



## **SEM Committee Meeting**

### **Minutes Meeting No. 181**

**Location:** Video-conference

**Date:** Wednesday 8<sup>th</sup> June 2022

**Time:** 11am – 12noon

#### **Member attendees:**

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

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

Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

#### **In attendance:**

For all items: John Melvin (CRU), Colin Broomfield (UR), Roisin McLaughlin (UR), Elaine Cassidy (UR), Michael Barrett (CRU), Gordon Downie (Sheppard and Wedderburn)

**Apologies:** None

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

**Declarations of interest:** None

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

The single item agenda was approved and adopted.

#### **2. SONI governance**

The Committee noted the legal advice provided to it in advance of the meeting and agreed to obtain further advice on certain additional matters.

The Committee noted the terms of a proposed note on the procedure and approach to be adopted for the purposes of the substantive business of the meeting and agreed to approve the note with certain minor adjustments and to adopt the procedure and approach set out in it.

The Committee noted that all of the materials referred to in the procedural note had been circulated in advance of the meeting to members and that an opportunity had been provided to them to seek any further information which they might require.

Roisin McLaughlin provided an update to the Committee on the UR's preparations for decision-making on the proposed licence modifications, including on the further revisions to the draft licence condition which it intended to make in light of

consultation responses. It was agreed that no further information or clarification was required before the Committee proceeded to take its decision.

The Committee noted that implementation of the UR's proposals would involve the exercise of one or more of its 'relevant functions' within the meaning of the 2007 Order, specifically (a) the modification of the conditions attached to SONI's transmission licence and (b) the taking of certain decisions (as to the issuing of guidance and as to derogations) contemplated by those modified conditions. The Committee agreed that, having regard to the information presently available, it could now properly undertake a determination under Article 6(3) of the 2007 Order in respect of the effects of the proposed licence modification. The Committee agreed that it should re-examine the position in relation to those future decisions in due course. The UR confirmed that the proposed guidance document in relation to future derogations would be brought before SEMC in due course.

As regards the proposed licence modification, the Committee noted that it dealt both with the independence of SONI's board and the separation of SONI's management and resources. The Committee was satisfied that the provisions dealing with the first matter could not, given their subject matter, materially affect the SEM. The Committee considered that the provisions dealing with the second matter established a framework within which substantive decisions on the nature and extent of eventual separation of SONI's management and resources would in due course be made. In the Committee's view, whilst those substantive decisions (which were not matters presently before the Committee) might be capable of materially affecting the SEM, that was not the case in relation to the establishment of the decision-making framework. On that basis, with respect to both the first matter and the second matter, the Committee did not consider that the proposed licence modification was a SEM matter.

Roisin McLaughlin confirmed that, subject to the UR deciding to make the proposed licence modification, it intended to engage with the Committee as regards the development of the guidance and derogations.

### **3. AOB**

None

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

**Paul McGowan, SEM Committee Chair**