



SEM Committee

Scheme of Delegation

29th January 2008

SEM-08-017



SEM Committee

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1. Issues

The forward meeting plan of the SEM Committee requires that the SEM Committee shall deal with strategic and policy matters.

The SEM Committee may establish sub-committees. Anything which is authorised or required to be done by the SEM Committee may be done by any sub-committee of the SEM Committee which is so authorised.

A sub-committee of the SEM Committee known as the “Oversight Committee” was established at the SEM Committee’s meeting on 28th November 2007.

The SEM Trading and Settlement Code (the Code) requires the Regulatory Authorities to approve modifications to the Code and approve and determine parameters. Furthermore the RAs will be required to make non policy, ad-hoc decisions relating to the Code from time to time. Members of staff of the Commission/Authority may be authorised to approve, or otherwise, decisions in relation to the SEM Trading and Settlement Code.

2. Legislative Background

2.1 The Electricity Regulation (Amendment) (Single Electricity Market) Act 2007 (the Act), and The Electricity (Single Wholesale Market) (Northern Ireland) Order 2007 (the Order) (hereinafter referred to as the “SEM legislation”), requires that¹ any decision as to the exercise of a relevant function of the Commission /Authority in relation to a SEM matter must be taken on behalf of the Commission/Authority by the SEM Committee.

2.2 Accordingly no decision affecting the SEM may be taken without the prior authorisation of the SEM Committee.

2.3 The SEM legislation recognises that the SEM Committee may not only establish Sub-committees², but that these sub-committees may carry out anything which is authorised or required to be done by the SEM Committee³.

2.4 In addition the SEM Committee may delegate authority to any member of the SEM Committee or to any member of staff of the Commission or Authority so authorised⁴.

¹ Sec 4(4) of the Act and Art 6(2) of the Order.

² Schedule 1A (13) of the Act and Schedule 2 (5) of the Order

³ Schedule 1A (17) (a) (ii) of the Act and Schedule 2 (9) (1) (b) of the Order.

⁴ Schedule 1A (17)(a)(i) and (iii) of the Act and Schedule 2 (9)(1) (a) and (c) of the Order.

3. *Oversight Committee*

- 3.1 The SEM Committee confirm the establishment of a sub-committee in terms of the SEM Legislation, and that this sub-committee be called the “Oversight Committee”.
- 3.2 The Oversight Committee would comprise two groups of members, Group A and Group B.
- 3.2.1 Group A would comprise;
Paul McGowan
Cathy Mannion
Eugene Coughlan
Paul O’Neill
- 3.2.2 Group B would comprise
Dermot MacCann
- 3.3 The quorum of the Oversight Committee would comprise two members from Group A and one member from Group B. Should no agreement on a matter be reached at any meeting of the Oversight Committee then the matter shall be referred to the SEM Committee for decision.
- 3.4 An Oversight Committee matter shall be defined as one which does not require the Oversight Committee to decide upon a matter of SEM policy.
- 3.5 The Oversight Committee is authorised to make decisions with respect to all Oversight Committee matters
- 3.6 In addition, the Oversight Committee will be tasked with the preparation of draft Terms of Reference for itself for the approval of the SEM Committee. The Terms of Reference will provide that on an ongoing basis the Oversight Committee would have the full authority of the SEM Committee to decide on all Oversight Committee matters. It is recognised that it is for the SEM Committee in its discretion to reject, adopt or amend and adopt those terms of reference to be provided by the Oversight Committee.

4. *SEM Trading and Settlement Code*

- 4.1 The SEM Trading and Settlement Code were designated by the Commission and Authority prior to SEM Go-Active.
- 4.2 Under the Code a Modifications Committee has been established to consider modifications to the Code. The Modifications Committee makes recommendations to the Commission and the Authority to approve or otherwise any Modification.

4.3 These Modifications are ongoing, and for the sake of the efficiency of the market require a timely decision by the Commission and the Authority. As noted above such approvals or otherwise must now either be taken by the SEM Committee or with the authority of the SEM Committee.

4.4 In this regard it is considered appropriate that the SEM Committee gives specific authorisation to David Naughton (a member of staff of the Commission), or in his absence to Juliet Corbett (a member of staff of the Authority), both persons being hereinafter called the Authorised Persons, to decide upon:

4.4.1 SEM Trading and Settlement Code modifications – authority to decide on modification proposals concerning matters which do not change current policy.

4.4.2 SEM Trading and Settlement Code Parameters – authority to decide on parameters requiring regulatory approval or determination which implements established SEM policy.

4.4.3 Day-to-Day decisions on SEM Trading and Settlement Code matters – authority to decide on day-to-day issues which implement existing policy.

5. Reporting of Decisions to the SEM Committee.

5.1 The Oversight Committee and the Authorised Persons shall prepare a schedule of all decisions taken, when and by whom and report details of the same to the next SEM Committee meeting for noting.