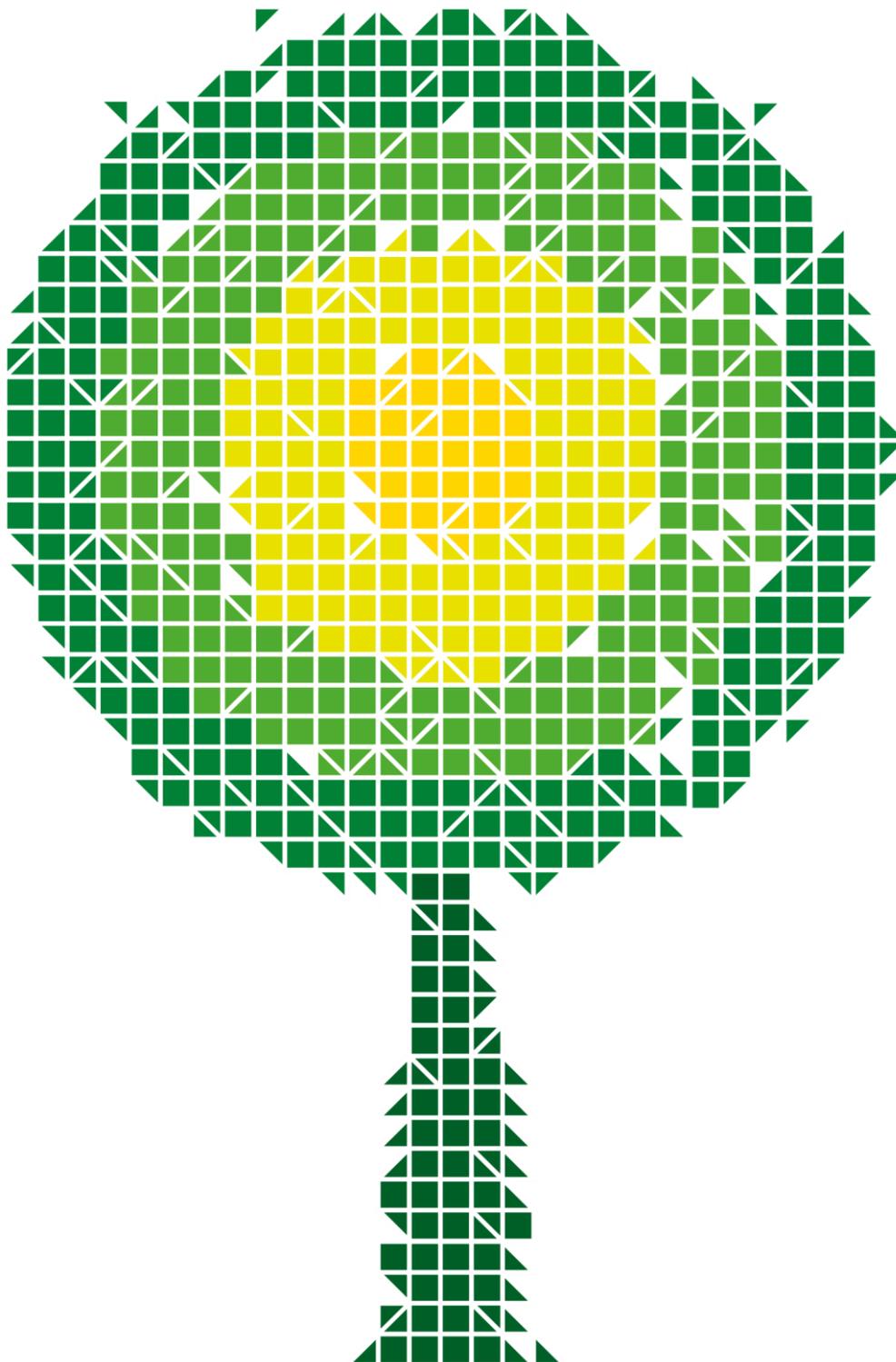# Eirgrid ISEM Market Readiness Report Review

March 2017 Reporting Wave

5 May 2017

V1.0
FINAL

Gemserv

Contents

1. BACKGROUND

The I-SEM Project has published a Market Readiness Plan, which details a methodology by which the ISEM Project will coordinate an assessment and reporting process by which key stakeholders will be asked to voluntarily self-assess their progress towards readiness, using an assessment framework provided by EirGrid/SONI. The Market Participants and central bodies have had the opportunity to consult on the preparation of this framework, which was agreed for use in 2016.

