

SEM Committee Meeting
Minutes Meeting No. 89

Handwritten notes: "read and signed" with a signature and the date "26/1/15".

Location: Utility Regulator Offices, Belfast
Date: Thursday, 29 January 2015
Time: 10.30am – 15.30pm

Attendees: Jenny Pyper (JP) (Utility Regulator) (UR) (SEMC Chair), Paul McGowan (PMcG) (CER), Aoife MacEvilly (AM) (CER), Garrett Blaney (GB) (CER) Odd Håkon Hoelsæter (OHH) (Independent Member), Professor David Newbery (DNew) (Deputy Independent Member)

Apologies: Bill Emery (BE) (UR)

In attendance:

For all items: Jo Aston (JA) (UR), Laura Brien (LB) (CER)

For Item 3 and 5: Andrew Ebrill (AE) (CER)

For Item 4: Clive Bowers (CB) (CER), Kevin Hagan (KH) (CER), Kenny Dane (KD) (UR),

For Item 5: Philip Newsome (PN) (CER), Elaine Gallagher (EG) (CER),

Minute Taker: Elaine Gallagher (SEMC Secretariat)

1. Approval and Adoption of the Agenda

The agenda was approved and adopted.

2. Approval of Minutes from Meeting 88 on 19 December 2014

The minutes of meeting 88 on 19 December 2014 were approved subject to minor amendments.

Decision Items

3. SEMC Scheme of Delegation

The SEM Committee discussed and approved a SEMC Scheme of Delegation establishing an ISEM sub-committee, under Schedule 1A Electricity Regulation Act 1999 and Schedule 2(9)(1)(b) and the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007. The Committee also authorised Laura Brien and Jo Aston to carry out certain activities and perform functions outlined in the Scheme of Delegation. The Committee approved the Scheme of Delegation subject to the completion of legal due diligence.

4. I-SEM Building Blocks Consultation

An I-SEM Building Blocks Consultation was presented before SEMC for approval. CB outlined the decisions covered in the ETA Building Blocks Consultation Paper and noted that unless the current proposals are seen to be materially incompatible with the High Level Design the project team would propose not to change them. He drew SEMC's attention to a number of key points around:

- Treatment of Transmission Losses
- Treatment of losses on Interconnectors
- Constraints
- Treatment of Firm Access
- Priority Dispatch
- Curtailment
- De Minimis Level
- Currency
- Market Information

In summary, the SEMC approved the publication of the I-SEM ETA Detailed Design – Building Blocks Consultation Paper, noting that the SEMC is minded not to make a specific decision on the Building Blocks concepts until a decision has been made on the overall detailed design of the trading arrangements in Quarter 3 2015.

Discussion/Information Items

5. I-SEM Governance and Licencing

PN gave an update on the legal framework for I-SEM and specifically the assignment of roles and responsibilities.

6. I-SEM Project Update

AE provided the I-SEM project update and noted some recent milestones:

- Joint Approach document was published on the AIP website on 7th January 2015.
- Expenditure framework has also been agreed with TSOs.
- Aggregator of Last Resort Consultation was published earlier this year.
- ETA Building Blocks Consultation will issue shortly.
- I-SEM Project Plan was published in October 2014 and there will not be significant deviation from plan.
- In February 2015 the Roles and Responsibilities Consultation Paper will issue.
- I-SEM Framework panel is almost live and mini-tenders to take place shortly.

The Chair noted that UR was in the process of scoping out a communications plan to include opportunities for dialogue with the SEMC and hoped to have an outline paper for the next meeting.

7. Updates

The SEMC noted the TSC update.

CER Update:

AMcE provided update on stakeholder engagement and in particular on competition and prices in the retail sector. AMcE also noted that DCENR has organised an energy prices forum with big business representative groups and industry.

Independent Member Update:

DNew provided an update with respect to UK Interconnectors participating in capacity auctions.

UR Updates:

The chair provided the following updates:

- Retail electricity and gas tariff announcements will be made in the coming weeks.
- Alan Rainey will attend future SEMC meetings in his capacity as UR adviser with the agreement of SEMC members. SEMC was content.

8. DS3 Project Update

PB provided an update on DS3 as follows:

- DS3 Systems Services Paper was published in December 2014.
- Main issues raised by the DS3 Advisory Council were concerns around timelines for implementation, incentivising future investment and ISEM-DS3 interaction.
- Meetings are ongoing with TSOs on project timelines and to finalise a project plan for discussion and approval at March SEMC.
- I-SEM teams and DS3 teams have had a number of meetings to discuss interaction between these workstreams.

PB also provided an update on RoCoF. A letter has been written to the Systems Operator to request they develop a HAS product which would incentivise compliance with RoCoF by generators. In addition it was noted that the financial impact of failing to meet RoCoF is being considered by the project team.

9. SEM Correspondence

There was no discussion of SEM Committee correspondence.

10. AOB

No additional items were discussed.

Date of Next Meeting:

SEM Committee 90, Thursday, 26 February 2015, CER Offices, Dublin