



SEM Committee Meeting

Minutes Meeting No. 205

Location: CRU Offices, Tallaght

Date: Thursday 31 May 2024, 9.00 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, Chris Harris (Deputy)

In attendance:

All items: Fergal Mulligan (CRU), John Melvin (CRU), Colin Broomfield (UR), Kevin Shiels (UR), Barry Hussey (CRU), Robert O'Rourke (CRU), Emer Gerrard (CRU)

Item 3: Ciaran Breen (UR), Jean Pierre Miura (UR), Charlene Little (CRU), Valeria Arenas Montano (CRU), Nicolas Postigo Pasano (CRU), Elvis Sebastian (CRU)

Item 4: Damien Doone (UR), Jean-Pierre Miura (UR)

Item 5: Kevin Goslin (CRU)

Item 6: Nicholas Tarrant (ESB), Dave Dwyer (ESB), Derek Hynes (NIE Networks), Alan Campbell (SONI), Rodney Doyle (Eirgrid), David Carroll (Eirgrid), Errol Close (Eirgrid), Eoin Kennedy (Eirgrid), Liam Ryan (Eirgrid), Michael Behan (Eirgrid), Michael Bannon (Eirgrid), Shane Brennan (Eirgrid) Kevin O'Neill (SONI), Sam Matthews (SONI), Eimear Watson (SONI)

Item 7: Dylan Ashe (CRU), Bronagh McKeown (UR), Alan Campbell (SONI), Rodney Doyle (Eirgrid), Errol Close (Eirgrid), Eoin Kennedy (Eirgrid), Kevin O'Neill (SONI), Sam Matthews (SONI), Eimear Watson (SONI)

Item 8: Peter Wibberly (Yellow Wood consulting), Mary Farrelly (UR)

Item 9: Brian Mulhern (UR), Owen Kearns (UR), Arjoo Gupta (UR)

Item 9: Leigh Greer (UR). Lisa Tate (UR)

Item 11: Merin Joseph (CRU), John McMahon (CRU)

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 204, Thursday 25 April 2024

The minutes from SEM Committee meeting 204, Thursday 25 April 2024 were approved subject to some minor amendments.

3. T-1 2024/25 Auction

a. Auction Results Analysis

Ciaran Breen provided a presentation, which summarised the results from the T-1 2024/2025 Capacity Auction.

Committee members discussed the results of the auction. There was discussion on market participants who did not bid in their full qualified capacity and the costs to consumers of securing the capacity in the auction.

The Committee approved the CRM T-1 CY2024/25 Capacity Auction Results and the issue of the Auction Results approval letter to the TSOs.

b. Independent Auction Monitor Report

The Committee also considered the T-1 Capacity Auction Independent Auction Monitor report.

It was agreed that any themes identified in the monitor's report would be considered by the SEM Oversight Committee.

The Committee approved the circulation of the redacted T-1 2024/2025 Capacity Auction Independent Auction Monitor Report with the TSOs for publication.

4. Substantial Financial Completion extension request

The Committee considered and approved a Substantial Financial Completion (SFC) extension request, received by the RAs under J.5.2.2 of the Capacity Market Code.

Jean-Pierre Miura briefed the Committee on a further extension request to a previously approved extension. The Committee noted the circumstances associated with the request, and delegated to the SEM Oversight Committee the authority to assess the case for a further short extension.

5. SEMOpx Revised Regulatory framework

Kevin Goslin introduced this item which sought the Committee's approval for a new revised and streamlined regulatory revenue recovery framework for SEMOpx, which will replace the current price control process.



The Committee noted SEMOpx's response to the consultation on a revised regulatory framework.

Much of the Committee's discussion was on the timing of when capital expenditure would be added to SEMOpx's Regulatory Asset base. The approach to this issue elsewhere was considered, asset depreciation, other regulatory incentives and progress on the SEMO price control were also touched on in discussion.

