

## SEM Committee Meeting

### Minutes Meeting No. 66

**Location:** CER Offices, Dublin  
**Date:** Thursday 28<sup>th</sup> February 2013  
**Time:** 10.30am – 2.45pm

**Attendees:** Alan Rainey (AR) (Utility Regulator) (UR) (SEMC Chairman), Dermot Nolan (DN) (CER), Garrett Blaney (GB) (CER), Shane Lynch (SL) (UR), Odd Håkon Hoelsæter (OHH) (Independent Member), Professor David Newbery (DNew) (Deputy Independent Member).

**In attendance:**

For all items: Paul McGowan (PMcG) (CER), Bill Emery (BE) (UR), Eugene Coughlan (EC) (CER), Cathy Mannion (CM) (CER), Colin Broomfield (CBr) (UR)

For items 3, 4, 5 and 6: Gordon Downie (GD) Shepherd and Wedderburn, Laura Steerman, (LS) (CER)

For items 5 and 6: Joe Craig (JC) (UR)

For items 8: Philip Newsome (PN) (CER)

For Item 12: Laura Steerman (LS) (CER)

**Minute Taker:** Mignonne Smith (MS) (SEMC Secretariat)

#### 1. Approval and Adoption of the Agenda

The Agenda was adopted as circulated.

#### 2. Approval of Minutes from Meeting 65 on 7<sup>th</sup> February 2013

The minutes were approved subject to agreed amendments.

#### 3. Review of Actions from Meeting 65 on 7<sup>th</sup> February 2013

Actions 239, 241, 242 and 258 were completed all remaining actions were amended and updated.

#### 4. Security of Supply Update

CBr provided an update in respect of Security of Supply (SoS) issues in Northern Ireland from 2016 onwards. An overview of the relevant legal advice and an additional memo from the internal legal team was provided.

The SEM Committee discussed matters arising and potential solutions to this issue at length. The Committee noted the legal responsibilities for SoS in Northern Ireland and that the Utility Regulator would continue to engage with the Department of Enterprise Trade and Investment (DETI) on this issue.

## **5. TSO Certification Update**

GB provided background information to recently received correspondence from the System Operator for Northern Ireland (SONI).

The SEM Committee discussed and agreed content of response to this correspondence.

## **6. NIE T&D Licence Modifications Update**

JC provided background information and an update on the current situation in relation to proposed modifications (Mods) to the NIE T&D licence following the acquisition of NIE by ESB. It was noted that as a result of the recent and ongoing TSO Certification process for Northern Ireland, some of the Mods required alteration to co-ordinate with the Mods proposed as part of TSO Certification.

The SEM Committee discussed related issues in detail and agreed with the recommendations of the project team to publish a 4 week consultation on NIE T&D Licence Mods that are not affected by the ongoing TSO Certification process.

**Action:** Utility Regulator to prepare and publish consultation on NIE T&D Licence Modifications as directed by the SEM Committee.

## **7. Market Monitoring**

### **a. Monthly Update Report**

CBr gave an overview of the Market Monitoring Update Report noting that there were no significant changes in comparison with the last update provided. CBr also discussed the inclusion of information on 'Interconnector Flows' and 'Clean and Dark Spark Spreads' commencing in March.

The SEM Committee noted the update.

### **b. Gas Transportation Capacity Update**

CBr provided an update on status of ongoing work to review the treatment of gas transportation capacity costs in commercial offer data. The SEM Committee noted that a draft paper on this subject would be available for discussion at their meeting in April.

## **8. Market Integration Update**

PN provided an update on current status of Market Integration Project. The SEM Committee's Next Steps Decision Paper and project governance arrangements were published on 15<sup>th</sup> February 2013 along with a high level timeline for the project. Procurement of consultancy support for the project has been initiated and is expected to be in place by the end of May.

The SEM Committee noted the update.

## **9. Reporting of Decisions made by Oversight Committee to SEM Committee**

The update was noted.

## 10. Updates CER/UR/Independent Members

### CER

DN noted that ESB had been instructed by the Irish Government to sell its 50% shareholding in each of its international plants, namely Marchwood Power Ltd in the UK and Bizkaia Energia SL in Spain.

### Utility Regulator

SL noted a tariff increase of 8.7% in relation to Airtricity Gas Supply NI for Greater Belfast consumers. The Utility Regulator will also publish a comparative report on electricity retail prices in the near future.

### Independent Members

The Independent Members had no updates.

## 11. SEM Correspondence

### a) DETI Correspondence re Electricity Priority Dispatch Regulations in Northern Ireland

The SEM Committee noted this correspondence. The Oversight Committee are to finalise and issue the response.

The SEM Committee also noted responses to recently received correspondence from Covanta Energy Ltd and Indaver Ireland Ltd in respect of the SEM Committee's decision on hybrid plant and qualification for priority dispatch.

## 12. AOB

### a. SEM Governance – Legal Review

LS provided background information in respect of a proposal to hold a review of SEM governance and sought approval from the SEM Committee to commence the review.

The SEM Committee discussed terms of reference for the Governance Review and delegated authority to the Oversight Committee to finalise proposals for SEM Committee approval prior to commencement of the project.

**Action:** Oversight Committee to finalise Terms of Reference for SEM Governance Review for SEM Committee approval prior to commencement of the project.

### **Date of Next Meeting:**

**SEM Committee 67, Thursday 28<sup>th</sup> March 2013, Utility Regulator Offices, Belfast**