

SEM Committee Meeting

Minutes Meeting No. 176

Location: Video-conference

Date: Thursday 27th January 2022

Time: 9.00am – 11.45am

Member attendees:

Commission for Regulation of Utilities (CRU): Aoife MacEvilly, Jim Gannon, Paul McGowan

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

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

In attendance:

For all items: John Melvin (CRU), Colin Broomfield (UR),

For items 1 – 10: Alan Rainey (Economic Adviser to UR)

For item 3: Barry Hussey (CRU), Jean Pierre Miura (UR)

For item 4: Paul Bell (UR), Ian McClelland (UR), Kevin Baron (UR), Donna Maye (UR), Damhnait Gleeson (CRU), Grainne Black (CRU)

For item 5: Brian Mulhern (UR)

For items 11: Tanya Hedley (UR), Elaine Cassidy (UR)

Apologies: None

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: None

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 174 Tuesday 14th December 2021 and Tuesday 21st December 2021

The minutes from SEM Committee meeting 174, Tuesday 14th December 2021 and meeting 175, Tuesday 21st December 2021 were approved.

3. Priority dispatch and redispach

Barry Hussey provided background to Articles 12 and 13 relating to priority dispatch and redispach. Relevant published consultations, decisions and previous discussions were summarised. Information received from the TSOs in relation to the timelines of relevant system changes was provided.

Current thinking and modelling assumptions in relation to compensation for non-market redispatch was discussed. Links with jurisdictional government policy, the EirGrid firm access policy publication and treatment of new renewables was outlined. Next steps were discussed.

4. T-3 CY2024/25 and T-4 CY2025/26 auctions update

Paul Bell provided background detail to the T-3 CY2024/25 capacity auction including timelines. A summary of the auction results was provided including the auction clearing price, volumes procured, costs and locational capacity constraint results. Links with previous auctions were detailed. Further detail on successful capacity in each locational constraint area was provided.

Ian McClelland provided a summary of the provisional qualification results for the T-4 CY2025/26 capacity auction. This included detail of new capacity, rejected capacity and disputes raised. Indicative locational capacity constraint values were provided and next steps detailed.

5. MMU update

The Committee noted the MMU update as circulated. Brian Mulhern provided detail of key market outcomes during December 2021 including prices, gas prices, coal prices, carbon prices, system demand and wind generation. Clean dark spreads and clean spark spreads were outlined.

An update on market investigations was provided including engagement with the Senior Staff Group. Detail of a recently issued publication to industry reminding them of the requirements in relation to urgent market messages was provided.

6. Covid update

No substantive updates to note.

7. FWP update

An update on the progress of projects identified in the 2021-2022 FWP was presented. Plans for a mid-term review of the FWP were discussed.

8. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication and governance activities. The location of future SEM meetings was discussed.

(b) CRU/UR/Independent Members

Aoife MacEivilly provided an update on the Greenlink Interconnector licence and engagement with the developer, energy retail prices and government response, the exit of Bright Energy from the ROI market and submission of the CRU draft strategy and resource development.

John French provided an update on retail energy price increases, the exit of Bright Energy from the NI market and the replacement of the LIBOR exchange rate with the Bank of England exchange rate.

(c) Legal update

No update to note

(d) TCA update

It was noted the consultation on SEM-GB trading arrangements will be published shortly.

9. Review of actions from meetings 174 Tuesday 14th December 2021 and Tuesday 21st December 2021

The Committee discussed the update on actions.

10. SEMC correspondence

The Committee discussed relevant correspondence and agreed a direction for response.

11. SONI Governance

Tanya Hedley provided a briefing to the Committee on the UR's licence modification consultation document which had been issued on 24 January.

The Committee also considered a letter from the applicant's solicitors (received on 26 January) and instructed the Committee's solicitors to draft a response.

It was agreed that the Committee would again discuss the UR licence modification consultation at its meeting on 24 February 2022. Committee members expressed a



wish to have more time at the February meeting than had been available at this meeting to consider fully the UR proposals. The Committee accepted the UR offer to provide further briefings or responses to questions from the Committee in the run up to the February meeting.

12. AOB

None

A handwritten signature in blue ink that reads 'Bill Emery'.

Signed: _____

Bill Emery, SEM Committee Chair