

SEM Committee Meeting

Minutes Meeting No. 169

Location: Video-conference

Date: Thursday 26th August 2021

Time: 09.00 – 1.30pm

Member attendees:

Commission for Regulation of Utilities (CRU): Aoife MacEvilly, Jim Gannon, Paul McGowan

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jon Carlton, John French

Independent members: Odd Håkon Hoelsæter (from agenda item 5), Professor David Newbery (Deputy)

In attendance:

For all items: Colin Broomfield (UR), John Melvin (CRU), Alan Rainey (Economic Adviser to UR)

For item 3: Leigh Greer (UR), Karen Shiels (UR), Gina Kelly (CRU)

For item 4: Paul Bell (UR), Billy Walker (UR)

For item 5: Barry Hussey (CRU), Gina Kelly (CRU), Gary McCullough (UR)

For item 6: Brian Mulhern (UR)

For item 9d: Jean Pierre Miura (UR)

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 168, Thursday 28th July 2021

The minutes from SEM Committee 168 were approved subject to minor amendments.

3. SEMO 2021-24 price control final determination

Leigh Greer provided an overview of the SEMO 2021-24 price control final determination as presented to the Committee. An overview of consultation



responses was provided alongside detail of further engagement with SEMO as part of the consultation process.

The Committee noted the confidential and commercially sensitive marking on the SEMO consultation response but agreed references to SEMO's response within the decision paper will be retained unless the need for confidentiality was demonstrated by SEMO.

Variances between consultation proposals and final decisions were detailed. The Committee discussed further the detailed decisions including opex allowances, consultancy spend, capex, KPIs and financeability.

The Committee approved the proposals with direction provided on allocation within the total opex allowances. Delegated authority for editorial amendments and final publication was provided to the Oversight Committee.

4. Capacity Market Audit – Independent Market Auditor's Year 2 report

Paul Bell introduced the Capacity Market Audit Independent Market Auditor's year 2 report as circulated to the Committee.

The Committee noted the audit findings including issues still outstanding from the year 1 audit report and new issues. The reasonable assurance finding of the report was welcomed. The Committee highlighted the need to address known issues and for engagement with the TSOs on the audit findings.

The Committee approved the report for publication.

5. CEP Regulation consultations update

An overview of published consultations on dispatch, redispach and compensation and treatment of new renewable units was provided. Gina Kelly presented an overview of responses received to both consultations and the organisation of upcoming workshops was noted.

Areas for future decisions were outlined alongside market participant feedback and emerging thinking on key areas. Next steps were discussed.

6. MMU update

The Committee noted the MMU update as circulated.



Brian Mulhern provided further detail of market prices, fuel prices, carbon prices, unit availability and clean and dark spark spreads. An overview of key market indicators in August to date was also provided including a comparison of GB and SEM prices. The Committee discussed further forward prices and worldwide market forces and their impact on end customer prices.

7. Covid update

John Melvin provided an update on restrictions as a result of Covid-19 in RoI. Colin Broomfield provided the update in respect of NI. An update on engagement with EAI and the TSOs was also provided.

8. FWP update

Progress on the delivery of key 2020-2021 FWP projects was discussed.

9. Updates

(a) SEMC communications and governance update

Barbara Stevenson updated the Committee on recent communication and stakeholder activities.

(b) CRU/UR/Independent Members

Aoife MacEvilly provided an update on security of supply and engagement with government Minister, energy prices, Climate Action Plan and closure of Kinsale gas terminal.

John French provided an update on upcoming gas tariff announcements and the DfE Energy Strategy.

(c) Legal update

No legal issues to discuss.

(d) TCA update

An update on the Trading and Cooperation Agreement was provided including potential delays to implementation timelines. The Committee discussed further loose volume coupling, analysis of consumer impact and potential next steps.

10. Review of actions from meeting 168, Thursday 28th July 2021

No open actions to discuss



11. SEMC correspondence

The Committee discussed relevant correspondence and provided direction in terms of response.

12. AOB

None

Signed:  _____

Bill Emery, SEM Committee Chair