

## SEM Committee Meeting

### Minutes Meeting No. 33

**Location:** Commission for Energy Regulation (“CER”) offices, Dublin  
**Date:** 26<sup>th</sup> October 2010  
**Time:** 10.00-3pm

**Attendees:** Dermot Nolan (CER), Iain Osborne (Utility Regulator Northern Ireland “UR”), (UR) Alan Rainey (UR), Shane Lynch (UR), Ignacio Perez-Arriaga (Chairman, Independent Member), Jose Sierra Lopez (Deputy Independent Member);

**Apologies:** Michael Tutty (CER”), Garrett Blaney (CER)

**In attendance:**

For all agenda items: Eugene Coughlan (CER), Cathy Mannion (CER);  
For agenda item 6 – Dana Kelleher (CER);  
For agenda item 4a, 4b, 4c, 9c Juliet Corbett (“JC”) (UR);  
For agenda item 4a, 4d, 4e, 4j, 5 - Colin Broomfield (“CBr”) (UR);  
For agenda item 4d, 4j, 5 - Clive Bowers (“CB”) (CER); Stephen Powell (Consultant);  
For agenda item 4f - Andrew Ebrill (“AE”) (CER)  
For agenda item 4a, 4b, 4c - Andrew McCorriston (“AMcC”) (UR).

**Minute Taker:** Laura Steerman (CER/ SEMC Secretariat).

**1. Approval and Adoption of the Agenda**

The agenda was approved and adopted. Shane Lynch was welcomed by the Chairman to his new position as a member of the SEM Committee from the UR.

**2. Approval of Minutes from Meeting on 28<sup>th</sup> September 2010**

The minutes were approved.

**3. Review of Actions from Meeting on 28<sup>th</sup> September 2010.**

Action Items 147 and 149 were noted as complete. All other action items were noted as ongoing.

**4. Policy Papers/ Matters**

**a. Note on SEMO Price Control 2010-2013**

The update was noted by the Committee.

**b. Market Performance Indicators Proposals**

JC provided an overview of the proposed measures for indicating whether there is likely to be a material mismatch of the market schedule from the actual dispatch due to the current SEM Rules. After discussion on the measures and metrics presented, further guidance was provided from the SEM Committee on the metrics and development of the consultation paper on Market Performance Indicators Proposals for November.

**Action:** For the November meeting of the SEM Committee.

- JC to prepare back-cast modelling based on existing information available to the RAs and based on the 4-6 metrics chosen for monitoring Market Performance Indicators;
- JC to bring a draft consultation paper on Market Performance Indicators for approval to publish.

**c. Certification of TSOs**

AMcC provided an overview to the meeting on the requirement under Directive 2009/72/EC that Transmission system operators be certified by the National Regulatory Authority.

**Action:** The SEM Committee requested that a note for information only be provided by JC to the next meeting on the current state of affairs of Transmission System Operators in NI and ROI regarding unbundling, Options for unbundling under Directive 2009/72/EC and any proposals of the respective Governments, if known or proposed.

**d. MMU Investigation**

CBr provided an overview of the MMU Draft Determination on the formal investigation of a commercial generator's Commercial Offer Data ("COD") and the response to the Draft Determination. In light of a request from the generator, it was decided to invite the generator to a meeting with the SEM Committee on 30<sup>th</sup> November.

**e. Variable AS and BCOP**

CBr outlined the issue and some potential policy options for consultation for how generators are to factor variable Ancillary Services payment revenue into their COD. After discussion on the matter, the SEM Committee decided to approve the consultation paper for publication subject to the modifications suggested being made.

**f. Market Power & Liquidity Study**

AE provided a verbal update on the progress of the market power and liquidity study, information paper and responses received. The SEM Committee requested that CEPA's paper is finalised to include its conclusions and recommendations and that the Oversight Committee prepare a separate consultation paper.

**g. Consultation on AES Acquisition**

CBr outlined the contents of the consultation paper on whether the relevant license conditions are 'fit for purpose' in light of the acquisition of Premier Power Limited (who own and operate Ballylumford Power Station in Northern Ireland) by AES Corporation. The SEM Committee decided to approve the paper for consultation subject to modifications based on comments made during discussion.

**h. DETI Letter re: trading and dispatch**

The SEM Committee approved the letter for the Chairman's signature.

**i. DETI and DCENR Letter**

**Action:** It was decided that the Oversight Committee would prepare a short report on the SEM as requested for DETI and DCENR by mid December.

**j. BCOP Amendment Consultation Paper**

CB provided an overview of the proposed modification to the Bidding Code of Practice as proposed in the Communication to Industry SEM 10-069 on the Inclusion of Costs of the Carbon Levy in Commercial Offer Data within the SEM. The SEM Committee considered the draft consultation paper, noting its written resolution of 8<sup>th</sup> October 2010 delegating authority

to the Oversight Committee to undertake the necessary consultation exercise and to report back to the Committee. As such, the Oversight Committee are to approve the consultation paper for publication. It was decided that the consultation should last for 6 weeks.

**5. Market Monitoring Unit (MMU) Update**

CBr took the meeting through the MMU Update identifying key trends over the past month. A verbal update was given on the progression of the MMU Process Manual.

**6. Trading and Settlement Code (TSC) update**

The TSC update was noted by the SEM Committee. DK gave a presentation to the SEM Committee on SEMO's analysis of recent pricing events in the SEM. A report is to follow from SEMO shortly.

**7. Reporting of Decisions Made by the Oversight Committee to SEM Committee**

The report was noted by the SEM Committee.

**8. Updates from CER/NIAUR/Independent Members**

- a. None

**9. AOB**

**a. TLAF Impact Assessment for Enduring Solution**

This update had been noted under Agenda Item 3.

**b. Carbon**

The written resolution of the SEM Committee on 8<sup>th</sup> October 2010 and the directions issued to commercial generators in relation to the carbon revenue levy were noted.

**c. Error Supply Unit ("ESU")**

JC provided an update on the ESU. It was decided that the Final Recommendation Report be approved for implementation in April 2011.

**d. Facilitation of Renewables – Letter to System Operator**

The SEM Committee were satisfied with the draft letter and it is to be finalised for the Chairman's signature and copied to Dermot Byrne.

*SEM Committee, 30 November 2010 UR Offices Belfast  
Oversight Committee, 09<sup>th</sup> November 2010, Video Conference*