Future Arrangements for System Services (FASS) Programme

System Services Code Plain English Third Draft

Supporting Cover Note from EirGrid and SONI

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EirGrid SONI

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1 Executive Summary

As part of our ongoing work on the Future Arrangements for System Services (FASS), EirGrid and SONI have been working on the development of the System Services Code, a critical element to be delivered by the FASS programme. The objective of the System Services Code development is to transpose the SEM Committee (SEMC) Decisions into a binding set of market rules. The System Services Code is being developed by the Transmission System Operators (TSOs), with input from the System Services Code Working Group[1] composed of the TSOs, Regulatory Authorities (RAs) and industry panel members.

Per the Phased Implementation Roadmap (PIR) V3.0[2], approved by the SEMC in June 2025, the TSOs are today publishing the third draft of the Plain English Version (PEV) of the System Services Code (hereafter referred to as the "Third Draft") to facilitate early engagement and information sharing with the broader industry, completing milestone FASS.52. In PIR V3.0, the TSOs anticipated that the Third Draft would be the final PEV draft. As the timelines evolved for the publication of SEMC decisions, which were necessary to progress the PEV, the TSOs now expect to focus on development of a Fourth Draft PEV with publication expected later in 2026. Further detail on the timelines of the Fourth Draft and the wider Code development plan will be published in PIR V4.0.

Please note that this PEV is a draft plain English guide and subject to change following further SEMC decisions or Working Group discussion, also noting that there are open points of discussion within the Working Group on several material sections.

This Third Draft has been developed by the TSOs in conjunction with the System Services Code Working Group. To date there has been good engagement, including seven Working Group sessions. The TSOs will continue to draft the System Services Code in collaboration with the Working Group members. The Working Group sessions resumed in November 2025, following publication of SEMC decision SEM-25-056[3] in relation to the DASSA Top-Up Mechanism. The TSOs track this collaboration through a live comments log that has been published on the EirGrid and SONI websites[4], which the TSOs will regularly update in line with the monthly Working Group sessions. All stakeholders will have an opportunity to engage further on the System Services Code as part of the SEMC consultation process, currently planned for Q2 2026. The TSOs will also welcome all queries and feedback on the Third Draft from stakeholders that are not part of the Working Group, via the existing FASS email address (FASS@eirgrid.com & FASSProgramme@soni.ltd.uk) where the team will acknowledge and engage with any correspondence.

Below is a summary of the development process of the System Services Code.

- The System Services Code Working Group was established to transpose FASS related SEMC decisions into the System Services Code through collaborative drafting with industry.
- An iterative drafting approach has been adopted for the Code's development. Some sections will require only a single draft, while others will be updated iteratively based on input from Working Group members.
- Per the PIR V3.0, it was initially intended that Draft 1 of the System Services Code (Plain English Version) will be superseded by Drafts 2 and 3, to account for future SEMC decisions which will impact the design. However, as will be described in PIR V4.0, these drafts will also be superseded by a fourth draft.
- Legal drafting of the code was intended to commence with the Code Working Group in October 2025 as per timelines in PIR V3.0. As will be highlighted in PIR V4.0, collaborative drafting of this, will now begin in the New Year post receipt of further SEMC decisions which will impact the design.

[1] SOEF-FASS-Terms-of-Reference-for-FASS-Code-Development-Working-Group.pdf
[2] EirGrid - FASS Programme PIR V3.0 & SONI – FASS Programme PIR V3.0
[3] SEM-25-056 - Future Arrangements for System Services – DASSA Top-Up Mechanism Decision Paper | The Single Electricity Market Committee
[4] EirGrid – SS Code Working Group Comments Log & SONI – SS Code Working Group Comments Log

- Following completion of legal drafting there will be a SEMC consultation on the System Services Code, currently planned for Q2 2026 as detailed in PIR V3.0. However, the TSOs will provide an update to these timelines in PIR V4.0.

2 Background & Context

2.1 Background

As detailed in the SEMC's High-Level Decision (HLD) Paper published April 2022[5], the TSOs are required to deliver a competitive framework for the procurement of system services ahead of the short-term energy and balancing capacity markets, as provided for under Directive (EU) 2019/944[6] and Regulation (EU) 2019/943[7]. This provision of system services is to be incentivised through a new market mechanism, FASS, that ensures the secure operation of the electricity system with higher levels of non-synchronous generation.

The market arrangements set out in the HLD comprise three main components:

FASS Component	Description	Timeline
Day Ahead System Services Auction (DASSA) Arrangements	Daily auction and associated market arrangements. This is a requirement based on EU regulations and direction from SEM Committee.	• May 2027
Fixed Term Contracts	Procurement of fixed term contracts and development of future products (e.g.: Low Carbon Inertia Service (LCIS))	• TBC, as required by product • LCIS Phase 1: October 2024
Layered Procurement Framework (LPF)	Procurement at timeframes greater than one day and less than one year	• Pending outcome of 2025 annual assessment

Table 1 Components of the FASS Programme

The HLD also provided for the phased introduction of a System Services Code which would set out the market rules. System Service providers will accede to the code to allow them to participate in the new market arrangements.

