

SEM Committee Meeting

Minutes Meeting No. 158

Location: Video-conference

Date: Thursday 29th October 2020

Time: 09.00 – 13.30

Member attendees:

Commission for Regulation of Utilities (CRU): Jim Gannon (SEM Committee Chair), Aoife MacEivilly

Utility Regulator (UR): Bill Emery, Jon Carlton, Jenny Pyper (before agenda item 1 only)

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

In attendance:

For all items: Colin Broomfield (UR), Alan Rainey (Economic Adviser to UR), Barry Hussey (CRU)

For item 3: Grainne Black (CRU)

For item 4: Gina Kelly (CRU)

For items 5 and 6: Paul Bell (UR), Kenny Dane (UR), Kevin Lenaghan (UR), Kevin Baron (UR)

For item 7: David Egan (CRU)

For item 8: Jean Pierre Miura (UR), Grainne Black (CRU)

For item 9: Leigh Greer (UR)

For item 10: Brian Mulhern (UR)

Apologies: Paul McGowan (CRU), John Melvin (CRU)

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: No declarations were made

The Committee thanked Jenny Pyper for her outstanding contributions to the Committee as she retires as the CEO of the UR and as a member of the SEMC.

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 157 24th September 2020



The minutes from SEM Committee 156 were approved.

3. TSC Mod_08_20 next steps

Grainne Black provided detailed background of the proposed modification to the trading and settlement code. This included a summary of the modification process, detail of the modification along with feedback from the modifications committee and market participants. A legal update was provided and an outline of proposed next steps.

The Committee discussed market impacts and approved the recommendation on how to proceed as presented including the issuing of relevant correspondence.

4. Final cost recovery for interim intraday market

Gina Kelly presented the final outturn costs for NEMOs to implement the interim intraday arrangements.

The Committee discussed the assessment of costs presented and cost drivers. The Committee also investigated arrangements in the GB market.

The Committee approved the recovery of final outturn costs as presented and the issuing of relevant correspondence as presented.

5. CRM – substantial financial completion date extension requests and T-1 2022/23

The Committee considered the presented extension requests to the substantial financial completion dates for the delivery of capacity in 2022-23.

The Committee discussed the detail of relevant applications, market impacts and confirmed that other delivery milestones were not being amended. Feedback from the TSOs was discussed alongside communication with industry and connection processes.

The Committee approved the requests as recommended by the CRM team and provided further guidance in relation to communication.

The Committee also approved the commencement of planning for a T-1 auction for 2022-23.

6. DSU awarded capacity in the 2023/24 capacity auction

Paul Bell provided an update in relation to the assignment of a specific DSU in the 2023/24 capacity auction.

Information presented to the Committee was discussed and further development of the Capacity Market Code suggested.

The Committee approved the recommended position and issuing of relevant correspondence.

7. Market Power & Liquidity consultation responses summary

An overview of the responses received to the market power and liquidity consultation was summarised. Feedback from respondents on each of the proposed decisions outlined in the consultation paper was highlighted alongside additional suggestions made by respondents.

The Committee considered further work that may be required on the basis of the consultation and will feedback to market participants as necessary.

8. Brexit update

Jean Pierre Miura provided an overview of the GB-SEM trading arrangements post the implementation period. This included the impact on the current market arrangements, steps taken to improve efficiencies and the timeframe for switching to the new arrangements.

The Committee considered possible future developments, the publication of an update statement and acknowledged the significant work of the teams across the RAs in this area.

9. COVID 19 update

Colin Broomfield updated the Committee on the RA response to the ongoing COVID-19 pandemic in relation to the Single Electricity Market. This included detail of system constraints, outage planning, capacity margins, ongoing engagement with EAI and market monitoring by the RAs.

The Committee further considered a review of the RA response during the first wave of the COVID-19 pandemic. The effective working relationship between the RAs was acknowledged as well as the efficient access to key market data to inform



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decisions. Cost impacts on the market were discussed and communication challenges noted.

10. MMU update

The Committee noted the market monitoring update as circulated. Brian Mulhern provided further detail of prices in the day-ahead market, wind levels, gas prices, demand, spark spread and cost drivers.

An overview of a recent system event was provided including a detailed analysis of market participant activity in the market and price comparisons with other markets.

11. FWP update

An update was provided on the development of an FWP document and it was noted this would be circulated to members alongside the strategy document for approval for publication.

12. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on communications and governance activities including the development of the 2019-2020 annual report.

(b) CRU/UR/Independent Members

Aoife MacEville provided an update on the Climate Action Bill, Government budget, Energy Ireland and consumer protection arrangements during the current stage of the COVID 19 pandemic.

An update was provided on the appointment of John French as UR CEO, resignation of Jo Aston as SONI MD, SONI governance and price control workstreams, DfE energy strategy and publication of the NIAO report on the NI renewables obligation scheme.

David Newbery provided an update on the EPRG seminar and presentation on wind curtailment in the SEM.

(c) Legal update

No further legal update to note.



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13. Review of actions from meeting 157 24th September 2020

There were no open actions to discuss

14. SEMC correspondence

The Committee provided direction in terms of a reply to recently received correspondence.

15. AOB

None.

A handwritten signature in black ink, appearing to read 'J. Gannon', is written over a faint, dotted rectangular box.

Signed: _____

Jim Gannon, SEM Committee Chair