



## **SEM Committee Meeting**

### **Minutes Meeting No. 207**

**Location:** CRU Offices, Tallaght

**Date:** Thursday 29 August 2024, 9.30 a.m.

#### **SEM Committee:**

Commission for Regulation of Utilities (CRU): Jim Gannon, Fergal Mulligan (CRU)

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

Independent members: Jonathan Hodgkin, Chris Harris (Deputy)

#### **In attendance:**

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

Item 3: Emer Gerrard (CRU), Clodagh Goodman (UR), Donna Maye (UR), Charlene Little (CRU), Nicolas Postigo Pasano (CRU), Paul Rodgers (UR), Michael Barrett (CRU), Elaine Cassidy (UR), Jamie McRorie (Shepherd and Wedderburn), James Turner (O'Reilly Stewart), John Larkin

Item 4: Robert O'Rourke (CRU), Dylan Ashe (CRU), George Anstey (NERA), David McGowan (Eirgrid), Michael Behan (Eirgrid), Errol Close (Eirgrid), Dave Caroll (Eirgrid), Joe Deegan (Eirgrid), Margaret McCarthy (Eirgrid), Michael Kelly (Eirgrid), Emma Morris (SONI)

Item 5: Bronagh McKeown (UR),

Item 6: Lisa Murray (CRU), Koyinsola Openibo (CRU)

Item 8: Michael Barrett (CRU), Aline Mazzola Martellini (CRU)

Item 9: Jean-Pierre Miura (UR), Marie-Therese Campbell (UR), Emer Gerrard (CRU), Andrew Chattrabhuti (ESP consulting), Elvis Sebastian (CRU)

Item 11: Leigh Greer (UR), Lisa Tate (UR), Robert O'Rourke (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 206, Thursday 27 June 2024**

The minutes from SEM Committee meeting 206, Thursday 27 June 2024, were approved for publication.

**Action: Publish SEMC 206 minutes**

### **3. NTC Compensation arrangements**

The Committee was briefed by its legal advisors on a judicial review by Moyle Interconnector Ltd in respect of claims for compensation in periods of reduction of net transfer capacity (NTC).

The Committee endorsed a series of next steps in respect of further correspondence and communication.

### **4. Future Arrangements for System Services (FASS)**

Robert O'Rourke introduced this item which sought the Committee's approval for the proposed design of the Day Ahead System Services Auction (DASSA) framework as part of the Future Arrangements for System Services (FASS) workstream.

The Committee was also briefed by NERA technical advisors and representatives from the TSOs who presented their views. The TSOs then left the meeting and Committee members availed of the opportunity to discuss the TSO's recommendations.

The Committee discussion focused on the ability of providers to participate in the ex-ante market and incentives for secondary market trading. Specifically, the Committee discussed the proposal to include a final assignment mechanism.

There was also a consideration of the impacts of the proposed decision, in the light of the Committee's discussion, and next steps and communications with TSOs and market participants.

The Committee approved the proposed design of the DASSA as presented.

### **5. DS3 Tariff rate review**

Bronagh McKeown introduced this item which requested the Committee's approval to publish the DS3 System Services Tariff Review decision paper.

The Committee explored proposals in respect of Temporal Scarcity Scalars, tariff rates, additional costs to consumers and the procurement of fast acting services.

The Committee approved the publication of the decision paper as presented, noting the next steps in respect of engagement with TSOs.



## **6. Imperfections Charges 2024/2025 decision**

Lisa Murray introduced this item which presented a draft decision paper on Imperfections Charges for Tariff Year 2024/2025 for the Committee's approval.

The Committee noted the outcome of the consultation with stakeholders on the proposed imperfection charges. There was a discussion around the provision of information provided by the TSOs as the basis for setting imperfection charges. The potential to improve the transparency of the information used to set imperfection charges was also covered and it was agreed that a letter would be sent to the TSOs in that regard.

### **Action: Letter to be sent to TSOs regarding imperfection charges**

The Committee supported the direction of travel presented in the memo and approved the publication of the imperfection charges decision paper as presented along with the associated consultation responses.

## **7. CRM - SSE – Tarbert OCGT SFC and CQEDT Extension Request in T-4 2026/2027**

The Committee considered and approved a Substantial Financial Completion and Capacity Quantity End Date and Time Extension request for Capacity Year T-4 2026/2027 for SSE – Tarbet OCGT.

## **8. Trading and settlement code Market Auditor's report**

The Committee considered the Market Auditor's report of the operation, trading arrangements, procedures, and processes of the Trading and Settlement Code (TSC).

The Committee noted the reduction in issues identified by the Market Auditor since the previous report. There was also a brief exploration of the extent of the engagement with TSOs on addressing outstanding issues. The dissemination of the Auditor's report was also considered.

Approval was provided by the Committee to present the Market Auditor's report to the TSC Modifications Committee following publication of the report on the SEM Committee's website.

## **9. Draft USPC/ILC determination**

Jean-Pierre Miura introduced this item which provided a briefing for the Committee on the initial assessment of submissions to inform the draft determination on Unit Specific Price Caps/Intermediate Length Contracts for the T-4 2028/29 Auction.

Much of the Committee's discussion was on the level of information and evidence required to substantiate investment requests. The SEM Committee noted that there



would be further engagement with applicants that will assist with finalising the assessment of submissions.

The Committee noted the progress to date and the intention for this item to be presented at a future Committee meeting.

#### **10. MMU update**

The Committee noted this update as presented.

#### **11. SEMC Strategy Day follow up**

The Committee held an initial discussion on follow-up items, relating to strategy and vision, strategic risk, and communications, from a strategy workshop held in June.

Given the constraints of the agenda, it was agreed that more time should be earmarked at the September SEMC, to be held in person in Belfast, and to allow for an extended consideration of the strategy follow up items.

**Action: September SEMC meeting to be re-arranged to take place in person, in Belfast, with sufficient time provided to cover SEMC Strategy/ Risk/ Communications**

#### **12. Updates**

##### **(a) All Island Programme update**

Lisa Tate provided an overview of the All-Island Programme update. The Committee briefly discussed the Terms of Reference for the EirGrid/SONI Joint Programme Board and external PMO procurement.

Robert O'Rourke also introduced a request for approval of funding for programme costs to deliver the FASS programme. The Committee approved the funding recommendation as presented and delegated to the SEM Oversight Committee the approval of the decision letter.

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

The proposed Committee meeting schedule for 2025 was noted.

##### **(c) CRU/UR/Independent Members**

Jim Gannon provided an update on matters including the new CRU Commissioner and the process for appointment to the Committee, CRU recruitment, media interest around energy issues and the return of the Dail after the summer recess.

John French provided an update on matters including the UK General Election, GB Energy, DfE's consultation on UR's vires, the network tariff announcement, Ofgem's



price cap announcement, smart meters, the Fuel Poverty strategy, and the Democratic Consent mechanism.

Chris Harris noted electricity capacity report publication and the review of electricity market arrangements in GB.

**(d) Legal update**

John Melvin provided a progress update on the Article 12/13 litigation.

**13. Review of actions from SEMC meeting 206, Thursday 27 June 2024.**

The Committee discussed open actions.

**14. SEMC correspondence**

The Commission discussed recently received correspondence and action by the SEM Oversight Committee to prepare a response.

**15. AOB**

None

The meeting concluded at 3.00 p.m.

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

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

**Bill Emery, SEM Committee Chair**