

SEM Committee Meeting

Minutes Meeting No. 52

Location: CER Offices, Dublin
Date: 29th March 2012
Time: 10.30am – 4.00pm

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: Paul Brandon (PB) (CER), Jamie Burke (JB) (CER), Laura Steerman (LS) (CER), Aisling Fair (AF) (CER)

For Item 5: Sheenagh Rooney (SR) (CER), Clive Bowers (CB) (CER)

For Item 6,7 and 8: Colin Broomfield (CBr) (UR)

For Item 9: Jean Pierre Miura (JPM) (UR), Alan Kennedy (AK) (SONI)

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 50 on 23rd February 2012 and Extra Ordinary Meeting 51 on 5th March 2012

The Minutes of Meetings 50 and 51 were adopted subject to a few minor amendments.

3. Review of Actions from Meeting 50 on 23rd February 2012 and Extra Ordinary Meeting 51 on 5th March 2012

Actions 194, 206, 209, 212 and 213 were completed. The remaining actions were amended and updated.

4. Treatment of Curtailment

PB provided an overview of a draft proposal from the project team regarding Treatment of Curtailment in Tie-Break situations. Following discussion at length the Committee decided to publish the proposal as a consultation paper setting out the options for the treatment of curtailment in tie-break situations.

The SEM Committee further decided to publish a Communication, immediately following this meeting, providing an update of their decision to consult in the near future.

Action: Project Team to prepare a consultation paper drafting options in relation to the treatment of curtailment issues in a tie-break situation inviting responses from industry and the public for approval by the SEM Committee prior to publication.

5. Market Integration Project – March Update

SR gave an update on progress of the Market Integration project to date, highlighting a number of issues including:

- **Section 1.2 of FGCACM:** ACER presently seeking clear commitment that additional time will be used effectively and have suggested that the SEM provide a detailed roadmap with clear milestones and accountabilities to implement the target models by 2016.
- **Project Workplan March – July 2012:** the SEM Committee noted the proposed terms of reference in relation to specific work areas as per the Committee's request that these work areas were looked at in more detail.
- **European Update:** ACER's Electricity Balancing Framework Guideline (Balancing FG) has been approved and is expected to be published at the end of April. The SEM Committee noted that complying with the final Balancing FG and code will have to be accommodated within the scope of the Market Integration Project.

The SEM Committee noted the update.

6. MMU March Update

CBr provided an overview of the SEM Market Monitoring Report for March 2012. The SEM Committee briefly discussed report details and noted the update.

7. All Island Generation Capacity Statement

CBr provided a summary of the All Island Generation Capacity Statement 2012 – 2021, produced by Eirgrid and SONI. The SEM Committee discussed concerns raised in the Capacity Statement, regarding security of supply for Northern Ireland by 2016 and suggested that a Project Team is set up to look at this in more detail and report back at a future SEM Committee Meeting.

Action: Oversight Committee to discuss options regarding security of supply issues for Northern Ireland from 2016 onwards and report back at a future SEM Committee.

8. Update on GUAs

CBr provided a verbal update on current status of GUA Contracts in Northern Ireland. The SEM Committee noted the update.

9. TLAFs Proposed Decision Paper

JPM provided an overview of a Proposed Decision Paper on Treatment of Losses in the SEM and requested approval to publish the paper for the purpose of public consultation. The SEM Committee then invited Alan Kennedy (AK) of SONI to provide a brief presentation on findings of modelling tasks requested by the Regulatory Authorities (RAs) regarding TLAF splitting.

Following a brief Q&A focusing on the modelling methodology, the SEM Committee gave approval to publish the Proposed Decision paper, subject to agreed amendments.

Action: IPA to liaise with AK in order to establish mechanisms whereby quasi real-time TLAFs could be employed in future modelling exercises.

10. Judicial Review Update

EC gave a brief update following on from recent Supreme Court Judgement on 23rd February 2012. The SEM Committee noted the update.

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

The update was noted.

12. Update CER/NIAUR/ Independent Members

Utility Regulator

TW noted that a policy decision on Smart Metering in Northern Ireland was expected in the spring.

NIE Transmission and Distribution Price Control expected to be published by week ending Friday 4th April.

Pheonix Supply Price Control currently going to Competition Commission.

CER

CER had no updates

Independent Members

JSL noted recently elected Spanish Government have sent a bill to Parliament to merge all Regulatory Authorities in Spain into one Authority.

13. SEM Correspondence

The SEM Committee discussed recently received correspondence from Energia regarding Gas Capacity Costs and requested that the Project Team carry out analysis on this with a view to bringing a paper for discussion to a future SEMC.

Action: Project Team to carry out analysis on the treatment of Gas Transportation Capacity Costs in the SEM and prepare a paper for discussion a future SEM Committee. CBr to prepare draft letter noting this decision to Energia for signature by the Chairman.

14. AOB

The following items were discussed under AOB:

- REMIT workshop on Friday 23rd March – TW provided update on this workshop.
- NI Generator Connection Process – TW provided background information on process for Generators in NI.

Date of Next Meeting: Thursday 26th April 2012, Utility Regulator Offices, Belfast