



## **SEM Committee Meeting**

### **Minutes Meeting No. 178**

**Location:** CRU offices and video-conference

**Date:** Thursday 31<sup>st</sup> March 2022

**Time:** 10.00am – 2.15pm

#### **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, Professor David Newbery (Deputy)

#### **In attendance:**

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

For item 3: Robert O'Rourke (CRU), Brian Mulhern (UR), Dylan Ashe (CRU), Owen Kearns (UR), Bronagh McKeown (UR)

For item 4: Paul Bell (UR)

For item 5: Gavin Miller (CRU), Sheena Byrne (CRU), Lisa Murray (CRU)

For item 6: Rodney Doyle (EirGrid), Michael Kelly (EirGrid), Shane Maher (EirGrid), Alan Campbell (SONI)

**Apologies:** None

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

**Declarations of interest:** None

Following SEMC 177, the Committee noted the approval by correspondence of the decision paper on dispatch, redispach and compensation pursuant to Regulation (EU) 2019/943 and subsequent publication.

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

The agenda was approved and adopted.

#### **2. Review and approval of minutes from meeting 177 Thursday 24<sup>th</sup> and 28<sup>th</sup> February 2022**

The minutes from SEM Committee meeting 177, Thursday 24<sup>th</sup> and 28<sup>th</sup> February 2022 were approved subject to a minor amendment.

### **3. System services future arrangements decision**

Robert O'Rourke provided relevant background detail of the proposed system services future arrangements high level design decision including a summary of previous Committee discussions.

An outline of the proposed high level design was provided including feedback from the consultation process and engagement with the TSOs.

Options in relation to the detailed design were presented including identified options, considerations and relevant mitigation measures. Next steps for the RAs and work to be carried out by the TSOs was detailed.

The Committee noted the need to consult on the detailed design options presented and made further suggestions for inclusion in the high level design decision paper, including the need for greater transparency from the TSOs. The need for a system services panel with market participant involvement was also highlighted.

The Committee approved the system services high level design subject to additional editorial amendments and agreed a further consultation on the detailed design options.

### **4. T-4 CY2025/26 capacity auction update**

Paul Bell provided an update on the provisional T-4 CY2025/26 capacity auction results. This included detail of the auction costs, clearing price and awarded capacity. Locational capacity constraints were summarised including results in Ireland, Dublin and Northern Ireland. A comparison between offered and qualified capacity was presented and the Committee sought further clarification on why some qualified capacity was not offered into the final auction. Next steps were noted.

### **5. Directed contracts update**

Gavin Miller provided a summary of the quarterly directed contracts process as detailed in the circulated memo. Reasons behind the Oversight Committee decision for a two week delay to Round 18 was outlined. A proposal for a further two week delay to allow for further analysis to take place was presented and discussed. The Committee discussed timelines and any potential impact on small suppliers.

The Committee approved a further two week suspension of DC round 18 and delegated authority to Oversight to approve any necessary further short delays.

## **6. TSO quarterly update**

The TSOs joined the meeting and provided detail of TSO market cost changes including NTC reductions, dispatch balancing costs, Ireland emergency generation costs and capacity costs. The Committee highlighted the need for further detail on these charges from the TSOs including potential mitigation measures.

Market impacts of the recent invasion of Ukraine including high prices and security of supply were detailed and discussed. Results of the recent capacity auctions were summarised and remaining capacity gap in Ireland detailed. The Committee stressed the need to look at all options including bringing new generation forward and addressing transmission issues to ensure security of supply.

## **7. MMU update**

The Committee noted the MMU update as circulated. Colin Broomfield noted the successful procurement of a new IT support provider and development of a new monthly SEMC report. The Committee sought further detail on ongoing investigations and discussed recent market outcomes including DAM prices, gas prices, carbon prices and demand.

Feedback from market participants in relation to collateral was discussed and the Committee noted the need to be able to act quickly in response to market impacts in light of the high levels of volatility observed across the market. The Committee delegated authority to the Oversight Committee to make timely decisions in respect of measures that need to be made to help ensure the ongoing effectiveness of the market during these unprecedented circumstances.

## **8. FWP update**

An update on the progress of projects identified in the 2021-2022 FWP was noted including the identification of new projects across the year.

## **9. Updates**

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

Barbara Stevenson updated the Committee on recent communication and governance activities. The Committee approved the publication of the October 2020 – September 2021 annual report.

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

Aoife MacEville provided an update on the Greenlink Interconnector financial close, recent Oireachtas Committee appearances and retail price increases.

John French provided an update on the ongoing legal challenge by SONI in relation to the UR SONI governance consultation. He noted the further extension of the closing date of the UR's consultation on the relevant licence modifications to 25 March. The UR is currently seeking approval from SONI and EirGrid to share their responses with the Committee which were marked as confidential.

John also provided an update on recent tariff increases in Northern Ireland and response by NI government. The publication of the consultation on the draft GD23 proposals was noted and publication of the RP7 approach.

**(c) Legal update**

No update to note

**(d) TCA update**

The second meeting of the Specialised Committee on Energy which took place on 28 March 2022 was noted.

**10. Review of actions from meetings 174 Tuesday 14<sup>th</sup> December 2021 and Tuesday 21<sup>st</sup> December 2021**

The Committee discussed the update on actions.

**11. SEMC correspondence**

The Committee discussed relevant correspondence and agreed a direction for response.

**12. AOB**

None



Signed: \_\_\_\_\_

**Bill Emery, SEM Committee Chair**