

## SEM Committee Meeting

### Minutes Meeting No. 43

**Location:** Utility Regulator Offices, Belfast  
**Date:** 30<sup>th</sup> August 2011  
**Time:** 10.30am – 3.45pm

**Attendees:** Alan Rainey (AR) (Utility Regulator) (UR) (SEMC Chairman), Shane Lynch (SL) (UR), Garrett Blaney (**GB**) (CER), Ignacio Perez-Arriaga (IP-A) (Independent Member), Jose Sierra Lopez (JS-L) (Deputy Independent Member).

**Apologies:** Dermot Nolan (DN) (CER)

**In attendance:**

For all items: Tanya Wishart (TW) (UR), Eugene Coughlan (EC) (CER), Cathy Mannion (CM) (CER)

For item 5: Paul Brandon (PB) (CER)

For Item 6: Jody O'Boyle (JO'B) (UR), Colin Broomfield (CBr) (UR), Paul Brandon (PB) (CER), Clive Bowers (CB) (CER)

For Item 7: Colin Broomfield (CBr) (UR)

For Item 8: Gordon Downie (GD) (Shepherd & Wedderburn) (S&W), Paul Brandon (PB) (CER)

For Item 9: Paul Brandon (PB) (CER), Mark Needham (MN) (EirGrid), Dick Lewis (DL) (SONI)

For Items 12: Gordon Downie (GD) (S&W)

**Minute Taker:** Mignonne Smith (UR) (SEMC Secretariat).

#### 1. Approval and Adoption of the Agenda

An additional item was added to the Agenda under AOB and the Agenda was adopted.

#### 2. Approval of Minutes from Meeting 42 on 26<sup>th</sup> July 2011.

The Minutes were adopted subject to a few minor amendments.

#### 3. Review of Actions from Meeting 42 on 26<sup>th</sup> July 2011.

Actions 173, 176, 177, 178, 180 and 187 were reviewed and updated all other actions are completed.

#### 4. International Energy Agency – In-Depth Review of Irish Energy Policy

EC provided background information on the International Energy Agency's invitation to the SEM Committee to participate in its in-depth review of Irish Energy Policy. Presentation content and appropriate attendees were discussed. To ensure adequate representation the SEM Committee agreed that the Chairman and a representative from CER would attend along with one of the Independent SEM Committee members.

**Action:** Presentation slides to be drafted and circulated to the Oversight Committee for discussion prior to final approval by the Chairman.

## **5. Trading and Settlement Code Update**

The update was noted.

### **5a. Modification 38\_10**

EC provided overview of Modification 38\_10 Treatment of Errors under the Trading and Settlement Code. The SEM Committee discussed options for decision on the recommendation from the Modifications Committee at length. A decision was made to go with option 2 at this time and reject the recommendation of the Modifications Committee on grounds of proportionality, taking into account the expected reduction in error impact following the implementation of Intra Day Trading . The SEM Committee further noted that it would keep this decision under review, taking action should further significant errors arise.

## **6. CPM Medium Term Review Update**

CBr updated the SEM Committee on the CPM Medium Term Review highlighting areas under consideration following the April 2009 Consultation. The Project Team requested further guidance from the SEM Committee in moving forward with this work stream. The SEM Committee briefly discussed the issues offering guidance and noted that a decision paper would be scheduled for discussion by the SEM Committee in October.

## **7. MMU Update**

The update was noted.

## **8. TSO Certification for NI**

AR and TW provided update on TSO certification process for NI following a recent meeting with representatives of the European Commission. The SEM Committee considered the issues at length in particular the application of Article 9(9) of the Directive, the potential unbundling options and timescales for the certification process.

The SEM Committee agreed it would be prudent to postpone publishing a formal information note until September when further European Commission guidance would be published.

**Action:** TW to provide update on timetable for TSO certification process at SEM Committee in September.

## **9. GTUoS Decision Paper**

MN and DL (the Transmission System Operators) (TSOs) provided the SEM Committee with a brief presentation on the 2011/12 Generator Indicative Tariffs and the Generator TUoS methodology and modelling which detailed the steps taken by the TSOs in calculating these indicatives.

Following a brief Q&A with the TSOs the SEM Committee discussed at length concerns regarding the methodology used. It was noted that it would be prudent to review the issues more fully with the TSOs prior to publication of a decision paper and it was agreed that Extra Ordinary SEM Committee meeting would be arranged following that review.

**Action:** MS to schedule Extra Ordinary SEM Committee Meeting.

#### **10. European Update – Market Integration**

TW provided a brief update on Market Integration noting that a presentation providing more in-depth information was scheduled for discussion at the SEM Committee in September.

The SEM Committee reviewed key stages in Market Integration moving forward and noting the requirement for discussion at SEM Committee and requested that a full SEM Committee meeting was scheduled for December 2011.

**Action:** MS to schedule SEM Committee meeting for December.

#### **11. SEM Correspondence**

The SEM Committee discussed correspondence received in respect of treatment of losses in the SEM. It was agreed that the Project Board would draft a response for signature by the Chairman.

**Action:** Project Board to draft response for signature by the Chairman.

#### **12. Update on Judicial Review**

GD provided an update on current status of the Judicial Review noting the appeal by Viridian. The SEM Committee discussed the issues and the options open to it in response.

#### **13. Reporting of Decisions Made by Oversight Committee to SEM Committee**

The SEM Committee noted decisions.

#### **14. Updates CER/NIAUR/Independent Members**

##### Utility Regulator Update:

SL provided update on increases of up to 19% in Power NI rates in Northern Ireland based on increases in the price of wholesale gas.

##### CER Update:

GB provided update on behalf of CER noting increases of 14.8% in ESB Electric Ireland rates in the Republic of Ireland.

##### Independent Members:

JS-L noted upcoming election in Spain will now take place in November rather than March as previously planned.

#### **15. AOB**

Carbon Price Floor:

JC provided update noting DETI' s response to Treasury and the possible implications for the SEM.

**Date of next meeting: Tuesday 27<sup>th</sup> September 2011, CER Offices, Dublin**