Quarterly Imperfections Cost Report

2025/2026 Q4: 1st July '26 to 30th September '26

EirGrid

SONI System Operator Northern Ireland

YTD Outturn (€M) 2025/2026	
Imperfection Cost Outturn	603.8
SEMC Approved Budget	569.8
Variance %	6.0

- Imperfections Costs were above YTD forecast.
- This period contained high cost outlier's with forced outages of key Generators that satisfied the MINNIU TCG for large periods of Q1 and for latter periods of Q4.
- Fuel costs rose considerably above forecast throughout the year, first seen in Q2 and rising to over double in Q4.
- Generation of renewable energy was below forecast, particularly in Q1 and Q2. This had an overall impact of reducing Imperfections Costs on forecast.

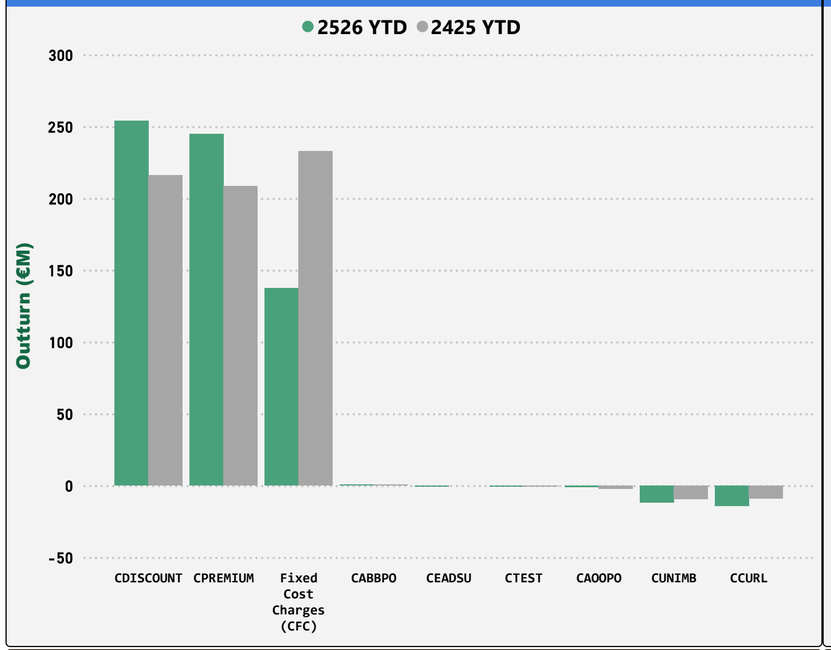
Q4 Outturn (€M) 2025/2026	
Imperfection Cost Outturn	173.4
SEMC Approved Budget	142.5
Variance %	21.7

YTD Outturn (€M) 2024/2025	
Imperfection Cost Outturn	631.5
SEMC Approved Budget	475.6
Variance %	32.8

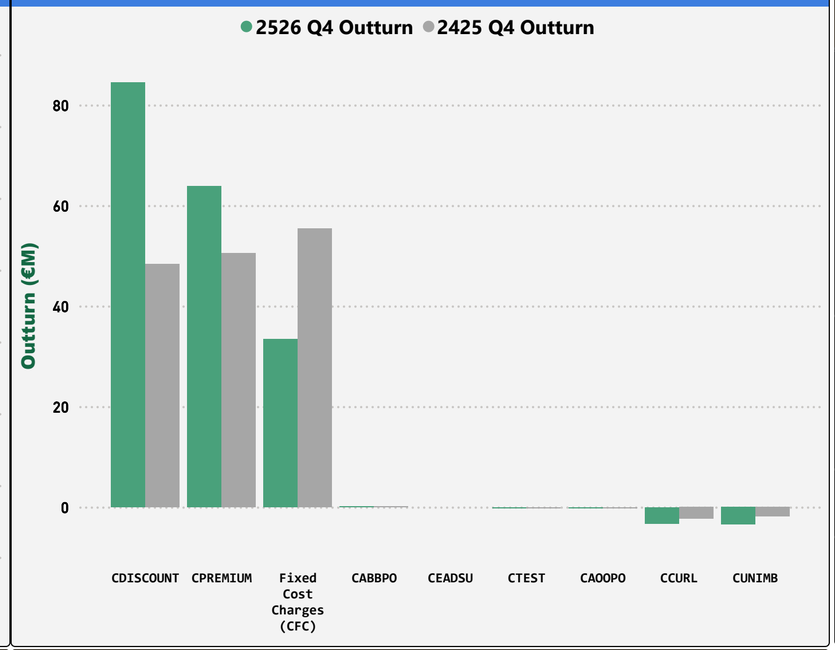
- Imperfections Costs were significantly higher than forecast for this period.
- This period experienced elevated fuel prices on forecast.
- Imperfections costs were significantly impacted on forecast in this period due to multiple prolonged concurrent outages of generation and transmission equipment, particularly in the aftermath of damage caused by storm Darragh.

