

SEM Committee Meeting

Minutes Meeting No. 56

Location: Utility Regulator Offices, Belfast
Date: 28th June 2012
Time: 10.30am – 4.00pm

Attendees: Dermot Nolan (DN) (CER) (Acting SEMC Chairman), Alan Rainey (AR) (Utility Regulator) (UR), Ignacio Perez-Arriaga (IP-A) (Independent Member), Shane Lynch (SL) (UR)

Apologies: Garrett Blaney (GB) (CER) (SEMC Chairman), Jose Sierra Lopez (JS-L) (Deputy Independent Member).

In attendance:

For all items: Tanya Hedley (TH) (UR), Jean Pierre Miura (JPM) (UR) Eugene Coughlan (EC) (CER), Cathy Mannion (CM) (CER)
For item 4: Clive Bowers (CB) (CER)
For Items 5: Philip Newsome (PN) (CER)
For Item 6: Paul Brandon (PB) (CER)
For Items 8: Andrew McCorriston (AMcC) (UR)
For Items 9: Dick Lewis (SONI), Gerry Hodgkinson (NIE)
For Items 10: Colin Broomfield (CBr) (UR)
For Item 11: Kenny Dane (KD) (UR)

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

1. Approval and Adoption of the Agenda

The Agenda was adopted.

2. Approval of Minutes from Meeting 55 on 31st May 2012

The Minutes were adopted subject to minor amendments.

3. Review of Actions from Meeting 55 on 31st May 2012

Actions 215, 220 and 222 were completed all other actions were amended and updated.

4. Trading and Settlement Code

a) TSC Update for June 2012

CB provided an update on Trading and Settlement Code Modifications. The SEM Committee noted the update.

b) Intraday Congestion Charging Methodology

CB provided an overview of the Decision Paper on Intra Day Congestion Charging Methodology and requested approval to publish the paper. The SEM Committee discussed the paper at length and gave approval to publish subject to addressing the Independent Member's point regarding super positioning.

The SEM Committee also gave approval, as requested, for delegated decision making authority for the Oversight Committee to approve the Moyle and EWIC interconnector access rules when they are amended and to approve the EWIC and Moyle Charging Methodology Statements.

c) Mod 03_12 Alignment of TSC with Revised VAT Arrangements

CB summarised background information regarding proposed SEM Committee decision on Modification 03_12 regarding alignment of Trading and Settlement Code (TSC) with revised VAT arrangements.

The SEM Committee discussed the proposal at length and approved the modification subject to the provision of a detailed justification from SEMO regarding systems implementation costs from the vendor.

5. Market Integration Project

JPM presented an update report on current status of the Market Integration Project highlighting ongoing review of central dispatch in the SEM and Target Model implementation.

The SEM Committee noted the update.

6. Draft Decision on Curtailment

PB presented an update on the draft decision regarding Treatment of Curtailment in Tie-Break situations following on from the recent consultation (SEM-12-028). The SEM Committee briefly discussed emerging themes from the consultation responses and it was noted that the Project Board aimed to have a proposed decision paper made available for discussion at the SEM Committee meeting in July.

7. TSO Certification Update

TH provided an update on the Regulatory Authorities (RA's) evaluations of the TSO Certification applications for Ireland and Northern Ireland. The update included a comparable review of the Scottish Decision regarding "9(9)" Certification for information.

The SEM Committee discussed timings for certification process and suggested that the Project Board seek legal advice on the final decision. It was noted that a further update would be made at the SEM Committee meeting in July.

8. Dispatch and Scheduling – Reference Plant for Hybrid in Priority Dispatch – Follow Up Consultation

AMcC provided background information on draft consultation regarding “the appropriate reference thermal plant deemed to be displaced by the qualifying hybrid plant” as referred to in the SEM Committee Decision on Principles of Dispatch and the Design of the Market Schedule on the Trading and Settlement Code (SEM-11-062).

The SEM Committee discussed at length and suggested amendments where appropriate, and gave delegated authority to the Project Team to refine and finalise wording of the consultation document prior to publication.

9. Firm Access Quantities (FAQs) Methodology

The SEM Committee welcomed Dick Lewis (SONI) and Gerry Hodgkinson (NIE) and invited them to present on changes to the Generator Connection Process for the calculation of Firm Access Quantities (FAQs).

Following a brief Q&A session the SEM Committee discussed issues arising and suggested that the Project Team prepare a note summarising all relevant issues for discussion at SEM Committee meeting.

Action: Project Team to prepare note summarising relevant issues on FAQs for discussion at SEM Committee.

10. Market Monitoring – June Update

CBr provided an overview of the Market Monitoring report for May 2012. Report highlight included the provision of analysis of the effect of removal of the Carbon Levy from generator bids.

The SEM Committee noted the update.

11. Gas Transportation Costs and BCoP Draft Consultation

KD provided an overview of a discussion paper on treatment of Gas Transportation Costs within the Bidding Code of Practice (BCoP) and sought guidance on the options provided within the paper.

The SEM Committee discussed the options provided and related issues at length and advised the Project Team to develop a draft consultation paper for discussion, and approval to publish, at the SEM Committee meeting in July.

Action: Project Team to develop a consultation paper for discussion and approval to publish by the SEM Committee at their meeting in July.

12. Reporting of Decisions made by Oversight Committee to SEM Committee

The update was noted.

13. Updates CER/UR/Independent Members

CER

DN provided updates as follows:

- CER Commissioner Position has been advertised
- Smart Metering decision on phase 2 (requirements definition and procurement) to be published

Utility Regulator

SL provided updates as follows:

- Moyle Interconnector down to half capacity – discussion followed on implications for security of supply in Northern Ireland
- Scottish and Southern Energy acquisition of Endesa assets – SL sought opinion on joint RA response to Competition Commission, the SEM Committee agreed to this approach.

Independent Members

The Independent Members had no updates.

14. SEM Correspondence

a) Empower Correspondence re AGU Agreement

TH noted ongoing discussions with DETI on vires to issue supply licence to DSUs. .

Action: Project team to prepare and issue holding letter to Empower providing update.

15. AOB

The following items were discussed:

- a) Security of Supply for Northern Ireland and current fault on Moyle as well as delivery of the second North South Interconnector. The SEM Committee asked the Oversight Committee to consider these issues further and revert for further discussion at future SEM Committee meetings.

Date of Next Meeting: Thursday 26th July 2012, CER Offices, Dublin