

Market Readiness Assessment Report 05-03-2018

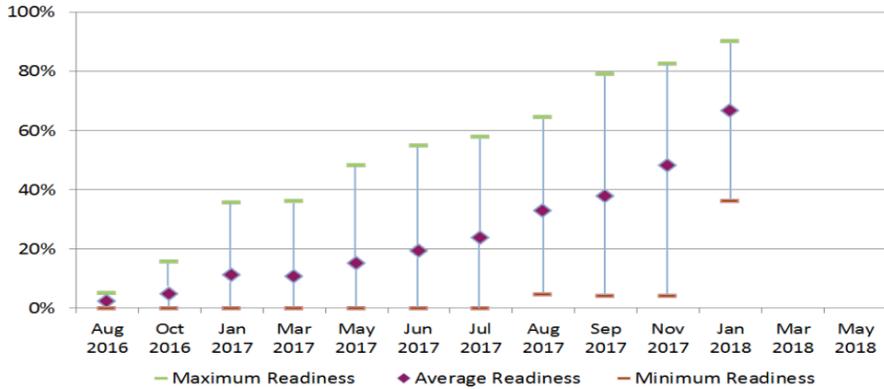
Comment

Overall, the Market Participants' readiness has progressed significantly since it was last reported and the levels of readiness are largely meeting expectations. However, challenges remain for all parties, with a number of the larger Market Participants reporting some increased risks in relation to the readiness of their third-party technology vendor solutions. This is due to concerns around their vendor's ability to deliver the system solution on time, especially given the challenges of accommodating the latest technical documentation provided by the Central Market Project before Christmas - notably that relating to Market Reports. Those Market Participants advise that this is having a knock on effect on their readiness programmes, as demonstrated in the recent Market Trial scenarios. The Central Market Project is showing continued progress and is largely tracking to plan, although certification of the Balancing Market Engine has necessarily been extended to await fixes to defects identified in the testing of the Quantity Bid-Offer Acceptance (QBOA) calculations. The TSOs report some specific underlying issues and challenges, with the key risk being to fix the sizeable number of high priority open defects in the remaining time available. These issues and risks are all being actively tracked, communicated and discussed at the Project Managers' Group and Market Trial Coordinators' Group, with actions resulting.

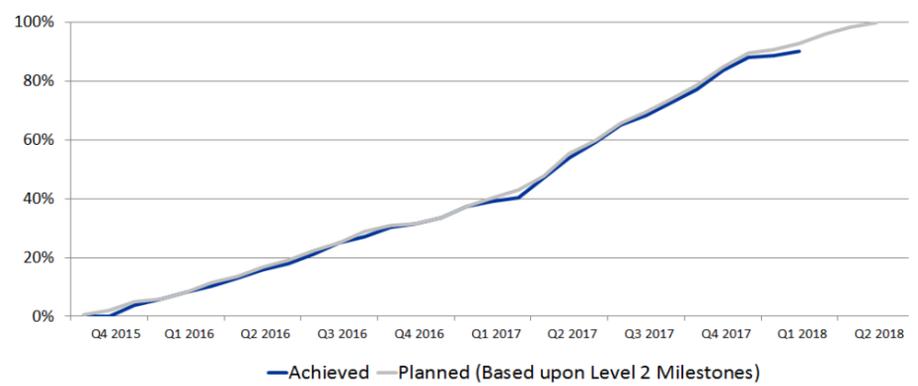
Data Collection Period: 22.01.2017 - 16.02.2017

Progress

Market Participant Comparative Readiness



Central Markets Project Progress



Readiness Status by Market and Market Participant Category

	Balancing Market & Imbalance Settlement	Day Ahead & Intraday Markets	Capacity Market	FTR Market
Market Participants (Unweighted Data)	1,7,8	1,2,3,7	4	5,6
Market Participants (Weighted by Market Share)	1,7,8	1,2,3,7	4	5,6
Interconnector Owners				
Meter Data Providers				
System Operators (incl. CM Delivery Body)	9,10,11	9,10,11		
Market Operator (incl. NEMOs)	9,10,11	9,10,11		
Agent of Last Resort (AoLR)				
Market Trial: Planning and Decision Making				

