

SEM Committee Meeting

Minutes Meeting No. 32

Location: Utility Regulator Northern Ireland ("UR") offices, Belfast.
Date: 28th September 2010
Time: 10.00-2pm

Attendees: Dermot Nolan (Commission for Energy Regulation)("CER"), Michael Tutty ("MT")(CER), Iain Osborne ("IO")(UR), Dermot MacCann ("DMcC") (UR) Alan Rainey (UR), Ignacio Perez-Arriaga (Chairman, Independent Member), Jose Sierra Lopez (Deputy Independent Member); Garrett Blaney (CER);

In attendance:

For all agenda items: Eugene Coughlan (CER), Cathy Mannion ("CM")(CER), Shane Lynch (UR);
For agenda item 4a, 4, 5 – Jody O'Boyle ("JOB"), Paul Bell ("PB") (UR);
For agenda item 4b, 4d, 6 Juliet Corbett ("JC")(UR);

Minute Taker: Laura Steerman (CER/ SEMC Secretariat).

1. Approval and Adoption of the Agenda

The agenda was approved and adopted.

2. Approval of Minutes from Meeting on 31st August 2010

The minutes were approved subject to minor modifications.

3. Review of Actions from Meeting on 31st August 2010.

Action Items 135, 139 and 145 were noted as complete. All other action Items were noted as ongoing.

4. Policy Papers/ Matters

A. CPM Medium Term Review Work Package 7 BNE Calculation Methodology.

JOB provided an overview of the CPM Medium Term Review Work Package 7 BNE Calculation Methodology discussion paper. He gave an outline of the options and work done to date to be consulted upon, noting a more detailed consultation paper is to follow in or about October and a decision on the work packages is due in 2011. Comments were provided during discussion of the paper, which the project team will take into account when revising the paper for publication and any further comments are to follow shortly. The SEM Committee approved the paper for publication subject to final minor amendments being made.

B. Scheduling and Dispatch - Material Level of Harm

JC provided an update. The SEM Committee asked that a paper be submitted to the next meeting detailing the measures to be monitored and how monitoring would be undertaken and reported upon.

C. Project ARC Update

The information update from the project team was noted by the SEM Committee. Meetings with representative staff of the Regulatory Authorities and the SEM Committee are due to commence over the next couple of weeks.

D. TUoS Proposed Decision Paper

JC updated the meeting that a draft proposed decision paper was currently being circulated internally for review and would be sent to the SEM Committee for their information shortly.

5. Market Monitoring Unit Update

PB talked through the MMU update report, highlighting changes from last year in SMP and demand and trends identified. Further investigation is suggested. A recent price floor event and two zero price events were noted and should be considered as part of the Material Level of Harm work stream.

Action: The MMU will further examine the changes in SMP from last year, explore French and Great Britain prices over the same period for information and note plant unavailabilities in future MMU Updates.

6. Trading and Settlement Code update

The TSC update was noted by the SEM Committee. The SEM Committee recognised that the modifications on the Error Supply Unit ("ESU") and Global Aggregation which are currently in progress were executing previous policy decisions of the SEMC.

JC and CM provided an update on the Global Aggregation modification which had gone to the Modifications Panel and the proposal had been agreed. It was decided that the Final Recommendation Report would go to the Oversight Committee for consideration and final approval and to SEM Committee for information. The modification is to be implemented in the Republic of Ireland when changes to systems required to effect the modification are implemented.

The Modifications Panel are due to decide on the ESU modification at their next meeting. The recommendation report was decided to be sent to the Oversight Committee for their consideration and final approval. SEMO has been requested to carry out an impact assessment on system changes for the ESU.

The SEM Committee emphasized the importance of efficient and timely processing and decision making of modifications, as with all regulatory matters.

7. Reporting of Decisions Made by the Oversight Committee to SEM Committee

The report was noted.

8. Updates from CER/NIAUR/Independent Members

- a. MT provided update on the Commissioners appearance before Joint Oireachtas Committee and upcoming appearances. It was noted that a review group on the sale of

state assets had been set up and the CER had been requested to make submission to the group on energy assets.

- b. IO updated the Committee that tariff announcements in Northern Ireland were made two weeks ago.
- c. IO noted that the re-appointments of the Independent Member and Deputy Independent Members of the SEM Committee were progressing.
- d. The SEM Committee thanked DMcC for his work on the SEM Committee over the past couple of years and his involvement in setting up the SEM.

9. Meeting Dates for 2011

An amendment was agreed to the schedule of dates for SEM Committee Meetings in 2011.

10. AOB

- a. The direction issued to a commercial generator in relation to the carbon revenue levy was discussed.
- b. It was agreed that a joint Strategy Day/Project ARC Day would take place on the afternoon of 29th November 2010
- c. The SEM Committee discussed the advice provided in the Second Legal Advice Paper and the SEM Matter audit.

Action: Regulatory Authority legal advisors provide further guidance to the Committee in relation to Section 3.1 of the Second Legal Advice Paper to the SEM Committee.

SEM Committee, 26th October, CER Offices, Dublin
Oversight Committee, 5th October, CER Offices, Dublin