

**SEM Committee Meeting**

**Minutes Meeting No. 198**

**Location:** UR offices, Belfast

**Date:** Thursday 26<sup>th</sup> October 2023

**Member attendees:**

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

**In attendance:**

For all items: John Melvin (CRU), Colin Broomfield (UR)  
For item 3: Barry Hussey (CRU), Merin Joseph (CRU)  
For item 4: Brian Mulhern (UR)  
For item 5: Yongkang An (CRU), Michael Barrett (CRU)  
For items 5 and 6: Andrew Waghorn (Deloitte)  
For items 6 and 8: Donna Maye (UR)  
For item 7: Ciaran Breen (UR)  
For item 9: Kevin Baron (UR), Lisa Tate (UR), Andrew Chattrabhuti (ESP Consulting)  
For item 10: Barry Hussey (CRU)  
For item 11: Bryan McGreal (UR), Brian Mulhern (UR)

**Apologies:** Aoife MacEvilly (CRU)

**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 197, Thursday 28<sup>th</sup> September and Monday 2<sup>nd</sup> October 2023**

The minutes from SEM Committee meeting 197, Thursday 28<sup>th</sup> August and Monday 2<sup>nd</sup> October 2023 were approved subject to minor amendments.

**3. 2021 Generator financial performance report**

Merin Joseph presented the 2021 generator financial performance report for consideration by the Committee. A summary of the key findings was presented and the Committee discussed market performance and outcomes.

The impact of the unprecedented increases in international wholesale fuel prices, significant outages of efficient gas generation during the year, the investment profile of generation and fluctuating profile of generation revenue was discussed. The Committee noted the steps taken by governments across Europe in response to energy price increases across all energy markets.

The Committee approved the report for publication.

#### **4. Provision of deemed firm access for battery units**

Brian Mulhern presented relevant background information on a proposal for the provision of deemed firm access for battery units in the SEM. Feedback and modelling from market participants was outlined. Analysis carried out by the RAs was detailed alongside feedback from engagement with the Market Operator.

Options for next steps were discussed. The Committee approved the proposals as presented and delegated authority to the Oversight Committee for the issue and publication of relevant correspondence.

#### **5. Trading and Settlement Code market auditor's report**

The Committee noted the Trading and Settlement Code market auditor's report for 2022 as circulated. Issues identified were presented and the Committee discussed the reoccurrence and tracking of issues.

The Committee approved the report for presentation at the trading and settlement code modifications committee following publication by SEMO.

#### **6. Capacity market auditor's year 3 and year 4 reports**

The Committee noted the capacity market auditor's year 3 and year 4 reports and discussed their conclusions.

The Committee approved the reports for publication by the system operators.

#### **7. Generator substantial financial completion extension request**

Ciaran Breen provided relevant detail of a substantial financial completion extension request as submitted by a generator. Reasons for the request were detailed alongside the assessment from the TSO.

The Committee approved the substantial financial completion extension request.

## **8. T-3 2024/25 awarded new capacity substantial financial completion extension requests**

Donna Maye detailed substantial financial completion requests from some awarded new capacity in the T-3 2024/25 capacity auction. Relevant contextual information and analysis was provided.

The Committee approved the substantial financial completion extension requests.

## **9. T-1 2024/25 parameters decision and initial auction information pack**

Kevin Baron provided an overview of the T-1 2024/25 parameters consultation and decisions requested of the Committee. Detail of relevant parameters for decision were presented and discussed.

The Committee approved the parameters decision and initial auction information pack as presented.

## **10. SEM fuel mix disclosure**

Barry Hussey provided relevant background information on the SEM fuel mix disclosure document. Key findings of the 2022 report were summarised and discussed including renewable energy figures and carbon dioxide intensity.

The Committee noted the next steps including plans for publication.

## **11. SEM programme management**

Jon Carlton provided an overview of previous Committee discussions on an approach to programme management in the SEM. The scope of work, engagement with the programme management team and programme management structure were discussed. SEMC agreed to proceed with next steps, in particular the research into and procurement of suitable external programme management support. It was noted that expedited joint procurement would be required to get this in place in a timely fashion.

## **12. MMU update**

The Committee noted the MMU update as circulated. Bryan McGreal provided further detail on day-ahead market prices, wind generation, carbon prices, system demand, spark spreads and interconnector activity during September.

Ongoing investigations by the MMU were noted.

### **13. FWP update**

The Committee discussed the end of year position for the October 2022 – September 2023 Forward Work Programme.

### **14. October 2023 – September 2024 SEMC FWP**

The initial list of proposed projects for inclusion in the October 2023 – September 2024 FWP was presented to the Committee.

The Committee discussed a range of priority projects, resource considerations and need to be able to respond to emerging issues across the year.

The Committee approved the October 2023 – September 2024 FWP and delegated authority to the Oversight Committee to finalise for publication.

### **15. Updates**

#### **(a) SEMC communications and governance update**

Barbara Stevenson updated the Committee on recent communication activities.

#### **(b) CRU/UR/Independent Members**

Jim Gannon provided an update on the DECC energy security package, RESS 3 auction, retail prices and consumer protection measures this winter in Ireland.

John French provided an update on UR restructure, political context in NI, draft corporate strategy, energy charter, security of supply and UR vires.

#### **(c) Legal update**

A verbal update on legal matters was provided.

### **16. Review of actions from SEMC meeting 197, Thursday 28<sup>th</sup> September and Monday 2<sup>nd</sup> October 2023**

The Committee discussed open actions.

### **17. SEMC correspondence**

The Committee discussed recently received correspondence.



**18.AOB**

None.

A handwritten signature in blue ink that reads 'Bill Emery'.

Signed: \_\_\_\_\_

**Bill Emery, SEM Committee Chair**