

## SEM Committee Meeting

### Agreed Minutes Meeting No. 76

**Location:** CER Offices, Dublin  
**Date:** Thursday 19 December 2013  
**Time:** 10.30am – 2.45pm

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

**Apologies:** Jenny Pyper (JP) (UR)

**In attendance:**

For all Items: Eugene Coughlan (EC) (CER), Jo Aston (JA) (UR), Tanya Hedley (TH) (UR), Jean Pierre Miura (JPM) (UR)

For Item 3: Paul Brandon (PB) (CER), Robert O'Rourke (RO'R) (CER), Denis Cagney (DC) (CER)

For Item 3a: Fintan Slye, Bill Thompson, Andrew Cooke, John O'Sullivan (Eirgrid)

For Item 3d: Gary Keane (GK), Stephen Woodhouse (SW) and Javier Reveulta (Poyry)

For Items 4b and 7: Clive Bowers (CB) (CER)

For item 5b: Paul Brandon (PB) (CER)

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

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

The Agenda was amended to include an additional item under agenda item 3 in relation to DS3 and adopted.

#### 2. Approval of Minutes from Meeting 74 on 31 October 2013

The minutes were adopted as read and approved for publication.

### Decision Items

#### 3. DS3

##### a. Update Presentation by Eirgrid

The Chair welcomed representatives from Eirgrid and invited them to present an update on the current status of the DS3 Project on behalf of the Transmission Systems Operators (TSOs). A Q&A session followed the presentation which provided the opportunity for a lengthy discussion of related issues.

The SEM Committee acknowledged the ground breaking work being carried out on this project and agreed that it was important for the RAs and the TSOs to work collaboratively to ensure project success.

The Chair thanked Eirgrid for their time.

#### **b. Project Timelines – Demand Side Modelling Assumptions**

RO'R presented an overview of work required and project timelines in relation to each of the four parts to the DS3 System Services work stream as follows:

- Technical Definitions Decision – paper to publish December 2013
- Demand Side Analysis
- Supply Side Analysis
- Procurement

The SEM Committee discussed the project timelines at length, noting that the next decision required of the Committee would be in relation to the final consultation which is expected to be published in May 2014. The Committee requested that the project team make arrangements to publish information on the DS3 project timelines specifically in relation to the expected dates for the publication of consultation paper, the consultation period and subsequent decision.

The Committee also requested that the project team provide them with monthly status updates with emphasis on emerging issues and in advance of the Project Board's request for the SEM Committee to approve the final DS3 Consultation at the Committee's meeting in April 2014.

**Action:** Project Team make arrangements to publish information on the DS3 project timelines specifically in relation to the expected dates for the publication of the consultation paper, the consultation period and subsequent decision.

**Action:** Project team to provide monthly status updates to the SEM Committee with emphasis on emerging issues and in advance of the Project Board's request for the SEM Committee to approve the final DS3 Consultation at the Committee's meeting in April 2014.

#### **c. DS3 Technical Definitions – Decision**

RO'R provided an overview and background information in relation to the DS3 Technical Definitions decision. The decision follows a recent period of consultation on this subject, approval was sought from the SEM Committee to publish the decision paper.

The SEM Committee discussed the paper at length and approved the paper for publication subject to agreed amendments.

**Action:** Project team to amend paper as directed and arrange for publication of the Decision on DS3 Technical Definitions by no later than 20 December.

#### **d. Poyry Procurement Paper**

GK provided an overview of Poyry's draft paper in relation to procurement options for System Services. The SEM Committee discussed the procurement options provided in the paper at

length and suggested that whilst the paper was currently a working draft they felt the paper's contents merited sharing publicly.

The Committee therefore delegated authority to the Project Board to review and amend Poyry's paper on Procurement Options in readiness for publication in January 2014.

**Action:** Project Board to review and amend Poyry's paper on Procurement Options in readiness for publication in January 2014.

## **Discussion/ Information Items**

### **4. Market Integration**

#### **a. Project Update**

JPM provided an overview of current status of the Market Integration Project which is currently in Phase 2 on High Level Design. The report included updates on work in progress, future tasks, and current risks/issues.

The SEM Committee discussed having sight of the wider project plan for market integration. It was noted that the Project Board would be discussing this in detail at their two scheduled meetings in January. A status update on this will be provided to the SEM Committee at their meeting January with a more detailed update following at the February SEM Committee meeting.

The Committee acknowledged that the new report format worked well and noted the update.

**Action:** Status update on wider Market Integration Project Plan to be provided to the SEM Committee at their meeting in January with a more detailed update to be provided to the committee in February.

