

26/12/25

# Future Power Markets Design Authority Update

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# Future Power Markets Design Authority

The Future Power Markets team is focused on how the ambition of up to 80% renewable energy share in electricity (RES-E) will be facilitated through the market.

The team's work spans across a number of core project areas, including:

- Future Arrangements for System Services (FASS)
- Scheduling and Dispatch Programme (SDP)
- Strategic Markets Programme (SMP)

Additional workstreams include:

- Long Duration Energy Storage (LDES)
- Energy Market Policy (EMP)
- Carbon Border Adjustment Mechanism



# Future Arrangements for System Services

The design and implementation of Future Arrangements for System Services (FASS) includes:

- “To deliver a competitive framework for the procurement of System Services, that ensures secure operation of the electricity system with higher levels of non-synchronous generation”, in line with the Single Electricity Market Committee (SEMC) request
  - The implementation of a Day Ahead System Service Auction (daily auction/DASSA), Layered Procurement Framework and Fixed Term Contracts
  - The creation of a System Services market code and updates to relevant codes and licenses.
- The SEM Committee has made a decision regarding the DASSA Parameters & Scalars which will be published imminently.
  - A System Services Code Working Group meeting took place on 12<sup>th</sup> November discussing the updated Plain English Version (PEV) incorporating the DASSA Top-Up Mechanism. Further working group meetings will be scheduled following publication of the SEMC Decision on Parameters and Scalars. It is expected that meetings will be more frequent and in person in 2026.
  - The Transmission System Operators (TSOs) will be publishing the next iteration of the Phased Implementation Roadmap (PIR V4.0) shortly. The TSOs are currently working with the RAs to agree timelines of critical path activities in order to close PIR V4.0.
  - The Non-Reserves Consultation Paper has been drafted and shared with the RAs. Engagement and review by the TSOs and RAs are ongoing. Alignment between the RAs and TSOs on the proposed direction is required to progress implementation activities.
  - The TSOs are progressing the IT vendor design.
  - The TSOs are going out to tender for a third party to provide credit management services for the FASS secondary market.

# Scheduling and Dispatch Programme

The Scheduling and Dispatch programme aims to:

- To enhance the scheduling and dispatch systems and processes in Ireland and Northern Ireland
- To bring about compliance with the Clean Energy Package (CEP) and the treatment of variable Non-Priority Dispatch Renewables (NPDR)
- Facilitate low/zero carbon grid technologies such as Batteries, Synchronous Condensers in support of the broader goals of renewables and System Non-Synchronous Penetration (SNSP) penetration targets.

## SDP-02 Energy Storage Power Stations (ESPS)

- SDP-02 (ESPS) system and market participant go-live was successfully delivered on the 11th (system go-live) and 12th November (market participant go-live), as planned. ESPS units are now functional in the market as 'Battery Storage' fuel type. SDP Programme is engaging with ESPS unit operators on post go-live queries and feedback. 'Overview of SDP Solution for Battery Units V2.0' document was published on 5th November.

## SDP-04 Wind Dispatch Improvements

- SDP-04 (WDI) go-live was successfully delivered on 26th November, as planned. There was no market release associated with the SDP-04 (WDI) go-live. Market participants were not required to take any action to support SDP-04 go-live. RA approval on the definition of rebalancing received on 19th November and 'Guide to Rebalancing' was published on 20th November.

## SDP-01 Non-Priority Dispatch Renewables

- RAs and SEMC are assessing Mod\_13\_23 Treatment of NPDRs and SEM-24-044 Definition of Curtailment, Constraint and Energy Balancing related to SEM-13-011. To facilitate this assessment the RAs have requested the TSOs undertake independent modelling to inform this decision.

Joint statement from RAs and TSOs:

"We acknowledge the delay in progressing the introduction of Non-Priority Dispatch Renewables (NPDRs).

To progress this initiative, the RAs and TSOs are taking the following steps:

- January: TSOs and RAs to hold a series of workshops to reaffirm shared objectives, ensure alignment and review modelling approach.
- Following this: TSOs will undertake modelling to inform decisions on Mod\_13\_23 and SEM-24-044.
- February: TSOs intend to host an industry workshop to provide clarity on progress and next steps, subject to above activities.

The SDP\_01 implementation timeline will depend on numerous factors, with further detail to be shared following a RA decision on Mod\_13\_23 and SEM-24-044. A comprehensive planning activity will be required after this decision to define timelines, finalise system design and test, and coordinate the necessary pre go-live activities."

## SDP Tranche 2

- The programme is undertaking a planning activity to support Tranche 2 delivery. Current estimated go-live dates are mid-2026. Tranche 2 initiatives are smaller in scope and will have limited impact on most market participants.

