



SEM Committee Meeting
Minutes Meeting No. 201

Location: UR Offices, Queens House, Belfast

Date: Thursday 25 January 2024, 9.00 a.m.

SEM Committee:

Commission for Regulation of Utilities (CRU): Jim Gannon, Aoife MacEivilly
Utility Regulator (UR): Jon Carlton (meeting chair), Bill Emery, John French
Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

In attendance:

All items: John Melvin (CRU), Colin Broomfield (UR), Kevin Shiels (UR)
Item 3: Michael Barrett (CRU)
Item 4: Leigh Greer (UR)
Item 6: Marie Therese Campbell (UR), Andrew Chattrabhuti (ESP consulting), Emer Gerrard (CRU), Barry Hussey (CRU), Damhnait Gleeson (CRU), Elvis Sebastian (CRU), Jean Pierre Miura (UR)
Item 7: Dara Lynott (EAI)
Item 8: Emer Gerrard (CRU)
Item 9: Robert O'Rourke (CRU) Nick Screen, Tom Carlucci-Davies, Gideon Barker, Asisa Singh (Baringa consulting)
Item 10: Lauren Skillen-Baines (UR)
Item 11: John Mills and Ciara Brennan (UR)
Item 12: Bryan McGreal (UR), Brian Mulhern (UR) and Owen Kearns (UR)
Item 18: Michael Barratt (CRU), Barry Hussey (CRU), Gordon Downey (Shepherd and Wedderburn), Elaine Cassidy (UR), Eoin Mac Aodha (Eversheds Sutherland), Nathy Dunleavy SC, Ciaran Lewis SC

Apologies: None

Minutes: Greg Irwin (SEMC Secretariat)

Declarations of interest: None

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 199, Thursday 30th November 2023

The minutes from SEM Committee meeting 200, Tuesday 19 December 2023 were approved subject to minor amendments.

3. Terms of Reference for Trading and Settlement Code Market Audit

The Committee considered a proposed Terms of Reference on the Terms of Reference for the Trading and Settlement Code Market Audit 2023.

There was a discussion around the responses to the consultation on the Market Audit proposals. The need to consider how consultee comments relating to the Disputes Resolution Board and how to promote further transparency on this, was discussed.

The Committee also considered consultee comments on the materiality threshold for the audit. While the retention of the existing materiality threshold was endorsed, it was also agreed that the threshold should be kept under review.

The Committee approved, subject to consideration of members' comments, the proposed Terms of Reference for the Trading and Settlement Code Market Audit 2023 as presented.

4. All Island Programme Governance

Leigh Greer presented this paper which related to the approach to governance and cost-recovery approvals for All-Island programmes, including the establishment of a sub-committee to oversee and co-ordinate the approvals.

The Committee welcomed the proposed approach. Ensuring the effective engagement with TSOs on implementation was emphasised. Options for ensuring transparency in communicating the governance and cost recovery approach were discussed.

The Committee approved the proposed approach in principle, subject to legal review (with further consideration by the Committee only necessary if this review identified any significant issues).

5. Joint Procurement

Colin Broomfield introduced this item which set out arrangements for procuring external support to support the SEM Committee's work programme.



Aspects of the operation of the existing sole procurement approach were clarified and briefly discussed.

The Committee, in noting the background and context to existing arrangements, endorsed the continuation of interim approach for sole procurement (while also supporting the inclusion of the procurement of external SEMC programme management support is within the scope of the Joint Procurement Agreement).

6. T-3 Auction timetable and workshop and CRM Post Auctions Update

Jean-Pierre Miura updated the Committee on CRM auction extension requests.

The Committee discussed the timing of T-3 and T-4 auctions to assess the potential level of competition and market engagement.

The need to communicate the decision on future capacity auctions was also considered. It was agreed that the T-3 workshop with market participants, planned for the next day, provided an opportunity to receive feedback to help shape the T-3 and T-4 auctions.

There was a briefing on the format for the workshop and the outline of the workshop would be circulated to the Committee.

7. Engagement Forum

Dara Lynott introduced this item which proposed setting up an engagement forum to enhance communications with industry on the SEM.

Committee members briefly discussed the arrangements for the setting up and running of the forum.

The Committee endorsed the industry engagement forum proposal and working up of proposals.

8. NTC reduction compensation decision

Emer Gerrard provided an update on compensation arrangements in the SEM for reductions in Net Transfer Capacity (NTC) on SEM-GB interconnectors following the close of the consultation.

The Committee noted the update and the intention for legal advice to be sought, and further work undertaken.

9. National Energy demand strategy

Robert O'Rourke provided a presentation on CRU work on developing the National Energy Demand Strategy (NEDS) for Ireland which focused on key strategy consultation proposals, as well as setting out the different phases for strategy development and implementation.