Q4 Outturn (€M) 2024/2025	
Imperfection Cost Outturn	149.1
SEMC Approved Budget	136.2
Variance %	9.5

YTD Outturn by Component

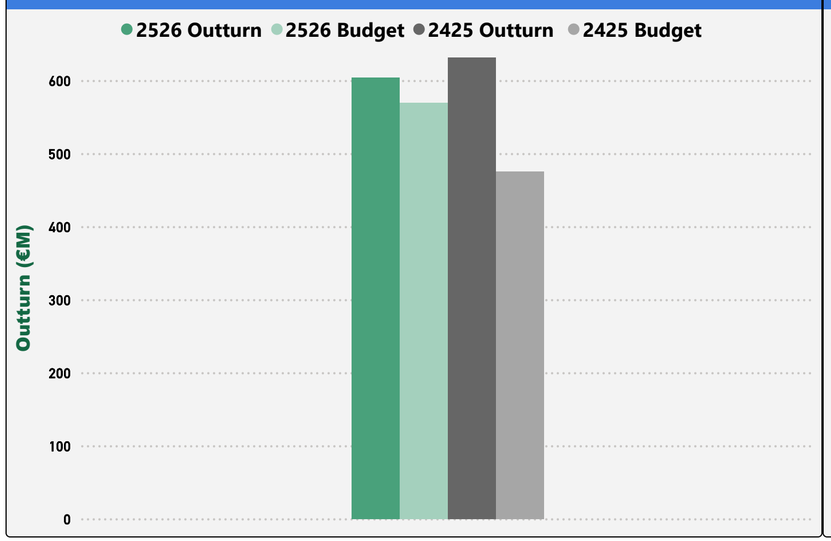


Quarter 4 Outturn by Component

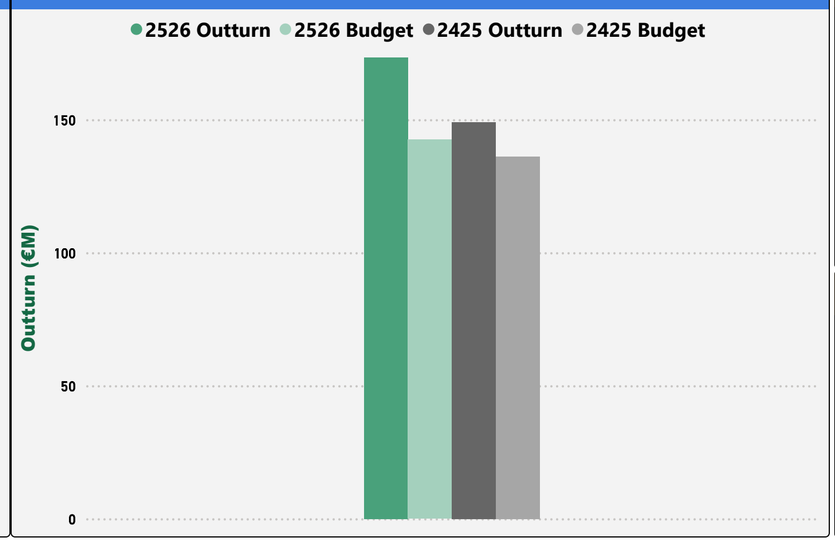


	YTD Outturn (€M) [1]		Q4 Outturn (€M) [1]	
	2025/2026	2024/2025	2025/2026	2024/2025
CPREMIUM	244.76	208.58	63.83	50.58
CDISCOUNT	253.98	216.09	84.56	48.34
CABBPO	0.28	0.67	0.07	0.07
CAOOPO	-0.97	-2.28	-0.14	-0.11
CTEST	-0.47	-0.52	-0.11	-0.01
CUNIMB	-11.61	-9.30	-3.46	-1.90
CCURL	-14.21	-9.12	-3.30	-2.30
CEADSUIMB	-0.01	0.00	0.00	0.00
Dispatch Balancing Cost (DBC)	471.75	404.12	141.45	94.67
Fixed Cost Charges (CFC)	137.48	232.78	33.40	55.49
Other System Charges (OSC) [2]	-5.45	-5.38	-1.46	-1.04
Imperfections Cost Outturn	603.8	631.5	173.4	149.1
SEMC Approved Budget	569.8	475.6	142.5	136.2
Variance: Forecast Vs. Outturn [3]	34.0	155.9	30.9	12.9
Variance %	5.96	32.78	21.68	9.48

YTD Outturn vs Budget



Quarter 4 Outturn vs Budget



Key Observations This Quarter

- This period contained a high cost outlier, with fuel costs being significantly higher than forecasted.
- The period also saw high rates of generator outages that were not included in the imperfections forecast.
- CDISCOUNT Costs increased due to the requirement to dispatch down an increased amount of generation following forced Transmission plant outages, while CFC costs decreased due to lower cost requirement to run out-of-market plant for operational security requirements.

Increased detail supporting these key observations can be found in the Category/Mitigations table on page 2.

Statements

- Costs for the 25/26 year are based on actual initial settlement figures.
- The Imperfections Cost Forecast is profiled based on the RA approved model, which assumed zero payments for OSC.
- The Imperfections Cost Outturn is subject to fluctuation relative to the forecast.
- Costs for the 24/25 year are based on M+4 & M+13 settlement figures where available[4].

Category	Forecast	Actual	Impact [7]	Mitigation
Fuel Costs & Carbon [5]	Data as per forecast submission	Wholesale fuel prices for the quarter compared to forecast were as follows; Carbon: 22% higher, Coal: 18% higher, Gasoil: 106% higher, Gas: 116% higher, Oil: 33% higher. This increased the Imperfection costs	↑	Fuel & Carbon costs are out of the TSOs control. Variance expected to last beyond the reporting quarter.
