



SEM Committee Meeting Minutes Meeting No. 118

Location: Utility Regulator Offices, Belfast

Date: Thursday, 29 June 2017

Time: 09.00 – 14.00

Member attendees:

Utility Regulator (UR): Bill Emery (SEM Committee Chair) (Items 1 to 7 only), Jenny Pyper, Jon Carlton

Commission for Energy Regulation (CER): Garrett Blaney, Aoife MacEivilly, Paul McGowan

Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

In attendance:

For all Items: Jo Aston (UR), Alan Rainey (Economic Adviser to UR), Laura Brien (CER), Kenny Dane (UR)

For Items 1 to 7: Roisin McLaughlin (UR)

For Items 2 and 3: Colin Broomfield (UR), Kevin Lenaghan (UR), Tom Quinn (CER)

For Item 4: Barry Hussey (CER), Peter Wibberley (Yellow Wood Energy Consulting), Andrew Jackson (design and implement)

For Item 5: David Egan (CER), Brian Mulhern (UR), Gordon Downey (Shepherd and Wedderburn (via telephone))

For Item 6: Gina Kelly (CER), Joe Craig (UR)

For Item 7: Brian McHugh (UR), Aidan Short (Neueda)

Apologies: none.

Minutes: Kenny Dane

Declarations of interest: No declarations were made.

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. CRM Locational Capacity Constraints – Decision Paper

Colin Broomfield gave a presentation on the proposed decisions on the methodology for determining the constraint areas and the minimum MW requirements in each constraint area.

The committee approved the decision paper and delegated the approval of the final edits to the decision paper to the I-SEM project board.

3. Capacity Market – Initial Auction Information Pack

Colin Broomfield gave a presentation on the initial auction information pack. The committee noted the recommendation from the I-SEM Steering Group on 23 June 2017 that the initial auction information pack be released on 3 July 2017, contingent on the committee approving the parameters within the information pack at their meeting on 29 June 2017.

The committee approved the parameters within the information pack and delegated approval of the final version of the information pack to I-SEM project board to allow the TSOs to publish on 3 July 2017.

4. ETA Parameter Tranche 2 – Decision Paper

Barry Hussey gave a presentation on proposed parameters to apply under I-SEM in respect of scheduling and dispatch, imbalance pricing, credit management and balancing market price cap and price floor.

The committee approved the decision paper and delegated the approval of the final edits to the decision paper to I-SEM project board.

5. Balancing Market Principles Code of Practice – Decision Paper

David Egan gave a presentation on the Balancing Market Principles Code of Practice (BMPCOP) Decision Paper.

The committee approved in principle both the decision paper and the BMPCOP subject to the making and coming into effect of the licence conditions (presently the subject of consultation) which govern the making of, and compliance with, the BMPCOP and delegated the finalisation and approval of both documents to I-SEM project board.

6. Revenue Recovery Principles for SEMO and SEMOpx from I-SEM go-live – Decision Paper

Gina Kelly gave a presentation on Revenue Recovery for SEMO and SEMOpx.

The committee approved the decision paper and delegated the approval of the final edits of the decision paper to I-SEM project board.

7. I-SEM and DS3 project updates

Aidan Short provided a progress update to the committee with regards to the I-SEM and

DS3 projects. Key points highlighted to the committee were:

I-SEM

- End to end testing, which was due to begin in July has now slipped to August – this can be accommodated within the plan.
- The European implementation of Euphemia may have an impact on the order types of the Day Ahead Market. The TSOs are engaging with participants to assess the impact of having fewer than the five requested order types available.

DS3

- The existing tariffs are proposed to be rolled over until April 2018; a decision on these will be made at the end of July.
- A consultation on enduring tariffs (post April 2018) is due to be issued on 4 July.

The committee noted the updates and thanked all project team members for the progress made during June.

8. Review and approval of minutes from meeting 117 on 25 May 2017

The minutes from SEM Committee meeting 117 were approved for publication.

9. Updates

a. SEMC communications strategy update & I-SEM and DS3 hymn sheets.

Agenda item noted as read. The committee noted that Jenny Pyper and Garrett Blaney will represent the SEM Committee at a meeting with key EU officials later this summer.

b. CER / Utility Regulator / Independent Members

Paul McGowan provided an update on the CER's further engagement with the OECD. Paul also informed that CER are in the final stages of Gas Networks Ireland's PC4 price control.

Garrett Blaney stated that CER are currently undergoing an internal audit on governance, including SEM Committee governance.

Jenny Pyper provided an update on the CMA's final determination of the appeal brought by firmus energy of the Utility Regulator's GD17 price control, published on 26 June. The CMA's determination upholds almost all of the Utility Regulator's price control.

Jenny also stated that the Utility Regulator is publishing its final price control determination for NIE Networks (RP6) for the period 2017-2024 on 30 June 2017.

Jenny informed the committee that Brian McHugh is leaving the Utility Regulator in August to work for the Irish Consumer Protection and Competition Commission. The committee acknowledged and thanked Brian for his work with the Utility Regulator, and wished him success in his new role.

10. Review of actions from meeting 117 on 25 May 2017

The actions were updated.

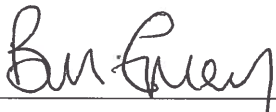
11. SEM Correspondence

The committee discussed a letter sent from Arthur Cox to the CER on 14 June regarding the I-SEM Market Design.

The committee also discussed a letter from Ian Thom to the CER on 21 June regarding Participation in the capacity market by Viridian's thermal generation plant at Huntstown.

12. AOB

The committee reflected on the senior stakeholder workshop held on 28 June 2017. The event was well attended and useful discussions took place.

Signed: 
Bill Emery, SEM Committee Chair