



committee

SEM Committee Meeting

Minutes Meeting No. 99

Location: UR Offices, Belfast

Date: Thursday, 26 November 2015

Time: 10.30am – 17.30pm

Attendees: Aoife MacEvilly (AMacE) (Commission for Energy Regulation) (CER) (SEMC Chair), Jenny Pyper (JP) (Utility Regulator) (UR), Bill Emery (BE) (UR), Garrett Blaney (GB) (CER), Paul McGowan (PMcG)(CER), Odd Håkon Hoelsæter (OHH) (Independent Member), Professor David Newbery (DN) (Deputy Independent Member)

In attendance:

For all Items: Jo Aston (JA) (UR), Alan Rainey, (AR) Economic Adviser to UR, Eamonn Murtagh (EM) (CER), Laura Brien (LB) (CER)

For Item 3: Barbara Stevens (BS) (UR)

For Item 4: Jean Pierre Miura (JMP) (UR), Joe Craig (JCr) (UR), James Curtin (JC) (CER); René Beune (E-Bridge), Rob Barnett (ECA)

For Item 5 & 6: Colin Broomfield (CBr) (UR), Philip Newsome (PN) (CER), Thomas Quinn (TQ) (CER), Brian Mulhern (BM) (UR), Andrew McCorriston (AMcC) (UR), Alistair Greene (AG) (CSP), Andrew Chattrabhuti (AC) (CSP)

For Item 6 & 7: Robert O'Rourke (ROR) (CER), Paul Bell (PB) (UR)

For Item 8: Jim McAllister, I-SEM Project Manager

Minute Taker: Elaine Gallagher (SEMC Secretariat)

Preliminaries:

Declarations of Interest:

The chair invited members to make declarations of interest. No declarations were made.

1. Approval and Adoption of the Agenda

The agenda was approved and adopted.

Decision Items

2. CRM Decision Paper 1

The SEM Committee noted the development of thinking evidenced in the CRM Decision Paper 1 circulated in advance of SEMC 99, which clearly built on the discussions of the SEM Committee at meeting 98 in Dublin. The Committee considered key decisions in some detail in both SEM Committee 98 and 99 noting in particular the following issues:

- (i) Administered Scarcity Pricing;
- (ii) Market Reference Price;
- (iii) Demand Side Units;
- (iv) Socialisation of RO Difference Payment;

Following discussion, the SEMC endorsed and approved the CRM 1 Decision Paper. The SEMC also noted the CRM issues that would be subject to further consultation in the CRM 2 and CRM 3 consultations.

Discussion/Information Items

3. Key messages on I-SEM

A discussion took place on the key messages of I-SEM to be discussed at the lunch time meeting with representatives from the media and business community of Northern Ireland.

4. I-SEM Forwards and Liquidity Emerging Thinking Paper

The I-SEM Forwards and Liquidity team provided a thorough synopsis of the Decision Paper on I-SEM Financial Transmission Rights (FTRs). The SEM Committee noted the contents of the paper, discussed the issues at length and was of the view that given the depth of the discussion, it had considered all material issues in sufficient detail such that the decision could be made at this meeting (SEMC 99). Accordingly, SEMC approved the publication of the decision paper on I-SEM FTRs.

5. CRM Consultation 2: Emerging Thinking

The SEM Committee discussed and provided guidance on issues associated with supplier interaction and retail exposure. Issues discussed included:

- Participant Contractual Arrangements
- Treatment of Interconnectors
- Secondary Trading
- Transitional Arrangements
- Implementation Agreement

6. Presentation on CRM and DS3 Interaction

AG and AC gave a presentation on CRM DS3 Interaction. Following discussion, the SEM Committee endorsed the next steps recommended in the presentation and accompanying paper as follows:

- Develop a consistent DS3 and CRM qualification process (recognising specific differences of each);
- Develop a consistent DS3 and Capacity Implementation Agreement (recognising specific differences of each);
- Develop DS3 auction to accommodate an extra (capacity) product;
- Separately develop a capacity only auction for 2017;
- Project Board to consider possible future alignment of auction processes;

Action: An update on CRM and DS3 Interaction to be made to the Committee in February 2016.

7. DS3 Project Update

An update was provided on the DS3 Project noting developments in RoCoF regarding Generator Studies, DSO progress and alternative solutions. An update was also provided with respect to System Services. It was noted that further detail on the DS3 project would be provided at SEMC 100 in December.

8. I-SEM Project Update

The I-SEM project update was noted by the Committee including key milestones in the Forwards and Liquidity, Governance and Licensing, Capacity Remuneration Mechanism, Market Power and Energy Trading Arrangements workstreams. Three change requests are in progress – two raised by RAs on (i) Market Power and (ii) FTR Decision Paper, and also a joint milestone 49 change request to close out issues from ETA decision papers. It was noted that the RAs baseline plan has been approved by Project Board and issued as version 1.0, and that this baseline plan has been updated to version 1.8 to show progress.

Standing Items

9. Updates

UR

JP provided an update on legislation with respect to the new market.

CER

AMacE drew the Committee's attention to the recent appointment of Michael Manley as Assistant Secretary General at the Department of Communications, Energy and Natural Resources.

Independent Members

DN provided an update on a paper on which he is commenting with regard to the contribution of wind at cold spells at system peaks in Great Britain.

10. Review of actions from meeting 98 on 29 October 2015

Actions were reviewed and updated.

11. SEM Correspondence


Two pieces of correspondence from the correspondence log were discussed and delegated to the CER in the case of a matter relating to connection policy and to Project Board in the case of a matter relating to CRM.

12. Review and Approval of minutes from meeting 98 on 29 October 2015

The minutes are to be reviewed and approved at SEMC 100.

13. AOB

None.

Signed: 

Aoife MacEvilly, Commissioner, CER, SEMC Chair

**Date of Next Meeting:
SEM Committee 100, Monday, 14 December, CER Offices, Dublin**