T&S Code and System Changes	Data as per forecast submission	Mod_03_26 'Compensation Arrangements for Net Transfer Capacity (NTC) Reductions was approved by SEMC on the 18th September 2026. This Mod agreed to provide any compensation to Interconnectors due as a direct result of NTC restrictions imposed by the TSOs to be provided through the Imperfections Tariff'. This will not have a significant impact on Imperfections Costs for this quarter but will have a greater impact requiring the recovery of historical costs in future tariff periods.	→	The TSOs will consider all proposed T&SC modification and System Change proposals in the context of their impact on Imperfection Costs.
Reserve Policy and TCGs [6]	TCG data as per forecast submission	There were no changes in TCG during this period that would significantly impact Imperfections.	→	The TSOs are targeting the relaxation of several TCG's via the published All-Island Operational Policy [8]
Reserve Provision	Data as per forecast submission	No changes were made to the reserve provision.	→	The TSOs are reviewing how reserve services are paid for and how a participant should reflect reserve service clearing in their physical notifications as part of the Future Arrangements for System Services (FASS) workstream.
Generator Outages	Data as per forecast submission	The genertion outage rate for the quarter was considerably higher than forecast. This has had a significant impact on imperfections cost.	↑	The TSOs facilitate regular maintenance of generator units through the coordination of annual Committed Outage Programmes. This ensure that system security is maintained and the generator forced outage rates are minimised.
Transmission Outages	No outages forecast	It is estimated that the proxy for transmission outages used in the forecast model under-estimated the actual costs for the fourth quarter. This is considered to be the case as actual constraint costs paid to renewables were roughly double this quarter than the renewable data source used to approximate the 2025/26 Imperfections proxy for transmission constraints.	↑	The TSOs facilitate corrective and routine maintenance across all transmission equipment to minimise forced outages. The TSOs require extensive outage activity to deliver on its infrastructure delivery targets and Transmission Asset Maintenance requirements. Although this will remain a substantial cost driver, the TSOs coordinate Transmission Outage Programmes to ensure system security is maintained and Imperfection costs are minimised.
Variability	Data as per forecast submission	The average wind capacity factor was 20%, compared to a forecast of 21%, resulting in a decrease in imperfection costs.	↓	Renewable availability is out of the TSOs control.

