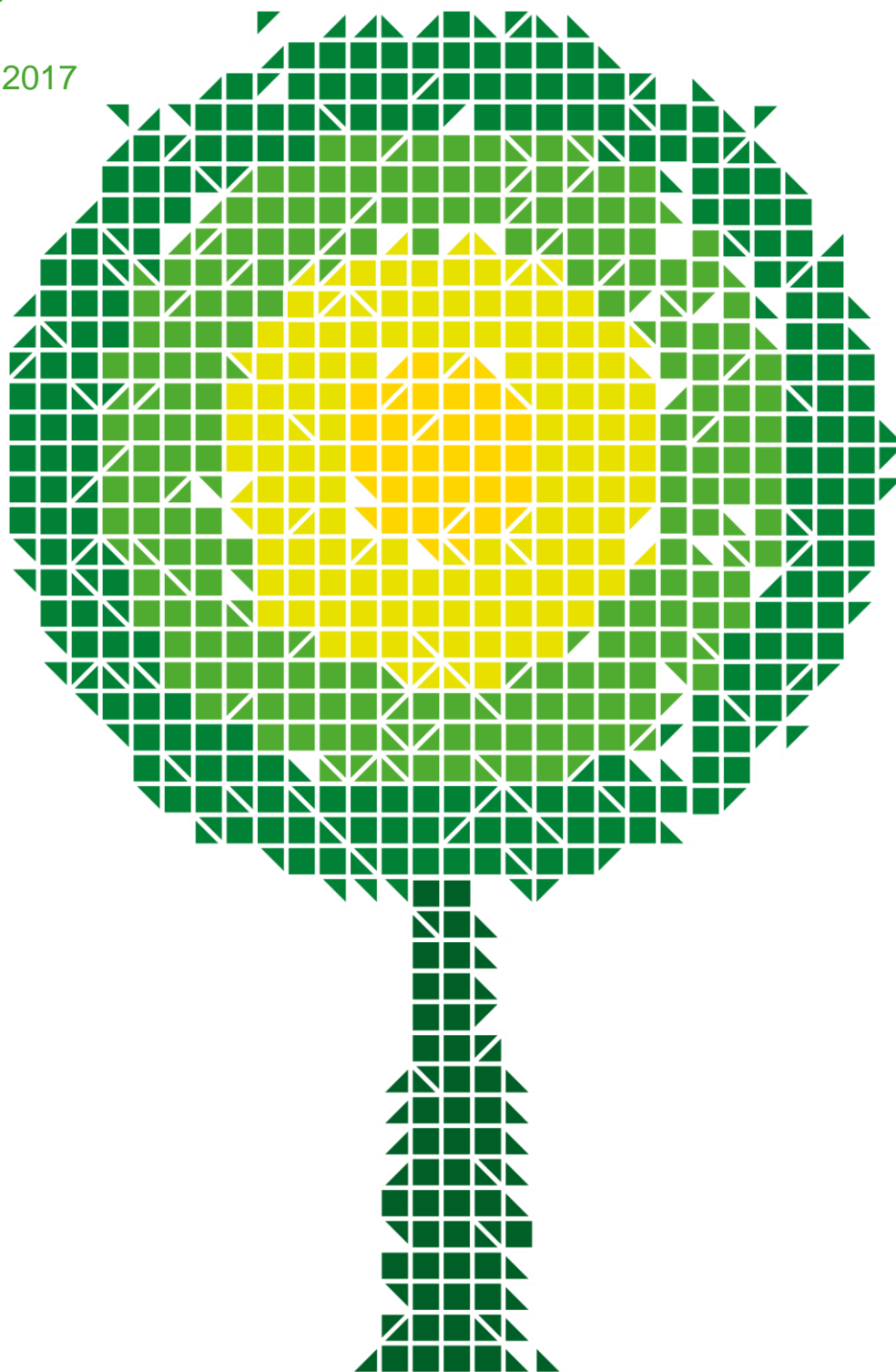


EirGrid ISEM Market Readiness Report Review

September 2017 Reporting Wave

31 October 2017

V1.0
FINAL



Gemserve



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1. BACKGROUND

The I-SEM Project has published a Market Readiness Plan, detailing a methodology by which the ISEM Project will coordinate an assessment and reporting process; key stakeholders will be asked to make submissions 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 of the new I-SEM 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. This report is called the Market Readiness Assessment (MRA) Report.

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

- Review and validate the readiness assessment and reporting approach detailed in the EirGrid ISEM Market Readiness Plan.
- Perform validation of the Market Readiness Report and provide 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 MRA Report for the September 2017 Reporting Wave against the process of data collection, aggregation and interpretation approach detailed in the Market Reporting Plan and Strategy (approved 2016). This method was assured, as an appropriate process and approach, by Gemserv on 6 April 2017.

EirGrid delivered the MRA Report for the September 2017 Reporting Wave to Gemserv on 31 October 2017 for review and assurance on the creation and progress detailed in the report. The planned date for delivery was 9 October 2017 and the delay was a knock-on effect of delays in reporting during the August 2017 wave. Gemserv reviewed the MRA Report for September 2017 and provided feedback to EirGrid on 31 October 2017, and this final review outcome on 2 November 2017.

Gemserv reviewed the report and can confirm that:

1. EirGrid has declared that in producing the MRA Report for September 2017 it has maintained the process assured by Gemserv. This outcome is despite their having to manually prepare the report after making the decision in August 2017 to cease using the automated script due to the errors it has consistently produced.
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 in the Market Readiness Report.

