

**SEM Committee Meeting**  
**Minutes Meeting No. 143**

**Location:** UR offices, Belfast

**Date:** Thursday, 27<sup>th</sup> June 2019

**Time:** 10.30 – 15.00

**Member attendees:**

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

**In attendance:**

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

For item 3 – part only: Rodney Doyle (SEMO), Claire Kane (SEMO), Aidan Skelly (EirGrid), Leigh Greer (SONI)

For item 4: Rodney Doyle (SEMO), Claire Kane (SEMO), Aidan Skelly (EirGrid), Leigh Greer (SONI)

For item 6: Paul Bell (UR), Kenny Dane (UR)

For item 7: Brian Mulhern (UR), Lesley Robinson (UR), Stuart Ffoulkes (ESP Consulting)

For item 8: Karen Kavanagh (CRU), Rachel Strong (CRU)

For item 9: Brian Mulhern (UR)

For item 11: Paul Bell (UR), Billy Walker (UR)

For item 12: Aidan Short (Neueda)

**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 142 on 30<sup>th</sup> May 2019**

The minutes from SEM Committee 142 were approved with minor amendments.

**3. Balancing market update**

The RAs provided an update on recent activity in the balancing market. The TSOs joined the meeting and provided an update on market performance, activity in each of the trading

markets including the balancing market, stakeholder engagement and key events. An update on the resettlement process was also provided including key milestones, stakeholder engagement and next steps. The Committee sought further clarification on the process, timing, potential implications and views of market participants.

The Committee challenged the TSOs on imperfection costs and steps being taken and that can be taken to keep costs as low as possible and minimise consumer impact.

The TSOs provided an update on the North/South interconnector.

#### **4. SONI industrial action review**

The Committee sought clarification from the TSOs on the impact on consumers of the recent industrial action by SONI. SONI noted that during the period of disruption, established back-up procedures were utilised resulting in no financial impact for consumers.

#### **5. SEMO KPIs**

The Committee considered the SEMO KPIs proposed decisions as outlined in the paper. A summary of current SEMO performance, overview of consultation responses and variances from consultation proposals were discussed.

The Committee approved the decisions as outlined in the paper.

#### **6. Administered scarcity pricing**

The Committee noted the administered scarcity price position as outlined in the paper. The Committee approved the proposal as outlined.

#### **7. CRM demand side units – state aid compliance**

An overview of the proposed decision paper on CRM demand side units compliance with state aid was presented. Background, issues outlined in the consultation paper, consultation responses and an overview of proposed decisions were outlined and discussed.

The Committee further discussed industry best practice, DSU performance and interaction with the market.

The Committee approved publication of the decision paper.

#### **8. Terms of reference for SEM market audit**

The publication of the final audit of SEM prior to the introduction of the new market arrangements was noted.

Terms of reference for the upcoming market audit of the SEM were discussed including audit timelines, scope and proposed consultation.

The Committee approved the publication of the consultation paper as presented.



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## 9. MMU update

Brian Mulhern provided a summary of recent market activity. A market de-coupling event in June was discussed including the timeline of events, impact on the day ahead market and interconnector flows.

An overview of the day ahead market since October 2018 was presented and discussed. The publication of the market update report was detailed with new metrics highlighted.

## 10. NEMO designation

The Committee noted the NEMO designation process including publication of the designation decision by the RAs as detailed in the paper presented.

## 11. DS3 and wholesale update

Aidan Short updated the Committee on key workstream progress including T-4 parameters, DS3, forward contract forecasting, EU coupling and the balancing market. An update on RoCoF compliance progress was also discussed.

## 12. Imperfections forecast and tariffs 2019/20

The Committee discussed the paper presented detailing imperfections forecast and tariffs for 2019/20. An overview of the cost components were discussed including plexos, constraints, K-factor and factors for consultation.

The Committee sought additional clarification on cost elements, forecasts and a comparison with previous tariff years. Potential measures to reduce costs were discussed and processes for cost recovery.

The Committee provided direction to the RAs on the proposals for consultation.

## 13. Updates

### (a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communications activities. It was noted the planned July SEMC will be cancelled however the committee will be available for time-limited urgent matters.

### (b) CRU/UR/Independent Members

Paul McGowan noted the publication of the Climate Action Plan and progress on the appointment of a new CRU Commissioner.

Jenny Pyper updated the Committee on the appointment of Brian Mulhern as permanent Market Monitoring Unit manager, the Clean Energy Package and the UK Emissions target.

David Newbery updated the Committee on the Energy Ireland conference.

### (c) Legal update



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John Melvin provided an update to the Committee on the Ministerial Appeal Panel.

**(d) Brexit**

It was noted that work continues in preparation of the Brexit date of 31 October 2019.

**14. Review of actions from meeting 142, 30<sup>th</sup> May 2019**

No open actions to discuss

**15. SEMC correspondence**

No relevant correspondence to discuss

**16. AOB**

The RAs updated the Committee on the outcome of a recent dispute.

Signed:   
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**Bill Emery, SEM Committee Chair**