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SEM Market Audit

Independent Market Auditor’s Report
For the period ended 31 December 2025

Date: 10 September 2026

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Market Auditor Report – Notice re Distribution and Publication

This notice concerns the Market Auditor Report to the Commission for Regulation of Utilities ("CRU") and the Utility Regulator ("UR") (together the Regulatory Authorities (the "RAs")) on the SEM Market Audit for the 12 months ended 31 December 2025 dated 10 September 2026 (the "Report").

This notice does not apply to the RAs (including their employees acting within the scope of their employment duties).

The requirement for the Market Audit is set out in The Single Electricity Market ("SEM") Trading & Settlement Code ("TSC" or "the Code") designated on 3 July 2007 and as amended from time to time. This Report was prepared by Deloitte Ireland LLP (a limited liability partnership registered in Northern Ireland with registered number NC001499 and its registered office at The Ewart, 3 Bedford Square, Belfast, BT2 7EP, Northern Ireland) ("Deloitte").

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No work has been carried out nor have any enquiries of RAs or the management of the Single Electricity Market Operator been made since 10 September 2026. The Report does not incorporate the effects, if any, of any events or circumstances which may have occurred or information which may have come to light subsequent to that date. Deloitte makes no representation as to whether, had Deloitte carried out such work or made such enquiries; there would have been any material effect on the Report. Further, Deloitte has no obligation to notify You if any matters come to its attention after the date of this report which might affect the continuing validity of the comments or conclusions in the Report.

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This notice shall be governed and construed in accordance with the laws of Ireland. The courts of Ireland will have exclusive jurisdiction to settle any claim, dispute or difference which may arise out of or in connection with this notice.

Contents

1 Introduction

1.1 Background

The Single Electricity Market ("SEM") was developed by the Commission for Regulation of Utilities ("The Commission" or "CRU") and the Utility Regulator ("UR"), together the Regulatory Authorities ("RAs"). The Single Electricity Market Operator ("SEMO") is responsible for the operation of the SEM. The Trading and Settlement Code ("TSC" or "the Code") was developed as part of the process of establishing the SEM and constitutes the trading and settlement arrangements for the SEM.

The Regulatory Authorities have engaged Deloitte as Market Auditor to undertake a Market Audit of the Code's application by SEMO, its operations and implementation and the operations, trading arrangements, procedures and processes under the Code by the SEMO. As required under the Code, the RAs consulted on the scope of the Market Audit resulting in the publication of the Terms of Reference for the Market Audit (SEM-25-051) on 8 September 2025 ("TOR").

As defined in the TOR, the scope of the Market Audit focused on the activities of the SEMO under the Code applicable during the audit period ended 31 December 2025 (with the most recent version issued on 13 November 2025) and associated Agreed Procedures and covered the systems and processes within the control of the SEMO. The TOR require that the audit is conducted under ISAE 3000 as a Reasonable Assurance Engagement, and covers the following areas:

- Accession & Registration
- Imbalance Settlement Price Calculation and Recalculation
- Settlement Production and Reruns (to include all of the Market Operator Charges)
- Currency and balancing charges
- Invoices, payments and credit cover
- Queries and disputes
- Code development
- Information publication
- Communication channels, systems and operation

Unless otherwise specified, words and expressions used in this document have the same meaning as defined in the Code.

Introduction (Continued)

1.2 Requirement for Market Audit

The requirement for a Market Audit of the Code is set out in section B.16 of the Code in paragraphs B.16.1.1 to B.16.1.13. As specified in the TOR, the market audit covers the 12 months from 1 January 2025 to 31 December 2025 and aims to provide a reasonable level of assurance under ISAE 3000.

1.3 Report Structure

Section 2 contains our Market Audit Conclusion. The Market Audit Scope was agreed by the RAs in accordance with the Terms of Reference.

The Regulatory Authorities have specified in the TOR that materiality should be set at 0.5% of estimated annual market value, with a threshold of 10% of the materiality value set for the reporting of Significant Issues. Planning materiality for the Market Audit has therefore been set at €9.47m and it will be for signatories to the Code ("Parties") themselves to evaluate the financial impact of any errors or matters arising on their own businesses.

Section 3 contains details of the Material Issues identified during the course of the audit, i.e. issues that individually or in aggregate exceed the quantitative materiality set out above and/or that we have judged are qualitatively material.

Section 4 contains our Report of Significant Issues, setting out matters identified during the course of the audit which, while not material in the context of the engagement, may have a significant impact on Parties to the Code. Where, in our professional judgement, matters arising may be significant to individual parties such matters have been included in the Report of Significant Issues with appropriate detail so as to allow the RAs and Parties to the Code to evaluate the impact of the cause and circumstances of matters reported. Qualitative and quantitative factors were taken into account when determining the significance of an issue. From a quantitative perspective, a threshold of 10% of the materiality value has been applied in determining whether a matter should be included in the Significant Issues Report. From a qualitative perspective, we consider a range of factors including the number and type of parties affected, cause of the issue, duration of the issue and whether this had already been identified by the Market Operator. For the 2025 Market Audit, no significant issues were identified.