Readiness of Legal and Contractual Framework: Central Components

Legislation	Licensing	Grid Code	Rules				
			TSC	AoLR	SEMOpX	CMC	HAR
	12						

Notes

New Comments	Responses
<p>A number of Market Participants have raised concerns regarding their vendor's ability to deliver the system solution on time to align with the updated details in the December release of the I-SEM Technical Specification and Data Publication Guide, notably the changes to the Market Reports. They have also expressed concerns about the capacity of their vendors to align their systems with any further material changes to the central programme's documentation. They further commented on the lack of certainty regarding the Cutover Plan by the Central Market Project, which hindered their ability to prepare for and be prepared for I-SEM cutover and go-live.</p>	<p>The TSOs' I-SEM Project cannot comment on an individual technology vendor's release plan. However, the TSOs have, and will continue to, work proactively with several third-party technology providers as they progress from design, build, test, and market trial in support of their customers, SEMO Market Participants and SEMOpX Members.</p> <p>Furthermore, shortly after the MRA survey closed, the TSOs' I-SEM Project published its first draft of the Cutover Participant Guide. This was presented to the February meetings of the Project Managers' Group and to the Market Trial Coordinators' Group, with comments invited from Market Participants. The Cutover Participant Guide is currently being updated to address the comments received from Market Participants and also to reflect additional information which has subsequently become available or been confirmed.</p>

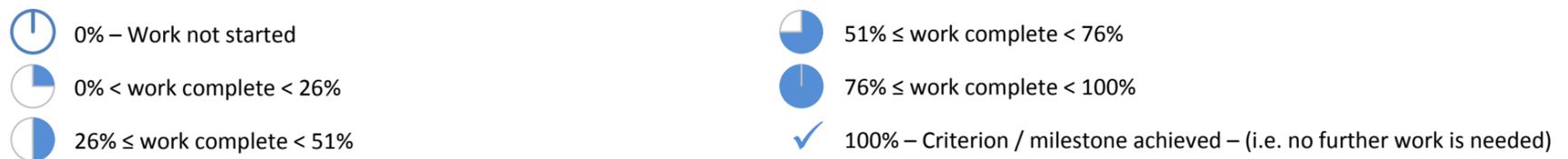
New Comments		Responses
2)	A couple of Market Participants have raised some concerns around insufficient clarity related to SEMOpx API Conformance Testing, which is preventing them from trialling Type 3 submissions and the concerns over the responsiveness of SEMOpx's service provider, EPEX, which is delaying resolution of their system issues and therefore impacting on their readiness for Market Trial.	<p>The SEMOpx API Conformance Testing process documentation was published on the I-SEM website (http://www.sem-o.com/ISEM/General/SEMOpx%20ETS%20M7%20API%20Conformance%20Test%20Guide.pdf) on 7th September 2017. It lists the specific steps to prepare for and schedule the SEMOpx API Conformance Test. The TSOs report that several participants have successfully started or passed the Conformance Test and therefore the current available information would not appear to be insufficient such that it is preventing participants from trialling their Type 3 submissions. Furthermore, it should be noted and understood that the SEMOpx API Conformance Test is <u>not</u> a required step for testing the programmatic submission to or query from the ETS or M7 platforms.</p> <p>Finally, SEMOpx advises that it is continuing to work with its service provider and Market Participants to address all queries as accurately and as quickly as practicable, so as to support Market Participants' preparations and testing in a timely fashion. SEMOpx has also recently introduced some improvements to its own internal processes and deployed some additional resources to support the query process, both of which will help to turnaround queries more quickly.</p>
3)	Some Market Participants have raised the risk to their readiness of the NEMO website not being delivered until March 2018, noting the impact on their ability to complete testing of their IT systems relating to the DAM & IDM.	The TSOs can confirm that they expect to have the SEMO and SEMOpx website, with static reports, available in March 2018. Delivery of the associated Milestone #174c therefore remains on track. In advance of that date, the TSOs' I-SEM Project has published sample files, to allow participants to continue with the internal development and testing schedules in the absence of the website being available.
4)	A couple of Market Participants have expressed concerns around the lack of clarity regarding reporting requirements and compliance in the Capacity Market due to low levels of engagement from the Regulator and TSOs.	The T-1 auction results were published in mid January of 2018 and communication was issued to Market Participants.
5)	The lack of availability of information in regards to settlement from JAO has made integration of vendor systems a difficult task, and a risk to a number of Market Participants' readiness projects.	It is believed that any concerns regarding insufficient information on settlements from JAO have now been addressed. As such, a full pack of settlement information is now published on the JAO website. A videoconference was held and a training workshop conducted on Wednesday 21st February in advance of a test of monthly settlement runs, held on Thursday 22nd February. A debrief call was held on Wednesday 28th February to close out this activity.
6)	Some participants have expressed issues with securing appropriate digital certs for live systems as the certs are issued to EirGrid, whereas JAO requires certs to be issued to the Participant/user.	A suitable digital certificate vendor has been identified by JAO for Market Participants experiencing issues and has been communicated to affected participants. Testing of the solution is currently underway. The issue has also been discussed at the Project Managers' Group, where two affected Market Participants noted that their issues were being addressed.