The System Services Code will set out the rules for the market arrangements introduced through FASS. Service providers will be required to register with the TSOs and accede to the System Services Code to participate in the System Services Arrangements introduced under FASS. In addition, various Agreed Procedures are being developed and will be appended to the Code. These will outline the steps of the various processes and procedures for service providers who participate in the market.

2.2 Context

The objectives of the System Services Code will be based on the wording in the TSOs' Licences[8] but are expected to be as follows:

1. to facilitate the efficient discharge by the TSOs of the obligations imposed upon it by the Transmission System Operator Licences.

2. to facilitate the efficient, economic, and coordinated operation, administration and development of the System Services Market in a financially secure manner.

3. to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of System Services in the System Services Market.

4. to promote competition in the provision of System Services.

[5] SEM-22-012 System Services Future Arrangements High Level Design Decision Paper
[6] Directive (EU) 2019/944 on common rules for the internal market for electricity and amending Directive 2012/27/EU
[7] Regulation (EU) 2019/943 on the internal market for electricity
[8] The licence modifications to include the System Service Code condition are due to be consulted on by the RAs in Q4 2025, and are anticipated to take effect by mid-2026.

5. to provide transparency in the operation of the System Services Market.

6. to ensure no undue discrimination between persons who are or may seek to become parties to the System Services Code; and

7. through the development of the System Services Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, market integrity and security of supply of electricity across the island of Ireland.

8. The above objectives must also align with EU regulations such as the Clean Energy Package, the Electricity Balancing Guideline (EU 2017/2195) and System Operation Guideline (EU 2017/1485) in developing an overarching commercial and legal framework to drive necessary third-party investment to meet challenges of high renewables.

3 Approach

As part of its decision on Detailed Design and Implementation of FASS[9], the SEMC invited the TSOs to establish a working group for the development of a System Services Code with appropriate industry membership. The objective of the System Services Code Working Group is to ensure SEMC decisions in relation to FASS are reflected in the System Services Code through collaborative drafting.

Separately, the SEMC has established the System Services Future Arrangements Project Panel. This is distinct from the System Service Code Working Group, and is a consultative group set up to complement standard public consultation processes and the mandatory processes required by the Network Codes.

3.1 Selected Development Approach

The TSOs considered several approaches for the efficient development of a System Services Code to ensure that milestones set out in the PIR could be met with sufficient industry engagement. The TSOs ultimately deemed a hybrid approach to be the most suitable. This involves a combination of iterative and one-draft approaches whereby the TSOs would draft certain sections in full ahead of engaging with industry via the Working Group, while other sections would be drafted iteratively over a number of meetings in conjunction with Working Group members.

At the first Working Group meeting, held in EirGrid offices in Dublin on 26th June 2024, it was agreed that for the Administrative (sections 2 & 3) and Qualification sections, a one draft approach would be the most suitable. For these sections, the ability to leverage existing documentation was a key advantage. The administrative sections made effective use of documentation from the Capacity and Trading and Settlement Codes, while existing DS3 documentation was a suitable basis for the Qualification section. For the sections requiring an iterative approach, the TSOs are developing the System Services Code by section and reviewing iteratively with industry via regular Working Groups.

The iterative approach entails a five-stage process:

1. Circulation of proposals / position papers;
2. Development of Plain English versions (PEV);
3. Updating PEV for sign off;
4. Legal drafting; and
5. Finalised legal drafting for sign off.

A comprehensive description of this approach is outlined within the Terms of Reference for the System Services Code Working Group[10]. Table 2 outlines the approach for each section of the PEV code. During discussions at the System Services Code Working Group, it was noted that certain elements of one draft sections, may require consideration across multiple Working Groups.

Additionally, the iterative approach will be applied to Drafts 1, 2, 3 and 4 of the Plain English Version of the System Services Code. The decision to draft the System Services Code PEV in four stages was not initially included in the Terms of Reference, as it was not anticipated at the time. However, this four-stage drafting process has been adopted to address sections of the System Services Code dependent on future SEMC decisions and to minimise the need for revisions in those sections.

