

SEM Committee Meeting

Minutes Meeting No. 182

CRU offices, Dublin and video-conference

Date: Thursday 30th June 2022

Time: 9.30am – 3.15pm

Member attendees:

Commission for Regulation of Utilities (CRU): Aoife MacEvilly (meeting Chair), Jim Gannon

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

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

In attendance:

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

For item 3: Gavin Miller (CRU), Sheena Byrne (CRU)

For item 4: Gráinne Black (CRU)

For item 5: Jean-Pierre Miura (UR)

For item 6: Brian Mulhern (UR), Gráinne Black (CRU)

For item 7: Richard Rodgers (Department for the Economy), Matt Collins (Department of the Environment, Climate and Communications)

For item 8: Brian Mulhern (UR)

For item 11: Rodney Doyle (EirGrid), Michael Behan (EirGrid), Michael Kelly (EirGrid), Margaret McCarthy (EirGrid) Sam Matthews (SONI), Alan Campbell (SONI)

Apologies: Paul McGowan (SEM Committee Chair)

Minutes: Barbara Stevenson (SEM Committee 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 180, Thursday 26th May 2022 and meeting 181, Wednesday 8th June 2022

The minutes from SEM Committee meetings 179, Thursday 26th May 2022 and 181, Wednesday 8th June 2022 were agreed.

3. 2022 – 2023 Imperfections tariff

Gavin Miller presented proposals for consultation in respect of the 2022 – 2023 imperfections tariff. A breakdown of the tariff was outlined including reasons for the increase from the 2021-2022 tariff and RA analysis. The significant impact of the rise in international wholesale fuel costs and ongoing volatility was noted as the primary driver for the increased tariff. Options for the recovery of costs were outlined and discussed.

The Committee discussed the need to ensure the nature of the tariff was correctly described to external stakeholders. The timing of the consultation and decision was explored.

The Committee approved the options for consultation as presented.

4. Applicability of reliability option non-performance difference charges to available in-merit units

Gráinne Black outlined applicability of reliability option non-performance difference charges to available in-merit units proposals for consultation.

The Committee discussed reasons for the non-dispatch of available generation, network concerns and link with imperfection charges. The need for transparency in relation to system constraints and network capacity was stressed.

The Committee approved the options for consultation as presented.

5. Update on SEM-GB Cross-Border Trading Consultation

Jean-Pierre Miura provided an overview of SEM-GB cross-border trading prior to and following 1 January 2021. Efficiency of capacity allocation was summarised and outline of consultation responses provided. Consideration of options for the forwards market were discussed and areas of further analysis identified with next steps noted. The Committee highlighted the need to ensure liquidity in the market and realise benefit for consumers.

6. Options to mitigate high prices update

Gráinne Black summarised the EU policy response to ongoing high energy prices impacting markets across Europe. Short and medium-term measures were outlined with related actions taken or being investigated in the SEM.

Brian Mulhern provided further detail of ongoing analysis and work being undertaken by the RAs to help place a downward pressure on prices.



The Committee discussed areas of work and market outcomes in other jurisdictions and next steps.

7. Update with Departments

The Committee discussed a range of key issues with the Department for the Economy and Department of the Environment, Climate and Communications. High energy prices, security of supply, decarbonisation targets and stakeholder feedback were among key areas of discussion.

8. MMU update

Brian Mulhern noted the changes to the MMU report following Committee feedback. Detail of market outcomes during May were outlined including market prices, system demand, fuel and carbon prices. Clean and dark spark spreads were presented and the forward price of gas discussed. A comparison of outturn prices in other markets was outlined and discussed. The publication of the MMU monthly and weekly reports was noted.

9. FWP update

The Committee noted the verbal update on progress of the Forward Work Programme. A more detailed updated is to be provided at the July Committee meeting.

10. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication and governance activities including the recruitment of new Independent and Deputy Independent members of the Committee.

(b) CRU/UR/Independent Members

David Newbery noted his ongoing work with BEIS and Committee for Climate Change and the International Energy Research Centre.

John French provided an update on the NI political context, energy prices, engagement with an NI generator and ongoing work with DfE.

Jim Gannon provided an update on procurement of emergency generation in Ireland and CRU recruitment.

(c) Legal update

A verbal update on ongoing legal issues was provided.



The Committee delegated authority to one UR representative and one CRU representative to approve any relevant material including papers or correspondence in relation to an ongoing legal matter.

11. TSO quarterly update

The TSOs joined the meeting and presented an overview of TSO costs, an update on key projects and considerations in relation to incentives. The Committee explored further options to reduce costs, price forecasts and actions to reduce constraints.

12. Review of actions from meeting 180, Thursday 26th May 2022 and meeting 181, Wednesday 8th June 2022

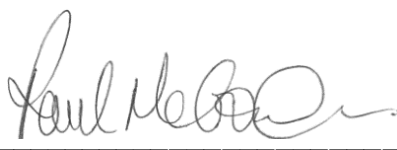
The Committee noted the update on actions.

13. SEMC correspondence

The Committee discussed received correspondence and delegated authority to the Oversight Committee for response.

14. AOB

None

Signed: _____

Paul McGowan, SEM Committee Chair