A summary report for each market will be published periodically by EirGrid showing the current state of readiness against a set of metrics based upon stakeholders' self-assessments of their progress towards completion of readiness criteria, covering the main components of the market arrangements (such as legal arrangements, systems, and business processes). It will also present issues and risks.

Gemserv has been retained by Ernst and Young, as the Market Readiness Auditor contracted by EirGrid, to provide the following services:

- Reviewing and validating the readiness assessment and reporting approach detailed in the EirGrid ISEM Market Readiness Plan.
- Performing validation of the Market Readiness Report and providing challenge and advice to the ISEM team in relation to the conclusions in that report and general status of market readiness based upon the self-assessment of market participants.
- Provide ongoing feedback to EirGrid based on an assessment of the Market Readiness Reports and the progress of market participants towards market readiness in advance of I-SEM go live.

2. GEMSERV'S OPINION

Gemserv has reviewed the EirGrid Market Readiness Report for the March 2017 Reporting Wave against the process of data collection, aggregation and interpretation approach detailed in the Market Reporting Plan and Strategy (approved 2016). This was assured, as an appropriate process and approach, by Gemserv on 6 April 2017.

EirGrid delivered the Market Readiness Report for the March 2017 Reporting Wave to Gemserv on 3 May 2017 for review and assurance on the creation and progress detailed in the report. Gemserv reviewed and feedback to EirGrid on 4 May 2017.

Gemserv reviewed the report and can confirm that:

1. EirGrid has declared that in producing this Market Readiness Report it has maintained the process assured by Gemserv. This outcome is despite their having to manually prepare the report after the automated script failed.
2. EirGrid has declared that it has not altered the data submitted by parties in any way.
3. EirGrid has ensured that all significant commentary, risks and issues captured through the submission of both qualitative and quantitative data from parties have been included into the Market Readiness Report.

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Gemserv has <u>not</u> identified any significant risk or issue in the preparation of the Market Readiness Report in its representation of Market Readiness. However, ongoing problems with the automated script used to prepare the report is likely to impact on EirGrid's ability to increase the frequency of the reporting periods and deliver a meaningful report. EirGrid has confirmed that it has resources in place to address this process issue.

