

**SEM Committee Meeting**  
**Minutes Meeting No. 117**

**Location:** CER Offices, Dublin

**Date:** Thursday, 25 May 2017

**Time:** 10.30 – 15.15

**Member attendees:**

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton  
Commission for Energy Regulation (CER): Garrett Blaney, Aoife MacEivilly, Paul McGowan  
Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

**In attendance:**

For all Items: Jo Aston (UR), Alan Rainey (Economic Adviser to UR), Laura Brien (CER), John Melvin (CER)  
For Items 3, 7 and 9a: Barry Hussey (CER)  
For Item 3: Sheena Byrne (CER), John Lynch (CER)  
For Items 4 and 5: Colin Broomfield (UR), Karen Shiels (UR), Tom Quinn (CER), Stuart Ffoulkes (ESP Consulting), Andrew Chattrabhuti (ESP Consulting)  
For Item 5: Rodney Doyle (EirGrid), Aodhagan Downey (EirGrid), Margaret McCarthy (EirGrid), Sam Matthews (SONI)  
For Item 6: Stuart Coleman (CER), Ken Murray (Baringa)  
For Item 8: Robert O'Rourke (CER), Helen Mounsey (ESP Consulting)

**Apologies:** none

**Minutes:** Kenny Dane (UR)

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

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

The agenda was approved. A minute's silence was added to the agenda at 11.00 to allow members and attendees to respect the victims of the terrorist attack in Manchester on 22 May 2017.

**2. Review and approval of minutes from meeting 116 on 27 April 2017**

The minutes from SEM Committee meeting 116 were approved for publication.

### **3. Energy trading arrangements parameters – decision paper**

Barry Hussey gave a presentation on proposed parameters to apply under I-SEM in respect of credit cover and imbalance settlement.

The committee approved the decision paper and delegated the approval of final edits of the decision paper to the I-SEM project board.

### **4. Capacity market code – decision paper**

Colin Broomfield gave a presentation on the capacity market code and accompanying decision paper.

The committee approved the decision paper and delegated the approval of final edits of the decision paper to the I-SEM project board.

### **5. Capacity requirement and de-rating factors & locational capacity constraints**

EirGrid and SONI provided a presentation on the proposed de-rated values, the capacity requirement and locational capacity constraints for the first CRM.

Following discussion, the committee thanked EirGrid and SONI for their presentation, acknowledged the work carried out in these areas and urged the TSOs to bring it to a conclusion so that market participants are clear on the systems issues.

### **6. Go-live readiness for I-SEM**

Stuart Coleman gave a presentation on go-live readiness. The clear but challenging timescale was recognised. There will be regular updating to project board and joint project board. Updates will also be provided within the monthly I-SEM / DS3 updates to the SEM Committee.

### **7. Implementation date of SEM committee curtailment decision**

Barry Hussey led a discussion on the impact of the movement in the I-SEM go-live date on the SEM committee decision to cease payments for curtailment from 1 January 2018.

The committee acknowledged that given the maintenance-only status of the current SEM systems, that the necessary change to their functionality systems was not feasible.

The committee confirmed their approval for a notice to be placed on the SEM committee website announcing the delay in the implementation of the decision within SEM-13-010 until I-SEM go-live.

## **8. I-SEM and DS3 project updates**

Helen Mounsey and Robert O'Rourke provided progress updates to the committee with regards to the I-SEM and DS3 projects. Key points highlighted to the committee were:

### *I-SEM*

- Participant involvement is due to increase during June 2017, with the publication of the Participant Interface Testing and the launch of the self-learning environment.
- Two papers published in May.
- Overview of TSO System testing which has commenced.

### *DS3*

- Overall good progress noted with project milestones on track.
- The linkages with I-SEM and in particular the capacity auctions was noted.

The committee noted and thanked all project team members for the great progress made during May.

## **9. a. Forward work plan 2017**

Barry Hussey led a discussion on the SEM operational workstreams forward work plan for 2017.

It was noted that the production of the generator profitability report and a consultation on updating the priority dispatch hierarchy were absent from the 2017 work plan due to resource availability. The committee expressed their regret that this would be the case but accepted that I-SEM was being given priority in terms of resource availability.

The committee approved the forward work plan 2017 and noted that it was being managed by the oversight committee.

## **b. SEM committee communications strategy update**

The SEM committee communications strategy update was acknowledged.

Jenny Pyper provided feedback from the Utility Regulator's supplier workshop on 11 May.

## **c. CER / UR/ independent members updates**

Paul McGowan advised that PC4 in gas is at an advanced stage and a consultation is due.

Paul also provided an update on the OECD peer review, which CER had found to be a useful process.

Jenny Pyper provided an update on SONI's appeal to the CMA.

No updates were provided by the independent or deputy independent members.

**10. Review of actions from meeting 116 on 27 April 2017**


Actions were updated.

**11. SEM correspondence**

The committee were informed that responses have been drafted to the three letters discussed and noted at SEM committee meeting 116; these will be forwarded to the Chair for his signature.

**12. AOB**

Jenny Pyper advised that a dispute relating to AGUs between Manufacturing NI and NIE Networks has been received by the Utility Regulator for resolution. Given that it related to trading in the SEM, it was agreed that the context of the dispute, together with legal advice, would be circulated and members views sought on whether the dispute should be viewed as a SEM matter.

Signed:   
Bill Emery, SEM Committee Chair