The Committee approved the Regulated Revenue Recovery framework as set out in the paper and the publication of the associated SEM Committee decision paper.

6. North-South Electricity Interconnector Update

Representatives from the two TSOs, EirGrid and SONI, and the two TAOs, ESB Networks and NIE Networks, joined the meeting to provide an update on delivery progress of the North-South Interconnector.

A presentation was provided which set out the status of the North-South Interconnector project, an update on planning conditions and land access, project costs and programme delivery.

Progress was noted since the last update provided to the Committee in June 2023. Committee members availed of the opportunity to understand the challenges in respect of project delivery and opportunities to move forward progress for the critical piece of energy infrastructure.

The Committee thanked the representatives for the update and emphasised its ongoing support for actions to deliver the North-South Interconnector as soon as possible. The Committee also expressed its gratitude to Rodney Doyle for his public service as he moved onto a new role outside the Eirgrid group.

7. System Services

a. System Services Volumes requirements

Representatives from the TSOs provided a presentation on system services arrangements which covered the current system services volume requirements and tariff reviews.

It was recognised that system services were a complex area and the work that had been undertaken has already ensured that the island of Ireland was a leader in this area. Clarification was provided on the proposed system services consultations. Committee members explored with the TSOs issues associated with forecasting system services volumes requirements and the urgent need for such volume forecasts.

The Committee, in understanding the challenges of the complex area, emphasised its support for the system services work. In that context, the Committee encouraged the TSOs to engage with the teams in the regulatory authorities ahead of the planned consultations.

b. Low Carbon inertia services procurement

Bronagh McKeown briefed the Committee on Phase 1 interim procurement outcome for Low Carbon inertia services.

In recognising that this was the first time that there had been a procurement for these types of services, the Committee welcomed the outcome. The Committee discussed how greater awareness could be promoted about this type of innovation.

8. Demand Side Units: An Interim Solution for Energy Payments and Other Issues

Peter Wibberly introduced this item which provided an update on the progress of a SEMC consultation paper regarding Demand Side Units (DSUs) and energy payments. He briefed the Committee on the key aspects of the proposed consultation paper.

Different categories of DSUs and the approach to compensating DSUs in other jurisdictions was discussed. The scope of the consultation and the messaging around the proposed Phase 1 solution was also considered.

The Committee, subject to consideration of the comments made in discussion, delegated authority to the SEM Oversight Committee to finalise and publish the consultation paper.

9. MMU update

Owen Kearns provided an overview on key market outcomes during April including market prices, demand, wind availability, gas prices, net transfer capacity reduction, and interconnector flows.

The Committee noted the net transfer capacity information and the solar output data.

10. Updates

(a) All Island Programme update

The Committee noted the All-Island Programme update.

(b) SEMC communications and governance update

Greg Irwin spoke to a short planning document setting out the format for the SEMC strategy day.

(c) CRU/UR/Independent Members

Jim Gannon provided an update on issues including Eirgrid restructuring, the national energy demand strategy, large user connections, gas security, retail tariff reductions, gas network tariffs and the public service obligation. Aoife McEvilly informed the Committee that would be leaving CRU for a new role (and standing down from the SEM Committee) at the end of June.

John French provided an update on the temporary change of Minister at the Economy department and engagement with the Northern Ireland Assembly, the NI Water price control Mid Term Review and the LirIC interconnector licence consultation.

Chris Harris noted the capacity planning work in Great Britain and the wider discussion about interconnectors.

(d) Legal update

No update was provided.

11. Review of actions from SEMC meeting 204, Thursday 25th April 2024.

The Committee discussed open actions. The Committee approved the issue of a consultation on the Generator Financial Performance reporting framework.

12. SEMC correspondence

The Commission discussed an item of correspondence from Mutual Energy and delegated the response to the SEM Oversight Committee.

13. AOB

None.

The meeting concluded at 12.55 p.m.



Signed: _____

Bill Emery, SEM Committee Chair