Section 5 contains details of Other Matters Arising which we wish to bring to the attention of the market. We include this section as we believe it may assist the RAs and Parties to the Code to judge for themselves the relative impact of all points reported.

Sections 3, 4 and 5 include a response to each finding provided by SEMO.

Section 6 contains details of Follow up on prior year issues which we wish to bring to the attention of the market. We include this section to provide the RAs and Parties to the Code with the update around the resolution status of the Significant Issues and/or Other Matters Arising that had been documented in our report for the prior Trading and Settlement Code Audit for the 12 months ended 31 December 2024.

2 Market Auditor Conclusion

Independent Market Auditor's Assurance Report to the CRU and the UR (together The RAs)

We have performed procedures in order to obtain reasonable assurance work over the extent to which the Single Electricity Market Operator has complied with the Code and relevant Agreed Procedures as defined in the "Terms of Reference for the Market Audit 2025" (SEM-25-051) published by the RAs on 8 September 2025, during the 12 month period ending 31 December 2025. The engagement has been performed in accordance with ISAE 3000 (Revised) "Assurance Services Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. In the context of this engagement the terms "Audit" and "Market Audit" mean a reasonable assurance engagement performed in accordance with ISAE 3000.

This report is made solely to the RAs, as a body, in accordance with paragraph B.16.1.3 of the Code. Our work has been undertaken so that we might state to the RAs those matters we are required to state to them in a reasonable assurance report in accordance with ISAE 3000 under the TOR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the RAs and the Parties as a body, for our work, for this report, or for the conclusions we have formed. Parties to the Code may only rely on this report if they have agreed in writing to be bound by the conditions under which it has been prepared, in line with the engagement letter dated 1 July 2025.

Unless otherwise specified, words and expressions used in this report have the same meaning as defined in the Code.

Responsibilities of the Single Electricity Market Operator, RAs and Parties to the Code (together the "Responsible Party")

The Code is a legal agreement which, inter alia, sets out the terms of the trading and settlement arrangements for the sale and purchase of wholesale electricity on the island of Ireland between participating generators and suppliers ("the Single Electricity Market"). The Code defines the Rules and Agreed Procedures, which are required to be followed by the Parties who are bound by its provisions.

The functions of the RAs are set out in the Electricity Regulation Act 1999, the Northern Ireland (Miscellaneous Provisions) Act 2006 and in the Code. In the context of the Market Audit, the role of the RAs as the Responsible Party is to appoint the Market Auditor and agree the terms of the Market Auditor's appointment, consult on and issue the Terms of Reference for the Market Audit, and receive Market Audit Reports.

The SEMO is responsible for the operation of the Single Electricity Market under the Code as set out in paragraph A.1.1.4 therein and for complying with the requirements of the Code and Agreed Procedures as listed in appendix D to the Code, insofar as they are applicable to the SEMO.

The responsibilities of the Parties in respect of the Market Audit are set out in paragraph B.16 of the Code, which requires Parties to provide , in a timely manner, subject to any obligations of confidentiality and without charge to the Market Auditor, such information as is reasonably required by the Market Auditor to enable the Market Auditor to comply with the Terms of Reference for the purposes of conducting the audit and preparing and finalising the Audit Report. A person may only become a Party to the Code in accordance with the terms of the Code and the Framework Agreement.

Responsibilities of the Market Auditor

The requirements for the Market Audit are set out in paragraphs B.16.1.1 to B.16.1.13 of the Code, in particular paragraph B.16.1.3 of the Code which sets out that "The Market Auditor shall conduct an audit of the code, its operation and implementation and the operations, trading arrangements, procedures and processes under this Code at least once a year". It is our responsibility as Market Auditor to execute the Market Audit as required under the Code and as set out in the "Terms of Reference for the Market Audit 2025" and provide a reasonable assurance report thereon.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and RAs requirements.

We include other matters arising identified during our work but which were not considered material / significant, based on the stipulated levels, in the "Other Matters Arising" section of the report as required by the Terms of Reference. As set out above, these do not represent issues of significant non-compliance however this section is included to assist the RAs and Parties to the Code to judge for themselves the relative significance of all points reported.

We draw attention to the Market Operator Performance Reports which lists all Code breaches identified by the SEMO. The Market Operator Performance Reports are issued by SEMO and are available on its website. In addition, SEMO maintains a Known Issues Report, which is also available on its website. The Market Operator is responsible for publishing the Market Operator Performance Reports and Known Issues Report and the availability and completeness of these reports is not in the scope of this engagement.

Inherent Limitations

There are inherent limitations in assurance engagements on controls as because of their nature they may not detect all errors or omissions in processing or reporting of transactions. The conclusions expressed herein only relate to the period under review, and as at the period end date specified and do not provide assurance in relation to any future period or date as changes to systems or controls subsequent to the period covered by this report may alter the validity of our conclusion.

Market Auditor Conclusion (Continued)

Work Performed

We conducted our assurance work in accordance with ISAE 3000. ISAE 3000 requires that we plan and perform our work to obtain appropriate evidence about the subject matter of the engagement sufficient to support a conclusion providing reasonable assurance when evaluated against the applicable criteria. In the context of the Market Audit, the subject matter consists of relevant activities of the SEMO which are evaluated against the relevant paragraphs of the Code and applicable Agreed Procedures as set out in the Terms of Reference for the Market Audit 2025.

