

SEM Committee Meeting
Minutes Meeting No. 218
Location: Online
Date: Wednesday 31 July 2025
at 10.00 a.m.

SEM Committee:

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

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

Independent members: Jonathan Hodgkin (Independent member), Chris Harris (Deputy Independent member)

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

Item 3: Gabriela Vargas Restrepo (Afry), Ingolf Dorn (Afry), Grainne Black (Afry), Marie-Therese Campbell (UR), Emer Gerrard (CRU), Charlene Little (CRU), Robert O'Rourke (CRU)

Item 4: Jean Pierre Miura (UR), Owen Kearns (UR), Mary Farrelly (UR)

Items 5-9: Ciaran Breen (UR), Damien Doone (UR), Marie-Therese Campbell (UR), Valeria Arenas Montano (CRU), Emer Gerrard (CRU), Elvis Sebastian (CRU), Emer Gerrard (CRU), Kevin Baron (UR)

Item 10: Jean-Pierre Miura (UR), Owen Kearns (UR), Arjoo Gupta (UR)

Item 11: Niall Robb (UR), Gemma Luckhurst (Gemserve).

Apologies: Fergal Mulligan (CRU)

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 217, Wednesday 18 June 2025

The minutes from SEM Committee meeting 217 were approved for publication, subject to minor amendments.

3. SEMC Strategy Introduction and Project Overview

Gabriela Vargas Restrepo presented Afry's plans for assisting the Committee with the development of a new SEMC strategy.

Committee members provided commentary and guidance on the proposed strategy development process and engagement with stakeholders

The Committee noted the update and the plans for a strategy workshop next month.

4. SEM price formation – working level assessment

Owen Kearns introduced this item which provided an initial working-level analysis on wholesale electricity market dynamics in the SEM and in Great Britain, with a particular focus on developments since 2021.

In an extended discussion the Committee covered a range of issues including interconnector flows, data relating to assetless traders, demand curves, the presentation of comparative data generally, and the consumer prices impacts.

There was also a discussion on the conclusions from the analysis and the presentation and communication of key messages to stakeholders. It was agreed that a short document would be drafted by the team with a view to convey the key messages and conclusions from this exercise. This summary should be brought back to the SEMC as soon as feasibly possible.

5. T-4 CY2029/30 Parameters Decision

Colin Broomfield introduced this paper which set out the proposed parameters for the T-4 CY 2029/30 capacity auction. Emer Gerrard and Damien Doone briefed the Committee on parameter recommendations.

The Committee noted the responses to the consultation on the capacity auction parameters. The Committee also explored a proposal in relation to a Locational Capacity Constraint Area. A query relating to the communication of parameters decisions was addressed.

The Committee approved the proposed parameters for the T-4 CY 2029/30 capacity auction as presented and the publication of the T-4 CY2029/30 parameters decision paper.

6. Initial Auction Information Pack (IAIP) T-4 2029/30 Capacity Auction

Kevin Baron introduced this item which sought the Committee's approval for the Initial Auction Information Pack (IAIP).

The focus of the Committee discussion was on auction de-rating factors (DRFs), including analysis of the performance of Demand Side Units and storage.

Following an extended discussion the Committee approved the IAIP.

The SEM Committee discussed possible future changes to the DRF methodology, which could include unit-specific DRFs.

7. Rationale for a T-1 CY2026/27 Capacity Auction

The Committee reviewed recommendations relating to a T-1 CY 2026/27 capacity auction.

Approval was provided for the requirement for a T-1 Capacity Auction for the CY 2026/2027; and for the Regulatory Authorities to instruct the System Operators to prepare a proposed Capacity Auction Timetable.

8. Extension Requests

a) SFC Extension request

Following clarification on the extension request, the Committee approved a Substantial Financial Completion (SFC) extension request under J.5.2.2 of the Capacity Market Code.

b) SFC Extension request

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c) SFC/LSD – Extension request

The Committee discussed the information provided in respect of this extension request and decided to reject the request.

d) SFC Extension request

The Committee approved a Substantial Financial Completion (SFC) extension request under J.5.2.2 of the Capacity Market Code.

e) SFC/CQEDT Extension request

The Committee approved a Substantial Financial Completion (SFC) extension and Capacity Quantity End Date and Time (CQEDT) request, received by the RAs under J.5.2.2 and J.5.7.2 of the Capacity Market Code.

9. WaCC Calculation

Colin Broomfield introduced this item which presented proposed Weighted Average Cost of Capital (WaCC) values to be used in the calculation of allowances for the 2029/30 T-4 Capacity Auction.

The Committee explored the rationale for the proposed WaCC values and their impact.

The Committee approved the proposed WaCC values as presented, and annual adjustment to the risk free rate.

10. Market Monitoring Unit (MMU) update

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

Issues relating to comparisons with the market in Great Britain and price trends were briefly discussed.

The Committee noted the update.

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

11. Updates

(a) All Island Programme (AIP) update

Gemma Luckhurst updated the Committee on developments in relation to the AIP.

(b) SEMC communications and governance update

The SEMC's Forward Work Programme (FWP) 2024/25 Quarter 2 update was presented. Plans for developing FWP 2025/26 were discussed.

(c) CRU/UR/Independent Members

Jim Gannon provided an update on the CRU's non-domestic water tariffs decision, the National Energy Demand Strategy (half year update), the Public Service Obligation levy decision, and attendance at the Cost of Business forum and the National Energy Affordability Taskforce.

John French noted the Power NI price control review completion, consultation on Guaranteed Standards of Service, a mid-year review of the Northern Ireland energy strategy and engagement with the Competition and Markets Authority.

Chris Harris noted developments in Great Britain relating to the review of electricity market arrangements and the publication of the Capacity Market report.

(d) Legal update

No update was provided.

12. Review of actions from SEMC meeting 216, Thursday 29 May 2025.

The Committee discussed open actions. Jon Carlton provided an update on ongoing work regarding the panel of technical experts.

13. SEMC correspondence

The Committee was apprised of recent Freedom of Information requests.

14. AOB

Eirgrid Strategy development – it was agreed that the Committee or Committee members accept the invitation to be interviewed by those consultants supporting Eirgrid in the development of a new organisational strategy.

The meeting concluded at 1.05 p.m.

A handwritten signature in cursive script, reading "Tanya Harrington".

Signed: _____
Dr Tanya Harrington, SEM Committee Chairperson