



SEM Committee Meeting

Minutes Meeting No. 197

Location: Virtual

Date: Thursday 28th September and Monday 2nd October 2023

Thursday 28th September

Member attendees:

Commission for Regulation of Utilities (CRU): Aoife MacEvilly, Jim Gannon (CRU)

Utility Regulator (UR): Jon Carlton (meeting Chair), John French

Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

In attendance:

For all items: John Melvin (CRU), Colin Broomfield (UR)

For item 3-6: Marie Therese Campbell (UR), Donna Maye (UR), Ian McClelland (UR), Jean Pierre Miura (UR), Timothy Steele (UR), Lisa Tate (UR), Kevin Baron (UR), Emer Gerrard (CRU), Damhnait Gleeson (CRU)

For item 7: Leigh Greer (UR), Caroline Winder (UR), Emer Gerrard (CRU)

For item 8: Kevin Hagan (CRU), Leigh Greer (UR)

For item 9: Ciara Brennan (UR)

For item 11: Brian Mulhern (UR), Ross McFaul (UR)

Apologies: Bill Emery (UR)

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: None

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 196, Wednesday 30th and Thursday 31st August 2023

The minutes from SEM Committee meeting 196, Wednesday 30th and Thursday 31st August 2023 were approved subject to minor amendments.

3. T-4 2027/2028 final qualification decisions

Ian McClelland provided a detailed summary of the T-4 2027/2028 capacity auction final qualification decisions. Total qualified capacity by local constraint area and technology type were presented. Capacity qualified for multi-year reliability options

was outlined. Units recommended for rejection by the System Operator were detailed alongside reasons for rejection.

The Committee discussed a number of specific generating units and impact of the system constraints in the Dublin area. The Committee agreed that further information was required in order for final decisions to be made. Timelines for next steps were discussed and the Committee agreed to meet again in order to make the final qualification decisions.

4. T-4 2027/2028 Final Auction Information Pack (FAIP)

Marie Therese Campbell provided a summary of previous Committee discussions on the T-4 2027/2028 final auction information pack including auction volumes. Detail of ongoing analysis by the RAs was provided including detail of an emerging volumes proposal.

The Committee discussed generation delivery, impact of the delivery standard and consistency with previous auctions. The TSO recommendations were explored in detail alongside a comparison with the current thinking of the RAs.

The Committee noted the ongoing work being carried out by the RAs and agreed to meet again in order to make the final decisions in relation to the final auction information pack.

5. T-4 2027/2028 capacity auction exception applications

Ian McClelland presented the new capacity exception application decisions for the T-4 2027/2028 capacity auction. Detail of applications received for a multi-year reliability option and applications by local constraint area was provided. Rejected applications were presented with the reasons for rejection explained.

The Committee approved the new capacity exception application decisions as presented and approved the final letters for issue to applicants. Delegated authority was given to the Oversight Committee for finalising and issuing.

Timothy Steele presented decisions in relation to the unit specific price cap (USPC) applications. An overview of the approach taken by the RAs was provided including detail of the plexos modelling and assumptions. Feedback from market participants was summarised and inframarginal rent modelling detailed.

The Committee discussed detail of specific applications as part of the USPC process. The need for a refurbishment category was discussed.

The Committee approved the USPC final decisions as presented. The Committee approved the final letters for issue to applicants and delegated authority to the Oversight Committee for finalising and issuing.

6. T-4 2027/2028 capacity auction monitor report

The Committee noted the reasonable assurance provided in the capacity auction monitor report. The Committee sought assurances that issues were being addressed. It was noted that the terms of reference for the capacity auction monitor were to be consulted on.

7. Generation capacity statement 2023 update

Leigh Greer provided relevant context and outlined the process for the development of the generation capacity statement by the TSOs.

Current modelling in relation to the adequacy position in Ireland and Northern Ireland was presented. The value of lost load in each jurisdiction was discussed and available information since the report data freeze date was explored.

The Committee discussed the determination of peak demand and assumptions made on plant availability. TSO changes to the GCS methodology which may require RA approval were highlighted and engagement with the TSOs was summarised.

