

## SEM Committee Meeting

### Agreed Minutes Meeting No. 73

**Location:** Utility Regulator Offices, Belfast  
**Date:** Thursday 26 September 2013  
**Time:** 10.30am – 3.30pm

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

**Apologies:** Bill Emery (BE) (UR)

**In attendance:**

For all Items: Denis Cagney (DC) (CER), Eugene Coughlan (EC) (CER), Tanya Hedley (TH) (UR), Jo Aston (JA) (UR), Jean Pierre Miura (JPM) (UR), Colin Broomfield (CBr) (UR), Paul Brandon (PB) (UR)

For Item 3b and c: Elaine Gallagher (EG) (CER) , Kevin Hagan (KH) (CER) ,  
For Item 3d: Robert O'Rourke (RO'R) (CER)

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

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

The Agenda approved and adopted.

#### 2. Approval of Minutes from Meeting 72 on 29 August 2013

The minutes were approved and subject to minor amendments.

### Standing Items

#### 3. Updates

##### a. Market Monitoring Update

CBr provided an overview of the Market Monitoring Update Report for September noting the following points of interest:

- Interconnector Flows – this section has been reviewed and will now provide regular monthly updates of information in respect of potential inefficiency of interconnector flows.
- Increases in constraints and curtailment payments since March 2013

The SEM Committee noted the update.

## **b. Improving Competitiveness Update**

CBR provided an detailed overview of potential options for improving competitiveness in the SEM. The SEM Committee discussed the options at length and noted that a proposal paper would be submitted for their consideration at their meeting in October.

## **c. Market Integration Project Update**

JPM provided an update on current status of the Market Integration Project. It was noted that procurement issues had now been resolved and consultancy support put in place to begin phase 2 of the project.

An overview of the approach to phase 2 of the project was provided, next steps included a stakeholder engagement workshop on Monday 14 October. The project team indicated that a working paper would then be submitted for consideration and discussion by the SEM Committee at their meeting in November and following that the paper would be finalised and published for a period of consultation in January 2014.

The SEM Committee discussed the approach to phase 2 of the Market Integration project at length and suggested amendments to the Project Initiation Document (PID).

The project team sought advice on widening the scope of the high level market design options, the SEM Committee advised the team that this could be done on the understanding that it would not hinder the project in terms of timelines and budget. If the project team were subsequently advised that widening the scope of the high level market design options would impact on the project timelines and budget they would remit to the SEM Committee for further advice.

**Actions:** 1. Project Team to amend PID as suggested. 2. Project to investigate options for widening the scope of the high level market design on the understanding that it would not hinder the project in terms of timelines and budget. If the project team were subsequently advised that widening the scope of the high level market design options would impact on the project timelines and budget they would remit to the SEM Committee for further advice.

## **d. DS3 Update**

PB provided an update on current status of the DS3 Systems Services Review. A trilateral workshop took place on 24 September, in which consultants presented a number of options in relation to demand side, for consideration. On 25 September the DS3 Advisory Council took place, key issues raised included concerns in relation to project delays, communications and next steps of the project.

The SEM Committee discussed progress made to date and noted that the project team would submit the terms of reference (ToR) for a cost benefit analysis (CBA) on DS3 for consideration by the SEM Committee at their meeting in October prior to publication.

#### **e. CER/ NIAUR/ Independent Members Updates**

##### CER

DN noted that there would be slight increases to gas prices in Ireland with effect from 1 October. GB discussed a potential strike action by staff in ESB.

##### Utility Regulator

SL discussed the intention to publish a Utility Regulator/DETI joint paper on Security of Supply issues in relation to Northern Ireland. SL also noted that the provisional determination on the RP5 Price Control Competition Commission referral was due to be published at the end of October.

#### **4. Review of Actions from Meeting 72 on 29 August 2013**

The actions were reviewed and updated.

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

The update was noted.

#### **6. SEM Correspondence**

The SEM Committee noted recent correspondence from the Irish Wind Energy Association (IWEA).

#### **7. AOB**

DN acknowledged that this would be Shane Lynch's last attendance at SEM Committee meetings in accordance with his resignation as CEO of the Utility Regulator with effect from the 31st of October.

DN thanked Shane, on behalf of the SEM Committee and all RA teams who work on SEM related issues, for sharing his considerable knowledge and expertise which has been invaluable to the Single Electricity Market, with the SEM Committee over the past 2 years.

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

**SEM Committee 74, Thursday 31 October 2013, Hilton Hotel, Belfast**