

SEM Committee Meeting

Minutes Meeting No. 45

Location: CER Offices, Dublin
Date: 27th September 2011
Time: 11.30am – 4.30pm

Attendees: Alan Rainey (AR) (Utility Regulator) (UR) (SEMC Chairman), Shane Lynch (SL) (UR), Garrett Blaney (GB) (CER), Dermot Nolan (DN) (CER), Ignacio Perez-Arriaga (IP-A) (Independent Member), Jose Sierra Lopez (JS-L) (Deputy Independent Member).

Apologies:

In attendance:

For all items: Tanya Wishart (TW) (UR), Eugene Coughlan (EC) (CER), Cathy Mannion (CM) (CER)

For item 6: Paul Brandon (PB) (CER)

For Item 7: Andrew Ebrill (AE) (CER), Colin Broomfield (CBr) (UR)

For Item 9: Colin Broomfield (CBr) (UR)

For Item 10 and 10a): Sheenagh Rooney (SR) (CER), Philip Newsome (PN) (CER)

For Item 11: Sheenagh Rooney (SR) (CER)

Minute Taker: Mignonne Smith (UR) (SEMC Secretariat)

1. Approval and Adoption of the Agenda

The Agenda was adopted as circulated.

2. Approval of Minutes from Meeting 43 on 30th August 2011.

The Minutes were adopted as circulated..

3. Approval of Minutes from Extra Ordinary Meeting 44 on 12th September 2011

The Minutes were adopted as circulated.

4. Review of Actions from Meeting 43 on 30th August and Extra Ordinary Meeting 44 on 12th September 2011.

Actions 190, 191, 192 and 193 were completed, all other actions were updated.

5. Material Level of Harm Decision Paper

TW provided update on status of Material Level of Harm Decision Paper noting intention to publish annual reports on the four constraint metrics and the levels of curtailment that occur within the market. The SEM Committee approved publication of the Decision Paper subject to a few minor amendments.

Action: Project Team to amend paper as directed prior to publication.

6. GTUoS Decision Paper

PB provided an update on amendments to GTUoS Decision Paper that was circulated to the SEM Committee for comment in advance of this meeting. A lengthy discussion followed which included clarifying details of transmission costs included in calculating indicative tariffs.

The SEM Committee gave approval for the publication of both the GTUoS Decision Paper, subject to suggested amendments, and the GTUoS Methodology statement.

Action: Project Team to amend GTUoS Decision Paper as directed prior to publication along with the GTUoS Methodology Statement.

7. Market Power and Liquidity

AE gave a presentation providing an update on the market power and liquidity project, including an assessment of ESB's various proposals on business integration such as the one submitted to the RAs in June 2011. Policy options were also presented to the SEM Committee for consideration. The SEM Committee provided a guide on the policy options to be investigated further, with a view to a proposed decision paper being published for public consultation in Q4 2011.

Action: Project Team to report to the SEM Committee on policy options and submit a draft proposed decision paper for discussion at the SEM Committee in late October.

8. TLAF (Verbal Update)

TW provided an update on the TLAF decision paper noting the paper was published 21st September 2011 providing the TLAF values for the new tariff year. The SEM Committee noted the update and gave the Project Board delegated authority to approve for the publication of the consultation for proposals on a enduring solution.

9. Market Monitoring Unit Update

CBr provided overview of the Market Monitoring Report for September 2011. The SEM Committee note the update.

10. European Update

SR presented an update on the Market Integration project which is progressing as planned. The SEM Committee agreed the project assumptions as presented and noted that decisions on progressing the project further would be presented at the SEM Committee in December. This included consideration of interim proposals for 2014 which could be the development towards the enduring solution, a change to the current systems that moves towards the enduring solution or something new, that through a CBA, is seen to add value for the short period it will be implemented.

10a) East West and Moyle Access Rules Approval

SR and PN provided an overview of East West and Moyle Access rules submitted by Eirgrid plc and Mutual Energy Ltd respectively. It was noted that the same documents were being presented for approval at Ofgem today. The SEM Committee considered the Access Rules as submitted, noting the legal basis for the required decision. and gave their approval based on recommendations of the Project Team.

11. Trading and Settlement Code Update

SR provided an overview of the Trading and Settlement Code Update for the period 23 August to 20 September 2011. The SEM Committee note the update.

12. Judicial Review Update

EC provided an update noting that there was nothing significant to report.

13. IEA Presentation Update

AR provided an update on the SEM Committee's presentation to the International Energy Agency (IEA) and noted a further update would be given upon receipt of feedback from the IEA.

14. TSO Certification Update

TW provided an update on the TSO certification process for Northern Ireland, noting the European Commission's recent publication of Guidance Notes on the subject. The SEM Committee discussed content of Guidance Notes and the expected further communication from the European Commission.

DN provided update on TSO certification for the Republic of Ireland. It is expected that this will be further discussed at the SEM Committee in October.

Action: Project Team to maintain communication with the European Commission and provide update to the SEM Committee at the October meeting.

15. Reporting of Decisions made by Oversight Committee to SEM Committee

The report was noted.

16. Updates CER/NIAUR/Independent Members

Utility Regulator Update:

SL provided an update on the energy prices debate at the Northern Ireland Assembly noting that much of the debate centred around social tariffs.

CER Update:

DN provided an update on Irish Government's decision to sell a minority share in the ESB.

Independent Members:

The Independent Members had nothing to report.

17. SEM Correspondence

Letter to CER re curtailment of energy produced from renewable sources:

GB provided background and suggested that the SEM Committee consider whether or not this was a SEM Matter. The SEM Committee discussed the issues and requested that the Oversight Committee investigate further and report back at the SEM Committee in October.

Action: CER to acknowledge receipt of letter. Oversight Committee to investigate further on whether or not this is a SEM issue and report back to SEM Committee in October.

18. AOB

MMG Forecasting

AE provided an update on scope of work required as per work plan and noted that the Project Team would provide quarterly reports via email to both the SEM Committee and the SEM Oversight Committee, commencing at the end of October 2011, on the following:

- Forward Looking Fuel Prices
- SMP Trends
- Key Energy News

Date of Next Meeting: Tuesday 25th October 2011, Utility Regulator Offices, Belfast