The Committee discussed the importance of ensuring the accuracy of the GCS and the move to the National Resource Adequacy Assessment from next year. Next steps were noted.

8. TSC modification 01_23

Kevin Hagan provided an overview of the proposed modification 01_23 to the Trading and Settlement Code. The modification process was summarised and detail of the proposed modification outlined.

RA considerations in relation to the modification were detailed and the Committee discussed links with capacity market bids, impact on imperfections and potential cost to the consumer.

The RA current minded-to view on the modification was presented and the Committee indicated agreement with the intended approach.

9. SEMO price control update

Ciara Brennan provided an update on the progress being made on the next SEMO price control. The Committee agreed the intention to move from a three year to a



five-year price control. The Committee approved that consultancy support to be procured by the UR under the interim procurement arrangements.

10. SEM programme management

Jon Carlton provided a summary of previous Committee discussions in relation to the development of a project management function in the SEM.

An overview of what programme management is, need within the SEM, relevant considerations, potential programme management office composition and functions were outlined. The Committee discussed the over-arching approach and need for engagement with the TSO. The Committee agreed the principles of programme management applied to the SEM Committee multi-year workplan and an intended approach is to be brought back to a future meeting.

11. MMU update

The Committee noted the MMU update as circulated. Ross McFaul provided further detail of market prices, wind generation, gas prices, coal prices, imperfection costs, clean dark spread and clean spark spreads during August.

Forward gas prices were outlined and comparison with GB market outcomes explored. Overall demand was discussed.

12. FWP update

A short verbal update on the FWP was provided.

13. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication activities.

The Committee approved the 2024 SEM Committee meeting schedule.

(b) CRU/UR/Independent Members

Jim Gannon provided an update on engagement with DECC in relation to electricity suppliers' hedging strategies, consumer protection measures this winter, the upcoming budget, energy security package, emergency security of supply arrangements in Ireland and the outcome of the latest renewable electricity generation auction.



John French provided an update on the political context in Northern Ireland, personnel changes within the Department of the Economy, recent electricity and gas tariff reviews, UR vires and issue with some Electric Ireland prepayment meters.

(c) Legal update

A verbal update on legal matters was provided.

14. Review of actions from SEMC meeting 196, Wednesday 30th and Thursday 31st August 2023

The Committee discussed open actions.

15. SEMC correspondence

The Committee discussed recently received correspondence.

16. AOB

The Committee discussed the short circuit and constraint issues in Dublin and Cork and noted ongoing discussions on this area.

The Committee agreed to reconvene on Monday 2nd October to finalise decisions in relation to the T-4 2027/2028 capacity auction.

Monday 2nd October 2023

Member attendees:

Commission for Regulation of Utilities (CRU): Aoife MacEvilly, Jim Gannon (CRU)
Utility Regulator (UR): Jon Carlton (meeting Chair), John French
Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

In attendance:

For all items: John Melvin (CRU), Colin Broomfield (UR), Marie Therese Campbell (UR), Andrew Chatrabhuti (ESP Consulting), Brian Mulhern (UR), Timothy Steele (UR), Ciaran Breen (UR), Ian McClelland (UR), Jean Pierre Miura (UR),

Apologies: Bill Emery (UR)

1. T-4 2027/2028 final qualification decisions

A summary of previous Committee discussions in relation to the T-4 2027/2028 final qualification decisions was provided. John Melvin provided an update on engagement with a market participant and latest position outlined.

The Committee approved the proposals for the T-4 2027/2028 final qualification decisions as presented.

2. T-4 2027/2028 Final Auction Information Pack (FAIP)

Marie Therese Campbell summarised the RA development of a proposal on volumes for inclusion in the final auction information pack.

Andrew Chattrabhuti provided detail of updated RA analysis following previous Committee discussions. Updated modelling outcomes were presented including relevant adjustments, auction cost and variances with the TSO proposal.

The Committee approved the T-4 2027/2028 final auction information pack as presented subject to final validation to be carried out by the RAs.

3. AOB

An update on interim extensions to substantial financial completion dates for specific projects was provided. The Committee noted the current position with further information to be provided at an upcoming Committee meeting.



Signed: _____

Bill Emery, SEM Committee Chair