Our assurance work included examination, on a sample basis, of evidence relevant to the Code and Agreed Procedures including the review of risks, control objectives and controls associated with the SEMO's performance of their duties under the Code and operation of the settlement arrangements. Our testing of the controls comprised review of documentation, corroborative enquiry with key SEMO staff and, on a sample basis, testing the operation of controls and the validity and accuracy of the calculations underlying settlement output.

We planned and performed our assurance work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the SEMO has complied with the Code and relevant Agreed Procedures as defined in the Terms of Reference for the Market Audit 2025.

We were not required to carry out an audit conducted in accordance with International Standards on Auditing (Ireland). Consequently, our conclusion is not expressed as an audit opinion.

For the purpose of our conclusion, a qualification, in terms of material non-compliance with the Rules and relevant Agreed Procedures of the Code, would arise if the financial impact of errors identified individually or in aggregate exceeded the materiality value as set out in section 1.3 above or where we considered the breach to be of such significance that it undermined the robust operation of the settlements process.

We have prepared a Report of Significant Issues which is attached to this conclusion setting out matters identified during the course of the audit which, while not material in the context of the audit, may have a significant impact for Parties to the Code. We have further included a report of "Other Matters Arising" identified during our work that we wish to bring to the attention of the market, although these were not considered material or significant based on our professional judgement. Our conclusion should be read in conjunction with the Report of Significant Issues and report of Other Matters Arising contained in sections 4 and 5 of this document, but is not qualified in respect of matters contained therein.

Market Auditor Conclusion (Continued)

Basis for Qualified Conclusion

Participants are able to submit Commercial Offer Details (COD) up to Gate Closure 2 (one hour prior to the start of each imbalance settlement period). For the purposes of calculating No Load Costs and Start Up Costs Payable and Recoverable (the "impacted charges") the applicable complex COD should be the most recently submitted details prior to the relevant Bid Offer Acceptance, as set out in Code paragraphs F.11.2.2 - F.11.2.5.

A defect in the SEMO systems has resulted in the calculation of the impacted charges for each settlement day using the No Load Cost / Start Up Cost included in the final complex COD submitted by participants for each trade day. Therefore for imbalance settlement periods where one or both impacted charges applies and where the value for No Load Cost / Start Up Cost submitted prior to the applicable gate closure by the participant varies from the final value submitted for the trade day, a difference in the impacted charges occurs. Over the course of 2025, the estimated total impact of this error on No load Costs Payable and Recoverable is in excess of materiality, with an additional impact on Start Up Costs Payable and Recoverable.

Qualified Conclusion

Our conclusion has been formed on the basis set out above and subject to the exclusions noted in the Responsibilities of the Market Auditor section above. Except for the matter described in the Basis for Qualified Conclusion section above, during the period from 1 January 2025 to 31 December 2025 the SEMO has, in all material respects, complied with the Code and relevant Agreed Procedures as set out in the "Terms of Reference for the Market Audit 2025" published by the RAs on 8 September 2025.

Eileen Healy

For and on behalf of
Deloitte Ireland LLP
Chartered Accountants
2 Burlington Road
Dublin 4

Date: 10 September 2026

3 Material Issues

Issue	Effect	SEMO Response
Settlement Production and Reruns		
3.1 Incorrect Selection of No Load Costs and Start Up Costs Payable and Recoverable		
Calculation of No Load Costs and Start Up Costs Payable and Recoverable (the "impacted charges") makes use of the No Load Cost and Start Up Cost submitted by participants as part of their complex commercial offer details ("COD"). Complex COD include values for each imbalance settlement period, and participants are able to submit COD up to Gate Closure 2 (one hour prior to the start of each imbalance settlement period). A defect in the SEMO systems has resulted in the calculation of the impacted charges for each settlement day using the No Load Cost / Start Up Cost included in the final complex COD submitted by participants for each trade day rather than the value that applies based on the latest COD submitted prior to the relevant Gate Closure 2, as set out in Code paragraphs F.11.2.2 - F.11.2.5. This issue was identified by SEMO and we confirmed through our testing, with differences noted in all five settlement dates sampled.	For imbalance settlement periods where for a given unit: • A No Load Cost and/or Start Up Costs Payable or Recoverable applies, and • The value for No Load Cost / Start Up Cost submitted by the participant varies from the final value submitted for the settlement day The impacted charge will be incorrectly calculated. Over the course of 2025 the estimated total impact of this error on No load Costs Payable and Recoverable is in excess of materiality, with an additional impact on Start Up Costs Payable and Recoverable.	Accepted - This is a known No Load Cost issue flagged on the Known Issue report under KIR ID 20240711-6323150.

