

# SEM Committee Meeting

## Minutes Meeting No. 36

**Location:** Utility Regulator Northern Ireland ("UR") Offices, Belfast  
**Date:** 2 March 2011  
**Time:** 1030am - 630pm

**Attendees:** Dermot Nolan ("DN") (Commission for Energy Regulation) ("CER"), (SEMC Chairman), Garrett Blaney (CER), Shane Lynch (UR) Alan Rainey (UR), Ignacio Perez-Arriaga (Independent Member), Jose Sierra Lopez (Deputy Independent Member).

**Apologies:** Michael Tutty (CER)

### In attendance:

For all items: Tanya Wishart ("TW") (UR); Eugene Coughlan (CER); Cathy Mannion (CER); Denis Cagney (CER); Mignonne Smith (UR);

For items 1,2,3 and 5: Philip Newsome (CER), Sheenagh Rooney (CER), Jean Pierre Miura (UR);

For items 1,2,3 4 and 5: Stephen Powell (CER/ Consultant); Clive Bowers (CER); Paul Bell ("PB") (UR);

For items: 14 and 15: Kenny Dane (UR), Colin Broomfield (UR) ("CBR");

For item 7: (via video conference) Andrew Ebrill (CER), Aoife Crowe (CER); James McSherry (CER); (via telcon) Gordon Downie ("GD") and Fiona Parker (Shepherd & Wedderburn).

For item 6:(via telcon) Aoife Crowe (CER); James McSherry (CER);

For item 5 and 7: Juliet Corbett ("JC") (UR);

For item 5: Jean Pierre Miura ("JPM"); Andrew McCorriston ("AMcC")

For Items 8&9: Kevin O'Neill; Richard Goodfellow (UR).

**Minute Taker:** Laura Steerman (CER/ SEMC Secretariat).

### 1. Approval and Adoption of the Agenda

The Agenda was adopted.

### 2. Approval of Minutes from Meeting 35 on 25<sup>th</sup> January 2011

The Minutes were adopted.

### 3. Review of Actions from Meeting 35 on 25<sup>th</sup> January 2011

Action Items 160, 161, 162 & 163 were noted as complete. All other action items were noted as ongoing.

### 4. Market Monitoring Unit ("MMU") Investigation

PB provided an overview of the conduct of the investigation to date and the findings of the MMU. SEM Committee discussed the submissions from the commercial generator under formal

investigation and the MMU findings. The SEM Committee decided to consult on issues arising from the investigation.

**Action:** MMU to prepare consultation paper for consideration as soon as practicable.

## **5. Update on Regional Integration**

### **a. Overview**

DN made a presentation to the SEM Committee in relation to European developments in relation to market integration which highlighted strategic issues for the SEM.

### **b. Day Ahead Market Coupling Options for SEM**

JC and JPM made a presentation on the options investigated for Day Ahead Market Coupling for the SEM to other markets. Having discussed the matter at length, the SEM Committee decided to consider the paper on SEM High Level Design and Drivers for Change further and revert to Juliet Corbett with comments shortly. The SEM Committee also decided to discuss the issues with market participants and stakeholders at the SEM Committee meeting on 29<sup>th</sup> March.

**Action:** SEMC to provide JC with comments on SEM High Level Design and Drivers for Change Paper by 16<sup>th</sup> March 2011. JC to collect comments received and revert on this matter at the next SEM Committee meeting.

### **c. Intra Day Trading**

SR provided the background to and an overview of the Paper on IDT and Associated Costs and Benefits. SP highlighted the findings of the cost benefit analysis conducted. The SEM Committee approved the IDT solution for SEM, bearing in mind the costs and benefits presented therein subject to the costs set out being maximum costs and the requirement that an incentive mechanism should be put in place by the Regulatory Authorities to manage and keep costs down as far as is practicable.

## **6. Strawman Paper on Dispatch and Scheduling Workstream**

DC and TW made a presentation to the SEM Committee on issues requiring further consideration by the SEM Committee. After imparting guidance to the project team the SEM Committee requested that any further issues be brought to the next SEM Committee meeting for discussion and that a decision paper be brought to the April SEM Committee Meeting.

## **7. PSO Contract for Differences**

GD took the meeting through a summary of the legal advice provided by Shepherd & Wedderburn. Further clarification was requested by the SEM Committee on certain aspects of the issue.

## **8. Terms of Reference for Audit of ESB Corporate Structure.**

TW explained that the audit was proposed to be conducted on the ESB Corporate Structure in relation to how the ring-fencing requirements of the NIE transmission licence conditions are complied with by ESB. The SEM Committee approved the Terms of Reference.

## **9. ESB Acquisitions**

TW provided an overview of the transmission licence consultation paper on the acquisition of NIE Plc, NIE Powerteam and allied businesses by ESBNI Ltd., and the paper was approved for publication.

**10. AES Acquisition of Premier Power – Decision Paper**

CBr provided an overview of responses from consultees and on the content of the decision paper which was then approved for publication.

**11. Project ARC**

This item was deferred for discussion until the March meeting.

**12. SEM Strategy Day – continued discussion**

This item was deferred for discussion until the March meeting.

**13. Demand Side Vision**

This item was deferred for discussion until the March meeting.

**14. BCOP and Ancillary Services Decision Paper**

Discussion of this item was deferred until the March meeting.

**15. Market Monitoring Unit (“MMU”) Update**

The SEM Committee noted the MMU update (and in particular that the Direction on Loss Adjustments in commercial offer data be amended) and congratulated CBr on his appointment as manager of the MMU.

**16. Update on TSC Modifications**

The SEM Committee noted the update on TSC Modifications.

**17. Reporting of decisions made by Oversight Committee to SEM Committee**

The SEM Committee noted the decisions of the Oversight Committee in the past month.

**18. Updates CER/NIAUR/Independent Members**

None

**19. AOB**

None

**Date of next meeting: 29<sup>th</sup> March 2011, CER Offices, Dublin**