#### **b. European Update**

CB gave an overview of the European Electricity update report for December 2013. The SEM Committee noted the update.

### **5. TSO Certification**

#### **a. NI Licence Modifications**

TH provided an update on the Utility Regulator's progress with required licence modifications following the European Commission's final determination in relation to TSO Certification in Northern Ireland.

The Utility Regulator will publish the decision on required modifications early in 2014 pending approval from the Minister for the Department of Enterprise Trade and Investment (DETI). It was noted that the decision paper would also be issued to the CER for information.

The SEM Committee noted the update.

## **b. ROI Update**

GB provided an update on the CER's progress following the European Commission's final determination in relation to TSO Certification in Ireland. It was noted that the CER will be meeting DCENR to discuss this and that the SEM Committee would be provided an update at a future meeting.

The SEM Committee noted the update.

## **6. Gas Transportation Capacity Costs**

JA provided an update on current status of the decision in relation to the treatment of Gas Transportation Capacity Costs. There have been delays due to the requirement to seek further legal advice on this matter. It is expected that the decision paper will be discussed by the Oversight Committee in advance of being submitted for consideration and approval to publish by the SEM Committee at their meeting in January 2014.

The SEM Committee noted the update.

## **7. Uplift Parameters Decision**

CB provided an overview and background information in relation to the decision on uplift parameters for 2014 noting that they will remain unchanged for 2014. It is expected that SEMO will review and make possible changes to uplift parameters in 2015.

The SEM Committee discussed Uplift in the context of the Oversight Committee's information paper to the SEM Committee on Improving Competitiveness and requested that the Oversight Committee provide a further update on this issue at the SEM Committee meeting in February.

The SEM Committee noted the update for information.

## **Standing Items**

### **8. Updates**

#### **a. Market Monitoring Update**

DNew suggested amendments to Figure 31 in the report, the SEM committee were informed that this would be taken under advisement by the MMU team who are currently in the process of reviewing the format of the monthly MMU Update Report with a view to producing a version of the report for publication.

The update was noted.

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

##### CER Update

DN noted the following relevant updates from CER:

- There has been some progress in relation to the sale of Bord Gáis Energy, with the submission of increased offers from bidders. It is expected that the sale may close by April 2014.
- DN announced that he has been offered and has accepted a new role as CEO of Ofgem, he will therefore be leaving his role as Commissioner and Chair of the Commission for Energy Regulation (CER) and subsequently as a member of the SEM Committee within the next few months. The SEM Committee offered DN their congratulations.
- Regarding Judicial Review on Shannon LNG issue – the High Court ruling in favour of CER's proposals was received on 11 December.

#### Utility Regulator Update

TH noted the following relevant updates from the Utility Regulator:

- The UR are currently progressing work on Price Controls for Power NI, firmus energy and Phoenix Supply

#### Independent Members Update:

DNew noted that he had recently attended a meeting at the European Commission in relation to Intraday trading.

### **9. Review of Actions from Meeting 75 on 28 November 2013**

The actions were reviewed and updated.

### **10. SEM Correspondence**

The SEM Committee discussed and advised the relevant teams on correspondence recently received from the Electricity Association Ireland (EAI) and Gaelectric in respect of the decision in relation to Uplift Policy Parameters for 2014 and DS3 respectively.

**Actions:** Relevant RA teams to action correspondence as directed by the SEM Committee

### **11. AOB**

#### **a. SEM Forward Work Plans and Budget Requirements for 2014**

The SEM Committee acknowledged receipt of SEM Forward Work Plans and Budget Requirements for 2014 and noted the Oversight Committee's intention to review work plans with a view to amending the current schedule of meetings for both the SEM Committee and the Oversight Committee.

The Oversight Committee will remit proposals regarding the amendments to the current schedule of meetings to the SEM Committee for decision following their review of the work plans.

#### **b. Oversight Committee Scheme of Delegation following EC's Retirement**

GB offered the SEM Committee's congratulations to EC on his forthcoming retirement. The SEM Committee thanked EC for his valuable contributions to the successful operations of the SEM.

The Committee noted that AE would be EC's delegated replacement to the SEM Oversight Committee for the interim period until such time as EC's successor was in place.

**c. SEM Website and Logo**

The SEM Committee to advise project team of revision to the new SEM logo.

**Date of Next Meeting:**

**SEM Committee 77, Thursday 30 January 2014 at 10.30am – 3.30pm, Utility Regulator Offices, Belfast**