4 Report of Significant Issues

No Significant issues noted

5 Other Matters Arising

Issue	Effect	SEMO Response
Accession and Registration		
5.1 New Party Registration - Fully Executed Accession Deed not submitted to Applicant within the required timeframe		
For 2 of the 2 parties sampled, the Market Operator did not submit the fully executed Accession Deed to the Applicant within 10 WD of receipt of signed Accession Deed. The fully executed Accession Deed was submitted by the Market Operator to the Applicant one month and four months after the required timeframe.	This represents non-compliance with Agreed Procedure 1, Section 3.1. Step 7: "Step Description: Market Operator executes and dates the Accession Deed and sends a copy to the Applicant. Applicant becomes a Party to the Code on the date specified in the Accession Deed. Timing: Within 10 WD of receipt of signed Accession Deed Method: Email"	Accepted - SEMO continue to introduce efficiencies to this process before raising a modification to increase the turnaround time from 10 days to 20 days.

Issue	Effect	SEMO Response
5.2 New Party Registration - Party Applicant registered before becoming a Party to the Code		
For 1 of the 2 parties sampled, the Market Operator: a) Registered the Applicant as a Party before the Accession Deed was fully executed by each of the Market Operators and the Party Applicant and hence before the Applicant became a Party to the Code. b) Did not publish the updated the List of Parties and the notification that the Applicant has become a Party within the required timeframe. The List of Parties was updated with notification that the Applicant had become a Party forty-one Working Days prior to the fully executed Accession Deed and the application for Registration was successfully completed.	a) This represents non-compliance with code section B.5.1.8: "Following receipt by the Market Operator of an executed Accession Deed in accordance with paragraph B.5.1.7, the Applicant shall become a Party on the date specified in the Accession Deed unless the Market Operator and the Applicant agree on a different date separately in writing." Non-compliance with Clause 5 of the Accession Deed which states that "this Accession Deed shall not take effect unless or until executed by each of the Market Operators and the Party Applicant." b) This represents non-compliance with Agreed Procedure 1, Section 3.1. Step 8 and code paragraph B.5.1.9 "Step Description: Market Operator publishes notification that the Applicant has become a Party. Timing: Within 2 WD of the completed Accession Deed Method: Market Operator website" and non-compliance with Appendix E: Data Publication "Data items that the Market Operator shall be required to publish: List of Parties, Participants and each of their Generator Units and Supplier Units Timing: As updated and at least within five Working Days of a successful application for Registration or Deregistration"	a) Accepted - SEMO have added an additional field in the checksheets. Total value of settlement prior to the 11th February 2026 was €244.33. b) Accepted - SEMO will investigate the potential need to raise a modification around this finding.

Issue	Effect	SEMO Response
5.3 Unit Deregistration - Process activity documentation not located		
For 1 of the 2 samples tested, the Market Operator could not provide evidence to show that they issued the Deregistration Consent order.	This represents non-compliance with: Agreed Procedure 18, Section 3.1, Step 8 and code B.12.12 and B.12.1.3 "Agreed Procedure 18, Section 3.1, Step 8: Send Deregistration Consent Order to Participant, System Operators, Relevant Meter Operator, and Regulatory Authorities. Timing: Before Deregistration date Method: Email" B.12.1.2: "Where the Party applying for Deregistration complies with the procedures set out in Agreed Procedure 18 "Suspension and Termination", the Market Operator shall issue a Deregistration Consent Order, permitting the Deregistration of the relevant Units provided that: (a) all amounts due and payable by the relevant Party pursuant to the Code in respect of the relevant Unit(s) and participation in the SEM up to and including the date of termination have been paid in full; (b) the Market Operator is satisfied that the Party has no continuing obligations under the Capacity Market Code in respect of the Unit; (c) in the case of Deregistration of Supplier Unit(s), the provisions of the applicable Metering Code have been complied with; and (d) in the case of Deregistration of Generator Unit(s), any relevant provisions of the applicable Grid Code have been complied with." B.12.1.3: "The Market Operator shall specify in each Deregistration Consent Order the Credit Cover	Accepted - The issue arose due to a deviation from established process controls. Existing checksheets and procedures address this. A refresher training session will be implemented to reinforce adherence and prevent recurrence.

Issue	Effect	SEMO Response
	which the relevant Party is required, in accordance with paragraphs G.9.1.9(d) and G.9.1.10, to maintain in respect of any Units being Deregistered pursuant to the Deregistration Consent Order."	
5.4 New Unit Registration - Requirements not conducted within the required timeframe		
We noted the following instances from our testing where the Market Operator did not complete the relevant step within the required timeframe: a) For 1 of the 5 samples selected, the Market Operator did not inform the Applicant of Participant ID and Unit ID within the required timeframe. The notification was sent 5 working days after the required timeframe. b) For 2 of the 5 samples selected, the Market Operator did not send completed Registration Pack and all relevant Participant IDs and Unit IDs to the relevant System Operator, and / or Meter Data Provider within the required timeframe. The notification was sent 5 working days and 2 months after the required timeframe. c) For 1 of the 5 samples selected, the Market Operator did not issue initial Required Credit Cover amount and Authorised Signatory Form to the Applicant within the required timeframe. The notification was sent 5 working days after the required timeframe.	a) This represents non-compliance with Agreed Procedure 1, Section 3.2.2 and Step 2.1: "Step description: Inform Applicant of Participant ID and Unit ID and of any agreements that need to be in place before a Unit can participate in the market. Timing: Within 3 WD of Stage 2 commencing Method: Email" b) This represents non-compliance with Agreed Procedure 1, Section 3.2.2 and Step 2.2: "Step description: Send completed Registration Pack and all relevant Participant IDs and Unit IDs to the relevant System Operator, and / or Meter Data Provider (as appropriate). Timing: Within 3 WD of Stage 2 commencing Method: Email" c) This represents non-compliance with Agreed Procedure 1, Section 3.2.2 and Step 2.3: "Step description: Issue initial Required Credit Cover amount and Authorised Signatory Form. Timing: Within 3 WD of Stage 2 commencing Method: Email"	a) Accepted - The issue arose due to a deviation from established process controls. Improved processes address this. b1) Accepted - The issue arose due to a deviation from established process controls. Improved processes address this. b2) Accepted - The issue arose due to a deviation from established process controls. Existing checksheets and procedures address this. A refresher training session will be implemented to reinforce adherence and prevent recurrence. c) Accepted - The issue arose due to a deviation from established process controls. Improved processes address this.

