

Nigel Thompson  
E: Nigel.Thomson@semopx.com

Thomas McGoey  
E: Thomas.McGoey@nordpoolgroup.com

Our Ref: MAR-25-1062

Date: 17 December 2025

Dear Nigel and Thomas,

**RE: Proposal for arrangements concerning cross-border Clearing and Settlement with respect to the SEM-FR Bidding Zone Border.**

I am writing in response to the request from SEMOpx and Nord Pool for National Regulatory Authority (NRA) approval for a proposal under Article 9(8) of the Capacity Allocation and Congestion Management (CACM) Regulation 2015/1222.

Under Article 9(8) of the CACM Regulation, the Utility Regulator (UR) as National Regulatory Authority received a proposal on 30 June 2025 from SEMOpx and Nord Pool under Article 77(2) of the CACM Regulation concerning cross-border Clearing and Settlement with respect to the SEM-FR Bidding Zone Border. Under this Article, the Regulatory Authorities are responsible for approving cross-border clearing and settlement arrangements.

This letter sets out the UR decision to request amendment to the proposed arrangements in order to clarify key aspects of the proposal, as well as fulfilling CACM requirements by reflecting proposed timescale for its implementation and a description of its expected impact on the objectives of this Regulation.

An equivalent letter requesting the same amendments will be communicated by the Commission for Regulation of Utilities (CRU), colleagues from CRU are copied on this letter.

## Proposal

The Regulatory Authorities, the CRU and UR, have jointly assessed the proposal and have engaged at working level with SEMOpx and Nord Pool to seek clarification and address queries.

Through these engagements, our teams have determined that there are three overarching areas where amendment is necessary for the proposal to meet the requirements set out in the CACM Regulation and to provide transparency regarding the arrangements that will be in place at go live of Multi-NEMO Arrangements. The three areas are:

1. Improved clarity on the practical implications of the proposal.
2. Updated timelines for implementation.
3. Listing the impact of the proposal on the CACM objectives, as required by the CACM regulation.

## Next Steps

Based on the above considerations, the UR and CRU do not consider that the "Clearing and Settlement" proposal meets the requirements of CACM and the expectations of a proposal under Article 77(2) of same. The following amendments should be made to the proposal:

- The recitals should include a section outlining how the proposal meets the objectives of the CACM Regulation per Article 9(9) of same;
- The Implementation timeline in Recital 5 and Article 7 should be updated to reflect the delays with the construction of the Celtic Interconnector;
- The explanatory document provided with the initial submission is not sufficiently clear on how the proposal will operate in practice. Significant elaboration is required on the functioning of Article 3(5) and (7), and Article 4(3) and (4), the explanatory document would benefit from the provision of a worked example of the how the processes described in these articles. The document would also benefit from the addition of a greater explanation of the SEM-FR border specific processes and the addition of SEM-FR border specific flow diagrams in place of the generic descriptions and diagrams presented in the current document.

The amended documents should be submitted with both clean versions and a version with all changes tracked.

If you have any queries regarding the information contained within this letter, please contact [niall.robb@uregni.gov.uk](mailto:niall.robb@uregni.gov.uk).

Yours sincerely,

*(Sent by email with no signature)*

Colin Broomfield  
Director  
Markets  
Utility Regulator

CC: John Melvin  
Barry Hussey