EirGrid confirmed in September 2017 that it would no longer attempt to use the automatic script to produce the report due to the number of errors in the scripting. As such, EirGrid used the manual production processes. Full checks and balances to validate the report are in place, practiced and proven and these were also assured on 6 April 2017.

EirGrid has also confirmed that there is no longer a requirement to increase the frequency of reporting during market trials and in the run up to go live (as previously planned for). This decision was taken in consultation with the industry, the feedback was that an increase in reporting frequency would require additional resource and expenditure for little additional benefit.

In the MRA Report for May 2017 Gemserv's Review identified a potential issue whereby Market Participants were stating that they need more information from central organisations to facilitate their readiness, whereas the central organisations stated that this wasn't necessary due to all (at this stage) information being available, in their view. The statements during the MRA Reporting wave for September 2017 indicate that this is still an opinion held by Market Participants, however the MRA Report for September provides commentary on the progress of this issue sufficiently along with increased engagement with Market Participants.

EirGrid has been, and continues to provide liaison groups where Market Participants can engage on such matters. The Regulatory Authorities also provide regular bilateral meetings where issues can be flagged, discussed and then passed to the TSOs for action, if it is appropriate and it has been agreed to do so.

In discussions with Gemserv, EirGrid also highlighted that there is a volume of information already available to facilitate Market Participants in their readiness for the I-SEM Market Trials and go live. EirGrid will continue to respond to all queries raised with them and support Market Participants where requested or required in gaining access to the relevant information.

Market Participants again report an improving position on the preparation of core services (system, people, IT). This suggests a reasonable progression on mitigating the risk of delay that Market Participants may pose to go live, an improvement on previous MRA reports.

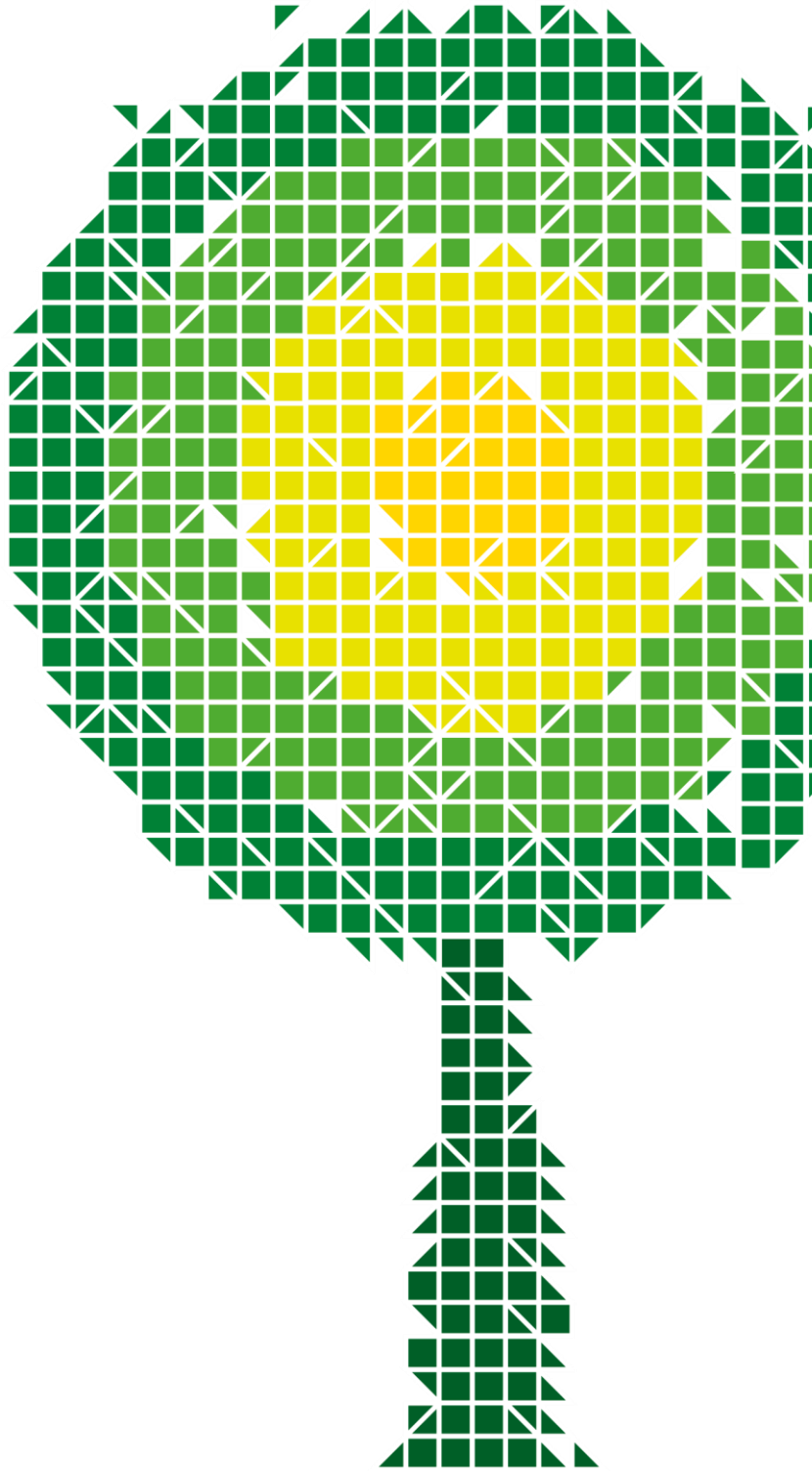
It is Gemserv's opinion that the MRA Report for September 2017, compiled by EirGrid has been done so in accordance with the Market Reporting Plan and Strategy and in doing so, accurately reflects the progress of the market in terms of readiness for I-SEM go live.

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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