

**SEM Committee Meeting
Minutes Meeting No. 148**

Location: CRU offices, Dublin
Date: Tuesday 17th December 2019
Time: 10.30 – 14.00

Member attendees:

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton
Commission for Regulation of Utilities (CRU): Paul McGowan, Aoife MacEvilly, Jim Gannon
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)

For items 3 and 4: Kevin Lenaghan (UR), Karen Shiels (UR), Kevin Baron (UR)

For item 3 (part only): TSOs – Rodney Doyle, Liam Ryan, Shane Maher

For item 5: Barry Hussey (CRU), Brian Mulhern (UR), Karen Shiels (UR)

For item 6: Brian Mulhern (UR)

For item 7: Rory O'Donnell (CRU), Marc Curran (CRU)

For item 8: 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.

2. Review and approval of minutes from meeting 147 28th November 2019

The minutes from SEM Committee 147 were approved with minor amendments.

3. CY2020/21 T-1 and CY 2021/22 T-2 auctions results approval

The CRM team presented an overview of the T-1 and T-2 auction results including an overview of offers, awarded capacity, clearing price and total cost for both auctions. The Committee also considered the TSO security of supply assessment following both auctions. Constrained and unconstrained solutions were discussed along with unsuccessful capacity, new investment and a comparison with previous auctions.

The TSOs joined the meeting noting the successful outcome of the auction and that they are content with the results from a system security perspective. DSU performance was discussed with further work required in this area. Unsuccessful generation was also discussed. Next steps and publication of the final results were discussed.

The Committee considered the independent auction monitor reports for both the T-1 and T-2 auctions and noted the reasonable assurance of both reports.

The Committee approved the final results of the CY2020/21 T-1 and CY 2021/22 T-2 auctions and subsequent letters to the TSOs.

4. T-4 2023/24 capacity auction update
a. USPC update

Kevin Baron provided a summary update on the draft decisions for the T-4 2023/24 capacity auction. This included detail of adjustments, comparison of inframarginal rent values to plexos and modelling of ancillary services revenue. The Committee further discussed the plexos modelling workstream, modelling trials and next steps.

b. Interaction of CEP emissions restrictions on 2023/34 T-4 capacity auction

Karen Shiels provided an overview of the interaction of Clean Energy Package emissions limits and the T-4 2023/24 capacity auction. This included detail of an information paper to be published for market participants and letter for new capacity and existing DSU applicants.

The Committee approved the information paper for publication and letters for issue.

5. Clean Energy Package and security of supply

Brian Mulhern outlined the implications of the Clean Energy Package on existing generation in the SEM and linkages with security of supply.

Links with the CRM were discussed along with options on how to treat relevant generation explored. Generation fleet fuel mix and enforcement were also considered. Further Information to be presented at a future Committee meeting.

6. MMU update

The MMU update was noted and Brian Mulhern provided further detail of prices, interconnector flows, ramping and restrictions.



committee

7. SEM Plexos Model (2020-2025) validation and backcast

Rory O'Donnell and Marc Curran provided an overview of the SEM plexos model as well as the review process. The scope of the validation was highlighted along with data gathering, stakeholder feedback, updates to generation plant, system and fuel data and model settings.

A further overview of the backcast was detailed including progress to date. The Committee welcomed work on comparisons between backcast and actual prices and progress to date. Initial recommendations and next steps were discussed.

8. DS3 and wholesale update

Aidan Short updated the Committee on key workstream progress including CRM and secondary trading, energy trading, DS3 re-plan, liquidity, EU coupling, clean energy package and the 2020 detailed workplan,

9. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communications activities including the publication of the annual report, Brexit and capacity auction results.

(b) CRU/UR/Independent Members

Jim Gannon updated the Committee on the publication of the enduring connection policy and new electricity support scheme. An update on RoCoF and vector shift was also provided.

Jenny Pyper updated the Committee on the Department for the Economy call for evidence, resumption of political talks and SONI governance.

David Newbery updated the Committee on the winter conference.

(c) Legal update

An update on the appeal to the CJEU was provided

(d) Brexit

It was noted that work continues in preparation for the Brexit date of 31 January 2020.

10. Review of actions from meeting 147 28th November 2019

No open actions to discuss



11. SEMC correspondence

None

12. AOB

None

Signed: Bill Emery
Bill Emery, SEM Committee Chair