & Agreed Procedures
Mod 04 25 Amendment to Payment Deferral
Presentation
Mod 04 25 Example
Mod 04 25 Amendment to Payment Deferral – Slides 11.11.25

In Attendance

Name	Company	Position
Modifications Committee		
Andrew Burke (Chair)	Wind, Energy Ireland	Renewable Generator Member
Niamh Trant	Bord Gais Energy	Supplier Member
Cormac Daly	VIOTAS	DSU Member
Kevin Goslin	CRU	RA Alternate
Paraic Kelly	EirGrid	SO Alternate
Eoin Murphy	ElectroRoute	Assetless Member
David Morrow	Energia	Generator Member
Javaid Waqas	Energia	Generator Alternate

Harry Molloy	EPUKI	Generator Member
Andrew Kelly	ESB	Generator Member
Kerri Webb	NIE Networks	MDP Member
David Caldwell	Power NI	Supplier Member
Christopher Mullan	Power NI	Supplier Alternate
Nick Brown	PrePayPower	Supplier Alternate
Lisa Tate	Uregni	RA Member
Grace Burke	Orsted	Renewable Generator Alternate
Katia Compagnoni	SEMO	MO Member
Joseph Kavanagh	SEMO	MO Alternate
Secretariat		
Esther Touhey	SEMO	Secretariat
Sandra Linnane	SEMO	Secretariat
Observers		
Thomas O'Sullivan	Aughinish	Observer
Nicole Browne	CRU	Observer
John Tracey	SEMO	Observer
David Conway	SEMO	Observer
James McGrann	SEMO	Observer
Adelle Woods	Bord na Mona	Observer
Kevin Leneghan	SONI	Observer

1. URGENT MODIFICATION PROPOSAL

MOD_04_25 AMENDMENT TO PAYMENT DEFERRAL

The Chair introduced this Modification by clarifying that, although there is a lot of curiosity surrounding the reasons for this Modification, the Committee should concentrate solely on the matter detailed in the Proposal. The Proposer gave a [presentation](#) on this Modification Proposal addressing that T&SC. An overview was given on why this proposal was raised as urgent noting that in the last few weeks the average total Settlement

Document amount was €6.7 million, which related to the new financial year; should that level of payments continue and another event, such as a price event, there is a chance of having to call upon the payment deferral logic. It was advised that this level of outgoing was outside the forecast trends and the urgency related to the unexpected level of the last number of weeks.

The Proposer explained that the proposed changes would reduce the payment to each affected Participant according to their Settlement Document in relation to the total Market Payments. This was considered a more equitable and non-discriminatory outcome.

[Examples](#) were shown noting that charges would still remain the same and the updated algebra would reduce payments by applying an even spread.

The Chair asked when is the credit note paid back? Would participants have to wait until M+4/M+13 and would they lose the right to those payments if it went beyond M+13? The Proposer provided assurance that the pay back would happen as soon as the funds would become available, therefore likely to be within a matter of weeks and not related at all to M+4 or M+13.

A number of Members questioned how imminent this risk was and why the Committee were not notified of this sooner and if the Working Capital could be increased once again. The Proposer advised that the Working Capital had already been increased based on the forecast and the timelines might not allow to do it again promptly. It would not be possible to quantify the timing or the likelihood of this scenario happening, the increase in Working Capital has the Market currently covered; this proposal was raised as a prudent approach if a Price Event or other unplanned events were to occur and in that case a payment deferral may need to happen. Assurance was given that all options are being considered, including a mid-year increase in the tariff or a further request for additional Working Capital.

A Supplier Member also requested more advice on how much reduction in payment can be expected and for how long as risk assessments would have to be carried out and the figures shown are quite high. The Proposer advised that the example has been adapted to highlight the issue and should not be taken as real Market Data. It would not be possible to give an estimate of the size or duration of the deferral as it all depends on the specific circumstances. It will be ongoing until sufficient funds are in place to reverse the scenario.

SEMO Observer advised that there was an obligation on the Market Operator to notify all participants and the Regulatory Authorities if a payment deferral was required. It was confirmed that ideally a payment deferral may never be needed and this proposed modification was just in case it was required. There was an appreciation that participants would want ongoing updates and any information going forward and although the T&SC only mandate to inform the Market in case Payment Deferral is being enacted, the Market Operator will endeavor to provide updates as necessary.

A Supplier Member raised concerns about whether this approach was sufficiently transparent. A 20 Working Day(WD) notice period was also requested to flag a potential Payment Deferral with a potential Cap to be put in place and if SEMO could give insights into what publications and support would be given should that occur. The Proposer advised that SEMO were constantly monitoring the situation but would not be able to provide a notice of 20WD. The best indication that a Payment Deferral would be likely to occur would only be available once all Indicative runs for a given Billing Week would be completed; this would give approximately 1 week notice depending on circumstances. As for setting a Cap, this would prove very difficult as neither the duration or the size of the shortfall can be predicted. The Chair suggested that the purpose of this proposal should also be presented at the Market Operator User Group to make sure it is widely known and understood.

