

## SEM Committee Meeting

### Minutes Meeting No. 47

**Location:** CER Offices, Dublin  
**Date:** 29<sup>th</sup> November 2011  
**Time:** 10.30am – 4.30pm

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

#### Apologies:

#### In attendance:

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

For Items 4 and 5: Jody O'Boyle (JO'B) (UR)

For Item 6: Kevin O'Neill (KO'N) (UR), Richard Goodfellow (RG) (UR)

For Item 7: Paul Brandon (PB) (CER), Jamie Burke (JB) (CER), Yvonne Coughlan (YC) (Eirgrid), Fintan Slye (FS) (Eirgrid), Shane O'Rourke (SO'R) (Eirgrid), Alex Baird (AB) (SONI)

For Item 8: Joe Craig (JCr) (UR), Paul Brandon (PB) (CER)

For Item 9: Paul Brandon (PB) (CER), Jamie Burke (JB) (CER)

For Items 10 and 11: Sheenagh Rooney (SR) (CER)

**Minute Taker:** Mignonne Smith (UR)

#### 1. Approval and Adoption of the Agenda

The Chairman welcomed the Committee and offered special thanks from the SEM Committee to the outgoing chairman Alan Rainey. The Agenda was adopted as circulated.

#### 2. Approval of Minutes from Meeting 46 on 25<sup>th</sup> October 2011.

The Minutes were adopted with amendments as discussed.

#### 3. Review of Actions from meeting 46 on the 25<sup>th</sup> October 2011

Actions 187, 197 and 198 were completed, all other actions were updated and some further actions added.

#### 4. MMU Update

JO'B provided an overview of SEM Market Monitoring report for November 2011. The SEM Committee noted the report.

#### **4a) Uplift Update**

JO'B gave an update on Uplift Analysis as requested by the SEM Committee in October to look into the trending of the Uplift parameter since the start of the SEM. The analysis provided indicated an increase in uplift on a year on year basis since 2007.

The SEM Committee discussed the analysis further and requested that the Market Monitoring Unit carry out a full assessment for discussion at a future SEM Committee.

**Action:** Market Monitoring Unit to carry out full assessment of Uplift for discussion at a future SEM Committee.

#### **5. Jurisdiction on Cancellation of GUA's**

JO'B provided background information on forthcoming options to cancel GUA contracts for remaining peaking plants in Northern Ireland and for the Ballylumford CCGTs. In both instances the SEM Committee were asked to decide whether or not cancellation of these contracts was a SEM Matter.

The SEM Committee discussed the issues at length referring to the previous decision on jurisdiction on cancellation of GUA's at SEM Committee Meeting No. 26 on the 25<sup>th</sup> March 2010.

Based on this the SEM Committee agreed that the decision regarding the cancellation of the contract for the small peaking plant was not a SEM Matter as they were unlikely to materially affect the SEM. Further GUA cancellations will be discussed at a future SEM Committee.

#### **6. NIE Licence following ESB Acquisition Decision**

KO'N and RG provided an overview of the consultation and subsequent decision paper, following a review of the transmission licences of both NIE and ESB after the acquisition of NIE by ESB, which completed in December 2010.

The SEM Committee were asked to consider proposed changes to the NIE Licence as described in detail in the draft Decision paper.

Having considered the TIBCO project as an example of where synergies could add value the SEMC agreed in principle to the approval of TIBCO but require the detail to be approved by the appropriate regulator.

The SEM Committee discussed proposed licence changes at length and agreed to the publication of the Decision paper, subject to modifications as agreed during the discussion, CEPA's final report entitled "*NIAUR In-depth Assessment of ESB Corporate for SEM Committee*" and the revised licence terms and conditions for consultation.

#### **7. DS3 Presentation by TSOs and System Services**

The SEM Committee welcomed representatives from both Eirgrid and SONI (the TSOs) who were invited to give a briefing on DS3 Project regarding delivering a secure sustainable electricity system for Ireland and Northern Ireland.

