

**SEM Committee Meeting**  
**Minutes Meeting No. 125**

**Location:** UR offices, Belfast

**Date:** Thursday, 25 January 2018

**Time:** 10.30 – 14.35

**Member attendees:**

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton  
Commission for Regulation of Utilities (CRU): Paul McGowan, Garrett Blaney, Aoife MacEivilly

Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

**In attendance:**

For all Items: Jo Aston (UR), Alan Rainey (Economic Adviser to UR)

For items 1- 7: Laura Brien (CRU), John Melvin (CRU), Gordon Downie (Shepherd and Wedderburn)

For item 3: Elaine Cassidy (UR)

For item 4: Colin Broomfield (UR), Kevin Lenaghan (UR), Rodney Doyle (SEMO), Robin McCormick (SONI)

For item 5: Joe Craig (UR)

For item 6: Paul Bell (UR), Brian Mulhern (UR)

For item 7: Brian Mulhern (UR)

For item 8: Paul Bell (UR), Kevin Baron (UR)

For item 9: Andrew McCorriston (UR), Helen Mounsey (ESP consulting)

**Apologies:** John Mills (UR)

**Minutes:** Barbara Stevenson (SEMC Secretariat)

**Declarations of interest:** No declarations were made.

At the beginning of the meeting the Committee welcomed Odd Håkon Hoelsæter back to the Committee following his short absence.

**1. Approval and adoption of the agenda**

The agenda was approved and adopted.

**2. Review and approval of minutes from meeting 124 on 18 December 2017**

The minutes from SEM Committee meeting 124 were approved subject to minor amendments.

### **3. Legal update**

Laura Brien provided an update on legal matters including an update on timelines and contingency planning. An update from Shepherd and Wedderburn (S&W) was noted.

### **4. CRM final auction results approval**

Colin Broomfield presented in detail the capacity auction results for discussion by the Committee.

The auction monitor report was also presented and discussed. The Committee indicated that the two issues raised in the monitoring report were not material and would not inhibit the approval of the final auction results.

The Committee approved the CRM T-1 capacity auction results for publication by the TSOs. They also approved the approval letter for issue to the TSOs.

The TSO's joined the meeting and the Committee noted the volume of work needed to deliver the first auction and thanked all involved for completing this milestone.

Rodney Doyle updated the Committee on the process for informing auction participants of the final results as well as the process for publishing. He discussed the auction monitor report noting it confirms that the process was run effectively and the TSOs considered the two issues raised to be minor.

The Committee discussed local constraints, technology mix, consumer benefit and next steps.

### **5. SEMO price control decision**

Joe Craig presented an overview of the SEMO price control decision including background information, opex and submissions made by the company. SEMC had a detailed discussion on the financeability elements of the price control including margin. KPIs and agent of last resort arrangements were also discussed.

The Committee approved the publication of the SEMO price control as detailed in the paper.

### **6. NI plant dispatch**

Paul Bell led a discussion on proposed actions to address price spikes in the wholesale market. Proposed options were discussed along with the accompanying legal advice. The Committee directed further engagement with the TSO on this matter.

## **7. Balancing market principles code of practice**

The Committee discussed the balancing market code of practice (BMCOP) as presented by Brian Mulhern. Background and requests for clarification from market participants were noted.

The Committee were satisfied in principle with the BMCOP as presented and delegated authority for the approval and publication of the balancing market principles code of practice information paper to the project board.

## **8. MMU quarterly report**

Paul Bell and Kevin Baron presented the MMU quarterly report Q4 2017 for discussion. The Committee discussed the report including changes in demand positions, gas prices, interconnector flows and directed contracts.

## **9. I-SEM/DS3 project updates**

Helen Mounsey provided an I-SEM project update including:

- Milestone update
- Update on market testing
- Licencing
- Participant readiness

Andrew McCorrison provided the Committee with an update on DS3 matters including:

- Tender of contracts
- RoCoF
- Cost control measures for system services

## **10. Updates**

### **a. SEMC communications strategy update**

Barbara Stevenson updated the Committee on recent communication activities and the upcoming senior stakeholder event. The proposed agenda for the event was discussed.

### **b. CRU/Utility Regulator/Independent members**

Paul McGowan provided an update on internal staff movement. Jenny Pyper noted the appointment of Noel Lavery as permanent secretary in the Department for the Economy.

## **11. Review of actions from meeting 124 on 19 December 2017**

The actions were noted.



**12. SEM correspondence**

No items of correspondence were tabled for discussion.

**13. AOB**

Signed: Bill Emery  
Bill Emery, SEM Committee Chair