

SEM Committee Meeting

Minutes Meeting No. 155

Location: Video-conference

Date: Thursday 30th July 2020

Time: 09.00 – 12.00

Member attendees:

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

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), Barry Hussey (CRU)

For item 4: Gina Kelly (CRU)

For item 5: Gina Kelly (CRU), Gary McCullough (UR)

For item 6: Heather Pandich (CRU)

For item 7: Paul Bell (UR), Billy Walker (UR)

For item 8: Brian Mulhern (CRU)

Apologies: Paul McGowan (CRU), John Melvin (CRU)

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 154 25th June 2020

The minutes from SEM Committee 154 were approved.

3. COVID-19 update

Colin Broomfield updated the Committee on the RA response to the ongoing COVID-19 pandemic in relation to the Single Electricity Market. This included detail of outage planning, liquidity, demand, ongoing system operation and cost impacts. The



Committee were also updated on the ongoing lessons learned exercise being carried out by the RAs.

4. Tariffs – SEMO revenue requirement 2020/21

Gina Kelly provided an overview of the SEMO 2020/21 revenue requirement components including k-factor, TSO capex proposals and RA recommendations as submitted to the Committee. The Committee were also updated on the upcoming publication of a market systems and development plan by the TSOs.

The Committee approved the SEMO Revenue Requirement and K-Factor for 2020/21

5. CEP – Dispatch and redispatch

The Committee considered the information paper on dispatch and re-dispatch as submitted. Barry Hussey and Gina Kelly provided further detail on discussions with the European Commission in this area and amendments to the paper as presented.

The Committee were also updated on the consultation process, engagement with market participants and proposed next steps.

The Committee approved the publication of the information paper delegating approval for final editorial amendments to the Oversight Committee. An updated project timetable is to be circulated to the Committee when finalised.

6. CEP – Resource adequacy and CRM impacts

The Committee considered the update on resource adequacy and CRM impacts under the Clean Energy Package. Background and CEP requirements were outlined as well as specifics in relation to the European Resource Adequacy Assessment development and approval process.

The Committee further discussed the value of lost load, cost of new entrant and reliability standard. Engagement with consumers was discussed as well as experience in other markets. Next steps were outlined.

7. Tariffs – Imperfections charge 2020/21

Paul Bell provided relevant background on imperfection charges and their components. An overview of the recently published consultation was provided along with TSO proposals and RA revision. Key factors influencing the forecast were discussed including generator outages, gas transportation capacity, interconnector flows, constraint updates, fuel prices and demand.

The Committee sought further assurances on challenge to the TSOs in relation to these costs. Next steps were outlined.

8. MMU update

The market monitoring report was noted. Brian Mulhern provided a further update on market prices, demand, gas prices and carbon prices.

Updates on generator outages, DBC costs and the balancing market were also discussed.

9. FWP update

The Committee noted the FWP update as presented and accompanying risk log. Colin Broomfield provided further detail on the market power and liquidity consultation, upcoming T-4 auction and process and DS3 future arrangements.

10. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on communications and governance activities.

(b) CRU/UR/Independent Members

Jenny Pyper updated the Committee on:

- SONI governance review
- Gas tariff review

Bill Emery provided an update on the UR CEO recruitment exercise.

Aoife MacEville provided an update on:

- The government formation in ROI including the appointment of Eamon Ryan as Minister for the Department of Communications, Climate Action and Environment.
- RESS auctions
- Draft network price control determinations
- PSO levy

David Newbery noted publication of data and model used for the national energy and climate plans of neighbouring markets and implications for the SEM paper.

(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 and market participants.

11. Review of actions from meeting 154 25th June 2020

No open actions to discuss

12. SEMC correspondence

The Committee considered correspondence received and provided direction in relation to responses.

13. AOB

None



Signed: _____

Jim Gannon, SEM Committee Chair