A Supplier Member gave support to this proposal noting that they had no objection to the change in methodology and although Suppliers were not directly affected, concerns were raised that the market is paying out much more than it expected. The latest published Imperfections report shows already a 12m increase in costs in Q4 and it was questioned whether the October outgoings indicated a further step up in that. It was asked if SEMO could negotiate the tariff change and if it would be possible to get the report on a more regular basis. The Proposer agreed that October represented a step up with a combination of other factors as well such as Metering Charges. It was advised that the Imperfection monitoring and tariff calculation is managed by another team but agreed to take an action to check what work is ongoing.

DSU Member questioned if there would be system changes and how long these would take. SEMO gave assurance that there were no system changes at this point, and this can be implemented outside the system. The process would be as follow: the Settlement Documents would be released on Friday, participants would pay in on Wednesday, and on the Thursday, payments out would be issued with the unchanged Settlement Document together with the Credit Note that would indicate the reduced amount. SEMO will seek to automate this process in the future through the change request process if possible.

DSU Member also raised concerns of why this issue was only discovered now, even though the algebra had been in place for years and asked if CR728 had anything to do with it or if any other Urgent Modification would be necessary. The Proposer advised that no further Urgent Modification Proposals were expected. The Proposal was originally intended to be raised as Standard once it was identified few weeks ago, but the escalation of payments required this new approach. MO Member also explained that CR728 was linked to Unsecured Bad Debt which is not being affected by this proposal. Payment Deferral was originally only linked to instances of Bad Debt while this scenario was not expected due to the balancing nature of the Market. Attempts were made by SEMO to modify the Unsecured Bad Debt calculation during the I-SEM design phase albeit with a different approach to the one hereby proposed. That was not accepted at the time and the calculation remained unchanged. It would not have been envisaged that Payment Deferral could occur outside the Bad Debt scenario due to such high Imbalances. The calculation of Unsecured Bad Debt, or CR278 are unaffected and unrelated to this Modification.

Some Members referred to the graph in the Proposer slide pack and highlighted that Imbalances Payments in the period from Nov 2024 to Feb 2025 were even higher than they currently are and why did that not cause the same problems. The Proposer explained that the impacted periods had two significant storms which contributed to the high payments. It was also noted that the costs are cumulative and the continued high payments issued in Settlement Documents in subsequent months have had an impact on the Available Working Capital. It was questioned whether the positive impact of some elements, such as the reduction in the amount set aside for the Clean Energy Package that went from 3m to 700k, was eaten up by the higher payments.

Generator Member gave support to the changes but asked for more granular reporting. The Proposer made note of this and suggested that a graph could be presented at both the MOUG and the Committee meetings going forward. Also, a suggestion that Participants could be able to verify this on an ongoing basis with the published data, considering that the Clean Energy Package amount is fixed on a weekly basis and set at 700K since the start of the new Financial Year.

A suggestion was made by an Observer that algebra was left as it is because it introduces a risk for small Participants that do not participate in Ex-Ante. The Proposer advised that the previous logic would create great discrepancies in the Market with some Participants still receiving their full amounts while others would see their payments turned into charges and that would be an even bigger risk to the feasibility of the Market as the discrepancy with the expected payments would be unevenly distributed. All Participants that receive a Payment are party to the shortfall and it was the Proposer opinion that they should all be affected in an equal manner. Participants clearing in the Ex-ante timeframe would not be affected unless the Deferral event happen in a week where Capacity Payments are due. It was further explained that on a sample week it was observed that with the old algebra only approx 108 PTs would have been affected by Payment reduction while with the new algebra they would have been 140 including Assetless etc. It means that there is a larger pool of PTs affected which makes it more equitable and fairer.

A Supplier Member reiterated that this is a complex area of the Code and that monitoring should continue even after the implementation of these changes to ascertain that no unintended consequences have been introduced.

The Committee Members agreed to proceed to a vote and the Chair concluded the Proceeding.

Decision

This Proposal was Recommended for Approval.

Recommended for Approval by Unanimous Vote		
Andrew Burke (Chair)	Renewable Generator Member	Approve
Nick Brown	Supplier Alternate	Approve
David Caldwell	Supplier Member	Approve
Andrew Kelly	Generator Member	Approve
Harry Molloy	Generator Member	Approve
David Morrow	Generator Member	Approve
Eoin Murphy	Assetless Member	Approve
Cormac Daly	DSU Member	Approve
Niamh Trant	Supplier Member	Approve
Peter Brett	Supplier Member	Approve

Action:

- Secretariat to draft a Final Recommendation Report - **Open**

2. AOB

Secretariat confirmed that the minutes would be drafted and issued to Committee within 1 Working Day.

Modifications Committee Meeting 132 will be scheduled for Wednesday, 3rd December 2025 with a closing date for new proposals on 19th November 2025.