



SEM Committee Meeting

Minutes Meeting No. 188

Location: Ballymascanlon Hotel, Dundalk and video-conference

Date: Thursday 24th November 2022

Time: 9.00am – 2.15pm

Member attendees:

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

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

Independent members: Jonathan Hodgkin, Dr Chris Harris (Deputy)

In attendance:

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

For item 4: Leigh Greer (UR), Ruth Young (Cornwall Insight)

For item 5 - 7: Marie-Therese Campbell (UR), Kevin Baron (UR)

For item 5 (part only): David McGowan (SONI), Shane Maher (EirGrid), Alan Campbell (SONI)

For item 8: Grainne Black (CRU)

For item 9: Tom Quinn (CRU), Brian Mulhern (UR)

Apologies: Aoife MacEvelly (CRU)

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: None

Paul McGowan welcomed Jonathan Hodgkin and Dr Chris Harris to the meeting as they take up their positions as the new Independent and Deputy Independent members of the Committee.

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 187, Thursday 27th October 2022

The minutes from SEM Committee meeting 187, Thursday 27th October 2022 were approved subject to minor amendments.

3. SEMC FWP October 2022 – September 2023

Barbara Stevenson presented the draft SEMC Forward Work Programme October 2022 – September 2023 for approval. John Melvin and Colin Broomfield provided detail of identified projects including scope and outcome.

The Committee approved the FWP as presented and delegated authority to the Oversight Committee for final editorial amendments and publication.

4. Enduring solution for DSU energy payments

Ruth Young provided relevant background detail including an overview of the outcome of the consultation on enduring solution to enable energy payments in the balancing market for DSUs. A summary of consultation responses, relevant Clean Energy Package and State Aid considerations were outlined.

Detail of the proposed decision was presented including variances from the consultation proposals and details of the phased approach. The Committee discussed DSU performance and next steps. The effectiveness of dispatched quantity as a proxy for metered quantity will be assessed ongoing.

The Committee approved the enduring solution to enable energy payments in the balancing market for DSUs decision as presented.

5. T-1 2023/24 Parameters Decision (including ISAC2)

Kevin Baron summarised the papers before the Committee and gave an overview of decisions requested.

The TSOs joined the meeting and provided a summary of the consultation on proposed enhancements to the methodology for determination of the CRM capacity requirement and associated de-rating factors (known as ISAC2). The TSO recommendations relating to the methodology were presented.

The TSOs left the meeting and the Committee discussed further the parameters decisions, DSU performance and need for a glidepath to their enduring treatment. The Committee welcomed the increase in transparency for industry as a result of ISAC2.

The Committee approved the T-1 2023/24 parameters and delegated authority to oversight make relevant final adjustments and approvals.

6. T-1 2023/24 Initial Auction Information Pack (IAIP)

The Committee considered and approved the circulated T-1 2023/34 initial auction information pack.

7. Capacity Market Code Urgent modifications update – ‘Third Party Delays’

Marie-Therese Campbell outlined the tabled modifications to the capacity market code relating to third party delays. The relevant timetables were detailed and work carried out to date by the Regulatory Authorities summarised. The Committee noted the next steps.

8. Indexation of Capacity Payments

Grainne Black provided the background and overview of a trading and settlement code modification proposal to index future capacity payments. Responses to the call for evidence were summarised and ongoing analysis by the RAs outlined.

The Committee discussed potential market impacts including impact on other market parameters, risk and project delivery

The Committee noted the next steps.

9. Update on Firm Access Methodology Consultation Responses

Tom Quinn outlined the background to the firm access workstream including summary of consultation responses received. Considerations arising from the consultation were summarised.

Brian Mulhern provided detail of ongoing analysis that is to be completed by the RAs and next steps were outlined.

10. MMU update

The Committee noted the MMU update as circulated.

Jean Pierre Miura provided more detail on key events during October including DAM prices, wind volumes and fuel prices. The ongoing high forward gas prices were

noted. Detail of the operation of the interconnectors was outlined and overview of recent system alerts provided.

11. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication and governance activities including the development of the SEMC annual report, recent media activity and ongoing governance reviews.

(b) CRU/UR/Independent Members

Jim Gannon provided an update on security of supply, Dublin Forum, IMR cap, energy prices and consumer protection measures.

John French provided an update on the political situation in Northern Ireland, BEIS support schemes, energy prices, customer charter and electricity generator levy in NI.

(c) Legal update

A verbal update on ongoing legal matters was provided.

12. Review of actions from meeting 187, Thursday 27th October 2022

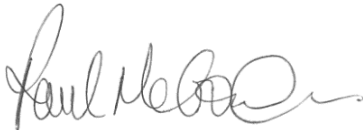
The Committee noted the update on actions.

13. SEMC correspondence

The Committee noted received correspondence.

14. AOB

None

Signed:  _____

Paul McGowan, SEM Committee Chair