Footnotes

[1] Costs attributed to Art. 13.7 of the CEP and Interconnector NTC restriction are not reflected.

[2] Includes Other System Charges up to and including September 2026. Published at www.eirgridgroup.com and www.soni.ltd.uk.

[3] Positive value indicates outturn is higher than forecast. Negative value indicates outturn is lower than forecast.

[4] M+13 have been completed up to Week 40 TY 25/26 and M+4 have been completed up to Week 27 TY 25/26. SEMO carries out two re-settlement processes in monthly cycles cover a period 13 months previous and 4 months previous. These processes re-settle any monies owed to or due from participants in which there were inaccuracies in the initial settlement. This could occur due to updated and verified data, resolution of participant queries or resolution of settlement system issues published on the SEMO website through the Known Issues Log

[5] The forecast and actual fuel and carbon costs were based on data taken from Thomson Reuters.

[6] TCGs (Transmission Constraint Groups) or Operational constraints as published on the SEMO website: https://www.sem-o.com/publications/tso-responsibilities/

[7]

- **Blue box indicates that performance remains broadly in line with the original forecast. Threshold: Absolute variance within ± 5% of forecast for reporting quarter.**
- **Yellow box indicates that the impact warrants attention. Threshold: Absolute variance within ± 5-15% of forecast for reporting quarter.**
- **Orange box indicates a significant deviation from forecast. Threshold: Absolute variance greater than ±15% of forecast for reporting quarter.**
- **Impact is not determined quantitively and is set based on the TSO's judgement.**
- **Arrow direction indicates the trend of actual performance relative to forecast.**

[8] All-Island Operational Policy Roadmap: https://www.eirgrid.ie/sites/default/files/publications/EirGrid-SONI-Operational-Policy-Roadmap-2025-2035.pdf
Status update: https://www.eirgrid.ie/sites/default/files/publications/Operational-Policy-Roadmap-Status-Update-October-2026.pdf

Component Description

- **Fixed Cost Charges/Payments: Payments for additional fixed costs incurred, or charges for fixed costs saved from dispatching a unit differently to its market position, if not sufficiently covered through the unit's other payments or charges.**
- **Dispatch Balancing Costs: are made up of the following components;**
  - **CPREMIUM: Paid when an offer is scheduled in balancing (and delivered) at an offer price above the imbalance settlement price.**
  - **CDISCOUNT: Paid when a bid is scheduled in balancing (and delivered) at a bid price below the imbalance settlement price.**
  - **CABBPO/ CAOOPO: Bid Price Only and Offer Price Only Payments and Charges, adjustment payment or charge to result in net settlement at the offer price for increments, or bid price for decrements, for undo actions on generators.**
  - **CCURL: Adjustment payment or charge to result in net settlement at a specific curtailment price for curtailment actions on generators.**
  - **CEADSU: Energy payments for DSUs at the times of energy scarcity when imbalance price exceeds the strike price.**
  - **CTEST: Charges applied to units under test.**
  - **CUNIMB: Charges for imbalances and bids and offers accepted in balancing but not delivered, which were outside of a tolerance. Undelivered quantities are settled at the imbalance settlement price.**