

INVITATION FOR EXPRESSIONS OF INTEREST

SEMO Price Control 2021-24: Participant Consultative Forum (PCF)

The next SEMO price control is due to commence on 1 October 2021. The Regulatory Authorities (RAs) have commenced review of information provided by SEMO as part of this process and are keen to ensure that market participants' views are well considered when developing price control proposals in addition to input via responses to a public consultation.

Expressions of interest are requested from industry representatives of participants in the Single Electricity Market (SEM), or from individual participants who are either not represented by such a body or who want to represent their own organisation, to assist the Regulatory Authorities (RAs) as a collective 'Participant Consultative Forum' (PCF) in their considerations on how the market should evolve and of SEMO's proposals for its next regulated price control in this context. A Terms of Reference for the PCF is *annexed* to this invitation.

A stronger emphasis on stakeholder engagement should lead to an improvement in the range of stakeholders involved in the process and the quality of engagement that takes place.

The PCF will convene from mid-March to mid-April 2021. We expect it to consist of no more than ten industry representatives, ideally across a range of technologies. The PCF will be chaired by the RAs, and the RAs will facilitate and administer the Forum, but views of the PCF will be independent of the RAs (and the RAs' consultants) to provide an additional layer of scrutiny and insight; the PCF will not have a decision-making role in the final proposals for the SEMO price control. All candidates will be expected to declare conflicts of interest and membership will be at the discretion of the Regulatory Authorities.

The RAs will publish a consultation on SEMO 2021-24 price control proposals at end of May/ beginning of June; it is envisaged that, with the support of the Participant Consultative Forum¹, this will be a set of advanced proposals more akin to a 'minded-to decision'.

We request that all Expressions of Interest are submitted by 12.00 on 4 March 2021 to Leigh Greer (Leigh.Greer@uregni.gov.uk) and Grainne Black (GBlack@cru.ie) with the following information:

¹ The RAs will also be supported by consultants to review Capex and Financeability; the RAs' consultants will remain independent of the PCF, thereby adding a further layer of neutrality.

- Organisation (and any other organisations you represent, as applicable)
- Name of nominated representative of your organisation
- Position/ role of nominated representative in organisation
- Contact details of nominated representative
- Up to 5-line summary of what skills and experience you could offer the PCF.

The RAs will consider the appropriate membership of the PCF based on an assessment of the Expressions of Interest received and the timing of submissions in order to ensure a representative group of industry is included.

Annex: TERMS OF REFERENCE for SEMO PRICE CONTROL PARTICIPANT CONSULTATIVE FORUM

Purpose of Participant Consultative Forum (PCF)

The purpose of the PCF is to provide market participants with an opportunity to constructively engage with SEMO on how their views can be incorporated into the development of the SEM as supported by a price control which covers the period from 2021 to 2024. The development of the SEM will also require adherence to the legislative and regulatory frameworks. Feedback from the PCF will be taken into account by the RAs when developing consultation proposals alongside outputs of bilateral engagement between SEMO and the RAs; a summary of key feedback will be made available within the consultation document.

The PCF will review the concepts proposed by SEMO in price control submission, focusing on prioritisation of key initiatives² alongside SEMO's capability and current/ envisaged levels of performance. Financial and confidential information is excluded³. In doing so, the PCF is intended to provide insight to areas of participant support or disagreement with SEMO; this will enable the RAs and SEMO to gain a better understanding of issues in an open and transparent way.

The purpose of the PCF is not to provide information or direct advice to SEMO, and not to review financial topics such as cost of capital. The PCF will not have decision making powers; it is for the Regulatory Authorities to approve proposals and determine final regulated allowances for the licensed Market Operators in accordance with the legislative and license provisions as apply to both SONI and EirGrid as administered by the UR and CRU respectively.

Requirements

An introductory meeting of the PCF and RAs will be held during w/c 15 March (date TBC).

We anticipate attendance at the following half-day Workshops, hosted by the RAs and facilitated by SEMO:

1. Opex and KPIs (date TBC: assume w/c 22 March or 29 March)
2. Capex (date TBC: assume w/c 22 March or 29 March)

² Prioritisation of projects is based on existing known information on an allocatively efficient basis; participants are asked to be mindful that priorities may change during the price control period as new information/ obligations may be introduced.

³ Financial information may be deemed commercially sensitive by SEMO. All financial information will be analysed by the RAs.

Subsequent to the Workshops, a close-out meeting will be convened so that feedback can be presented to the RAs and SEMO by the PCF (date TBC: assume during w/c 29 March or 12 April). Views will be welcomed on:

- How 'lessons learned' can provide guideless and opportunities for greater effectiveness in the development of the market over this period;
- SEMO's forward looking assessment, focusing on priorities for the 2021-24 period and expectations for deliverables/ solutions.

Members of the PCF are also encouraged to submit high-level written views to the RAs on SEMO's proposals (max. 5 pages) to highlight key areas of support or concern (assume w/c 12 April). This is not mandatory.

Working arrangements

Assume that all engagements will be via virtual fora (MS Teams).

Materials will be provided in advance of all fora where appropriate. Powerpoint slide-decks are likely to be provided in the first instance; any information provided will be treated on a strictly confidential basis.