

SEM Committee Meeting

Minutes Meeting No. 12

Location: CER, Dublin
Date: 25th Nov. 2008
Time: 10.30 – 3.30 pm

Attendees: Tom Reeves (CER), Michael Tutty (CER), Dermot Nolan(CER), Iain Osborne (NIAUR), Dermot MacCann (NIAUR), Alan Rainey (NIAUR), Ignacio Perez-Arriaga(Chairman), Jose Sierra.

In attendance: For all items Eugene Coughlan(CER)
For Agenda Items 5 Paul Bell(NIAUR), Andrew McCorriston(NIAUR).

Minute Taker: Paul O Neill (CER)

1. Adoption of agenda

Agenda adopted.

2. Approval of Minutes.

Minutes of the meeting of 28th Oct. 2008 were approved, subject to minor edit.

3. Review of Action List.

Item 64,65 closed, 58,60,63 remain open.

4.a Strategy Day Actions. PON

The plan was discussed by the meeting.
It was noted that clearance by the FSA for the CFD's to be entered into by PPB was a time critical issue. This will be pursued by EC/DMacC.
It was also noted that the plan appears to be short term because the follow on actions from some of the early decisions are not flagged. This will be rectified in due course.
The plan was approved and will be kept under review.

4.b Eirgrid/SONI Update. DMacC.

The SEM Committee (i) noted the attached paper capturing the high level policy and regulatory issues related to the potential acquisition, (ii) having read the paper, determined that the policy (and the functions to be exercised pursuant to the policy) is a

SEM matter within the meaning of the relevant legislation, and (iii) authorized the relevant senior officers within the Utility Regulator and CER respectively to publish a consultation paper under the aegis of the SEM Committee, along the lines of the proposals outlined in the attached paper. This is with a view to the SEM Committee taking a more formal set of decisions on Eirgrid & Soni licence modifications in January/February 2009.

5. MMU Update. AMcC,

AMcC gave an update on prices over the last month which was noted.

AMcC also outlined some preliminary regression analysis he had carried out in relation to price determinants of average SMP. Further analysis will be carried out and reported in due course.

PB indicated that a direction in relation to TLAF's in Commercial Offer Data was about to be published.

PB indicated that a clarification had issued to Kilroot in relation to No Load costs.

PB also in discussion with Huntstown in relation to their Start Up costs and this may require a conference call with the Committee during December.

6. Update on TSC Modifications

The Committee noted that there are quite a number of significant issues covered in the document, including an outage of the Market systems.

A short presentation should be made at the next meeting. DN.

7. Reporting of the decisions of the Oversight Committee.

Decisions were noted by the Committee.

8. Updates CER/NIAUR/Independent members

Discussion and updates noted.

9. AOB

NI McIlldoon Report. IO

This report is in response to increases in NI electricity tariffs. The two Regulators will consider some initial responses to the draft report recommendations. The report is likely to come into the public domain in December.

Wind and CPM Update. EC.

The Committee commented that the rationale for delaying a review of the overpayment to wind should be stated. The general direction to be taken on this matter was approved and it was referred back to the Oversight for finalisation.

NI Strategic Energy Framework 2009. IO

The Regulators to consider responding to this public consultation.

Date of next meeting: 29th Jan, 10.30 TO 3.00pm , CER,Dublin

SEM Committee meeting of 30th April changed to 23rd April.