

**SEM Committee Meeting**  
**Minutes Meeting No. 144**

**Location:** UR offices, Belfast  
**Date:** Thursday, 29<sup>th</sup> August 2019  
**Time:** 10.30 – 15.30

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**Member attendees:**

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton  
Commission for Regulation of Utilities (CRU): Paul McGowan, Aoife MacEvilly  
Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

**In attendance:**

For all items: Colin Broomfield (UR), Alan Rainey (Economic Adviser to UR), John Melvin (CRU), Barry Hussey (CRU)  
For item 3: Paul Bell (UR), Kevin Baron (UR)  
For item 5: Rachel Strong (CRU)  
For item 6: Rachel Strong (CRU), Brian Mulhern (UR)  
For items 7 and 8: Andrew Ebrill (CRU), Tom Quinn (CRU), Oisín O'Sullivan (CRU), Gina Kelly (CRU), Brian Mulhern (UR)  
For item 9: Brian Mulhern (UR)  
For item 10: Gina Kelly (CRU), Aidan Short (Neueda)  
For item 11: Aidan Short (Neueda)

**Apologies:** None

**Minutes:** Barbara Stevenson (SEMC Secretariat)

**Declarations of interest:** No declarations were made

**1. Approval and adoption of the agenda**

The agenda was approved and adopted. An update on the T-1/T-2 CRM auctions USPC process would also be provided at the end of agenda item 3.

**2. Review and approval of minutes from meeting 143 on 27<sup>th</sup> June 2019**

The minutes from SEM Committee 143 were approved with minor amendments.

**3. CRM T-4 parameters**

Paul Bell provided an update on the capacity remuneration mechanism T-4 parameters including the auction format. The Committee expressed their disappointment that the move to auction format D could not progress for the 2022/23 capacity auction and requested the RAs follow this up with the TSOs.

The Committee also discussed the locational capacity constraint areas, reserves, capacity withholding and next steps.

Paul Bell provided an update on the USPC process for the upcoming T-1 and T-2 CRM auctions. Timelines, modelling, market data, market participant feedback and an overview of emerging thinking and options were presented and discussed.

#### **4. Procurement approval – Plexos validation**

The Committee considered and endorsed the procurement of, and funding arrangements for, plexos validation services as outlined in the accompanying paper.

#### **5. SEM Audit TOR**

The Committee noted and approved the terms of reference for the SEM market audit 2018/19 as presented.

#### **6. BMPCOP activation**

The Committee discussed the steps and indicative timeline for the introduction of the BMPCOP in all relevant licences.

#### **7. Balancing market and capacity market options**

Andrew Ebrill provided an overview of activity in the balancing market and options for modifications as presented in the published consultation paper. A summary of consultation responses was outlined and steps already taken to address issues seen in the market.

The Committee noted the proposed next steps with a final decision paper to come to the September SEMC.

#### **8. Imperfection cost drivers**

The RAs detailed further analysis of the imperfection cost drivers as discussed at the June Committee meeting. An update was provided on information sought from the TSOs, cost drivers, forecasts, curtailment, generator outages and fuel costs. The Committee further discussed steps that had been taken to mitigate the impact of imperfection costs. The Committee noted possible next steps with further work to be progressed by the RAs.

#### **9. MMU update**

Brian Mulhern provided a summary of recent market activity including system events. The Committee discussed further work of the market monitoring unit including ongoing analysis of market prices and investigations.

#### **10. ISEM implementation costs**

The RAs provided an overview of ISEM implementation costs including cost drivers, project scope and project management.

## **11. DS3 and wholesale update**

Aidan Short updated the Committee on key workstream progress including the capacity remuneration mechanism auctions, balancing market, market modelling and EU coupling. An update on RoCoF compliance for both large and small scale generators was provided including potential delays. The Committee expressed their dissatisfaction at the possibility of delays to the DS3 programme and request an update from the TSOs.

## **12. Updates**

### **(a) SEMC communications and governance update**

2020 SEMC meeting dates and venues were approved. Barbara Stevenson updated the Committee on recent communications activities including feedback on the recent review of the regulated electricity tariff in NI.

### **(b) CRU/UR/Independent Members**

Paul McGowan noted the appointment of Jim Gannon as the new CRU Commissioner. He also updated the Committee on PSO costs, smart metering roll out and the Dublin Forum.

Jenny Pyper provided an update on the recent Power NI tariff announcement, upcoming gas tariff announcements, development of energy strategy and SONI governance.

### **(c) Legal update**

No legal update to discuss

### **(d) Brexit**

An update on preparatory work for Brexit on 31 October 2019 was discussed.

## **13. Review of actions from meeting 143, 27<sup>th</sup> June 2019**

No open actions to discuss

## **14. SEMC correspondence**

The Committee noted recent market participant correspondence and delegated authority to the oversight committee to draft and issue a reply.

## **15. AOB**

The Committee discussed the recent power outage in GB and potential lessons learned for the SEM. The Committee requested that the RAs to seek assurances and a view from the TSOs on implications for the SEM.

John Melvin noted the upcoming publication of locational signals and scalars decision.



Signed: Bill Emery  
Bill Emery, SEM Committee Chair