



SEM Committee Meeting

Minutes Meeting No. 193

Location: UR offices, Belfast

Date: Thursday 27th April 2023

Time: 9.00am – 2.30pm

Member attendees:

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

Utility Regulator (UR): Bill Emery, Jon Carlton, John French (for items 1-7)

Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

In attendance:

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

For items 3 and 4: Marie Therese Campbell (UR), Timothy Steele (UR), Andrew Chattrabhuti (ESP Consulting), Donna Maye (UR), Grainne Black (CRU), Damhnait Gleeson (CRU)

For item 3 (part only): Rodney Doyle (EirGrid), Michael Behan (EirGrid), Aodhagan Downey (EirGrid), Seamus Power (EirGrid), Errol Close (EirGrid), Alan Campbell (SONI)

For item 6: Grainne Black (CRU), Andrew Chattrabhuti (ESP consulting)

For item 7: Merin Joseph (CRU)

For item 8: Jean Pierre Miura (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 192, Thursday 30th March 2023

The minutes from SEM Committee meeting 192, Thursday 30th March were approved subject to a minor amendment.

3. CRM T-4 2026/27 auction results (including Capacity Auction Monitor report)

Timothy Steele presented the T-4 2026/27 capacity auction results and outlined detail of auction cost, auction clearing price, local constraint area volume analysis and summary of successful new capacity. A comparison with previous T-4 auction results was provided highlighting the increase in volumes procured in this auction. The Committee discussed the market of the future and potential for analysis in this area. Recently received correspondence relating to the auction was discussed with direction for a response provided.

The TSOs joined the meeting and provided a summary of the capacity auction results. Seamus Power provided an overview of the TSO technical assessment including results in Northern Ireland, Ireland and Dublin. The Committee noted the need for a robust qualification process and likelihood of the delivery of new capacity was explored. The Committee discussed fuel diversity coming from the auction.

Donna Maye presented the Capacity Auction Monitor Report. The Committee noted the issues identified and the reasonable assurance given in the report. The Committee approved the redacted 2026/27 T-4 capacity auction independent auction monitor report for publication by the System Operators.

The Committee approved the CRM T-4 2026/27 capacity auction results and approved the issuing of the approval letter to the TSOs.

4. CRM T-4 2026/27 volume adjustments paper

Andrew Chattrabhuti provided a summary of the volumes decisions made by the Committee for the T-4 2026/27 capacity auction. The contents and development of a volume adjustments paper detailing the auction volumes decision rationale was then outlined and discussed. The Committee highlighted the need for a clear summary outlining the key issues and approach taken by the Committee.

The need for engagement with the TSOs was stressed with workshops to be arranged to aid preparation and analysis for the next capacity auction.

5. Security of supply – Emergency generation in Ireland update

John Melvin presented an overview of the temporary emergency generation in Ireland. The operation of the generation was summarised noting that it will not participate in ex-ante or the capacity markets. The reporting of use of the generation was outlined.

6. Indexation consultation update

Grainne Black provided background to the indexation workstream including a summary of previous SEM Committee discussions. Andrew Chattrabhuti presented potential indexation options for consideration by the Committee. Comparison with previous auctions was provided and consumer impacts highlighted.

The Committee discussed the options available and inclusion of a risk sharing mechanism. Market conditions were explored and the expert judgement required by the Committee discussed.

The Committee approved indexation to capacity payments for multi-year new capacity awarded in the T-3 2024/25 and T-4 2025/26 capacity auctions using the wholesale price index with a risk sharing mechanism included.

7. EY CRM review next steps

An overview of the EY review of the CRM review was provided including a summary of previous Committee discussions. The implementation and progress of the report recommendations was provided. The Committee discussed the ongoing improvement of the CRM in light of this independent report, market experience and future challenges. Next steps were outlined.

The Committee approved the consultation response paper with delegated authority to Oversight for final editorial amendments prior to publication.

8. MMU update

The Committee noted the refreshed MMU update as circulated. Jean Pierre Miura provided further detail of market volumes, market prices, interconnector operation, demand and generation mix during March. The Committee discussed constraint payments and the publication of the revised report.

9. FWP update

The Committee considered the FWP and risk register updates as provided. Progress on a number of specific projects was discussed including system services future arrangements and upcoming capacity auctions.

10. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication activities.

The Committee considered and approved the updated Scheme of Delegation and Rules and Procedures documents.



committee

(b) CRU/UR/Independent Members

Jim Gannon provided an update on CRU recruitment, retail energy prices, upcoming Oireachtas Committee session and the offshore renewable electricity support scheme auction.

Colin Broomfield provided an update on restructuring at the UR, security of supply, Climate Change Act, DfE consultation on a renewable support scheme, customer service standards and development of the new UR Corporate Strategy.

(c) Legal update

A verbal update on legal matters was provided.

11. Review of actions from SEMC meeting 192

The Committee discussed open actions including an update on joint procurement arrangements.

12. SEMC correspondence

Received correspondence was considered under the relevant agenda item.

13.AOB

None

Signed:  _____

Paul McGowan, SEM Committee Chair