Issue	Effect	SEMO Response
5.5 New Unit Registration - Process Activity Documentation Not Located		
We noted the following instances from our testing where the Market Operator was unable to locate specific process activity documentation to evidence that the required process steps / activity had been followed as required by the Code: a) For 1 of the 5 samples tested, the Market Operator could not provide evidence to show that they issued initial Required Credit Cover amount. We note that sufficient credit cover was however in place. b) For 1 of the 5 samples tested, the Market Operator could not provide evidence to show that they issued banking details confirmation letter.	a) This represents non-compliance with Agreed Procedure 1, Section 3.2.2 and Step 2.3: "Step description: Issue initial Required Credit Cover amount and Authorised Signatory Form Timing: Within 3 WD of Stage 2 commencing Method: Email" b) This represents non-compliance with Agreed Procedure 1, Section 3.2.2 and Step 2.4: "Step description: Issue banking details confirmation letter. Timing: Within 2 WD of receipt of completed Authorised Signatory Form Method: Email / Post"	a) and b) Accepted - The issue arose due to a deviation from established process controls. Existing checksheets and procedures address this. Improved trackers introduced. A refresher training session will be implemented to reinforce adherence and prevent recurrence.
Code Modifications		
5.6 Request to attend the Ordinary Meeting of the Modifications Committee received after the required timeframe and not rejected by the Market Operator		
For 1 of the 2 samples tested, the Market Operator did not reject the request to attend the Ordinary Meetings of the Modifications Committee, received from an Observer after the required timeframe. The request was received on the same day the meeting.	This represents non-compliance with Agreed Procedure 12, Section 3.3, Step 3: "Step description: Committee advise Secretariat of attendance at Meeting. All non-committee or observers request permission to attend Meeting. Timing: No later than 5 WD before Meeting Method: Email"	Accepted - Secretariat error realised on day of meeting - communication not issued correctly - contact happened on day of meeting to ensure that observers could participate and were not excluded as a result of a Secretariat administrative error.

Issue	Effect	SEMO Response
Settlement Production and Reruns		
5.7 Error in updating controllability status of unit		
We identified differences in the calculation of the engineering limit quantity for two of our sample of 10 sampled settlement dates for one wind unit. Following investigation, the cause of this was identified as due to a delay in updating the controllability status of the unit. The wind unit requested to be made controllable in March 2025. The TSO confirmed the wind farm was controllable in late March 2025, however this was not updated in the settlement system until June 2025. As a result calculations applicable to controllable units were not applied.	Applicable settlement calculations, including CDISCOUNT and CCURL were not performed for the unit between March and June 2025 and the calculation of uninstructed imbalances (CUNIMB) affected. SEMO's assessment of the associated settlement queries estimated the net impact as approximately €8,000.	Accepted - This finding was a result of human error. A new tracker has been put in place to better track these changes and ensure they are actioned in a timely manner.
5.8 Error in updating controllability status of unit - change on ownership		
We identified differences in the calculation of the Outside Tolerance Undelivered Quantity for one of our sample of 10 sampled settlement dates for one wind unit. Following investigation, the cause of this was identified as due to an error in the controllability status of the unit. The wind unit changed ownership during the period and an error in the recording of the associated registration data resulted in the unit not being recorded as controllable from April 2025 - September 2025. As a result, calculations appliable to controllable units were not applied.	Applicable settlement calculations, including CDISCOUNT and CCURL were not performed for the unit between April and September 2025 and the calculation of uninstructed imbalances (CUNIMB) affected. SEMO's assessment of the associated settlement queries estimated the net impact as approximately €290,000.	Accepted - This finding was a result of human error. A new tracker has been put in place to better track these changes and ensure they are actioned in a timely manner.

