

SEM Committee Meeting

Meeting 225 Minutes

Location: UR Offices, Millennium House, Belfast

Date: Thursday 26 February 2026

at 09.00 a.m.

SEM Committee:

Commission for Regulation of Utilities (CRU): Jim Gannon, Fergal Mulligan

Utility Regulator (UR): Rosamund Blomfield-Smith (Chair), John French, Paul McGowan

Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

In attendance: To be updated

All items: John Melvin (CRU), Colin Broomfield (UR), Jon Carlton (SEMC advisor), Shauna McAuley (UR), Clare Newcomb (UR)

Item 3 – Robert O'Rourke (CRU), Charlene Little (CRU), Muhammad Bilal Ahmed (CRU), Gabriela Vargas Restrepo (Afry), Grainne Black (Afry)

Item 4: Gordon Downie (Shepherd and Wedderburn)

Items 5-8 - Emer Gerrard (CRU), Elvis Sebastian (CRU), Charlene Little (CRU), Ross McFaul (UR), Marie-Therese Campbell (UR), Ciaran Breen (UR), Damien Doone (UR), Kevin Baron (UR)

Items 9 and 10 - Robert O'Rourke (CRU), James Carson (UR), Dylan Ashe (CRU), Bronagh McKeown (UR), Sumona Mukherjee (CRU)

Item 11 - Marie-Therese Campbell (UR), Ross McFaul (UR), Damien Doone (UR), Kevin Baron (UR)

Item 12 : Jean-Pierre Miura (UR), Owen Keams (UR), Arjoo Gupta (UR), Mary Farrelly (UR)

Item 13: Lisa Tate (UR), Niall Robb (UR), Ben Campbell-Rosbrook (Eirgrid), Stephen Gannon (Eirgrid), Eoin Kennedy (Eirgrid), John Ging (Eirgrid), Susan Whyte (Eirgrid), Michael Kelly (Eirgrid), Michael Atcheson (SONI), Gerard Carlin (SONI)

Apologies: Dr Tanya Harrington

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 224, Thursday 29 January 2026

The minutes from SEM Committee meeting 224 were approved for publication subject to one very minor amendment.

3. SEMC strategy update

Jon Carlton introduced this update on progress on the development of a SEM Committee Strategy. Robert O'Rourke and Gabriela Vargas Restrepo provided an overview of the proposed mission and revised strategic themes.

The Committee welcomed the progress made and discussed the proposed mission and the revised strategic themes. There was also a consideration of the need to identify outcomes that would demonstrate the success of the strategy.

In endorsing a consultation on a draft strategy, the importance of further engagement with government departments in Northern Ireland and Ireland was emphasised.

The Committee noted the next steps and, subject to consideration of the Committee's comments, it was agreed that a further draft of the strategy would be presented at the March SEMC meeting.

4. Legal Update

The Chair invited Gordon Downie to provide a legal briefing in relation to the process for considering Final Qualification Decisions (FQDs) in relation to the T-4 2029/30 Auction.

In relation to two FQDs it was noted that requests had been submitted to the RAs by the Applicants in accordance with SEM-26-005 and that papers had been made available to SEMC members in Decision Time in relation to these requests. It was also noted that these papers were not yet complete, in view of the need to allow time for the making of submissions, and so further time would be set aside on Monday 2 March for SEMC to consider and take decisions on the two FQDs in light of these requests.

In light of the further time required for this purpose in advance of the Final Qualification Results Date (FQRD), it was agreed to direct an amendment to the Capacity Auction Timetable so that the FQRD would be 5 March 2026. SEM Oversight Committee (SEMOC) was authorised to take the necessary steps to implement this decision.

5. T-4 29/30 – Final Qualifications Results, Volumes and Decisions

Ross McFaul introduced this item on the T-4 auction final qualification results, volumes and decisions and briefed the Committee on the regulatory authorities' recommendations.

Committee members explored the rationale for recommendations in relation to the qualification results and volumes.

The Committee approved the Final Qualification Results (FQRs) submitted by the System Operators, except for two units - where a decision was deferred pending a further meeting of the Committee - and four other units which were rejected with a new Gross De-Rated Capacity recommended.

Action: Lessons learned on T-4 to be on SEMC agenda for future discussion

6. Final Auction Information Pack (FAIP) including Volume Adjustments and Locational Capacity Constraint (LCC) Area Quantities for T-4 2029/2030 2026/2027

Damien Doone introduced this item which sought the Committee's approval for the contents of the FAIP and the issue of an associated letter.

The Committee approved the contents of the FAIP including the Volumes approvals and approved a proposed letter from the SEM Committee approving the final LCC areas and the FAIP for publication. Finally, the Committee delegated authority for the issue of the letter to the SEMOC.

7. Final decisions – new capacity exceptions

Ciaran Breen briefed the Committee on the proposed new capacity multi-year exception recommendations.