SO'R provided an overview and background information on the proposed approach to the Systems Services Review, which will consist of a multi-stage consultation process in collaboration with the Regulatory Authorities (the RAs).

YC gave a presentation providing further detail on delivery of the DS3 project including programme of works on required changes in the power system over the coming years.

The SEM Committee discussed issues at length and suggested amendments to the Systems Services Review Preliminary Consultation prior to publication.

**Action:** Project Team to work with TSOs in amending Systems Services Review Preliminary Consultation document prior to publication of the document in December.

## **8. TSO Certification**

### **8a) TSO Certification for Northern Ireland**

JCr provided an update on TSO Certification Process for Northern Ireland. Following further communication with the European Commission (EC) and upon receipt of further legal advice, the Project Team presented a Guidance Note on TSO Certification requesting approval for publication of the note.

The SEM Committee briefly discussed the certification process for NI and relevant timelines and approved publication of the Guidance Note.

### **8b) TSO Certification for Ireland**

PB and CM provided an update. As the Statutory Instrument regarding TSO Certification in Ireland was published by the Irish Government on the 4<sup>th</sup> November 2011, the SEM Committee was requested to make a decision on whether or not TSO certification for Ireland was a SEM Matter.

The SEM Committee referred to a similar prior decision on this matter regarding TSO Certification for NI as taken at Extra Ordinary SEM Committee Meeting 39 held on the 10<sup>th</sup> of May 2011.

On this basis the SEM Committee decided by majority that the TSO Certification for Ireland was a SEM matter, the CER voted against this decision.

## **9. Treatment of Tie Breaks Decision Paper**

PB and JB provided background information on the Treatment of Tie-Breaks Decision Paper and requested guidance from the SEM Committee on:

- The separation of constraints from curtailment in real-time; and
- The definition of constraint groups in both jurisdictions

A number of options were provided; following discussion of the options at length the SEM Committee suggested moving forward with option 2 (Original SEM Proposal with Constraint categories based on FAQs & Constraint Groups fixed by their geographic size/electrical boundary (nodes).) for both Constraints and with similar treatment of Curtailment. The Committee also decided to go ahead with recommendations regarding PFloor and approved publication of the decision paper along with recommended next steps approach to engage the TSOs in undertaking further modelling work.

**Action:** Project Team to arrange publication of the Decision Paper and work with TSO's in undertaking modelling to identify the specific fixed boundary of the three constraint groups in the south west of Ireland, the north west of Ireland and the north west of Northern Ireland.

#### **10. European Market Integration Project Update**

SR gave an update on the SEM Market Integration Project. The SEM Committee were asked to consider approaches to the project and resources to implement the project moving forward. SR highlighted the need to advance a procurement process for additional resources as soon as possible.

The SEM Committee briefly discussed the issues and noted the update.

#### **11. Trading and Settlement Code Update**

SR provided an update on the SEM Trading and Settlement Code highlighting Mod 18\_10 Intra Day Trading tabled for discussion at the Modifications Committee next week. SR provided background information noting the Mods Committee were minded to deny an extension for this modification if solution is resolved at the meeting.

The SEM Committee noted the update.

#### **12. Judicial Review Update**

EC provided update on ongoing Judicial Review case. A further update will be provided following the next Court hearing, which is due to take place on 14<sup>th</sup> December.

#### **13. Reporting of Decisions made by Oversight Committee to SEM Committee**

The Decisions were noted.

#### **14. Updates CER/NIAUR/Independent Members**

##### Utility Regulator

SL noted recent correspondence received in respect of GTUoS decision and discussed proposed responses.

##### CER

GB noted Minister's reference to export business for renewables and noted concerns regarding market implications in relation to this.

##### Independent Members

The Independent Members had no updates.

#### **15. SEM Correspondence**

- IBEC letter requesting meeting with SEM Committee – EC suggested a high level meeting with the SEM Committee in January 2012.

**Action:** SL to draft letter for signature by the chairman.

#### **16. AOB**

There were no further items discussed.

**Date of Next Meeting: Monday 19<sup>th</sup> December 2011, Utility Regulator Offices, Belfast**