

SEM Committee Meeting

Minutes Meeting No. 163

Location: Video-conference

Date: Thursday 25th February 2021

Time: 09.00 – 13.05

Member attendees:

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

Utility Regulator (UR): Bill Emery, Jon Carlton, John French

Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

In attendance:

For all items: Colin Broomfield (UR), Alan Rainey (Economic Adviser to UR)

For items 1 – 4 and 10 – 11: John Melvin (CRU)

For item 3: Ian McClelland (UR)

For item 4: Kevin Lenaghan (UR), Kevin Baron (UR), Billy Walker (UR)

For item 4 (part only): Rodney Doyle (EirGrid), Alan Campbell (SONI), Dairmaid Gillespie (EirGrid), Shane Maher (EirGrid)

For item 5: Brian Mulhern (UR)

For items 6 and 7: Barry Hussey (CRU), Gina Kelly (CRU), Jean Pierre Miura (UR), Gary McCullough (UR)

For item 8: Leigh Greer (UR), Grainne Black (CRU)

For item 9: Brian Mulhern (UR)

Apologies: Aoife MacEvilly (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 162, Thursday 28th January 2021

The minutes from SEM Committee 162 were approved subject to a minor amendment.

3. 15-minute imbalance settlement period exemption

Ian McClelland provided an overview of the proposed decision in relation to the 15-minute imbalance settlement period as circulated to the Committee. A summary of the cost-benefit analysis was detailed alongside an overview of responses to the published questionnaire. An overview of engagement with ACER was provided.

The Committee discussed the outcome of the cost benefit analysis and made some editorial suggestions in respect of the decision paper. Next steps were noted.

The Committee approved the decision to grant an exemption to the 15 minute imbalance settlement period as presented.

4. CRM T-4 CY2024-25 T-4 auction results approval

Kevin Lenaghan provided an overview of the information submitted to the Committee and detail of decisions requested.

An overview of the auction results was provided including constrained and unconstrained results, unsuccessful capacity and new investment. Specific market participant outcomes were discussed and auction fuel mix outcomes noted. The Committee considered comparisons with previous auction results and the TSO security of supply assessment.

The Committee discussed the Auction Monitor report as circulated, reviewed the findings and noted the reasonable assurance given.

The TSOs joined the meeting and summarised the findings of their capacity auction system impact analysis. Outage rates, generator performance, system services provision and transmission constraints were detailed.

The Committee discussed timelines for awarded new capacity and implications of the auction results across the constrained areas of the market. Impact of the north/south interconnector was examined and commencement of T-3 auction process discussed.

The TSOs left the meeting and the Committee discussed further proposed next steps. Impact of wind and stimulation of competition in future auctions was discussed.

The Committee approved the T-4 CY 2024/25 auction results as presented and issuing of relevant correspondence to the TSOs.

5. MMU market inquiry procedure manual

Brian Mulhern presented the item providing background as well as an overview of responses to the consultation. The Committee discussed further ongoing market behaviour as observed by the MMU and implementation of the inquiry procedure manual.

The Committee approved the MMU market inquiry procedure manual as presented.

6. Treatment of non-renewable units in the SEM

Gina Kelly provided an overview of the proposed decisions in respect of the treatment of non-renewable units in the SEM. A summary of previous discussions at the Committee and update on further discussions with the TSO were detailed.

Relevant responses to the SEMC consultation on the implementation of Articles 12 and 13 of the Clean Energy Package were outlined. Projected timelines for relevant system changes were discussed.

Timing of the publication of the proposed decision paper was noted with editorial amendments to the paper outlined.

The Committee approved the publication of the decision paper.

7. Dispatch and redispatch under Article 13(7)

Barry Hussey presented the item and reflected on discussions at the January SEMC on this issue, including detail of the proposals outlined by the TSOs. Further update on engagement with the TSO was provided.

Gina Kelly provided an overview of the possible options for consultation including proposals for dealing with compensation for curtailment. The Committee had a detailed discussion in relation to the interpretation of the regulation and potential options. Implications including market impacts, cost to the consumer, system implementation and mitigation measures were examined.

The Committee provided direction in relation to options and next steps

8. TSO consultation – Shaping our Electricity Future

Leigh Greer provided detail of a recent briefing by the TSOs in relation to their consultation entitled 'Shaping our Electricity Future'. Based on the information available, the scope of the consultation was outlined and indicative timeline for publication. Plans for future engagement with the TSO was outlined.

9. MMU update

The Committee noted the market monitoring update as circulated.

Brian Mulhern provided further detail of prices in the day-ahead market, intra-day markets, wind levels, wholesale fuel prices, spark spreads and demand.

The Committee discussed further interconnector flows and volumes traded across the markets.

10. Covid update

John Melvin provided an update on restrictions as a result of covid-19 in RoI. Colin Broomfield provided the update in respect of NI. Ongoing engagement by the RAs with EAI and the TSOs was summarised.

11. FWP update

Colin Broomfield provided an overview of progress on the 2020 – 2021 FWP projects as included in the update circulated to the Committee. An update was also provided on joint procurement arrangements.

12. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication activities. Communication around the upcoming T-4 CY2024/25 auction results was noted.

(b) CRU/UR/Independent Members

Paul McGowan noted the commencement of the PC5 gas revenue price control, DECC consultation on the Micro-generation support scheme and phase one of the national smart metering programme.

John French provided an update on the SONI governance consultation, PAC inquiry into renewable generation and DfE energy strategy.



committee

(c) Legal update

Jim Gannon provided a short legal update.

(d) Brexit update

Colin Broomfield provided an update on the ongoing work of the RAs following Brexit, including an update in relation to the Trading and Cooperation Agreement.

13. Review of actions from meeting 162 Thursday 28th January 2021

No open actions

14. SEMC correspondence

Relevant correspondence was noted with Oversight to draft and issue a response.

15. AOB

None.

A handwritten signature in black ink, appearing to read 'J. Gannon', is written over a faint, dotted rectangular area.

Signed: _____

Jim Gannon, SEM Committee Chair