[9] SEM-23-103 System Services Future Arrangements – Detailed Design & Implementation – Phased Implementation Roadmap - Decision Paper 3

[10] EirGrid – FASS - Terms of Reference for System Services Code Development Working Group & SONI – FASS – Terms of Reference for System Services Code Development Working Group

Section Ref.	Code Section	Proposed Approach
1	Overview	One Draft
2	Legal and Governance	One Draft
3	Participation, Accession and Registration	One Draft
4	Qualification	One Draft
5	Auction Format of DASSA	Iterative
6	Secondary Trading	Iterative
7	Obligations	Iterative
8	Residual Availability Determination	Iterative
8	System Services Supplier Charge	Iterative
9	Long Term Contracts	Iterative
10	Delivery – Performance Monitoring	Iterative
11	Migration to FASS for Existing DS3 Contracts	One Draft
12	Settlement	One Draft
13	Approvals	One Draft
14	Glossary	Iterative
15	Appendices	Iterative

Table 2: Table of Contents and Proposed Approach

4 Publication Overview

As noted previously, the objective of the System Services Code Working Group is to ensure the SEMC's published decisions in relation to FASS are accurately reflected in the System Services Code. Progression of the development of the PEV of the System Services Code has a high dependency on timely publication of SEMC decisions. In the absence of published decisions, certain sections of the Code cannot be drafted and shared with Working Group members.

Following publication of further SEMC decisions, further sections will be drafted and shared with the Working Group. Per the most recent PIR V3.0[11], it was initially anticipated that a complete version of the PEV would be complete by December 2025. However, the TSOs now anticipate a complete version of the PEV later in 2026, following the publication of additional SEMC decisions. Further granularity on the timelines for the Fourth Draft and the wider Code development plan will be published in PIR V4.0.

Table 3 in Section 4.1 details which sections have been published in the Third Draft and Table 4 details sections excluded from the Third Draft and their relevant dependencies.

To provide further context to the Third Draft and the work conducted to date through the Working Group meetings, the TSOs are publishing on the EirGrid and SONI websites the Working Group meeting materials and minutes captured, shown in Table 5 below. The TSOs have also published on the EirGrid and SONI websites, a Comments Log from the Working Group meetings and comments received through the FASS Programme mailboxes. This log illustrates the key discussion points and suggestions raised to the TSOs along with the associated actions and responses from the TSOs.

4.1 Sections included in Third Draft

In conjunction with the System Services Code Working Group and based on the SEMC decisions received to date, the TSOs have developed the Third Draft to include 8 sections, detailed below. It should be noted that due to dependencies on future SEMC decisions including Parameters and Scalars and the DASSA Top Up Mechanism, only certain elements of the Auction Format of DASSA and Secondary Trading sections have been included in the Third Draft.

Sections included in Third Draft	Dependency on SEMC decisions to complete section
Overview	
Legal and Governance	
Participation, Accession & Registration	
Qualification	
Elements of Auction Format of DASSA	SEMC decision on Parameters and Scalars, expected December 2025.
Elements of Secondary Trading	SEMC decision on Parameter and Scalars, expected December 2025.
Residual Availability Determination	SEMC decision on Parameter and Scalars, expected December 2025.
All-Island System Services Supplier Charge	

[11] EirGrid - FASS Programme PIR V3.0 & SONI – FASS Programme PIR V3.0

Glossary	

Table 3: Sections included in the Third Draft

For clarity, the TSOs have also listed the sections of the System Services Code which have a dependency on future SEMC decisions and the due date of these decisions based on the current PIR. Only once these decisions have been released, can the TSOs draft the relevant sections. Please note that if additional SEMC decisions are introduced under the FASS Programme, this may result in additional dependencies being identified and/ or redrafting of certain sections.

Sections excluded from Third Draft	Key Dependency on SEMC decisions to draft Section
Obligations	SEMC decision on Parameters and Scalars, expected December 2025.
Long Term Contracts	SEMC decision on Non-Reserves, TBC on expected date.
Delivery – Performance Monitoring	SEMC decision on Parameters and Scalars, expected December 2025.
Migration to FASS for Existing DS3 Contracts	SEMC decision on Non-Reserves, TBC on expected date.
Settlement	SEMC decision on Parameters and Scalars, expected December 2025. SEMC decision on Non-Reserves, TBC on expected date.
Approvals	
Appendices	SEMC decision on Parameters and Scalars, expected December 2025. SEMC decision on Non-Reserves, TBC on expected date.

Table 4: Sections excluded from the Third Draft along with their relevant dependencies on future SEMC decisions

4.2 Published Working Group Slides and Minutes

The TSOs have outlined below the previous Working Group meetings held along with the associated slides and minutes published for each meeting.

Working Group Meeting	Topic	Content	Minutes
#1	Overview, Legal and Governance, Participation, Accession and Registration, Qualification	Link to slide pack	Link to minutes
#2	Shorter virtual session to provide updates on clarifications arising from initial Working Group	Link to slide pack	Link to minutes
#3	Elements of DASSA and Secondary Trading	Link to slide pack	Link to minutes
#4	Review of First Draft prior to Publication	Link to slide pack	Link to minutes
#5	Review of Registration, Dispute Resolution and Suspension & Termination Agreed Procedures and an overview of the revised layout for Auction Design PEV sections	Link to slide pack	Link to minutes
#6	All-Island System Services Supplier Charge	Link to slide pack	Link to minutes
#7	Residual Availability Determination	Link to slide pack	Link to minutes

Table 5: All Working Group sessions held to date and corresponding published material