

## SEM Committee Meeting

### Minutes Meeting No. 217

**Location: Online/ UR Offices, Millennium House, Belfast**

**Date: Wednesday 17 June 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: Chris Harris (Deputy Independent member)

All items: John Melvin (CRU), Colin Broomfield (UR), Kevin Shiels (UR)

Item 3: Clodagh Goodman (UR), John Mills (UR), Marie-Therese Campbell (UR)

Item 4: Sheena Byrne (CRU), Lisa Murray (CRU)

Item 5: Ciaran Breen (UR), Damien Doone (UR), Marie-Therese Campbell (UR)

Item 6: Valeria Arenas Montano (CRU), Emer Gerrard (CRU), Marie-Therese Campbell (UR)

Item 7: Elvis Sebastian (CRU), Emer Gerrard (CRU), Peter Wibberly (YellowWood Consulting)

Item 8: John Mills (UR), Tony Doherty (UR), Ciara Brennan (UR), Akshant Nagar (UR), Ruairi Liddy (UR)

Item 9: Robert O'Rourke (CRU), Bronagh McKeown (UR), Dylan Ashe (CRU)

Items 10 and 11: Jean-Pierre Miura (UR), Owen Kearns (UR), Arjoo Gupta (UR)

Item 12: Niall Robb (UR), Gemma Luckhurst (Gemserv).

**Apologies:** Jonathan Hodgkin (Independent member)

**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 216, Thursday 29 May 2025**

The minutes from SEM Committee meeting 216 were approved for publication, subject to minor amendments.

#### **3. Net Transfer Capacity (NTC) Reductions compensation treatment**

Clodagh Goodman introduced this item relating to compensation arrangements for reductions of Net Transfer Capacity (NTC) on the SEM-GB interconnectors.

The Committee considered the background and context relating to the treatment of compensation and the implications of a recent arbitration outcome.

The process for, and the proposed approach to, implementing the arbitration outcome and the recovery of compensation through tariffs was discussed at length.

The Committee requested further analysis to be undertaken with an update on this to be provided to the Committee.

#### **4. Imperfections Charges 2025/26 Forecast Consultation**

John Melvin introduced this paper which outlined the key elements of the TSOs' 2025/26 Imperfection Charges submission. Lisa Murray provided a detailed overview of the submission.

There was a discussion on the forecasting of costs and assumptions. Committee members considered reporting by the TSOs, and the analysis applied in making the forecast of costs and assumptions. The approach to forecasting and reporting in other jurisdictions was also considered.

The Committee also explored the trends relating to imperfection costs and the impact on consumer bills.

The importance of effective communications around the consultation on imperfection costs was emphasised. Committee members identified drafting suggestions to enhance the narrative around the rationale for imperfection costs and steps being taken to minimise these costs. The need to engage with stakeholders in advance of the publication of the consultation was also endorsed.

The Committee approved, subject to consideration of members' comments, the publication of the imperfections consultation paper on the SEMC website.

#### **5. CRM: T-1 25/26 - Auction Results and Auction Monitor report**

Colin Broomfield introduced this paper which provided the CRM: T-1 25/26 - Auction Results and Auction Monitor report.

The Committee noted the report and approved the sharing of the redacted T-1 2025/26 Capacity Auction Independent Auction Monitor Report with the TSOs for publication.

#### **6. Stakeholder correspondence**

The Committee considered a proposed letter to stakeholders, focused on the performance of the capacity remuneration mechanism.

Committee members provided some drafting comments around key messages, format, and length.

It was agreed that a further draft, taking account of the comments received, would be developed for the Committee's review.

## **7. Administered scarcity pricing**

John Melvin introduced this paper which set out a proposed decision on administered scarcity pricing. Elvis Sebastian provided an overview of the proposed decision.

The Committee considered the options identified in relation to the triggering of the reserve scarcity price and responses to the consultation. Committee member queries on some points of detail were also addressed.

The Committee approved the publication of the Administered scarcity pricing paper on the SEM Committee website.

## **8. SEMO price control**

John Mills introduced a presentation on the SEMO price control 2024/29 final determination. Tony Doherty spoke to a presentation which provided an overview of issues raised during the consultation and set out proposed decisions on key areas.

Committee members raised several items in discussion including: the proposed margin (and business risks), the parent company guarantee, opex allowances and key performance indicators.

It was agreed, subject to consideration of the Committee's comments, that the SEMO price control proposed decisions should be circulated for approval via correspondence.

## **9. Future Arrangement for System Services (FASS) Gap decision**

John Melvin introduced this proposed decision on the gap between the current end date for System Services Regulated Arrangements to the go-live of the Day Ahead System Services Auction.

In discussion the Committee focused on the proposed options for the management of system services expenditure.

Following discussion, the Committee endorsed a preferred option for the management of system services expenditure and approved the publication of the FASS decision paper.

## **10. Interconnector analysis**

Jean-Pierre Miura provided a presentation which provided an analysis of the impact of interconnection between energy markets.

In a wide-ranging discussion, the Committee focused on the overall economic contribution and benefits of interconnectors to the SEM..

The Committee welcomed the presentation as an important initial analysis on the contribution of interconnectors to the SEM.

## **11. Market Monitoring Unit (MMU) update**

(a) Owen Kearns provided an overview of key market outcomes during May.

Issues relating to day ahead market prices and spark spreads were touched on. The Committee noted that analysis on price formation would be presented at the next SEMC meeting.

The Committee noted the update.

(b) A verbal update was also provided on the Balancing Market Principles Code of Practice (BMPCOP).

## **12. Updates**

### **(a) All Island Programme (AIP) update**

Niall Robb updated the Committee on developments in relation to the AIP. Gemma Luckhurst and her team were introduced as the project management office for the AIP.

### **(b) SEMC communications and governance update**

In the context of a brief Committee discussion around the strategic environment, it was noted that Afry has been appointed to assist SEMC with the development of a new strategy.

There was also a discussion on the timing of the Committee's strategy workshop, and it was agreed that the date be confirmed for August.

### **(c) CRU/UR/Independent Members**

Jim Gannon provided an update on the PR6 price control review, Uisce Eireann's revenue control, and the PSO levy.

John French noted that UR have moved into to new office accommodation, a recent joint conference with the Energy Institute, Guaranteed Standards of Service, and the recent Northern Ireland Fiscal Council report.

Chris Harris noted developments in Great Britain relating to the review of electricity market arrangements and the capacity market.

### **(d) Legal update**

No update was provided.

## **13. Review of actions from SEMC meeting 216, Thursday 29 May 2025.**

The Committee discussed open actions.

There was discussion around potentially convening a meeting with Ofgem and it was agreed that this should be investigated.

**14. SEMC correspondence**

No new correspondence was noted.

**15. AOB**

None.

The meeting concluded at 15.05 p.m.

A handwritten signature in cursive script that reads "Tanya Harrington".

Signed: \_\_\_\_\_

**Dr Tanya Harrington, SEM Committee Chairperson**