

# SEM HIGH LEVEL DESIGN (HLD) REVIEW GROUP (3)

## Overview

**Location:** Utility Regulator, Queens House, Belfast BT1 6ED  
**Date:** 10<sup>th</sup> December 2013  
**Time:** 10.30 – 13.30

### Attendees:

RAs: Eugene Coughlan (Chair), Jean Pierre Miura, Natalie McCurry, Joe Craig, Andrew McCorriston, Clive Bowers, Philip Newsome

Poyry<sup>1</sup>: Gary Keane, Kostas Theodoropoulos, Hans-Arild Bredesen, David Cox

Members: Dr Mary Doorly (IWEA), Sam Matthews (SONI/Eirgrid), Brendan O’Sullivan (SEMO), Peter O’Shea (ESB), Patrick Liddy (Activation Energy Ltd), Ian Luney (AES), Paddy Larkin (Mutual Energy), Iain Wright (SSE), William Steele (Power NI), Kevin Hannafin (Energia), Seamus Downey (CBI), David Vaughan (Tynagh Energy Ltd), Dr Neil Walker (IBEC)

### Project Update:

The RA’s provided an update since the last meeting on 18<sup>th</sup> November 2013. This was in line with the brief note published advising on the outcome of the 29<sup>th</sup> November 2013 SEMC.

The outcome of this SEMC was that;

- Four options (Adapted Decentralised Market, Mandatory ex-post Pool for Net Volumes, Mandatory Centralised Market and Gross Pool – Net Settlement Market) will be further assessed by the Project Team, however they may not all be consulted on;
- The Fully Decentralised Market and the Cross-Border Integration options will not be further investigated;
- No new market design options will be presented for consideration.
- It was confirmed that the options for a high level design would be consulted on for 12 weeks; this comprises an initial 8 week consultation period and a further 4 week consultation on a proposed ‘minded-to’ decision.

The final HLD meeting will take place on 8th January and the view from the group was that this needed to be an extended session with a focus on the detailed options.

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<sup>1</sup> Poyry are the RAs’ appointed consultants

The Industry wide session will take place as early as possible after the publication of the consultation paper in February. Times for Bi-lateral meetings will be advised shortly; likely to be a week or two after the Industry Wide forum.

Materials for the HLD4 on 8<sup>th</sup> January will be made available as soon as possible to allow for the most interactive session possible.

### **Intraday Auctions:**

The RA's presented the ACER Intra Day Auction Workshop slides from 2nd December 2013.

Key issue for discussion is the pricing of cross zonal capacity pricing. 2016 EU deadline for pricing capacity intra-day.

Feedback was the following;

- Highly dependent on what UK do regarding options and also other neighbouring regions i.e. actions would work more effectively in a pan Euro solution.
- Mandatory participation in certain timeframes may aid auctions; however feedback again here was that this would need to be consistent across EU to ensure liquidity. A common position will not be reached, so should be a legitimate consideration (albeit this might not have meaningful implications given our size).
- How would actions assist or hinder Demand participation?

### **Capacity Remuneration Mechanisms:**

Discussion around the EC Staff Working Document on Public Intervention on Generation Adequacy.

Main feedback here was if the market wasn't changing and capacity revenue was not uncertain into the future then there would not be a generation adequacy issue in NI; however the market change and the capacity remuneration changes are being driven by EU policy therefore the status quo is not acceptable.