

## **SEM Committee Meeting**

### **Minutes Meeting No. 151**

**Location:** Tele/video conference

**Date:** Thursday 26<sup>th</sup> March 2020

**Time:** 10.30 – 13.30

#### **Member attendees:**

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jon Carlton  
Commission for Regulation of Utilities (CRU): Paul McGowan, Jim Gannon, Aoife MacEivilly  
Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

#### **In attendance:**

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

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

For item 3 (part only): DCCA – Una NicGiollaChoille, Gerry O’Dowd, Lynnsey Delaney. DfE – Robbie Davis, Davina McCay

For item 5: Andrew Ebrill (CRU), Gina Kelly (CRU)

**Apologies:** Jenny Pyper (UR)

**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 150 27<sup>th</sup> February 2020**

The minutes from SEM Committee 150 were approved with one minor amendment.

#### **3. COVID-19**

The Regulatory Authorities provided an overview of the response to the COVID-19 pandemic. An update on market operation was provided including demand profiles. An overview of the assessment of the business continuity arrangements and steps taken by industry participants to safely manage operations during the outbreak was provided alongside the response by the Regulatory Authorities. Industry engagement was detailed as well as ongoing planning arrangements.



The Committee sought further information on feedback from market participants including the Transmission System Operators and Market Operator. A discussion on the work programme of the RAs took place including ongoing work prioritisation and consideration of and preparation for the upcoming T-4 capacity auction.

#### **4. CRM T-4 CY2023/24 auction**

Paul Bell provided an overview of the information submitted to the Committee and summary of decisions requested.

The Committee discussed preparations for the auction including feedback from the TSOs who have indicated that the auction can proceed as planned.

The Committee considered the interaction of the auction and the Clean Energy Package and the Auction Monitor report was also noted.

Karen Shiels provided background detail of the Locational Capacity Constraint Areas (LCCA) including an overview of the consultation, responses received and proposed decision including setting the Level 2 Rest of Ireland LCCA minimum MW value to zero.

**The Committee approved the Level 2 Rest of Ireland Decision paper, LCCA values and use of out of merit multi-year capacity.**

Andrew Chattrabhati provided detail of the auction exchange rate proposals including input from the TSOs and recommendations by the RAs.

**The Committee approved the auction exchange rate for annual capacity payments as submitted by the RAs**

The Committee discussed further the qualification of specific generating units and considered relevant correspondence. Feedback from the TSOs and feedback from market participants was considered alongside the recommendations from the RAs. Market implications were considered and the capacity auction rules.

**The Committee approved the recommendations for qualification as presented by the RAs.**

Officials from the Department for the Economy (DfE) and Department of Communications, Climate Action and the Environment (DCCAE) joined the meeting and outlined the progress of both governments on the implementation of the Clean Energy Package including the interaction with the capacity auction. Ongoing engagement and dialogue with the European Commission was detailed along with engagement with the RAs. Support for the progression of the capacity auction was noted and the Departments left the meeting.

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 discussed as well as engagement with relevant market participants.



**The Committee approved the USPC decisions as submitted by the RAs.**

Kevin Lenaghan outlined and discussed the proposed new capacity and multi-year decisions as submitted to the Committee.

**The Committee made approval/disapproval decisions for the new capacity and multi-year reliability options as presented.**

A summary of the volume recommendations was made and discussed by the Committee. This included consideration of the level of renewables (in particular following the RESS auctions), TSO recommendations, reserves, demand curve, transmission constraints and de-rated capacity.

**The Committee approved the volumes as presented and delegated authority to the Oversight Committee for any necessary final amendments. Any significant amendments are to return to the Committee for approval by correspondence.**

The auction timetable and letters to the TSOs were also considered.

**The Committee approved the auction timetable and letters to be issued to the TSOs.**

This completed all approvals necessary and for the issue of the Final Auction Information Pack.

## **5. Clean Energy Package**

Andrew Ebrill presented the RAs position on balance responsibility. The views of the Department and TSOs were discussed along with detail of the proposed information paper for publication.

The Committee approved the position and paper as presented with final editorial amendments delegated to the Oversight Committee.

Gina Kelly and Barry Hussey provided detail of the proposed priority dispatch and redispatch consultation. The Committee discussed engagement with the TSOs, legal review and proposed next steps.

The Committee approved the consultation as presented with final editorial amendments delegated to the Oversight Committee.

## **6. Carbon Price Floor**

The Carbon Price Floor paper submitted to the Committee was noted.

## **7. MMU update**

The MMU update submitted to the Committee was noted.

**8. System Services future arrangements**

The System Services future arrangements paper and principles outlined were noted. Key principles highlighted included Daily auctions ahead of the DAM to be implemented by 2023 to replace existing regulated arrangements, market power transitional measures to meet system needs by 2030 and RAs are developing proposals in line with objective and principles as set out in papers presented to SEMC.

**9. RoCoF update**

The RoCoF update submitted to the Committee was noted. The RAs updated the Committee further on RoCoF compliance and potential one month delay to the RoCoF trial due to the COVID-19 pandemic.

**10. AOB**

None.



Signed: \_\_\_\_\_

**Bill Emery, SEM Committee Chair**