

SEM Committee Meeting

Minutes Meeting No. 50

Location: Utility Regulator Offices, Belfast
Date: 23rd February 2012
Time: 10.30am – 5.30pm

Attendees: Ignacio Perez-Arriaga (IP-A) (Independent Member) (SEMC Chairman), Shane Lynch (SL) (Utility Regulator) (UR), Alan Rainey (AR) (UR), Garrett Blaney (GB) (CER), Dermot Nolan (DN) (CER), 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 4: Jamie Burke (JB) (CER), Stephen Wheeler (SW) (IWEA), Kenneth Matthews (KM) (IWEA), Gary Connolly (GC) (NIRIG), Peter Harte (PH) (IWEA), Thomas Cooke (TC) (Meitheal Na Gaoithe), Grattan Healy (GH) (Meitheal Na Gaoithe), Pat Blount (PBI) (Meitheal Na Gaoithe), Brian Britton (BB) (NOW Ireland), Garrett Connell (GCo)(Now Ireland)

For Item 5: Sonya Twohig (ST) (Eirgrid), Bill Thompson (BT) (Eirgrid), Michael Preston (MP) (SONI)

For Item 6: Jody O'Boyle,(JO'B) (UR), Kenny Dane (KD) (UR)

For Item 7: Andrew McCorriston (AMcC) (UR)

For Item 9 & 10: Sheenagh Rooney (SR) (CER), Philip Newsome (PN) (CER)

For Item 13: Gordon Downie (GD) (Shepherd & Wedderburn) Margaret Gray (MG) (Junior Council for CER)

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

1. Approval and Adoption of the Agenda

The Agenda was amended and adopted.

2. Approval of Minutes from Meeting 49 on 26th January 2012

The Minutes were adopted subject to agreed amendments.

3. Review of Actions from Meeting 49 on 26th January 2012

Actions 173, 207, 208 and 210 were completed. All other actions were amended and updated.

4. Presentations on Tie Breaks in Dispatch

The SEM Committee welcomed representatives from IWEA, NIRIG, Meitheal Na Gaoithe and NOW Ireland and invited them to present new views and opinions in respect of the SEM Committee decision regarding the treatment of curtailment in a tie-breaks situation, outlined in SEM 11-105 - Treatment of Price Taking Generation in Tie Breaks in Dispatch in the Single Electricity Market and Associated Issues.

Following the presentations the SEM Committee discussed the issues at length and requested that the Project Team prepare a draft of a possible proposed decision paper on curtailment for discussion at an Extra Ordinary SEM Committee meeting to be arranged as soon as possible. This paper was to be based on grandfathering of curtailment as per the decision in SEM-11-105.

Action: Project Team to prepare a draft of a possible proposed decision on curtailment for discussion at an Extra Ordinary SEM Committee to be arranged as soon as possible.

5. TSO Presentation on Generator Testing Tariffs

The SEM Committee welcomed Sonya Twohig (Eirgrid), Bill Thompson (Eirgrid) and Michael Preston (SONI) as representatives of the TSOs and invited them to present on the rationale behind the methodology applied to their SEM Testing Tariffs Recommendations paper.

A brief Q& A session followed the presentation in which the SEM Committee sought further clarification on cost reflectivity of methodology applied by the TSO's.

The SEM Committee approved the recommended testing tariffs on the basis that they are reviewed annually.

6. CPM Medium Term Review Final Decision

JO'B and KD provided an overview and background information on CPM Medium Term Review final Decision Paper. The SEM Committee discussed issues raised by the Project Team and agreed that a range of options should be put forward for consideration at the next meeting.

Action: Project Team to submit range of options for consideration at SEM Committee meeting 51.

7. MMU February Update

AMcC provided an overview of Market Monitoring Report for February 2012. The SEM Committee briefly discussed report details acknowledging additional work regarding increases in uplift which reinforced the need for further investigation. The Market Monitoring Team noted that further research may be available for discussion at the SEM Committee in April.

8. SEM Oversight Forward Work Plans for 2012

TW discussed SEM Operational and Project Forward Work Plans (FWPs) for 2012 and sought approval to amend some of the current methods of reporting to the SEM Committee. Proposed changes included:

- Amending current format of the TSC Update to a more scaled down summary version and to present this new version once every two months in line with TSC Committee meetings. The SEM Committee agreed in principle to this, requesting that both versions of the TSC Update are provided at the next meeting prior to approving this amendment.
- The Oversight Committee requested authority to make decisions on some of the more operational work streams on the basis that they would provide regular updates of decisions made to the SEM Committee.

The SEM Committee approved suggested amendments to current reporting methods.

9. Trading and Settlement Code

9a) Update on Intraday Trading Modifications 18_10 and 34_10

SR provided update on Intraday Trading Modifications 18_10 and 34_10 which were recommended for approval by a majority decision at the Modifications Committee on the 6th of December 2011. A final decision approving the modifications was issued on 16th February 2012.

The SEM Committee noted the update.

9b) TSC Update for the Period 21 January to 17 February 2012

SR gave an overview of Trading and Settlement Code Update for the period 21 January – 17 February 2012. TW provided background information on licencing issues regarding Mod 36_10 regarding removal of connection between Supplier Units and DSUs. The SEM Committee noted that this Mod provides issues for Northern Ireland only due to the fact that DSUs are not defined as suppliers and cannot therefore be provided with a supplier licence.

The SEM Committee noted the Update.

10. Market Integration Project – February Update

SR provided an update on current status of the Market Integration Project highlighting priority of progressing work to avail of section 1.2 of FGACM which would allow SEM additional time to implement the target model.

The SEM Committee noted the update.

11. TSO Certification Update

SL provided an overview of memo noting recent meeting with the European Commission regarding TSO Certification process for Ireland and Northern Ireland. The SEM Committee briefly discussed issues raised at the meeting.

The SEM Committee noted the update.

12. SEM Correspondence

The SEM Committee discussed recently received correspondence as follows:

- Correspondence from IBEC CBI Joint Business Council – MS to reschedule meeting as requested.

- Correspondence from Energia regarding gas capacity costs in the SEM – MS to acknowledge correspondence on behalf of the SEM Committee and schedule Gas Capacity Costs in the SEM for discussion at a future SEM Committee.

13. Judicial Review Update

GD provided an update via conference call on outcome of Judicial Review following final appeal hearing which took place on 23rd February noting that judgement went against CER. The SEM Committee were provided with copies of the Judgment and discussed at length issues arising including next steps in moving forward.

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

The update was noted.

15. Updates CER/NIAUR/Independent Members

The Updates were noted.

16. AOB

- **SO to SO Trades Under Dispatch and Scheduling Workstream**

TW noted the SEM Committee's previous high level approval of the Dispatch and Scheduling work stream. On that basis TW requested that the SEM Committee delegate authority to the Oversight Committee in respect of future decisions on SO to SO trades.

The SEM Committee agreed the request on condition that updates on decision are provided on a regular basis.

- The SEM Committee requested a further extra ordinary SEM Committee meeting to discuss the following issues in more depth:
 - CPM Medium Term Review Decision Paper
 - Treatment of Tie Breaks in Dispatch

Action: MS to schedule Extra Ordinary SEM Committee meeting as soon as possible.

Date of Next Meeting: Thursday 29th March 2012, Utility Regulator Offices, Belfast