

**SEM Committee Meeting
Minutes Meeting No. 140**

Location: UR offices, Belfast

Date: Thursday 28th March 2019

Time: 10.30 – 14.30

Member attendees:

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton
Commission for Regulation of Utilities (CRU): Paul McGowan, Aoife MacEvilly
Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

In attendance:

For all items: Colin Broomfield (UR), John Melvin (CRU), Alan Rainey (Economic Adviser to UR), Sarah Maybin (UR), Barry Hussey (CRU), Robert O'Rourke, (CRU)
For items 3 - 5. Brian Mulhern (UR), Karen Shiels (UR), Kevin Hagan, (CRU)
For item 5 John Lynch (CRU)
For item 7(d). Jean Pierre Miura (UR), Jo Aston (UR)

Apologies: None

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: No declarations were made

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 139 on 28th February 2019

The minutes from SEM Committee 139 were approved.

3. Balancing market update

The RAs provided detail of recent issues in the Balancing market including an overview of market activity, balancing market prices, impact on consumers, liquidity and detail of recent RO events.

Options to address the recent issues were presented and discussed at length. The Committee considered feedback from the TSOs, market participants, potential impacts of the options presented and the need to consider both short and long term-solutions.

The Committee requested a modification is raised to remove a small number of constraints from the flagging and tagging process and directed the RAs to consult further on other considered options.

4. MMU update

Brian Mulhern presented the Market Monitoring update to the Committee including detail of activity in the day-ahead market, prices – including fuel, volumes, interconnector flows, unit outages and impact of wind including wind forecasting.

5. Generator Financial Performance

John Lynch presented the draft Generator Financial Performance report. The Committee discussed the key findings of the report including profitability, impairment, revenues, net margins and trends.

The Committee discussed plans for publication and timetable for future reports.

6. DS3 update

Robert O'Rourke provided an update on the DS3 project including fixed contracts procurement and publication of OJEU notices. The Committee also discussed RoCoF progress and the Committee asked the RAs to seek further information from the TSOs in relation to compliance and market impact.

7. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication activities and governance matters. The Committee approved the drafting of a new SEMC Scheme of Delegation following the closure of the ISEM project.

(b) CRU/UR/Independent Members

Paul McGowan noted the all of government Climate Plan and renewables target. John Melvin also updated the Committee on the CRU consultation looking at system services in the Dublin region.

Jenny Pyper updated the Committee on the appointment of Colin Broomfield as Interim Director of Wholesale markets and provided an update on the recruitment process for the permanent position. She also discussed the potential industrial action by SONI employees, Corporate Strategy and Forward Work Programme publications.

David Newbery noted his presentation at the Energy Ireland Conference in June.

(c) Legal update

John Melvin updated the Committee on the ongoing Judicial Review of the Appeal Panel decision.

(d) Brexit

The RAs provided an update on Brexit preparedness. The Committee discussed further potential implications of a 'no-deal' Brexit and contingency arrangements.

Relevant correspondence was provided and discussed. A draft response to the TSOs correspondence was approved with final editorial amendments delegated to the Oversight Committee. The Committee also discussed a SEMC statement and approved publication on the SEMC website.

8. Review of actions from meeting 139, Thursday 28th February 2019

Relevant actions were discussed with replies to recent correspondence noted.

9. SEMC correspondence

Relevant correspondence was considered under agenda item 7(d).

10. AOB

The Committee thanked Jo Aston for her significant contribution to the work of the Committee, including her involvement in the ISEM programme and wished her well in her new role.

Signed: _____



Bill Emery, SEM Committee Chair