Issue	Effect	SEMO Response
5.9 Incorrect Determination of Combined Loss Adjustment Factor (FCLAF) for a Single Supplier Unit		
We identified differences in the calculation of FCLAF for one supplier unit for 54 settlement periods across all dates tested from our sample of 10 sampled settlement dates (for which all units were tested). The Market Operator calculated a value of 1 where it should be lower. This finding was included in the 2024 Market Audit report following which SEMO confirmed with the vendor a system defect in the initialisation of a variable required as part of the Trading Side Supply Unit and CAU LF calculation process which causes the issue. This issue was resolved in Release N in November 2025 and our testing of the December 2025 data did not identify this issue.	Represents non-compliance with TSC, Section F.4.2.9 – F.4.2.14. A single supplier unit is affected, with the impact only for Capacity Aggregation Units (CAUs) when the imbalance price was greater than the strike price because of the specific unit impacted. This occurred for one date prior to the resolution of the issue in November 2025, however as there were no applicable charges on that date there was no impact.	Accepted - Deployed as part of release N. The CDIFFCNP is a charge that units can be exposed to when the imbalance settlement price is greater than the strike price. This only occurred once in 2025 on 05/11/2025 where the unit did not receive any charges so there was no financial impact on the unit.
5.10 Dispatch Quantity set equal to Metered Quantity for Pump Storage Units (PSUs) in pumping mode		
For all pump storage units in pumping mode, we identified differences in the calculation of Dispatch Quantity (QD) in all dates from our sample of 10 sampled settlement dates (for which all units were tested) due to a previously identified defect. The Counterparty, Settlement and Billing (CSB) system reports QD as equal to the Metered Quantity (QM) value for Pump Storage Units in pumping mode. This is done for purposes of CUNIMB not applying to Pump Storage Units in pumping or transition mode, as per TSC F.9.4.2. The QD profile used in the QBOA calculation is correct, however. This issue was reported in the 2020 Market Auditor Report and later raised as a defect (210568). The finding has been open since however given lack of financial impact is considered by SEMO to be a low priority fix.	No financial impact as the incorrect QD value is not used in further settlement calculations.	Accepted - We are currently awaiting confirmation from the system vendor as to which system release this fix will be resolved in.

Issue	Effect	SEMO Response
5.11 Incorrect Treatment of simultaneous lifting of curtailment and constraint instructions		
We identified differences in the calculation of QABCURL for two wind units for one date from our sample of 10 sampled settlement dates (for which all units were tested). In all cases the Market Operator calculated a non-zero value for QABCURL when a value of 0 should have been calculated as the units were not subject to curtailment. We understand the underlying cause of this issue is a known issue (148671) in the Market Operator instruction profiler when a CRLO and LCLO instruction are received with the same issue and effective time which causes only one of the two instructions to be processed – resulting in the instruction profiler incorrectly considering the curtailment instruction to still be active.	The impacted units incorrectly receive a curtailment payment, with a total impact for the units and periods identified of less than €2,500. Deloitte has estimated the potential impact of this issue over the year to be less than €200,000.	Accepted – Recurrence of existing known issue under KIR ID 146871.
5.12 Unexplained QBOA Profiles		
We identified two instances (each for one unit on one testing date, from our sample of 10 sampled settlement dates (for which all units were tested)) where QBOA profiles could not be explained, as follows: a) One instance where the accepted offer quantity was reduced for 21 settlement periods despite no change in dispatch instructions, dispatch quantity or FPN; and b) One instance where an accepted bid quantity was calculated despite the unit not receiving a decrement below its FPN. SEMO reviewed these instances and were unable to confirm the reason for the discrepancies, and tickets have been raised with the vendor to investigate.	Differences in the calculation of QBOA impacts on the determination of CPREMIUM and CDISCOUNT. For the impacted units we have estimated the total impact is approximately €12,000.	Accepted – As per comments this has been raised to vendor for investigation for these occurrences.

Issue	Effect	SEMO Response
5.13 Error in Configuration of non-firm access		
We identified differences in the calculation of QABNF on four dates from our sample of 10 sampled settlement dates (for which all units were tested). On investigation, it was identified that this was due to the incorrect setup of the unit and related trading site with the generator configured as fully firm but the trading site configured as fully non-firm. This non-firm status was updated on 1 December 2025.	For our sample dates we identified a total impact on QABNF of less than 1MW.	Accepted - This unit was incorrectly set up on the TSSU side. GU was set up as fully Firm but the linked TSSU was set up as fully Non-Firm. This was rectified on 01.12.2025. There was low material impact and below the settlement recalculation threshold.
Settlement Reallocation		
5.14 Settlement Reallocation Agreement		
For the two samples tested, the Market Operator: • Has not executed the Settlement Reallocation Agreement for one sample, although the SRA had been recorded within the market systems. • Could not locate the executed Settlement Reallocation Agreement for one sample.	This represents non-compliance with Agreed Procedure 10, Section 3.1, Step 6 and code paragraph G.16.3.3. Agreed Procedure 10, Section 3.1, Step 6: "Step description: If Settlement Reallocation Agreement is accepted, execute the Settlement Reallocation Agreement." G.16.3.3: "The Market Operator shall review a draft Settlement Reallocation Agreement lodged under paragraph G.16.3.1 and, if the Market Operator is satisfied that the relevant draft Settlement Reallocation Agreement meets the requirements of the Code and complies with the requirements of Agreed Procedure 10 "Settlement Reallocation", the Market Operator will execute the relevant draft Settlement Reallocation Agreement, register the Settlement Reallocation Agreement and notify the affected Principal and Secondary Participants accordingly."	Accepted - SRA was received from Participant but was not processed by SEMO. This was due to delays experienced in the approval process. We have since implemented an automated document approval process to ensure this does not happen again.

