

SEM Committee Meeting

Minutes Meeting No. 159

Location: Video-conference

Date: Thursday 26th November 2020

Time: 09.00 – 13.30

Member attendees:

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

Utility Regulator (UR): Bill Emery, Jon Carlton, John French

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

In attendance:

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

For item 3: Heather Pandich (CRU)

For item 4: Paul Bell (UR), Kenny Dane (UR), Kevin Lenaghan (UR), Andrew Chattrabhuti (ESP Consulting)

For item 5: Brian Mulhern (UR), Grainne Black (CRU)

For item 6: Leigh Greer (UR), Karen Shiels (UR), Grainne Black (CRU), Gina Kelly (CRU)

For item 7: Karen Kavanagh (CRU), Leigh Greer (UR), Rodney Doyle (EirGrid), Bill Thompson (EirGrid), John Ging (EirGrid)

For item 7 (part only): Fiona Gaskin (PWC), Danelle Van Pletzen (PWC)

For item 9: Brian Mulhern (UR)

For item 11(d): Michael Barrett (CRU)

Apologies: None

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: No declarations were made

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 158 29th October 2020

The minutes from SEM Committee 158 were approved subject to a minor amendment.

3. Aggregation decision paper

Heather Pandich provided relevant background and detail of the consultation process in respect of aggregation in the SEM. An overview of consultation responses was provided.

An update was also provided on other key workstream areas relating to the Clean Energy package.

The Committee suggested some editorial additions to the aggregation decision paper and approved it for publication.

4. CRM T-4 2024/25 auction

Paul Bell provided an overview of the information submitted to the committee and summary of decisions to be made in relation to the T-4 2024/25 capacity auction.

An overview of the USPC process including detail of all applications for the auction were outlined. Detail of the analysis and methodology used in reaching recommendations was provided and discussed. Engagement with relevant market participants was summarised.

The Committee considered the detail of new capacity applications received. Variances between initial and awaited final qualification results were outlined. An overview of capacity awarded in previous auctions was also detailed and discussed.

The potential impact of the Covid-19 pandemic was considered and information provided by the TSOs detailed. The Committee discussed options in relation to volume settings.

The CRM team outlined the further information awaited from the TSOs. The Committee noted their disappointment that all relevant information was not provided by the TSOs in order to allow for final decisions to be reached. The Committee agreed that an extra-ordinary SEM Committee meeting will be scheduled to allow final decisions to be made.

5. Inquiry Procedure Manual

Brian Mulhern provided an overview of the Inquiry Procedure Manual consultation as submitted to the Committee.



The Committee discussed the procedure as presented including roles and reporting to the Committee.

The Committee made some editorial suggestions and approved the consultation for publication.

6. SEMO Capex and price control

An overview of the consultation paper reviewing SEMO's capital expenditure for the period 2018-2021 was provided.

Leigh Greer also provided an overview of the SEMO 2021-2024 price control review. Timelines for the capital expenditure and price control reviews were noted.

7. Scheduling and dispatch 2018/19 audit report

Fiona Gaskin presented the findings of the scheduling and dispatch 2018/19 audit as commissioned by the TSOs. The audit approach, readiness and extent of testing were detailed. The assurance report was presented with conclusions outlined. PWC also noted that a follow up management letter was to be sent to the TSOs.

The Committee discussed further the scale of the audit and welcomed the reasonable assurance conclusion of this first audit under the new market arrangements.

PWC left the meeting and the Committee discussed further with the TSOs concerns in relation to the provision of information in respect of the upcoming capacity auction.

8. COVID 19 update

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

9. 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 and demand.

An overview of recent system events was provided. FTRs post 1st January 2021 were also discussed.

10. FWP update

The Committee noted the draft FWP for 2020-21 as presented and approved it for publication.

11. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on communications and governance activities. The Committee approved the publication of the strategic objectives document with the addition of an editorial amendment.

The Committee considered the current draft of the 2019-2020 annual report. The Committee approved the report with delegated authority provided to the Oversight Committee for final editorial amendments before publication.

(b) CRU/UR/Independent Members

Aoife MacEvilly provided an update on the revision of the Climate Action Plan, PR5, Dublin Citizens Energy Forum, CRU budget and workplan publication and CRU staff changes.

John French noted the recent legal challenge to the North South Interconnector in Northern Ireland, SONI governance and price control, development of the energy strategy by the Department for the Economy and PAC inquiry into the NIAO report on the NIRO.

(c) Brexit update

The Committee considered the presented update statement and approved it for publication on the SEM Committee website.

The Committee noted recent correspondence from the TSOs on the proposed technical arrangements at the end of the transition period. The Committee provided direction for a response to come from the Oversight Committee.

(d) Legal update

Michael Barrett provided an update on an ongoing legal matter.

12. Review of actions from meeting 158 29th October 2020

There were no open actions to discuss



committee

13. SEMC correspondence

Relevant correspondence was considered under previous agenda items.

14. AOB

None.

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

Signed: _____

Jim Gannon, SEM Committee Chair