

SEM Committee Meeting

Minutes Meeting No. 115

Location: Ballymascanlon Hotel, Dundalk

Date: Thursday, 30th March 2017

Time: 10.30am – 4.00pm

Member attendees:

Utility Regulator (UR): Bill Emery (SEMC Chair), Jenny Pyper, Jon Carlton
Commission for Energy Regulation (CER): Garrett Blaney, Aoife MacEivilly, Paul McGowan
Independent members: Odd Håkon Hoelsæter and Professor David Newbery (Deputy)

In attendance

For all Items: Jo Aston (UR), Laura Brien (CER), Alan Rainey (Economic Adviser to UR),
Roisin McLaughlin (UR), Brian McHugh (UR), John Melvin (CER) and Keith Holmes (secretariat)
For Item 3: Colin Broomfield (UR), Karen Shiels (UR), Tom Quinn (CER), Andrew Chattrabhuti
(ESP Consulting), Stuart Ffoulkes (ESP Consulting), Gordon Downie (Shepherd & Wedderburn),
John Grady (Shepherd & Wedderburn) and Alistair Green (ESP Consulting)
For Item 4: Colin Broomfield (UR), Karen Shiels (UR), Tom Quinn (CER), Andrew Chattrabhuti
(ESP Consulting) and Stuart Ffoulkes (ESP Consulting)
For Items 5 and 6: Barry Hussey (CER), Andrew Jackson (Design and Implement) and
Peter Wibberley (Yellow Wood Energy Ltd.)
For Item 7: Helen Mounsey (I-SEM project manager, ESP Consulting) and Robert O'Rourke
(CER)
For Item 8: David Egan (CER), James Curtin (CER) and Brian Mulhern (UR)
For Item 9: Barry Hussey (CER) and Andrew Waghorn (Deloitte)
For Item 10a: Greg Irwin (UR)

Guest attendees:

Michael Manley (DCCA), Colm O'Connell (DCCA) and Chris Stewart (DFE) - in attendance for
agenda item 7.

Apologies : None

Minutes : Keith Holmes (secretariat)

Declarations of interest: No declarations were made.

1. Approval and adoption of the agenda

The agenda was approved.

2. Review and approval of minutes from meeting 114 on 23 February 2016

A number of editorial amendments were proposed and accepted by the committee. The amended minutes were approved for publication.

3. CRM – decision on CRM parameters

An update was presented by Colin Broomfield to the committee. Items noted were;

- the process followed to date;
- the timeline;
- an overview of the key decisions.

This was followed by a discussion with the committee. Discussion points included were:

- plants behind a constraint;
- the content and format of the decision paper;
- the legal advice received.

The committee thanked the CRM workstream and the consultants for all of their work and effort in producing the decision paper. The legal advice received was also noted by the committee. The CRM workstream to update the final changes to the decision paper.

The committee accepted the recommendation, approved the paper and then delegated the final approval of the decision paper to the I-SEM sub-committee.

4. CRM – Decision on the terms of reference for the capacity market auditor & monitor

The decision paper was discussed with the committee. The committee approved the decision paper for publication.

5. ETA – T&SC decision paper

The following documents were presented to the committee:

- T&SC parts B & C, appendices and agreed procedures – reflecting the amendments to the trading and settlement code as a result of the extensive consultation process of the rules working group process;
- T&SC decision paper - dealing with the key issues of concern raised by participants; and
- detailed comments spreadsheet – a collated list of all consultation response comments.

An update with regards to the trading and settlement code was provided to the committee by Barry Hussey. Areas noted were:

- the background and process of the consultation;
- the amendments to the trading and settlement code;
- the recurring and key issues; and
- next steps.

This was followed by a discussion with the committee.

The committee acknowledged the significance of the day and thanked the ETA workstream and the consultants for their diligent work in supporting the development of the trading and settlement code

The committee endorsed the amendments to the trading and settlement code, the decision paper and the detailed comments spreadsheet.

The committee delegated authority to the I-SEM project board to authorise the publication of the trading and settlement code documents.

6. ETA – Intermediaries decision paper

Barry Hussey gave a presentation on the decision paper to the committee. Areas highlighted were:

- the background to the consultation;
- a summary of the consultation responses; and
- the key decision points.

This was followed by a discussion with the committee.

The committee approved the decision paper.

7. I-SEM/DS3 project updates

The two departments welcomed the progress made to date and confirmed the critical importance of all three revenue streams. The departments reinforced their commitment to the I-SEM go-live date of 23 May 2018.

I-SEM

Helen Mounsey provided a progress update to the committee. A project outlook for the next four months was discussed, noting the key events and milestones for both the Regulatory Authorities and the TSO. It was noted that April 2017 will be a busy month with several decision papers to be published. A progress summary for each I-SEM workstream was also provided. The risks potentially impacting project timelines with regards to ETA parameters, I-SEM system and services build, market coupling and resourcing were discussed with the committee.

DS3

Robert O'Rourke presented an update to the committee, noting the current progress status and the next steps for the DS3 programme. Key points highlighted to the committee were:

- the successful publication of the industry information paper on 23 March 2017;
- RoCoF - project currently remains on track;
- SNSP – the 60% SNSP limit is now TSO operational policy;

- a summary of the key policies to date; and
- an outlook of future policy decisions.

This was followed by a discussion with the committee. The committee and the departments particularly welcomed the 60% SNSP achievement.

8. Market power – Bidding controls decision paper

The decision paper was presented to the committee, with a summary update provided by David Egan. Items covered were:

- the decision paper background;
- the consultation process including a summary of the responses;
- the content of the decision paper chapters; and
- next steps.

This was followed by a discussion with the committee.

The committee approved the decision paper and delegated the final approval of the decision paper to the I-SEM project board.

The market power workstream to update final editorial changes to the decision paper.

9. SEM market audit report 2016 – results

Andrew Waghorn presented an update of the market audit report to the committee. Items noted were:

- the summary of the auditor opinion; and
- no significant issues identified.

The committee noted and thanked the auditor for presenting the report.

10. Updates

A – SEMC communications strategy update including I-SEM and DS3 hymn sheets

Greg Irwin presented to the committee an example of the new e-zine form that will support the stakeholder management process for I-SEM go-live. The committee agreed it would be valuable to have a stakeholder plan.

B – CER/NIAUR/Independent members

CER

- Update provided with regards to the OECD peer review.

UR

- team resourcing discussed;
- meeting with the UK Competition Network noted; and
- update provided with regards to future technology improvements in order to support the facilitation of meetings and document management.

Independent Members

- Odd Håkon Hoelsæter – no further updates.
- Professor David Newbery – EPF membership forms discussed. A seminar scheduled for 5th May was also noted.

11. Review of actions from meeting 114 on 23 February 2017

Actions were updated.

12. SEM Correspondence

Three letters received from an energy company with regards to emerging thinking on the I-SEM energy and capacity markets. Correspondence was discussed with the committee. One response letter to be drafted.

Verbal update with regards to correspondence received from another market participant requesting a high-level meeting was discussed with the committee.

13. AOB

Potential future progress update to the committee with regards to the Moyle interconnector outage was discussed.

Signed: 
Bill Emery, SEMC Chair