10. Scheduling and dispatch programme

Lauren Skillen-Baines introduced this paper which requested the Committee's approval for the amendment of the scheduling and dispatch hierarchy to include non-priority dispatch wind and solar generation in line with Article 12 of the Clean Energy Package, Regulation (EU) 2019/943 and subsequent decision SEM-20-072.

The Committee clarified process elements of the proposed change to the scheduling and dispatch hierarchy and explored the overall impact of the change. The legal basis for the change was also clarified.

There was also a brief consideration around the communication of the amendment of the scheduling and dispatch hierarchy.

The Committee approved the amendment to the scheduling and dispatch hierarchy as proposed.

11. SEMO price control

John Mills briefed the Committee on the SEMO price control review.

Several aspects of the price control review, including the treatment of excess expenditure and IT costs, were clarified in discussion.

Overall SEMO performance and the outputs delivered, and outcomes realised, were also discussed.

12. MMU update

The Committee noted the MMU update as circulated. Bryan McGreal provided further detail on key market outcomes during December including day-ahead market prices, demand, wind availability, gas prices, carbon prices, coal prices, imperfection costs and interconnector flows.

The Committee discussed the spark spreads, interconnector capacity flows, forward prices, and overall security of supply.

13. FWP update

The Committee noted the verbal update on, the October 2023 – September 2024 FWP. As well as looking at the FWP there was a discussion around planning a session for the Committee to look at this and broader strategic issues.

14. Updates

(a) SEMC communications and governance update

Greg Irwin updated the Committee on progress on the publication of the October 2022 – September 2023 annual report and work on the risk register. On the latter, it was agreed that the risk register should be presented to the next SEM Committee meeting.

(b) CRU/UR/Independent Members

Jim Gannon provided an update on the Joint Oireachtas Committee on network charges, gas security of supply, consumer prices, the moratorium on disconnections and Government support through electricity credits.

John French provided an update on the recent Northern Ireland Affairs Select Committee hearing, prospects for the return of the Northern Ireland Assembly, the LiR interconnector, a site visit to the Kilroot power plant and UR's ongoing recruitment programme.

Jonathan Hodgkin noted the review of electricity network arrangements in Great Britain.

(c) Legal update

A verbal update on legal matters was provided.

15. Review of actions from SEMC meeting 200, Tuesday 19th December 2023

The Committee discussed open actions.

16. SEMC correspondence

The Committee discussed recently received correspondence and provided direction for response.

17. AOB

None.



18. Joint Opinion of Counsel re appeal in Article 12/13 litigation

A joint opinion of Senior Counsels which outlined the potential grounds of an appeal in respect of the Article 12/13 litigation was discussed by the Committee. The Committee availed of the opportunity to explore the joint opinion with legal advisors in attendance.

The meeting concluded at 2.40 p.m.

(i) Addendum to SEM Committee Minutes 201

Location: Virtual meeting

Date: Thursday 8 February 2024, 11.30 a.m.

SEM Committee:

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

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

Independent members: Jonathan Hodgkin

In attendance:

All items: John Melvin (CRU), Colin Broomfield (UR), Kevin Shiels (UR)

Item 2: Marie Therese Campbell (UR), Andrew Chattrabhuti (ESP consulting), Emer Gerrard (CRU), Barry Hussey (CRU), Damhnait Gleeson (CRU), Elvis Sebastian (CRU), Jean Pierre Miura (UR)

Apologies: Chris Harris

Minutes: Greg Irwin (SEMC Secretariat)

Declarations of interest: None

1. Approval and adoption of the agenda

The Committee met to conclude its discussion on the T-3 auction.

2. T-3 auction

Andrew Chattrabhuti provided a presentation covering potential generation pipelines for the T-3 auction. Committee members discussed the impact of issues such as planning in the context of stimulating sufficient competition in the auction and ensuring that generation would deliver within the timeline.

Emer Gerrard presented an information note setting out the feedback from the stakeholder forum on 26 January. The Committee endorsed the publication of the information note subject to consideration of some drafting comments made by members and the narrative style.

Marie-Therese Campbell presented options for the proposed timetable for the T-3 and T-4 auctions. The Committee discussed the TSO perspective on the timing of the auctions. There was agreement that, while the timing of the T-3 auction would be scheduled for September, the Committee's expectation at this time was that the T-4 auction would be earlier than proposed. It was agreed that the letter of response



to the TSOs on the auction timetable would be provided to the Committee before issue.

Jean-Pierre Miura introduced an auction parameters paper. The Committee approved the publication of the paper subject to consideration of messaging around the auction price cap and the increase tolerance parameter.

The meeting concluded at 12.45 p.m.

A handwritten signature in blue ink that reads 'Bill Emery'.

Signed: _____

Bill Emery, SEM Committee Chair (March 2024)