Issue	Effect	SEMO Response
5.15 Termination of a Settlement Reallocation Agreement		
For the one sample tested, the Market Operator: 1) Was unable to locate specific process activity documentation to evidence that the following required process steps / activity had been followed as required by the Code: 1.a) Acknowledgement of the receipt of the termination of Settlement Reallocation Agreement request on receipt, to the Principal Participant and Secondary Participant. 1.b) Supporting evidence for the assessment of the request to terminate SRA 2) Gave effect to the termination of the Settlement Reallocation Agreement and updated the Market Operator's Isolated Market System after the required timeframe. The participant requested to terminate the Settlement Reallocation Agreement in 2024; however, this became effective in the system on 10/06/2025.	1.a) This represents non-compliance with Agreed Procedure 10, Section 3.2, Step 2: "Step description: Acknowledge receipt of request to terminate. Timing: On receipt of request to terminate at step 1 Method: Email / Facsimile" 1.b) This represents non-compliance with Agreed Procedure 10, Section 3.2, Step 3: "Step description: Assess the request to terminate the Settlement Reallocation Agreement. Timing: Within 2 WD of request to terminate at step 1 Method: n/a" 2) This represents non-compliance with Agreed Procedure 10, Section 3.2, Step 4: "Step description: Give effect to the termination of the Settlement Reallocation Agreement. Update the Market Operator's Isolated Market System to reflect termination. Timing: From the time when the next Settlement Document is issued after the later of the termination time specified in the termination request at step 1 (if any) and 20 WD following the Market Operator receiving the termination request at step 1 Method: Email / Facsimile"	1) Accepted - The SRA Termination Form was not received. The Registration team liaised directly with the Participant via email to manage this request. This process has since been reviewed and the procedure document update. 2) Accepted - The MO acknowledges that it failed to action the request within the 20 working days. This was initially to align with the transfer of operation of the unit, however, this was not subsequently actioned after this date. This process has since been reviewed and the procedure document updated.

Issue	Effect	SEMO Response
Agreed Procedure 11 - Market System Operation, Testing, Upgrading and Support		
5.16 Helpdesk requests and Logging and Monitoring of Helpdesk Requests		
We identified for period January - June 2025, that Help Desk requests are not classified into General Urgent Query, General Important Query and General Standard Query as required in the paragraph 2.1.4 Helpdesk Requests - Category 3, 4 and 5. All the requests are marked as General Standard Query. There is no formal documentation or procedure in place to guide the help desk operators to classify the requests in the right category and thus the prioritisation of response guidelines was not followed for first six months. The helpdesk requests started to be categorized from July 2025.	This represents non-compliance with 2.1.4 Helpdesk Requests - Category 3, 4 and 5 and 2.1.5 which requires the market operator to maintain a criteria for classifying a query which is defined in consultation with Participants and are kept in a list maintained by the Helpdesk.	Accepted - As noted in the observation, this incompliance was corrected in July 2025, with categorisation now being applied to all General Queries and accompanying process documents in place.

6 Follow up on prior year issues

Our 2024 Market Audit Report was issued on 29 April 2025. Below we provide a summary of the status of prior year points in the first table while, the second table provides an update on each finding raised. Updates on findings that were not Resolved were provided by SEMO. Prior year findings have been classified against one of the following statuses:

- **Resolved during 2024** – items that were resolved during the prior year period and hence were closed by the time of the prior year report.
- **Resolved** – items that have been resolved subsequent to the prior year Market Audit report (including resolution after the end of the 2025).
- **Open** – issues where action to resolve the underlying issue (typically requiring system changes) have not yet been completed.
- **Reoccurred in 2025** – items where the same issue reoccurred (for different dates / units) during 2025.

2024 Classification	Number of Findings	Resolved during 2024	Resolved	Open	Reoccurred in 2025
Material Issues	0	0	0	0	0
Significant Issues	2	2	0	0	0
Other Matter	27	0	13	7	7

Title	2024 Classification	2025 Status	**Market Operator Update** (where not resolved)
Settlement Production and Reruns			
3.1 Incorrect application of CCP for a single unit due to an issue in registration	Significant	Resolved	
3.2 Incorrect Removal or Application of Capacity Payment for Certain Participants	Significant	Resolved	

Title	2024 Classification	2025 Status	**Market Operator Update** (where not resolved)
Accession and Registration			
4.1 Party Registration - Fully Executed Accession Deed not submitted to Applicant within the required timeframe	Other Matter	Reoccurred in 2025	The Registration Team are currently gathering evidence of the issues/delays they are encountering when trying to process Accession Deeds within the 10 W/D turnaround. This evidence is being collected in order to support a new modification request. See current year Other Matter 5.1 above.
4.2 Party Registration - The date of the accession of a Party to the Code was not Published	Other Matter	Resolved	
4.3 Unit Deregistration Effective Date determination - Process Activity Documentation Not Located	Other Matter	Reoccurred in 2025	Existing checksheets and procedures address this. A refresher training session will be implemented to reinforce adherence and prevent recurrence. See current year Other Matter 5.3 above.
4.4 New Unit Registration - Requirements not conducted within the required timeframe	Other Matter	Reoccurred in 2025	The issue arose due to a deviation from established process controls. Existing checksheets and procedures address this. A refresher training session will be implemented to reinforce adherence and prevent recurrence. See current year Other Matter 5.4 above.
4.5 New Unit Registration - Process activity documentation not located	Other Matter	Reoccurred in 2025	The issue arose due to a deviation from established process controls. Existing checksheets and procedures address this. Improved trackers introduced. A refresher training session will be implemented to reinforce adherence and prevent recurrence. See current year Other Matter 5.5 above.

