

SEM Committee Meeting
Minutes Meeting No. 215
Location: Online/ UR Offices, Belfast
Date: Thursday 24 April 2025
at 10.00 a.m.

SEM Committee:

Commission for Regulation of Utilities (CRU): Dr Tanya Harrington (Chairperson), Jim Gannon, Fergal Mulligan

Utility Regulator (UR): Rosamund Blomfield-Smith, Jon Carlton, John French

Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

In attendance:

All items: Colin Broomfield (UR), Kevin Shiels (UR)

Item 3: Sheena Byrne (CRU), Lisa Murray (CRU)

Items 4 - 6: Marie-Therese Campbell (UR), Emer Gerrard (CRU), Kevin Baron (UR), Charlene Little (CRU), Elvis Sebastian (CRU), Ross McFaul (UR), Damien Doone (UR), Ciaran Breen (UR), Ian McClelland (UR), Jean-Pierre Miura (UR), Andrew Chatterabhuti (ESP Consulting)

Item 7: Damien Doone (UR), Andrew Waghorn (Deloitte)

Item 8: Michael Barrett (CRU), Aline Mazzola Martellini (CRU), Andrew Waghorn (Deloitte)

Item 9: Barry Hussey (CRU), James Carson (UR)

Item 10: Robert O'Rourke (CRU)

Item 11: Emer Gerrard (CRU), Marie-Therese Campbell (UR), Ross McFaul (UR)

Item 12: Emer Gerrard (CRU), Elvis Sebastian (CRU)

Item 13: Owen Kearns (UR), Arjoo Gupta (UR), Lisa Murray (CRU), Josh Blair (UR)

Item 14: Leigh Greer (UR), Niall Robb (UR)

Apologies: None

Minutes: Greg Irwin (SEMC Secretariat)

Declarations of interest: None

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 214, Thursday 27 March 2025

The minutes from SEM Committee meeting 214 were approved for publication, subject to minor amendments.

3. Imperfections Charges: 2024/25 Mid-Year Review

Sheena Byrne introduced this item on the Transmission System Operator's (TSO) 2024/25 Imperfections Mid-Year Review report, which sought the Committee's

approval to publish the Imperfections 2024/25 Mid-Year Review Information Paper. Lisa Murray outlined further analysis on the mid-year review.

In an extended discussion, the Committee considered several aspects of the paper including: the methodology for monitoring imperfections costs, the nature and regularity of TSOs reporting, the TSOs modelling and forecasting, the level of imperfections costs, the market working capital facility, the K-factor applied to the imperfections funding requirement, the approach to imperfections reporting in other jurisdictions, and the presentation of the information and public communications.

The Committee also discussed engagement with the TSOs and the communication of expectations around the imperfections mid-year report.

It was agreed that a further paper on the mid-year review, taking account of the Committee's comments, would be presented at the next Committee meeting.

4. T-1 25/26 Capacity Auction

(a) Final Qualification Results and Capacity Auction Monitor Report

Ciaran Breen introduced this item which provided the Committee with an overview of the Final Qualification Results associated with the T-1 CY2025/26 Capacity Auction.

The Committee briefly considered the Capacity Auction Monitor's Report, and the issues raised, and TSO responses.

The Committee approved the Final Qualification Auction results as presented and also approved the Capacity Auction Monitor Report.

(b) Volumes decisions

Colin Broomfield introduced this item regarding the T-1 25/26 Capacity Auction volumes decisions. Andrew Chattrabhuti provided a presentation on the auction volumes decisions.

Committee members commented on the volumes secured through the auction, jurisdictional security adjustments and annual run hour limits adjustments. There was also a discussion around Lost of Load Expectation (LOLE) and an analysis of LOLE in the SEM was requested.

The rationale for the TSOs estimates and assumptions around volumes was also discussed. It was agreed that significant aspects of the Committee's commentary on the estimates and volumes be communicated directly to the TSOs.

The Committee also discussed the panel of technical experts and requested that information on this be circulated and a progress update on implementing the panel.

The Committee approved the volumes decisions as presented.

(c) Final Auction information pack

Ian McClelland introduced the Final Auction Information Pack (FAIP) for the T-1 2025/2026 Capacity Auction for publication.

A Committee member's query around the demand curve was addressed. The Committee also noted a proposed minor amendment to the FAIP approval letter.

The Committee approved the FAIP and the associated letter of approval.

(d) New capacity exceptions

Ian McClelland introduced this item regarding proposed Final Decisions relating to the T-1 CY2025/26 New Capacity Exception Applications.

The Committee approved the Final Decisions relating to the T-1 CY2025/26 New Capacity Exception Applications and delegated the issuing of the New Capacity Exception Applications Final Decision letters to the SEM Oversight Committee.

5. CRM: 2028/29 T-4 Auction, Volumes Information Note

Emer Gerrard introduced this item on the 2028/29 T-4 Volumes Information Note.

