



SEM Committee Meeting

Minutes Meeting No. 187

Location: UR offices, Belfast

Date: Thursday 27th October 2022

Time: 10.00am – 2.00pm

Member attendees:

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

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: Jean Pierre Miura (UR), Grainne Black (CRU)

For item 4: Barry Hussey (CRU), Grainne Black (CRU), Elaine Cassidy (UR), Gordon Downie (Shepherd and Wedderburn)

For item 6: Jean Pierre Miura (UR)

Apologies: None

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 186, Thursday 29th September 2022

The minutes from SEM Committee meeting 186, Thursday 29th September 2022 were approved subject to minor amendments.

3. GB-SEM Trading

Jean Pierre Miura outlined the relevant background detail to the SEM-GB trading workstream and input requested from the Committee. A summary of consultation responses was provided and outline of options developed by the RAs to improve the current GB-SEM trading arrangements presented.



Market outcomes in the intraday market and day ahead market since 2019 were outlined. Considerations in relation to Financial Transmission Rights and Physical Transmission Rights were discussed including market impacts, market power considerations and need to increase liquidity and the ability to hedge, particularly for smaller suppliers.

The Committee discussed the options presented in detail and requested Oversight bring forward further analysis. This includes an assessment of market power implications and the position of small suppliers related to the current proposals and additional details on the scope of the consultation to be carried out by the Interconnector owners.

4. Legal update

Barry Hussey summarised ongoing legal challenges primarily focused on the implementation of Article 13 of Regulation (EU) 2019/943. The substance of the challenges were outlined and Gordon Downie detailed areas of ongoing consideration.

Grainne Black summarised a recent challenge to the SEMC decision to modify the Capacity Market Code relating to run hour limits. The grounds of the challenge were outlined and timelines for next steps noted. The Committee confirmed that their decision in respect of the relevant CMC modification was independent of any decision made by the Environmental Protection Agency relating to annual run hour limits.

The Committee delegated authority to Oversight for the ongoing management of the legal challenges and relevant decisions required in order to progress. The Committee is to be kept informed as the challenges progress.

5. FWP October 2022 – September 2023 planning

The list of FWP projects as developed by the RAs and Oversight Committee was presented. The Committee noted the challenging ambition of the draft project list and the need to remain responsive to the ongoing challenging market conditions. Amendments to the current project list were discussed with a final FWP to come back to the Committee for approval.

The Committee commended the teams for their significant delivery of work over the past year and response to volatility and unprecedented market conditions.

6. MMU update

The Committee noted the circulated MMU update report.

Jean Pierre Miura provided further detail of key market outcomes during September 2022 including market prices, fuel prices and trading in the intra-day market. An update on ongoing market investigations was also provided.

7. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication activities and progression of the SEMC annual report.

Colin Broomfield and John Melvin provided an overview of the current interim joint procurement arrangements. The Committee endorsed the proposal as verbally presented by Oversight to extend the current interim arrangements until the end of 2022.

(b) CRU/UR/Independent Members

Aoife MacEvilly provided an update on the implementation of demand reduction programmes, security of supply new EU and national emergency legislation, energy prices, financial security group and the independent review of security of supply in Ireland.

John French provided an update on energy prices, UK government energy support schemes, NI security of supply and restructuring in the UR.

8. Review of actions from meeting 186, Thursday 29th September 2022

A verbal update on actions was provided.

9. SEMC correspondence

The Committee discussed received correspondence, provided direction for response and delegated authority to the Oversight Committee for drafting and issue.

10. AOB

The Committee thanked the outgoing Independent member, Odd Håkon Hoelsæter and Deputy Independent member, Professor David Newbery for their invaluable contributions to the Committee over the past ten years.

Signed:  _____

Paul McGowan, SEM Committee Chair