

## SEM Committee Meeting

### Agreed Minutes Meeting No. 82

**Location:** Utility Regulator Offices, Belfast  
**Date:** Thursday, 26 June 2014  
**Time:** 10.30am – 15.15pm

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

**Apologies:** None

#### **In attendance:**

For all Items: Laura Brien (LB) (CER)

For Item 3: Denis Cagney (DC) (CER), Paul Brandon (PB) (CER), Robert O'Rourke (ROR) (CER), Andrew McCorriston (AMcC) (UR),

For Item 4: Brian Mulhern (BM) (UR), Colin Broomfield (CBr) (UR)

For Item 6: Jean Pierre Miura (JPM) (UR), Leigh Greer (LG) (UR)

**Minute Taker:** Elaine Gallagher (EG) (SEMC Secretariat)

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

The Agenda was amended and adopted.

#### **2. Approval of Minutes from Meeting 81 on 29 May 2014**

The minutes were approved for publication, subject to amendments.

#### **Decision Items**

#### **3. DS3**

The DS3 project team presented an overview proposed options in respect of the DS3 System Services procurement design and requested approval from the SEM Committee to publish this paper for a period of consultation. The Committee were also requested to approve the publication of IPA's final report regarding the economic appraisal of DS3 system services and the TSOs demand side report for information along with the consultation paper.

A Q&A session followed in which the SEM Committee sought clarification of a number of issues arising from the presentation. The Committee then held a discussion at length giving consideration to the complex nature of the DS3 project. The project team were requested to consider how the approach to DS3 would align itself with I-SEM and it was noted that increased interaction with I-SEM was likely across the revenue streams at the detailed design stage of the project. The Committee also noted that it would be beneficial to provide the Departments with a briefing on the next steps for the DS3 project at the next Joint Steering Group (JSG) meeting.

The SEM Committee commended the DS3 team for their comprehensive presentation and gave their approval to publish the paper for a period of consultation subject to minor editing changes and on the basis that the TSOs were given one week to review the paper for factual and technical accuracy.

**Actions:**

- 1) Project team to forward consultation paper to the TSOs for their review and comment on factual and technical accuracy of the paper.
- 2) Project team to amend and finalise consultation paper as directed for final approval by the Project Board prior to publication on the AIP website along with IPA's final report regarding the economic appraisal of DS3 system services and the TSOs demand side report.
- 3) RAs to provide briefing on next steps of the DS3 Project for discussion at the next JSG meeting with the Departments.

**4. Market Monitoring Quarterly Report**

BM gave an overview of Market Monitoring Quarterly Report to the SEM Committee for information and to afford the Committee the opportunity to comment. He stated that the purpose of the report is to increase transparency in SEM and to target a broader audience.

The Chair acknowledged the work of the team in progressing this workstream and in particular in promoting transparency. The SEM Committee approved publication of the Market Monitoring Report subject to a number of minor amendments.

The SEM Committee suggested a joint approach by media teams in both Regulatory Authorities would be prudent in responding to any queries that might arise following the publication of the report.

**Actions:**

- 1) MMU team to amend the report as directed and arrange publication of the report on the AIP website as soon as possible.
- 2) Oversight Committee to coordinate responses to queries as they arise following the publication of the Market Monitoring Quarterly Reports.

**5. Certification NIE, SONI, MOYLE**

LG made a brief presentation to the SEM Committee for information purposes regarding the decision on the certification of NIE, SONI and Moyle Interconnector Ltd in Northern Ireland. The Committee duly noted the contents of the memo.

**Discussion/Information Items**

**6. I-SEM**

**a. I-SEM Project Update**

JPM gave an update on progress with phase 2 on I-SEM High Level Design (HLD) to date as follows:

- The draft decision in relation to I-SEM HLD was published on 9 June for a 4 week period of consultation.

- A stakeholder engagement event took place on 19 June in which a number of key recurrent themes were raised by industry.
- A final decision in relation to the HLD will be submitted for consideration by the SEM Committee in August.

## **b. Phase 3 Update**

JPM gave an overview of progress with work in relation to phase 3 of the project in relation to I-SEM Detailed Design and Implementation as follows:

- Project team and TSOs have met and agreed a joint approach to this phase would be prudent. They are currently continuing to progress with work on the project initiation document (PID) for phase 3 of the project. This will be presented for consideration by the SEM Committee at a future meeting.
- The RAs are progressing work on the procurement of consultancy support for phase 3.
- The Project Team are currently developing a scoping paper on options for competitive procurement, meeting with several power exchanges as part of this work-stream. The scoping paper and a more detailed project plan will be submitted for consideration by the SEM Committee at a future meeting.
- LB provided an overview of the operation of the National Electricity Market Operators Coordination Committee. The project team then outlined the interaction with the TSOs on this issue and confirmed that there was a meeting with the TSOs on 25 June to discuss timelines for implementation and stated that dialogue with the TSOs is ongoing.

The SEM Committee noted the update and suggested that arrangements were made to invite the TSOs to the next meeting in July to further discuss the matters in relation to competitive procurement in the I-SEM.

## **Standing Items**

### **7. Updates**

A number of updates were provided by the CER, UR, and Independent Members:

#### **CER Update**

- The Chair informed the Committee that he and GB are making a presentation to the Cabinet subcommittee with respect to energy prices.
- GB provided an update on CER's work on smart meters and Time of Use Tariffs.

#### **Utility Regulator Update**

- JP noted that the Institute of Civil Engineers had published a report on the North-South Interconnector which had received some media attention in Northern Ireland.
- JP made a proposal for further stakeholder engagement between senior industry representatives and the SEM Committee to enable and facilitate discussion of issues and concerns arising in respect of the I-SEM project. The Committee agreed that this would be a valuable exercise and requested that arrangements were put in place for this event to take place on Friday 26 September.

**Action:**

Oversight Committee to make arrangements for stakeholder engagement event between the SEM Committee and senior industry stakeholders.

SEM Independent Members Update:

- DNew noted that National Grid is to publish details on capacity auction at the end of the month.

**8. Review of Actions from Meeting 80 on 24 April 2014**

Actions 285, 302, 306 and 309 were completed all other actions were reviewed and updated.

**9. SEM Correspondence**

**a. Keane Legal Letter**

The SEM Committee noted the contents of this letter.

**Date of Next Meeting:**

SEM Committee Meeting #83, Thursday 31 July 2014, CER Offices, Dublin

10.30am – 15.30pm Est.