

## SEM Committee Meeting

### Minutes Meeting No. 107

**Location:** UR Offices, Belfast

**Date:** Thursday, 28 July 2016

**Time:** 10.30am – 3.30pm

**Member Attendees:** Aoife MacEivilly (AMacE) (CER) (SEMC Chair), Jenny Pyper (JP) (Utility Regulator) (UR), Jon Carlton (JCI) (UR), Paul McGowan (PMcG) (CER), Odd Håkon Hoelsæter (OHH) (Independent Member), Professor David Newbery (DN) (Deputy Independent Member)

**Apologies:** Bill Emery (BE) (UR), Garrett Blaney (CER), Laura Brien (CER)

#### **In attendance:**

For all Items: Jo Aston (JA) (UR), Brian McHugh (BMcH) (UR), John Melvin (JM) (CER) Alan Rainey, (AR) Economic Adviser to UR, and Elaine Gallagher (SEMC Secretariat)

For Item 3: Paul Bell (PB) (UR), Brónagh McKeown (BMcK) (UR)

For item 4: Robert O'Rourke (ROR) (CER), Paul Bell (PB) (UR),

For Item 5: Paul Bell (PB) (UR)

For Item 6 and 7: ROR, PB,

For Item 8: Helen Mounsey-Baker (HMB) (I-SEM Project Manager, ESP Consulting), Aidan Short (Nueda Consulting)

**Minutes:** 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.

#### **2. Review and Approval of Minutes from meeting 107 on 30 June 2016**

Minutes approved subject to minor editorial amendments. Matters arising from the minutes were discussed.

#### **3. SEMO Price Control 2016 – 2019 Decision Paper**

PB provided an overview of the 2016-2019 Price Control Decision Paper and responses received noting that the SEMO Price Control focused on non-I-SEM operational work-streams.

The Decision Paper was discussed at length and SEM Committee endorsed and approved the conclusions contained within the Decision Paper noting that the work-stream aimed to strike a balance between costs approved and those sought.

PB also noted that the RAs proposed to hold a separate consultation on the successful decommissioning of SEM and in particular the preservation of data by SEMO going forward and this approach was noted by SEM Committee.

#### **4. DS3 Interim Tariffs Decision Paper**

ROR led the Committee through an updated version of the DS3 Interim Tariffs Decision Paper which was circulated on Wednesday, 29 June 2016. Detailed discussion ensued with the SEM Committee expressing a number of concerns on the presentation of the draft TSO paper. The Project Board confirmed that these had been raised with and were being addressed by the TSOs. The Project Board will ensure that the specific feedback from SEMC is taken into account by the TSOs in their finalisation of the paper. The Tariffs presented were accepted based on the recommendations of the TSOs and the scrutiny of the Project Board

The SEM Committee considered the protocol for approving TSO methodologies and will revisit this issue at a later stage.

#### **5. Annual Capacity Payment Sum Decision Paper**

SEM Committee considered the Annual Capacity Payment Sum Decision Paper building on decisions for previous years. The paper was approved subject to a number of minor suggested amendments.

#### **6. DS3 Interim Contracts**

SEMC discussed the TSO Paper on Interim Contracts for System Services. The Committee was of the view that it was not appropriate for the Committee to consider the content of commercial contracts to which it is not a party and that as such the content of the Framework Agreements was a matter for the TSOs.

The Committee further concluded that its role was limited to approval of the contractual principles on which the TSOs' commercial contracts would be based. SEMC was satisfied with the principles included in the paper and asked that these be set out in a separate statement. The Committee would then consider this statement for approval by correspondence no later than 3 August.

## **Discussion and Information Items**

### **7. DS3 Update**

ROR provided updates on RoCoF and System Services. This was followed by an integrated DS3 and I-SEM projects briefing below.

### **8. DS3-ISEM Integrated Project Planning Update**

AS and HMB provided an update on integrated planning and on critical path issues relating to I-SEM and DS3 delivery. The SEM Committee considered that it might be appropriate for TSO representation at SEMC meetings for monthly progress reports on I-SEM delivery.

A stock-take was tabled for September 2016 to benchmark I-SEM project progress against the implementation timeline. The SEM Committee noted the importance of establishing an evidence basis for considering any project delay, which must include contributions from market participants. The project office will work with stakeholders in addition to the I-SEM Go-Live readiness work-stream to determine progress made.

### **9. SEM Committee Updates**

AMacE provided an update on I-SEM legislation in Ireland noting that the Energy Bill 2016 was passed by the Dáil on 21 July 2016.

DN informed the Committee of the Energy Policy Research Group, of which he is part, which is hosting a discussion on Brexit on 6 September in Cambridge.

An update was provided on the France-Ireland Interconnector.

### **10. Review of Actions from meeting 106 on 30 June 2016**

Actions were reviewed and updated.

### **11. SEM Correspondence**

Concerns raised in representations to SEM Committee are being addressed through Project Managers Group.

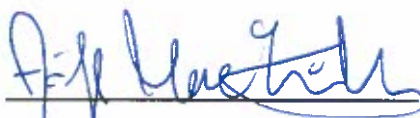
Two additional representations were delegated to Project Board.

**12. AOB**

SEM Committee considered that a presentation on the France-Ireland Interconnector by the TSOs would be appropriate. Project Board to agree when this might take place.

EG informed the Committee that an updated Scheme of Delegation would be circulated for approval to allow I-SEM Sub-Committee to approve modifications to the Transmission System Operator, Market Operator, Generator, Supplier and Interconnector licences; which changes are necessary to implement I-SEM. An updated document will be circulated by the Secretariat for approval in advance of SEMC 108 with an update on proposed licence modifications taking place at that meeting (SEMC 108).

Signed:



**Aoife MacEvilly, Commissioner, CER, SEMC Chair**

**Date of Next Meeting: Thursday, 25 August 2016, CER Premises, Dublin**