

SEM Committee Meeting

Minutes Meeting No. 57

Location: CER Offices, Dublin
Date: Thursday 26th July 2012
Time: 10.30am – 5.00pm

Attendees: Garrett Blaney (GB) (CER) (SEMC Chairman), Dermot Nolan (DN) (CER), Alan Rainey (AR) (Utility Regulator) (UR), Shane Lynch (SL) (UR) (not present for Agenda Item 4b), Ignacio Perez-Arriaga (IP-A) (Independent Member), Jose Sierra Lopez (JS-L) (Deputy Independent Member).

Apologies:

In attendance:

For all items: Jean Pierre Miura (JPM) (UR) Eugene Coughlan (EC) (CER), Cathy Mannion (CM) (CER)

For items 4, 5 and 6: Gordon Downie (GD) (Shepherd and Wedderburn) (S&W)

For Items 4: Philip O'Donnell (PO'D) (Eirgrid), Eoin Clifford (ECI) (Eirgrid), Paul Brandon (PB) (CER), Jamie Burke (JB) (CER), Laura Steerman (LS) (CER), Colin Broomfield (CBr) (UR)

For Item 5: Paul Brandon (PB) (CER), Robert O'Rourke (RO'R) (CER), Joe Craig (JC) (UR)

For Items 6 and 8: Kenny Dane (KD) (UR), Colin Broomfield (CBr) (UR)

For Items 7: Brian Mulhern (BM) (UR), Colin Broomfield (CBr) (UR), Paul Brandon (PB) (CER)

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

For Item 10: Sheenagh Rooney (SR) (CER), Philip Newsome (PN) (CER), Clive Bowers (CB) (CER)

For Item 13: Andrew McCorrison (AMcC) (UR), Denis Cagney (DC) (CER), Aoife Crowe (AC) (CER)

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

1. Approval and Adoption of the Agenda

The Agenda was adopted.

2. Approval of Minutes from Meeting 56 on 28th June 2012

The Minutes were adopted subject to minor amendments.

3. Review of Actions from Meeting 56 on 28th June 2012

The Actions were reviewed and updated.

4. Curtailment

a) TSO Presentation on Curtailment Modelling Results

The SEM Committee welcomed Philip O'Donnell and Eoin Clifford of Eirgrid and invited them to present their findings on the Effect of Tie Break Rules on Dispatch Balancing Costs (DBC) and Curtailment. The Presentation focused on change in DBC only, and was followed by a brief Q&A.

b) Curtailment – Proposed Decision

PB provided an overview of options for the proposed decision on treatment of curtailment in tie-break situations. The SEM Committee discussed the options at length and advised the project team to investigate a number of further variations on a more in depth basis for further discussion at the SEM Committee meeting in August.

Action: Project Team to investigate variations as advised and incorporate findings into paper for discussion by the SEM Committee at their meeting in August.

c) Curtailment Legal Matters

LS provided an update on litigation issues regarding curtailment. The SEM Committee noted the update.

5. TSO Certification Decision Update

AR provided update on behalf of SEM Sub Committee regarding current status of TSO Certification Process for Ireland and Northern Ireland noting that further advice had been sought from the European Commission.

Agreement was reached on sharing of legal costs; noting that the costs incurred by an application would be borne by the regulatory authority in the relevant jurisdiction. The SEM Committee noted the discussions initiated with DETI in Northern Ireland to resolve the legislative question on cost sharing.

6. Gas Transportation Capacity (BCoP) Consultation Paper

KD presented a draft consultation paper on the treatment of gas transportation costs in relation to the Bidding Code of Practice (BCoP). The SEM Committee discussed the paper at length and requested that the project team gather further information from market participants regarding the nature of the secondary gas transportation capacity market and present a revised consultation for discussion by the SEM Committee at their meeting in August.

Action: Project Team to prepare and issue questionnaire to market participants in relation to gathering further information regarding the nature of the secondary gas transportation capacity market for inclusion in a revised consultation paper to be presented for discussion by the SEM Committee at their meeting in August.

7. GTUoS Tariffs 2012/13 Decision Paper

BM provided background information on All Island Generator TUoS tariff options and requested a decision on which tariff set should be used for the 2012-2013 tariff year. Following a discussion the SEM Committee approved tariff set 2b and delegated authority to the Project Board to approve the decision paper for publication subject to suggested minor amendments by the Project Team.

8. CPM BNE 2013 Decision Paper

KD provided an overview of decision paper regarding Fixed Cost of a Best New Entrant peaking Plant, Capacity Requirement and Annual Capacity payment Sum for 2013 and requested approval to publish.

The SEM Committee briefly discussed related issues and gave approval for the publication of the paper.

9. Market Monitoring June 2012 Update

CBr provided a summary of the Market Monitoring update report for June 2012. A report on Intra Day Trading which commenced 21st July, will be provided in the MMU update at the SEM Committee in August.

The SEM Committee noted the update.

10. Market Integration Project Update

SR provided update on current status of Market Integration Project noting the project is entering an intensive phase in preparation for the next milestone, a SEM Committee decision on 'next steps'. Updates were also provided on:

- Network Code on CACM
- Ongoing briefing to respective government departments
- Balancing FG

The SEM Committee held a brief discussion on related issues and noted the update.

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

The Update was noted.

12. Updates CER/UR/Independent Members

There were no further updates from the SEM Committee.

13. SEM Correspondence

a) Correspondence re Hybrid Reference Plant

AMcC provided background information in respect of recently received communications seeking clarification from the SEM Committee on the methodology for calculating emissions for hybrid plants.

The SEM Committee discussed the matter and advised the Project Team to review the decision and respond accordingly to all communications received.

Action: Project Team to review SEM Committee Decision Paper SEM-11-162 and draft responses to communications received for approval by Oversight Committee

14. AOB

The following items were discussed:

a) ESB Licence Modifications

AE provided an overview and background information on modifications to ESB's Generation Licence following the publication of the SEM Committee's decision on SEM Market Power and Liquidity (SEM-12-002) on 12th February 2012.

The SEM Committee discussed all relevant issues and advised the Project Team to seek legal advice to ensure modifications accurately reflected the SEM Committee Decision and to circulate the Mods to the SEM Committee for their review.

This licence issue is considered a SEM matter with the SEM Committee exercising a function of the CER.

Action: AE to circulate ESB generator licence Mods to the SEM Committee and to seek legal review of the Mods in relation to their accurate reflection of the SEM Committee Decision (SEM-12-002). Following this AE to circulate the legal review to the SEM Committee.

Date of Next Meeting: Thursday 30th August 2012, Utility Regulator Offices, Belfast