Recurring Topics		Responses
7)	The pending final decision on REFIT continues to be noted as presenting a risk to Market Participant readiness, both large and small.	The REFIT decision rests with DCCAE. It is recognised that Market Participants require clarity on the REFIT decision before they can decide how to position themselves in the market and, whilst not ideal, parties are having to proceed with registration in the absence of this clarity. Hence, they are having to register based upon assumptions which may well change once a REFIT decision is made. As such, registration is progressing to plan and therefore the absence of a REFIT decision will not stop readiness for Market Trial. It may, however, present a challenge later, if a REFIT decision drives parties to different conclusions to those which they have assumed. To facilitate this process, the TSOs' I-SEM Registration Team has committed to updating registration, if intermediaries are subsequently changed once the REFIT decision is announced. This will be done as quickly as possible, on a best endeavours basis and if it occurs, it will present a valuable learning experience in trialling and refining the associated process.
8)	Some recurring risks have reappeared in this survey including the uncertainty around collateral requirements, credit cover and the autoproducer credit exposure.	<p>Extensive training has been provided to Market Participants on the new I-SEM collateral requirements, including the provision of worked example spreadsheets with the calculations laid out. The Learning Management System remains available to Market Participants, which should allow them to use these resources to determine what their collateral requirements are likely to be. It is noted that as the decision for how much Market Participants intend to trade in the ex-ante markets is key to the level of collateral that will be required under the TSC arrangements, each Market Participant's own trading strategy will directly impact their collateral requirements.</p> <p>Further, a modification was raised to the Trading & Settlement Code to add transitional collateral requirements which may provide earlier sight of collateral requirements.</p>
9)	The TSOs' progress on business processes and procedures is behind schedule, with consequential risk to internal training within the TSOs and Market Trial due to their dependency on those processes and procedures.	<p>As reported previously, the demands of the TSOs' I-SEM Project, notably the extended system testing, have necessarily taken priority over the development of some business procedures and internal training. This necessitated some replanning of the impacted activities, which are now being progressed according to that plan. That work is proceeding well, despite some ongoing resourcing challenges on a small group of Subject Matter Experts to deliver these activities and also to support Market Trial and the ongoing retesting of system fixes to address defects.</p> <p>Furthermore, to compensate for any short-term gaps in documentation or training, some Project resources have been released back to the business to ensure the operational success of the early stage of Market Trial, to apply their I-SEM expertise. Hence, the risks of any slippage are mitigated. This is demonstrated by the revised approach to training, where the training is far more hands-on, with the teams working with the experts who designed and managed the delivery of the I-SEM systems and rules.</p>
10)	The TSOs' infrastructure build is progressing well; however, slippages in testing phases and volumes of work are causing resource constraints putting implementation at risk.	Considerable progress has been made over the past two months, closing the gap and with the priority being to ensure that the IT infrastructure and environments are sufficient to be able to support the Market Trial and also to support any ongoing testing requirement. Resources remain under pressure and further challenges remain, but the TSOs do not anticipate these being sufficient to materially impact on their readiness to complete the Market Trial, manage cutover, or move into live operations.

