

18 September 2026

Our Ref: OSC-C-26-131

Trading and Settlement Code Modifications Committee
c/o Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

SEM Committee Decision for the Regulatory Authorities in relation to Mod_03_26 ‘*Compensation Arrangements for Net Transfer Capacity (NTC) Reductions*’ (Final Recommendation Report FRR_03_26 v2.0)

Dear Esther,

On the 28th of July 2026, the Modifications Committee submitted its Final Recommendation Report (FRR) regarding Modification Proposal Mod_03_26 ‘*Compensation Arrangements for Net Transfer Capacity (NTC) Reductions*’ in accordance with Paragraph B.17.18.1 of the SEM Trading and Settlement Code (TSC). Modification Proposal Mod_03_26 was submitted to the Modifications Committee by EirGrid and SONI on the 4th of June 2026. The Modification Proposal was raised and voted on at Modifications Committee Meeting 135 on 18th June 2026.

This Modification Proposal was raised to implement the SEM Committee's decision, taken at its meeting of 18 December 2025, that compensation due to interconnector owners from Transmission System Operators arising from reductions in interconnector Net Transfer Capacity (NTC) should be recovered on an all-island basis through the Imperfections Charge. The proposal establishes the TSC mechanisms required for the Market Operator to recover and process these compensation payments from the 2026/27 tariff year onwards.

The RAs note that Modification Proposal Mod_03_26 was recommended for approval on a unanimous basis by the Modifications Committee.

Considering the above, and in accordance with Paragraph B.17.20 of the Trading and Settlement Code, the SEM Committee approves this Modification Proposal, as set out in Section 8 “Proposed Legal Drafting” and Appendix 1 of FRR_03_26, to be implemented on a Trading Day basis and to be made effective on the first available date following the delivery of any required system changes and/or internal processes.

Yours sincerely,

(no signature required – sent by email)

Kevin Hagan
Manager
Wholesale Electricity Markets
Commission for Regulation of Utilities

Lisa Tate
Manager
Markets Directorate
Utility Regulator