

**SEM Committee Meeting  
Minutes Meeting No. 150**

**Location:** CRU offices, Dublin

**Date:** Thursday 27<sup>th</sup> February 2020

**Time:** 10.30 – 14.45

**Member attendees:**

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton  
Commission for Regulation of Utilities (CRU): Paul McGowan, Jim Gannon  
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: Robert O'Rourke (CRU), Dylan Ashe (CRU)

For item 3 (part only): ESB – Claire Quane, Paul Harrington

For items 4 and 7: Gina Kelly (CRU)

For item 5 and 7: Brian Mulhern (UR)

For item 6: Rory O'Donnell (CRU), Marc Curran (CRU)

For item 8: Andrew Ebrill (CRU), John Lynch (CRU)

For item 9: Paul Bell (UR)

For item 10: Andrew Ebrill (CRU), Gina Kelly (CRU), Heather Pandich (CRU)

**Apologies:** Aoife MacEivilly (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 149 30<sup>th</sup> January 2020**

The minutes from SEM Committee 149 were approved with minor amendments.

**3. ESB Networks update on RoCoF performance**

Jim Gannon and Robert O'Rourke updated the Committee on RoCoF compliance including progress to date, performance and vector shift. Work still required was also discussed and the critical path for the RoCoF trial.

ESB Networks joined the meeting and Claire Quane provided an overview of the current compliance status of generators, engagement with generators and next steps. The Committee further investigated communications with the TSOs and steps that will be taken in the event of non-compliance. The critical importance of the commencement of the RoCoF trial was highlighted by the Committee with necessary steps discussed to ensure it proceeds on time at the beginning of April.

#### **4. SEMOpx price control**

Gina Kelly provided the background to the SEMOpx price control including scope and timelines. Further detail was also provided on price control revenues, opex, capex, WACC, RAB and margin with a comparison between requested amounts and proposed decision.

Comparisons with the previous price control were discussed further and interaction with other price controls.

The Committee approved the price control decisions as presented.

#### **5. MMU update**

The MMU update was noted. Brian Mulhern provided further detail of the historically low prices for the period and high availability of wind.

A balancing market summary was also provided. This included analysis of key elements of imbalance costs and constraints. The Committee discussed further the operation of the balancing market including system operator actions, ongoing monitoring and reporting.

#### **6. DC Contracts update**

Marc Curran presented an overview of DC contracts including the modelling process, review of DC prices including a comparison with baseload and day-ahead prices, comparison of forecast gas prices versus actual prices as well as detail of volumes. The Committee welcomed the update and noted further work planned by the market modelling team in this area.

#### **7. Balancing Market analysis**

Barry Hussey introduced the item and provided a background on the work looking at the balancing market design and subsequent SEMC consultation published last year. Gina Kelly outlined the analysis that has been carried out since the consultation looking at market outcomes including behaviour of participants, prices, and impact of market modifications such as the removal of certain constraints.

The Committee welcomed the reduced volatility that has been observed in the balancing market and the ongoing monitoring, analysis and reporting by the RAs.

## **8. Generator financial performance report**

A high level summary of the generator financial performance report for the calendar year 2018 was outlined to the Committee. This included details of market prices, operating profit and profit margins, impairment and fuel mix. It was noted this report only covers a short period of the new market arrangements with no separation of reporting in the report. Plans for publication were provided.

## **9. CRM T-4 CY2023/24 update**

Paul Bell provided an overview of progress of the CRMT-4 CY2023/24 auction including an update on the USPC process, new capacity and locational capacity constraints.

The Committee further discussed engagement with market participants and sought reassurance on the delivery of awarded new capacity.

## **10. CEP implementation update**

Andrew Ebrill provided an overview of emerging thinking on balance responsibility and aggregation under the Clean Energy Package. The legislative background was provided along with initial options for consultation.

Gina Kelly presented options for priority dispatch, market based dispatch and redispatch under the clean energy package detailing key issues.

Interaction of renewables in the market was discussed along with market behaviour and next steps.

## **11. Forward work programme update**

The Committee noted the forward work programme update and discussed ongoing reporting.

## **12. Updates**

### **(a) SEMC communications and governance update**

Barbara Stevenson updated the Committee on recent communications activities including SEMC strategy and forward work programme, proposed governance training, stakeholder briefings in relation to Brexit and arrangements for upcoming meetings.

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

Jim Gannon provided an update on a third party data breach and discussions with An Bord Pleanála.

Jenny Pyper noted the return of the Northern Ireland Executive, SONI governance review, gas tariff review and publication of the Renewable Heat Incentive report.

**(c) Brexit update**

Ongoing work following 31 January 2020 Brexit was noted.

**(d) Legal update**

. An update on the appeal to the CJEU was provided.

**13. Review of actions from meeting 149 30<sup>th</sup> January 2020**

No open actions to discuss

**14. SEMC correspondence**

Relevant correspondence was considered.

**15. AOB**

None



Signed: \_\_\_\_\_

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**Bill Emery, SEM Committee Chair**