# Strategic Markets Programme

SMP has a wide scope, a significant portion of which are changes required for Celtic Interconnector Go-Live and enabling increased flexible technology incorporating:

- **Full EU Integration:** The Celtic Interconnector, expected to commercially go live in Q1 2028, requires the SEM Markets and Operational Systems to be compatible with European standards and obligations, which includes re-coupling the day-ahead market but also new arrangements for coupled intraday markets and participation on the EU balancing platform
- **Post-Brexit Trading Arrangements:** Changes to the trading of electricity between the SEM and GB to increase market efficiency
- **Balancing Market Reform:** Changes to the balancing market to enable flexible technology.

## SMP Programme Scope and Replanning Update

- The programme timeline shift to 2028 has called for discussions with EU stakeholders on finalising Market Testing timelines i.e. SDAC, SIDC (Single Day Ahead Coupling, Single Intraday Coupling)

## EU Integration

- There are four sub-projects under this pillar; FTRs (Financial Transmission Rights), SDAC/SIDC (Single Day Ahead Coupling/Single Intraday Coupling), Core Regional Integration and Coreso (Coordination of Electricity System Operators).
- Ongoing engagement with EU stakeholders on aspects such as Central Europe parallel run & Core Capacity Calculation Tool design and configuration.
- Core: EirGrid and RTE to discuss internally the strategy for the Celtic Core Parallel Run prior to agreement with the Core Steering Group.
- SDAC & SIDC: Detailed design is approved. Market Integration Document progress ongoing. This document includes SDAC, SIDC Auctions & Continues (XBID) market design elements and is progressing with RTE and our EU stakeholders.
- FTRs: Participants can bid in auctions for monthly or yearly products. First auction for monthly rights will be completed after the successful operation of Celtic IC - Q2/3 2028. Interested bidders will need to register with Joint Allocation Office (JAO).

## Balancing Market Reform

- MARI accession is progressing with review of legal contracts underway. Methodology for MARI integration with SEM is being developed into a hybrid version methodology.
- DCU design discussions are continuing with vendors. Workshops on the DCU approach have been held with TSOs, DSOs and RAs.
- MNA modifications has been submitted and is progressing

## Post Brexit Trading Arrangements

- MRLVC report due to be published on 19th of December



# Additional Market Developments

## Energy Market Policy

**The Energy Market Policy team is responsible for the development, co-ordination and communication of positions regarding all aspects of market policy. The team works closely with key stakeholders at EU and national level to analyse the impact of key regulatory and legislative changes on SEM.**

- EirGrid is a lead author of the Multi-Regional Loose Volume Coupling (MRLVC) technical Report. The Report was presented at the Specialised Committee on Energy (SCE) meeting on November 7th 2025. The TSOs are due to publish a non-confidential version of the MRLVC Report on December 19th. In addition, the Regulatory Authorities are due to publish their opinion at a later stage. It is anticipated that the SCE will provide guidance on the next steps for the cross-border arrangements for electricity between EC and UK at some stage before June 2026 in line with provisions in the Trade And Cooperation Agreement and accompanying appendices.
- EirGrid continue to work with the Department of Climate, Energy and the Environment (DCEE) and Regulatory Authorities to track the progress of CACM2.0 which has been delayed. It is still anticipated that development of the Regulation will go well into 2026.
- On November 17th EirGrid and a number of other TSOs represented ENTSO-E in a roundtable discussion facilitated by the Florence School of Regulation on Market Design Options for the Reintegration of the British Electricity Market. This was attended by TSOs and Member State representatives. The main output of the session was a list of options for Market Arrangements which are being analysed by TSOs and others for implementation feasibility.

## Additional Market Developments

### Long Duration Energy Storage

The TSO has responsibilities under Action 6 of DCEE's Electricity Policy Storage Framework (ESPF) in progressing an immediate procurement of LDES services. The TSO is currently focused on establishing a design of a procurement mechanism to procure services from LDES assets and will consult on this through two consultations; a Procurement Mechanism consultation and a Contractual Arrangements consultation.

- LDES Procurement Mechanism Consultation has closed, 38 responses have been received
- Assessment of responses is underway with detailed insights and considerations having been received
- Target to deliver a recommendation paper and facilitate a CRU decision paper by end of Q1 2026
- Target to deliver LDES Contractual Arrangements consultation paper in Q2 2026, subject to delivery of the CRU decision paper



# Additional Market Developments

## Carbon Border Adjustment Mechanism

The Carbon Border Adjustment Mechanism (CBAM) is a key environmental policy initiative by the European Union aimed at addressing the issue of carbon leakage. CBAM looks to ensure that imported goods into the EU (including electricity) bear a carbon cost equivalent to that faced by EU producers under the EU Emissions Trading System (ETS). The legal basis for CBAM is Regulation (EU) 2023/956, complemented by Implementing Regulation (EU) 2023/1773 and amending Regulation (EU) 2025/2083.

