

SEM Committee Meeting

Minutes Meeting No. 113

Location: Dublin Castle, Dublin
Date: Thursday, 26 January 2017
Time: 10.30am – 3.30pm

Member attendees:

Utility Regulator (UR): Bill Emery (SEMC Chair), Jenny Pyper, Jon Carlton
Commission for Energy Regulation (CER): Garrett Blaney, Aoife MacEville, Paul McGowan
Independent members: Odd Håkon Hoelsæter and Professor David Newbery (Deputy)

In attendance:

For all Items: Brian McHugh (UR), Tony Doherty (UR), Alan Rainey (Economic Adviser to UR), and Keith Holmes (Secretariat)
For Item 3: Barry Hussey (CER), Kevin Hagan (CER), Sheena Byrne (CER)
For Item 4: Jenny Riesz (AEMO), Robert O'Rourke (CER), John Melvin (CER)
For Item 5: John Fitzgerald (Eirgrid), David De Casseres (SONI), Aidan Corcoran (Eirgrid), Margaret McCarthy (Eirgrid), Robert O'Rourke (CER), John Melvin (CER)
For Item 6: Jean Pierre Miura (UR), Joe Craig (UR)
For Item 7: Helen Mounsey-Baker, I-SEM project manager, ESP Consulting, Robert O'Rourke (CER), John Melvin (CER)
For Item 8: Robert O'Rourke (CER), John Melvin (CER)

Via Teleconference:

For Items 3, 6 & 7 to 12: Laura Brien, (CER).

Minutes : Keith Holmes (Secretariat)

Declarations of interest: No declarations were made.

1. Approval and adoption of the agenda

The agenda was approved.

2. Review and approval of minutes from meeting 112 on 15 December 2016

A number of editorial amendments were proposed and accepted by the committee. The amended minutes were approved for publication.

3. Decision on Supplier Charges

Barry Hussey presented an update on the supplier charges decision. This was followed by a discussion of the responses received and the proposed recommendation to the committee. It was agreed that the decision paper needed to:

- Highlight that the gross demand approach cannot be implemented for I-SEM go-live.
- Highlight that the SEMC is attracted to the arguments in favour of the gross demand approach and not convinced by the arguments against, but has no choice but to go with net demand at I-SEM go-live.
- State that the systems should be built to allow for the implementation of gross demand.
- State that the SEMC will examine transaction costs and smaller player participation in I-SEM and try to get clarity on the capacity benefits that embedded generators provide to the system.

The committee delegated the approval of final decision paper to the I-SEM sub committee.

4. Presentation from Australian TSOs on System Services

Jenny Riesz (AEMO) presented to the committee. Areas covered were:

- Background to the national electricity market in Australia.
- Overview of the future power system security program.
- Identifying and addressing future challenges in particular frequency control and system strength.
- Black system event – September 2016.

Learning experiences were discussed with the committee. The chairman thanked Jenny for the presentation and for taking the time to meet SEMC.

5. Update on North-South Project and the EWIC outage (Eirgrid presentation)

EWIC outage update

An update was provided by Aidan Corcoran outlining the current status of EWIC, also explaining the nature of the problem and the basis of repair. Findings were discussed with the committee. Aidan Corcoran noted that learning experiences/actions will be shared with other member forums. The committee welcomed the significant achievement represented by the return of EWIC operation two months ahead of schedule.

North-South project

An update was provided by David De Casseres outlining project status, ROI and NI updates and programme delivery. This was followed by discussion with the committee. Revised operational date was discussed with the consent timeline (earliest September 2017) being noted as the key driver for this. The positive An Bord Pleanála decision was noted by the committee.

6. I-SEM forwards market within zone emerging thinking/summary of consultation responses

Tony Doherty and Jean Pierre Miura presented slides reminding SEMC of the background and rationale of the emerging thinking. This was followed by a discussion. The project team informed the committee that a decision paper will be presented to the SEM committee February meeting (SEMC 114).

7. ISEM/DS3 project update

ISEM

Helen Mounsey updated the committee with regards to the progress of 'JCR 170 – Revised I-SEM milestones'. Responses received from impact assessments were discussed. Next step is to seek approval for the change request from I-SEM steering group.

The new integrated project plan for ISEM and DS3 contained in the progress report was highlighted to the committee. Timelines were discussed and the significant number of milestones due between the period March to June 2017 was also noted.

DS3

Robert O'Rourke provided a progress update to the committee. Points discussed with the committee:

- ROCOF generator studies progressing well, with the project currently being in testing phase. Still some concerns highlighted in particular with regards to the implementation of setting changes for distribution connected embedded generation. It was noted that this specific concern is now the critical path on ROCOF.
- DSM power off and save event - it was confirmed that this was residential experimental testing event and that a reasonable response was obtained from customers.
- SNSP – noted following results of trial the SNSP limit will formally change.

8. DS3 Re-plan

Robert O'Rourke provided an update to the committee with regards to the DS3 replanning. It was noted that the plan was being refined with the RA's and TSO's. Information paper for industry and the revised plan to be presented at next SEM committee February meeting (SEMC 114). Resourcing commitments were also discussed.

9. Updates

A – SEMC communications strategy update

Agenda item noted as read. Other points noted:

Invite received to all Ireland civic dialogue on Brexit Roscommon 6 February. This is a specific conference for the energy sector in Ireland. Jenny Pyper to consider UR attendees for this event.

B – I-SEM and DS3 hymn sheets

Noted update required to hymn sheets to include latest DS3 planning position and Brexit lines to take.

C – CER/NIAUR/independent members

CER

- Continued engagement with OFGEM re BREXIT discussions.
- Winter package – on-going. White paper to be issued by European Union.
- Retail – report to be issued re review of electricity and gas markets. Findings noted.

UR

- Supplier of last resort (SOLR) process - progress update provided with regards to the closure of Open Electric Supplier December 2016. SOLR process was implemented; all customers' power supply was successfully transferred. UR to share learning experiences with CER.
- Current status of Northern Ireland Assembly and potential budget approval impact noted.

Independent Members

- Odd Håkon Hoelsæter – communicated upcoming events he is planning to attend.
- Professor David Newbery – provided an update on paper re market power in the Irish electricity market.

10. Review of actions from meeting 111 on 24 November 2016

Actions were updated.

11. SEM Correspondence

Letter from SONI re TSO's priority dispatch review: inclusion of solar and tidal – correspondence noted.

Letter from Eirgrid re SEM constraint group in the South West – 2016 Review – correspondence noted.

Letters from Viridian and ISquared Capital re proposed regulatory controls in the I-SEM energy and capacity markets – correspondence noted. Response to be drafted following meeting with Viridian – CER.

12. AOB

Noted letter received from Nordpool seeking to act as a NEMO in I-SEM. Tony Doherty planning to discuss with NEMOs as part of the GB I-SEM project group.

Venues and dates for future SEMC meetings discussed. Noted Bill Emery is unable to make SEMC meeting on 29 June 2017. Meeting on 21 December noted as being quite late on in calendar year. All 2017 SEM committee meeting dates to be reviewed and invites confirmed.

An FOI request with regards to the CEPA preliminary analysis report has not been released and is pending appeal. SEMC noted that consultancy documents that inform decision making should not be released before the finalisation of policy.

Signed: 
Bill Emery, SEMC Chair