There appears to be a risk of divergence between the self-perception of Market Participants' readiness and that of EirGird's commentary of the availability of information to ensure readiness. The divergence lies in Market Participants' self-perception of their capacity to be ready based on the progress thus far in preparing the central market components. Gemserv recommended that EirGrid consider taking this matter up with the Regulatory Authority.
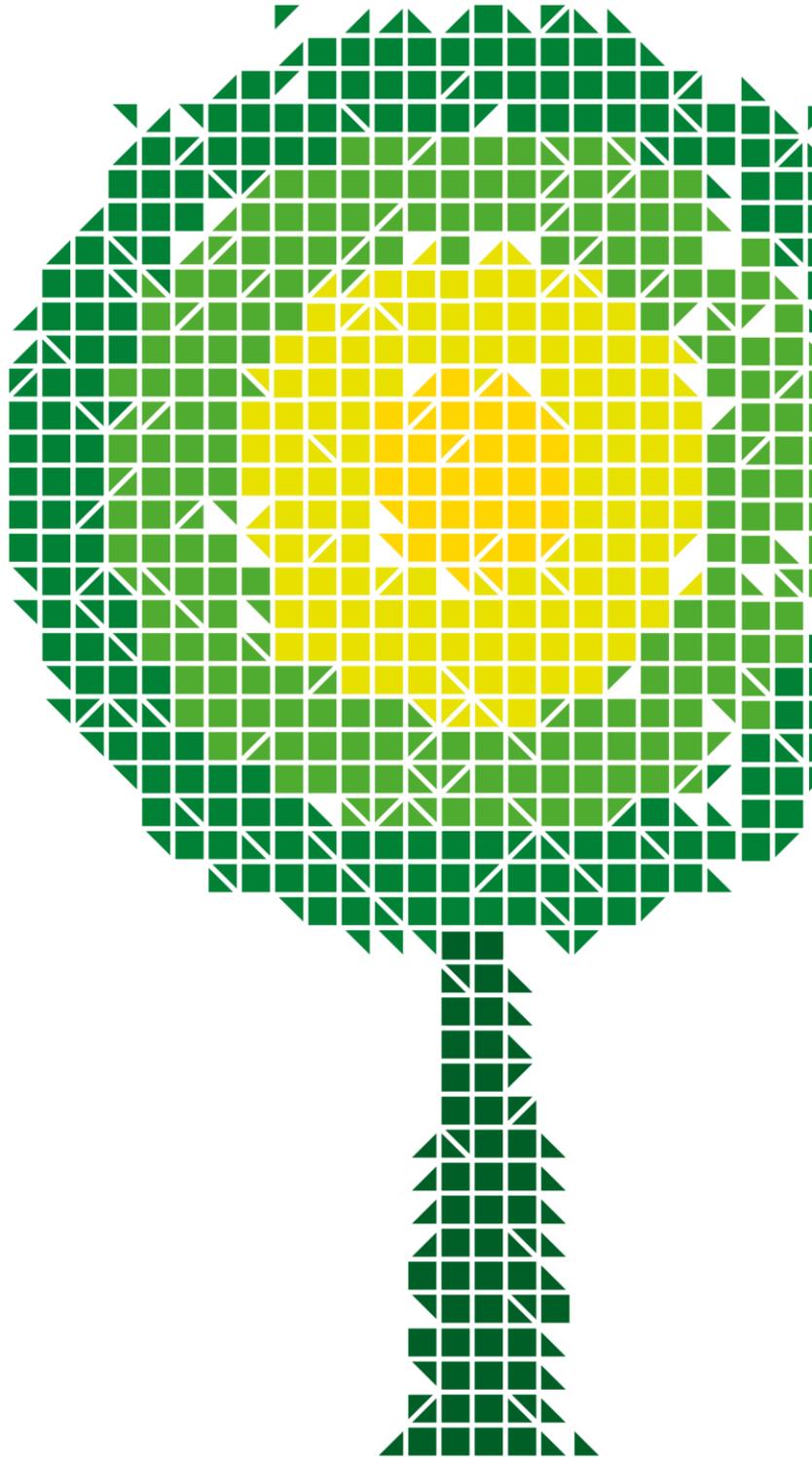
It is Gemserv's opinion, therefore, that the Market Readiness Report for the March 2017 Reporting Wave compiled by EirGrid has been done so in accordance with the Market Reporting Plan and Strategy and accurately reflects the progress of the market in terms of readiness for I-SEM go live.

3. NOTES

Gemserv is not required to, nor have we, tested or verified the accuracy of individual participants' projects or data submissions to EirGrid. Our opinion is provided with respect to the extent to which, in all material respects, data collection, aggregation and interpretation has been performed by EirGrid.

In accordance with the terms of our engagement, this independent assurance statement (on the preparations of the Market Readiness Report having been performed in accordance with the Market Readiness Reporting plan) has been produced in accordance with the agreed Statement Of Works (SOW) with EirGrid and for no other purpose or in any other context.

Notwithstanding anything to the contrary in the Agreement or agreed SOW with EirGrid, we do not assume any
responsibility for any third-party products, programs or services, their performance or compliance with specifications or otherwise.

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