- The CBAM obligation liability will begin to take effect from 1st of January 2026 with payment falling due during the following year
- Declarants will need to purchase and surrender a volume of certificates to cover the liability
- Declarants have until 31st of March 2026 to register to be officially authorised by the Environmental Protection Agency
- A number of implementing acts remain outstanding from the Commission at time of writing
- It is understood that CBAM will not apply in ROI to imports from NI as per the intention of Trade & Cooperation Agreement/Windsor Framework
- The implicit carbon price of the UK ETS will be recognised in the calculation of electricity imports from UK
- Note UK will launch its own CBAM in 2027 with an exemption for electricity
- The UK and EU have agreed to explore the prospect of linking their respective ETS's which would in any case negate the application of any CBAM to electricity exports/imports from UK



# Upcoming Events



## Future Power Markets Workshops 2026

Dates	Location
Tuesday, 27 <sup>th</sup> January 2026	In person, Europa Hotel, Belfast
Wednesday, 25 <sup>th</sup> February 2026	Online
Wednesday, 25 <sup>th</sup> March 2026	In person, Dublin
Wednesday, 22 <sup>nd</sup> April 2026	Online
Wednesday, 20 <sup>th</sup> May 2026	In person, Dublin
Wednesday, 24 <sup>th</sup> June 2026	Online



# Glossary

**ACER** - Agency for the Cooperation of Energy Regulators

**CACM** - Capacity Allocation and Congestion Management

**CBAM** - Carbon Border Adjustment Mechanism

**CRU** - Commission for Regulation of Utilities

**DECC** - Department of Environment, Climate and Communications

**DESNZ** - Department for Energy Security and Net Zero

**DfE** - Department for the Economy

**EMD** - Electricity Market Design

**ENTSO-E** - European Network of Transmission System Operators for Electricity

**ESB** - Electricity Supply Board

**ESO** - Electricity System Operator

**FASS** - Future Arrangements for System Services

**FCA** - Forward Capacity Allocation

**FPM** - Future Power Markets

**FPMDA** - Future Power Markets Design Authority

**LDDES** - Long Duration Energy Storage

**NESO** - National Energy and System Operator

**Ofgem** - Office of Gas and Electricity Markets

**PIR** - Phased Implementation Roadmap

**RAs** - Regulatory Authorities

**REMA** - Review of Electricity Market Arrangements

**REMIT** - Regulation on Wholesale Energy Market Integrity and Transparency

**RfQ** - Request for Quote

**SDP** - Scheduling and Dispatch Programme

**SEM** - Single Electricity Market

**SEMC** - Single Electricity Market Committee

**SEMO** - Single Electricity Market Operator

**SME** - Subject Matter Expert

**SMP** - Strategic Markets Programme

**SONI** - System Operator for Northern Ireland

**UR** - Utility Regulator



# Workshop Preview & Appreciation

- The Future Power Markets team looks forward to welcoming industry participants to the upcoming FPMDA Workshop on 27th January 2026.
- Your continued engagement is vital in shaping the future of our electricity markets.
- Thank you in advance for your participation and insights.



# Contact Information

If you require further information on what has been published in this update, please email:

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Séanadh: Cé go ndearnadh cúram réasúnta agus réamhchúraim chun a chruinneas a chinntiú, cuirtear an tuarascáil seo agus an fhaisnéis atá inti ar fáil gan aon bharántais ná léirithe de chineál ar bith maidir le (gan teorainn) a cáilíocht, a cruinneas ná a hiomláine. Tá an fhaisnéis go léir atá sa tuarascáil seo faoi réir athraithe gan fógra.

Ní ghlacann EirGrid (mar Oibreoir Córais Tarchurtha d'Éirinn), SONI (mar Oibreoir Córais Tarchurtha dTuaisceart Éireann) ná SEMO (mar Oibreoir Margaidh Leictreachais Aonair d'Éirinn agus dTuaisceart Éireann) aon fhreagracht as aon neamhréireachtaí, earráidí ná easnaimh sa tuarascáil seo, agus diúltaíonn siad go hiomlán, a mhéid is ceadaithe faoin dlí, aon dliteanas as aon chaillteanas nó damáiste a eascraíonn as úsáid na tuarascála seo nó as brath ar an bhfaisnéis atá inti. Tá aon ghníomhartha a dhéantar bunaithe ar an tuarascáil seo agus ar an bhfaisnéis atá inti á ndéanamh ar riosca agus rogha an úsáideora amháin, agus moltar do pháirtithe tuairim ar leith agus neamhspleách a lorg maidir leis na nithe atá clúdaithe sa tuarascáil seo.