The Committee approved the proposed new capacity multi-year exception recommendations as presented and approved the issuing of the final New Capacity Multi-Year RO decision letters.

8. T-4 29/30 – Final Decisions ILC/USPC

Ciaran Breen introduced this item which sought the Committee's approval for final decisions for the Unit Specific Price Caps (USPCs) and the Intermediate Length Contracts (ILCs) for the T-4 CY2029/2030 Capacity Auction.

The Committee's discussed the reasons for the proposed decisions and the requirement in respect of evidence to support estimated investment was explored.

The Committee approved the results as outlined in the memo, also approved the delegation of authority to the SEMOC for approval of the final determination letters by correspondence.

9. DS3 System Services: Temporal Scarcity Scalars Decision

Dylan Ashe introduced this item about Temporal Scarcity Scalars (TSS) and a recommendation for consideration by the Committee.

The Committee considered the responses to the consultation undertaken by the Transmission System Operators (TSOs). The TSOs views in relation to TSS and the impact and risks associated with the options set out in the paper were also explored by the Committee.

In endorsing the recommendations set out in the paper in respect of TSS values and tariff rates, the Committee noted that further analysis and consultation on TSS would be undertaken. It was also agreed that the Committee's comments on the future direction for TSS would be communicated to the TSOs.

10. Low Carbon Inertia Services Phase 2

James Carson introduced this item relating to a proposed decision on Low Carbon Inertia Services (LCIS) Phase 2.

The Committee discussed the responses to the consultation. There was also a consideration of market power risks. The nature of the developing LCIS market in terms

of the types of technology and the volume being procured, and the length of contracts was also touched on.

At the conclusion of the discussion, the Committee approved the delegation for the publication of the LCIS Phase 2 Decision Paper to SEMOC.

11. External Market De Rating Factor Review

Marie-Therese Campbell introduced this paper which outlined a proposal in relation to the External Market De-Rating Factor (EMDF) applied to interconnectors participating in the SEM CRM.

The assumptions and the modelling behind the proposal to increase the EMDF were explored by the Committee. The impact of the proposed change was also considered. Engagement with key stakeholders on any decision to increase the EMDF was also touched on.

In noting the intention for further analysis and modelling, the Committee approved the proposal to increase the EMDF to, at least 65% for the next relevant auction.

12. Market Monitoring Unit (MMU) update

- a) Owen Kearns provided an overview of the latest MMU update for the period to the end of January. Committee members briefly raised the impact of renewable sources of generation and low carbon technologies on the market. The Committee also discussed market trends. An update was also provided on work relating to the bidding code of practice. The Committee noted the update.
- b) Mary Farrelly briefed the Committee on proposed changes to the MMU inquiry procedure manual. The Committee commented on the proposed changes and the rationale for these. The Committee endorsed the proposed changes subject to consideration of members' comments.

13. AIP JPB update and spend reports

The Committee was updated on the current Project Management Office arrangements for the All Island Programme.

Representatives from the TSOs then joined the meeting to provide the latest overview of progress on the AIP workstreams. Committee members discussed overall progress and explored steps being taken to address any delivery challenges.

The Committee noted the update.

14. Updates

- (a) Risk Sub-Committee report

Fergal Mulligan briefed the Committee on the business conducted at the last Risk Sub-Committee meeting.

Jonathan Hodgkin introduced a paper which outlined the proposed structure, ownership, and escalation process for the SEMC's Operational and Strategic Risk Registers. Committee members also discussed operational risks and emphasised the importance of risk management arrangements that were attuned to the nature of SEMC's work and strategic risks that were linked to SEMC's new strategy. The Committee approved the proposed structure, ownership, and escalation process outlined in the paper.

(b) SEMC communications and governance update. Greg Irwin provided a brief update on the SEMC communications review.

John Melvin introduced an item about proposed changes to SEMC's scheme of delegation. Committee members discussed the scope of, and rationale for, the proposed changes. It was agreed that, taking account of Committee members' comments, a further draft of the amended scheme of delegation be circulated to the Committee for approval via correspondence.

(c) CRU/UR/Independent Members

CRU – Jim Gannon noted CRU resourcing, the ongoing focus on affordability and energy prices and the retail market work package.

UR – John French noted the publication of the Department for Communities fuel poverty strategy and ongoing work at UK Government level on EU realignment.

Independent member – Chris Harris noted development in relation to the ongoing capacity market process and connection agreements in Great Britain.

(d) Legal Update

Shauna McAuley updated the Committee on current litigation in progress.

15. Review of actions from SEMC meeting 224, Thursday 29 January 2026

Progress on SEMC actions was noted.

16. SEMC correspondence

Two items of correspondence were discussed.

It was agreed that a response to both items of correspondence would be delegated to SEMOC.

17. AOB

None.

The meeting concluded at 15.10 p.m.

Signed: _____
Rosamund Blomfield-Smith, SEM Committee Chair