

SEM Committee Meeting
Minutes Meeting No. 126

Location: CRU offices, Dublin
Date: Thursday, 22 February 2018
Time: 10.00 – 15.30

Member attendees:

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton
Commission for Regulation of Utilities (CRU): Paul McGowan, Garrett Blaney, Aoife MacEvilly
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 (CRU), John Melvin (CRU),
For item 3: Colin Broomfield (UR), Karen Shiels (UR), Tom Quinn (CRU)
For item 4: Brian Mulhern (UR), Bronagh McKeown (UR), Kevin Hagan (CRU)
For item 5: David Eagan (CRU), Grainne Black (CRU)
For item 6: Gordon Downie (Sheppard and Wedderburn), Elaine Cassidy (UR via telephone)
For item 7: Kevin Hagan (CRU)
For item 8: Kevin Hagan (CRU), Helen Mounsey (ESP consulting), Andrew McCorrison (UR), Robert O'Rourke (CRU)
For item 9: Robert O'Rourke (CRU), Andrew McCorrison (UR), John O'Sullivan (EIRGRID), Rosemary Steen (EIRGRID), Bill Thompson (SONI), Ian Conagher (EIRGRID)
For item 10: Jag Basi (ESB), Tom Brown (ESB)

Apologies: John Mills (UR)

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: No declarations were made.

Rodney Doyle (EIRGRID) and Robin McCormick (SONI) joined the meeting and provided the Committee an update on I-SEM market readiness.

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 125 on 25 January 2018

The minutes from SEM Committee meeting 125 were approved subject to minor amendments.

3. CRM auction timetable

Colin Broomfield provided an overview of the key dates for the T-1 2019/20 and T-4 2022/23 CRM auctions. This included details of the publication of the auction packs and process for approval. An outline of the long term timetable for future auctions was also presented.

The Committee discussed the T-1 2019/20 parameters consultation and policy decisions required in advance of the T-4 auction. New investment, competition and constraints were also discussed.

SEMC approved the CRM State aid Update, 2019/20 T-1 Capacity Auction Parameters and Enduring Storage De-rating Methodology Consultation Paper (subject to final editorial changes approved delegated to the oversight committee) and Proposed CY2019/20 T-1 Capacity Auction Timetable provided by TSOs.

The SEM Committee are also noted the updated CRM exception application USPC excel data template and ISEM Capacity Mechanism: Consultation on Additions and Modifications to the Capacity Requirement & De-rating Factor Calculation Methodology provided by TSOs.

4. MMU update

Brian Mulhern updated the Committee on market monitoring arrangements for I-SEM go live. A significant discussion took place on the market data, IT infrastructure and analytics available to the RAs. The Committee discussed steps to address market abuse and manipulation as well as investigation processes.

The Committee noted next steps in relation to market monitoring in advance of go live and commended the team on the work towards the robust and informed monitoring being put in place.

5. Directed contracts – R1 results

The Committee discussed the high level overview of the directed contracts modelling process and results of round 1 of directed contracts in the I-SEM as presented by David Egan.

The Committee discussed the uptake of the directed contracts and rationale for divergence in prices. The Committee noted the update.

6. Legal update

Laura Brien provided an update on the ongoing legal challenges including an update on the appeal panel timetable.

Gordon Downie provided a further update on the ongoing challenge before the Appeal Panel and update of status of the JR proceedings including next steps. Potential outcomes and impacts for the I-SEM were also discussed.

7. Financial Transmission Rights auction go-live

Kevin Hagan provided a stage gate update for the Financial Transmission Rights auction. The Committee noted the positive progress made noting the auction was on track for go-live.

8. I-SEM/DS3 project updates

The I-SEM project update was noted. Robert O'Rourke provided the Committee with an update on DS3 matters including progress to milestones and SNSP.

9. TSO update on budget control mechanisms

John O'Sullivan presented an overview of the DS3 system services expenditure including annual projected spend, tariffs under different scenarios, the tariff setting process, risks, budgetary controls and budget monitoring.

The Committee also discussed implications for new technology, competition and value to consumers. The Committee pressed the TSOs on cost controls and measures to ensure the budget cap is maintained.

10. RoCoF update

Tom Brown circulated slides to the Committee providing a RoCoF update. He highlighted ESB's commitment to the project and ongoing work with the TSOs to deliver compliance including an update on the status of each generating unit.

The Committee expressed their frustration on outstanding compliance issues and pressed ESB for firm commitments to delivery dates. The Committee also noted that RoCoF compliance was not to be delivered at the expense of other system services and impressed the importance on ESB of these issues. A further update was requested at the March SEM Committee meeting.

11. Updates

a. SEMC communications strategy update

Barbara Stevenson updated the Committee on recent communication activities including the recent stakeholder event.

b. CRU/Utility Regulator/Independent members

Paul McGowan provided an update on the recently published OECD review – Driving performance at Ireland’s Commission for Regulation of Utilities. Jenny Pyper provided an update on stakeholder engagement following the outcome of the first CRM auction as well as an update on Brexit discussions.

12. Review of actions from meeting 125 on 25 January 2018

The actions were noted.

13. SEM correspondence

No items of correspondence were tabled for discussion.

14. AOB

Signed: 
Bill Emery, SEM Committee Chair