

SEM Committee Meeting

Draft Minutes Meeting No. 13

Location: CER, Dublin
Date: 29th Jan. 2009
Time: 10.30 – 2.30 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 Item 4a, Cathy Mannion(CER), Paul Bell(NIAUR), Stephen Powell(by phone)
For Agenda Item 4b, Karen Kavanagh(CER), Dave Naughton(CER), Cathy Mannion(CER)
For Agenda Items 4c, Andrew Ebrill(CER).
For Agenda Item 5, Paul Bell(NIAUR)

Minute Taker: Paul O Neill (CER)

1. Adoption of agenda

Agenda adopted.

2. Approval of Minutes.

Minutes of the meeting of 25th Nov. 2008 were approved.

3. Review of Action List.

Item 63,66,68,69 closed, 58,60,67 remain open.

4.a CPM Stabilisation. PB/SP.

Proposals were presented by PB/SP on a number of options for introducing some stability into the fixed costs of the BNE peaker. Options included fixing some constituent elements over a 3/5 year period, weighting the costs over a 3/5 year period, or fixing the costs and indexing them over a 3/5 period. Following discussion the Committee agreed with the publication of a Consultation paper on the proposed options.

Following edits the paper is to be circulated and approved by written procedure.

4.b SEM Wholesale Contracting Process. DN.

DN reviewed the experience to date with the DC/NDC process. KK updated the meeting on the feedback from a Suppliers Forum held on 16th Dec. Issues included, timing of the DC/NDC process, a requirement for more flexible contracts, more data on the auctions, a more simplified process and the requirement for a trading platform. These issues are under consideration and it is hoped that a multilateral trading platform will be in place from mid-march.

4c Ancillary Services. AE

AE presented a Decision paper on All-Island Harmonised Ancillary Services for the approval of the committee. The decision paper follows extensive consultation and covers such areas as, Reserve, Reactive power, Black starts, and Generator performance incentives.

The decision paper was approved for publication subject to minor edits.

5. MMU Update. PB

PB updated the meeting on the market performance since the last meeting.

PB indicated that a direction had been issued to Huntstown to cease submitting two start-up costs. Further analysis needs to be carried out on the start-up costs.

6. Update on TSC Modifications

Noted by Committee.

7. Reporting of the decisions of the Oversight Committee.

Decisions were noted by the Committee.

8. Updates CER/NIAUR/Independent members

Quinn Group. DMacC.

Dermot MacCann informed the Committee that NIAUR had received a complaint from the Quinn Group relating to charges for a distribution connection taking place at 33kv between NIE and a Quinn manufacturing facility. The connection is a significant one and there is potentially several £millions at stake in the dispute. The complaint is being considered under Article 26 of the Electricity Order which allows distribution disputes to be determined by the Authority. There is no indication that the dispute is capable of having any effect on the SEM. In any event, distribution connection disputes under Article 26 are not 'relevant functions' under the SEM order and as such must be dealt with by the Authority.

9. AOB

NI McIldoon Report. IO

Further discussion is required on this report, including discussions on the CPM.

Date of next meeting: 26th Feb, 10.30 TO 3.00pm , NIAUR, Belfast.