Title	2024 Classification	2025 Status	Market Operator Update (where not resolved)
Settlement Production and Reruns			
4.6 Incorrect Reporting of Difference Charge Quantities for a Single Unit	Other Matter	Resolved	
4.7 Incorrect Determination of Combined Loss Adjustment Factor (FCLAF) for a Single Supplier Unit	Other Matter	Resolved See current year Other Matter 5.9 above. This issue was resolved during the 2025 period.	
4.8 Dispatch Quantity set equal to Metered Quantity for Pump Storage Units (PSUs) in pumping mode	Other Matter	Open	The MOs are currently awaiting confirmation from the system vendor as to which system release this fix will be resolved in. See current year Other Matter 5.10 above.
4.9 Curtailment accepted bid quantity (QABCURL) set to zero for Northern Irish Wind Units in a specific ISP	Other Matter	Open	Fix due to be deployed release Q. SF Ref 20250305-6415557. Pending Passing of User Acceptance Testing. Release Q deployment date is still to be confirmed.
4.10 Incorrect QBOA calculated for a specific Distillate units	Other Matter	Open This issue applied to resettlement of the same unit and date carried out in 2025. No further instances of this issue were identified in our testing.	Fix due to be deployed release Q. SF Ref 20250318-6422135. Pending Passing of User Acceptance Testing. Release Q deployment date is still to be confirmed.
4.11 Incorrect Non-Firm Accepted Bid Quantity (QABNF) for specific resource unit	Other Matter	Resolved	
4.12 Incorrect Determination of Imbalance Difference Payment for a Single Unit	Other Matter	Resolved	
4.13 Incorrect QBOA calculated for specific Demand Side Units	Other Matter	Open This issue applied to resettlement of the same unit	Fix due to be deployed release Q. SF Ref 20250318-6422094. Pending Passing of User

Title	2024 Classification	2025 Status	Market Operator Update (where not resolved)
		and date carried out in 2025. No further instances of this issue were identified in our testing.	Acceptance Testing. Release Q deployment date is still to be confirmed.
4.14 Incorrect CSU for select Demand Side Units on a given date	Other Matter	Open	The CSB settlement system is operating as designed. The MOs are currently engaging with the system vendor to assess whether a change request may be appropriate to support potential process adjustments. Review to commence again following release O/P in Q4 2026.
Authorisation to Change Banking Details			
4.15 Banking Details Confirmation Letter Template not published in the SEMO website	Other Matter	Resolved	
Credit Cover Management			
4.16 Default notice not issued	Other Matter	Resolved	
4.17 Default notice not issued within the required timeframe	Other Matter	Resolved	
4.18 Incorrect Credit Cover Increase Notice issuance date in the Default Notice	Other Matter	Resolved	
Settlement Reallocation			
4.19 Receipt of the termination of Settlement Reallocation Agreement request not acknowledged to the Principal Participant and Secondary Participant	Other Matter	Reoccurred in 2025	The previous process document was lacking in detail and was outdated, omitting a required workaround for cancellations in the system. The new documentation covers this. See current year Other Matter 5.15 above.
4.20 Request to terminate the Settlement Reallocation Agreement (SRA) not assessed within the required timeframe	Other Matter	Reoccurred in 2025	The previous process document was lacking in detail and was outdated, omitting a required

Title	2024 Classification	2025 Status	Market Operator Update (where not resolved)
			workaround for cancellations in the system. The new documentation covers this. See current year Other Matter 5.15 above.
4.21 Settlement Reallocation Agreement not accurately reflected in the Market Operator Isolated Market Systems	Other Matter	Open	The previous process document was lacking in detail and was outdated, omitting a required workaround for cancellations in the system. The new documentation covers this.
4.22 Termination of a Settlement Reallocation Agreement - Process activity documentation not located	Other Matter	Open	The previous process document was lacking in detail and was outdated, omitting a required workaround for cancellations in the system. The new documentation covers this.
4.23 Termination of Settlement Reallocation Agreement became effective after the required timeframe	Other Matter	Reoccurred in 2025	The previous process document was lacking in detail and was outdated, omitting a required workaround for cancellations in the system. The new documentation covers this. See current year Other Matter 5.15 above.
Suspension and Termination			
4.24 Suspension Order not issued via registered post	Other Matter	Resolved	
Communication channels, systems, and operation			
4.25 Agreed Procedure 3 - Communication Channel Qualification	Other Matter	Resolved	
4.26 Agreed Procedure 7 - General Communication Failure (GCF) notification	Other Matter	Resolved	
4.27 Agreed Procedure 11 - Helpdesk requests and Logging and Monitoring of Helpdesk Requests	Other Matter	Resolved See current year Other Matter 5.16 above. This issue was resolved during the 2025 period.	