The Committee's discussion focused on communications aspects of the information note. This included consideration of the audience for the information note, the key messages to be communicated, and the need to accentuate the benefits of the capacity auctions generally and the positive outcomes of the T-4 2028/29 auction specifically. The potential to enhance communications on the information note through a succinct one-page overview, that could be used to inform stakeholders was also suggested. Committee members also identified some specific drafting suggestions in the text.

The publication of the information was endorsed, subject to consideration of the Committee's comments.

6. Extension request

Ross McFaul introduced this extension application under J.5.6 of the CMC. The application was for an extension to the Capacity Quantity End Date and Time (CQEDT) equal to the Substantial Financial Completion (SFC) and Long Stop Date (LSD) extension periods granted by the System Operator under J.5.5 of the CMC.

The Committee approved the extension request.

7. Capacity Market Audit – Independent Market Auditor Year 6 Draft Report

Damien Doone introduced this item regarding the latest Capacity Market Auditor Draft report for the period of 1 May 2023 to 30 April 2024 – Year 6.

Committee member comments focused on exploring the issues identified in the Market Auditor report. The progress on addressing these issues was also covered in discussion.

The Committee approved the Capacity Market Auditor report for finalisation and, subsequently, publication.

8. TSC Market Auditor Report 2024

Aline Mazzola Martellini introduced the Trading & Settlement Code (TSC) Market Auditor's Report for the period ended 31 December 2024.

Further information was provided to the Committee in relation to issues raised in the report.

The Committee approved the TSC Market Auditor's report for publication.

9. Carbon Border Adjustment Mechanism (CBAM) – presentation

James Carson provided a presentation on the Carbon Border Adjustment Mechanism (CBAM) for information.

The Committee discussed key CBAM issues and risks. Recent and upcoming developments relating to CBAM were covered. The opportunities to effectively engage with stakeholders on CBAM was also explored.

The Committee noted the update.

10. Phase Implementation roadmap

Robert O'Rourke introduced this update on the implementation roadmap relating to the Future Arrangements for System Services project.

There was a discussion around progress on the implementation roadmap. The reasons for delays to the roadmap were discussed. Engagement with the TSOs on the FASS project was also considered. More broadly, the Committee agreed it would be useful to plan a future meeting with the recently appointed Eirgrid Chief Executive.

In noting the update, the Committee also endorsed a draft letter to be sent to the TSOs on implementation roadmap (with comments provided by the Committee to be considered in finalising the draft).

11. T-4 2029/30 capacity auction timetable update – verbal update

Ross McFaul provided a verbal update on the T-4 2029/30 capacity auction timetable update.

Committee members' comments focused on the potential for any delays to the auction timetable.

The Committee noted the update.

12. Applicability of the ‘delay modification’ provisions for the T-4 2029/30 capacity auction and beyond

Emer Gerrard introduced this overview of an analysis of the ‘delay modification’ provisions for the T-4 2029/30 capacity auction and beyond.

The Committee commented on the rationale for introducing the ‘delay modification’ provisions and the experience of applying these modifications since. Key market developments since the introduction of the delay modifications were also touched on.

Options for potential changes to the ‘delay modifications’ were discussed. Committee members considered the risk and impact relating to the options outlined.

At the conclusion of the discussion, it was agreed that, while there would be no change to the ‘delay modification’ provisions for the T-4 2029/30 auction, a consultation should be planned to inform the position on the application of the provisions for future auctions.

13. Market Monitoring Unit (MMU) update

Owen Kearns provided an overview on key market outcomes during March.

Committee members discussed some initial analysis on the benefits of the new Greenlink interconnector.

On the broader market analysis, several issues were touched on, including bidding behaviour, solar capacity growth and pricing (and the impact on consumers).

The Committee noted the update.

14. Updates

(a) All Island Programme (AIP) update

Leigh Greer provided an update on AIP project management arrangements. Feedback from the recent workshop on the Multi-Year Plan was discussed.

(b) SEMC communications and governance update

The Committee noted the Quarter 2 update on the Forward Work Programme 2024/2025.

There was a discussion on the SEMC risk register as presented. It was agreed that a SEMC Sub-Committee be convened to assist with oversight of risk management arrangements.

An update was provided on arrangements for procuring external support to assist with the development of a SEMC strategy.

(c) CRU/UR/Independent Members

Jim Gannon provided the latest situation on the PR6 price control review, the affordability taskforce, the electricity connection policy review, and also an update on CRU resourcing.

John French noted the publication of the Power NI price control determination.

Chris Harris provided a further update on the Clean Power 2030 action plan in Great Britain.

(d) Legal update

Colin Broomfield briefed the Committee on the latest position regarding the T-4 auction litigation and the Committee discussed this. It was agreed that a meeting of the Committee should be planned for further discussion.

15. Review of actions from SEMC meeting 214, Thursday 27 March 2025.

The Committee discussed open actions.

16. SEMC correspondence

No new correspondence was noted.

17. AOB

The presentation on Non-Priority Dispatch Renewables was deferred.

Action: Organise further session for the Committee on NPDRs

The meeting concluded at 15.35 p.m.



Signed: _____

Dr Tanya Harrington, SEM Committee Chairperson