

SEM Committee Meeting

Minutes Meeting No. 153

Location: Video-conference

Date: Thursday 28th May 2020

Time: 9.00 – 12.50

Member attendees:

Commission for Regulation of Utilities (CRU): Jim Gannon (SEM Committee Chair), Aoife MacEvilly, Paul McGowan
Utility Regulator (UR): Bill Emery, Jenny Pyper, Jon Carlton
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), Jean Pierre Miura (UR)
For items 4 and 5: Paul Bell (UR), Kevin Lenaghan (UR), Kenny Dane (UR), Andrew Chattrabhuti (ESP consulting)
For item 4 (part only): Rodney Doyle (EirGrid), Jo Aston (SONI)
For item 6: Dylan Ashe (CRU), Robert O'Rourke (CRU), Brian Mulhern (UR)
For item 7: David Egan (CRU), Marc Curran (CRU), Rory O'Donnell (CRU)
For item 8: Brian Mulhern (UR)
For item 9: Heather Pandich (CRU)

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 152 30th April 2020

The minutes from SEM Committee 152 were approved.

3. COVID-19 update

John Melvin updated the Committee on the RA response to the ongoing COVID-19 pandemic in relation to the Single Electricity Market. Discussions with EAI and the system operators were outlined as well as ongoing liaison with the retail teams within the RAs.



An update on the COVID-19 supply suspension scheme in RoI was provided along with an update on demand, generator outages and liquidity.

4. CRM T-4 CY2023/24 auction provisional results approval

Paul Bell provided an overview of the information submitted to and the decisions requested by the Committee. An outline of the results was presented including constrained and unconstrained solutions, new investment, successful and unsuccessful capacity. Auction costs were also outlined including a comparison with previous auctions.

Rodney Doyle and Jo Aston joined the meeting and noted the security of supply assessment report as submitted by the TSOs. Rodney Doyle noted that the TSOs were content with the auction results. He noted DSU performance and new investment progress.

The Committee sought further reassurances from the TSOs in respect of the delivery of new investment and system stability.

The TSOs left the meeting and Kenny Dane provided an overview of the Auction Monitor's report including a summary of key findings. It was noted that no significant issues were identified and reasonable assurance recorded.

The Committee further discussed the links with the auction and the Clean Energy Package including legal assurances received.

The Committee approved the CRM T-4 CY2023/24 auction results as presented.

5. CRM T-4 CY2024/25 parameters approval

Paul Bell provided an overview of the parameters for the T-4 CY2024/25 auction due to take place in January 2021.

The Committee discussed in detail the existing capacity price cap and potential for movement in this area. Experience from previous auctions was discussed as well as comparisons with other markets. The Committee decided to leave the existing capacity price cap unchanged and asked Oversight to consider scope for a broader review.

The Committee considered a potential change to the duration of the capacity year to take account of the Clean Energy Package. The Committee decided to retain the 12 month auction duration period.

Kenny Dane summarised progress to the move to Auction D format. It was noted that the TSOs had further work to do in order to move to this enduring approach but this should be achievable in time for the auction. The Committee approved the move to auction D format.

6. DS3 System Services consultation

An overview of the system services products was outlined. This included a multi-year plan, overview of timelines, European requirements and system services products.

The Committee further discussed engagement with the TSOs and next steps.

7. Forwards and Liquidity update

Marc Curran presented an overview of the current thinking in relation to the forwards market and liquidity. This included an overview of regulatory intervention in the forwards market, harmonisation of master agreements, review of ESB's ring-fencing arrangements and review of the directed contracts allocation process.

The Committee discussed the initial thinking and provided direction for the discussion paper to come back to SEMC in June.

8. MMU update

The market monitoring report was noted. Brian Mulhern provided a further update on market prices and highlighted prices are reflecting market fundamentals including gas prices, carbon prices and wind availability.

Detail of SNSP, curtailment, the investigation process and forecasting accuracy were also discussed. Ongoing market monitoring activities were outlined including engagement with market participants.

9. Clean Energy Package roadmap update

Heather Pandich provided a high level overview of key CEP workstreams. The publication of the paper on Balance Responsibility and dispatch and redispatch consultation was noted. Detail of engagement with market participants was highlighted and timeline for decision.

Engagement with ACER in relation to market parameters was discussed and detail on the progress of the regional co-ordination centres workstream was highlighted, including liaison with the TSOs.

10. FWP update

The Committee noted the FWP and John Melvin provided additional commentary in relation to Directed Contracts, Capacity Remuneration Mechanism, Energy Trading Arrangements, Clean Energy Package, DS3 and Market Monitoring workstreams.

11. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on communications activities in relation to the capacity auction. Strategy and forward work programme progress was noted which will align with the annual report reporting timelines.

(b) CRU/UR/Independent Members

Aoife MacEvilly provided an update on:

- progress to form a government following the election in RoI
- the CRU response to the COVID 19 pandemic
- tariffs including PSO and network charges
- mid-year review of business plan

Jenny Pyper updated the Committee on:

- the UR response to the COVID 19 pandemic
- SONI price control
- CEO recruitment

(c) Legal update

A short verbal legal update was noted.

(d) Brexit

The Committee discussed ongoing work following Brexit on 31 January 2020 including liaison with government departments.

12. Review of actions from meeting 152 30th April 2020

No open actions to discuss

13. SEMC correspondence

The Committee considered correspondence from the TSOs in respect of generation outages alongside feedback from the Oversight Committee.

Correspondence from EAI was also discussed and direction provided for a response.

14. AOB

The meeting considered ongoing arrangements for Committee meetings in light of current working arrangements.



Signed: _____

Jim Gannon, SEM Committee Chair