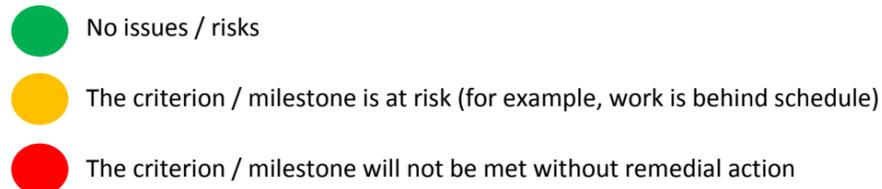
Recurring Topics		Responses
11)	The TSOs report some slippage in the testing of the settlements and dynamics systems as a result of the delayed implementation and slippage in ICMP (Interconnector Management Platform) build, consequently having an impact on the Market Trial.	<p>Testing of the Settlements systems has successfully concluded; testing of the MS Dynamics AX Finance System is progressing with Systems Interface Testing having concluded for all available test cases and User Acceptance Testing ongoing. The objective is for MS Dynamics AX to be tested and available to support Scenario 7 of the Market Trial - in advance of the associated Milestone #174c for its delivery.</p> <p>More generally, significant progress has been made in delivering system testing to the compressed timeline and in mitigating the risks inherent within that timeline. Activities were replanned, additional resources deployed, more pressure exerted on vendors to turn around defects and support testing activities, so as to be able to deliver to that new plan. As communicated at the PMG and via the weekly Status Report, some key applications have been delivered during the Market Trial (in time for when first needed - e.g. the updated Credit Settlement & Billing engine at the beginning of February 2018 and the AoLR Base Service Model), with the final system of the new website due to be implemented by the middle of March 2018. This approach has allowed us to preserve the overall Project timeline, but also to provide the necessary additional time to test those applications and interfaces which were not a priority for the start of the Market Trial.</p> <p>Testing has progressed largely to that plan and overall has been successful. That testing effort is in the process of being concluded, with the exception of the rapid testing of fixes to defects in updated releases of code from the vendor, and necessary regression testing. Notwithstanding the "compressed" timeline, it is important to note that the testing regime in its various guises - from individual systems through to end-to-end - has been extensive, providing a solid base upon which to proceed into Market Trial. The same testing ethos will be applied to ensure that fixes have been adequately tested before deployment into Market Trial.</p>
12)	Effective date of ROI Generator and Supplier Licences: In response to a request by a Licence Holder to the Minister in DCCA, an Appeals Panel was established on 10 Nov 17. It has a maximum period of six months to reach its decision.	Notwithstanding the outcome of the appeal, the existing licencing framework will be sufficient to allow the I-SEM to Go-Live.

Harvey Balls & Risk and Issue Status Explanation

Harvey Balls are used to provide a visual summary to rapidly communicate status. The current status of progress towards the achievement of each criterion / milestone is assessed as being at one of the following stages summarised below:



Further, the Harvey Ball is coloured Green, Amber, or Red to summarise the severity of any risk or issues, either current or foreseen relating to the criterion: such issues might include, for example, concerns about the delivery schedule, or concerns about delivering the required functionality:



Readiness Status by Metric and Market Participant Category

Balancing Market & Imbalance Settlement		Market Participants	ICOs	MDPs	Transmission System Operators	Market Operator	EirGrid/SONI as AoLR
Readiness Per Market Participant Category		B1,2			B3-5	B3-5	
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts	B2					
C	Readiness of Systems	B1					
D	Readiness of Business Processes and Procedures				B3	B3	
E	Readiness of People and Organisation				B3	B3	
F	Readiness of IT infrastructure and Other Facilities				B4	B4	
G	Registration	B6					
H	Market Trial: Preparation						
I	Market Trial: Management & Reporting						
J	Market Trial: Execution	B1			B3,5	B3,5	
K	Deployment of back-end systems to support FTR market						
L	Deployment and Transition to live: Planning & central market processes and systems						
M	Deployment and Transition to live: Market Participants						

Comments	Responses
B1 A number of Market Participants have raised concerns regarding their vendor's ability to deliver the system solution on time to align with the updated details in the December release of the I-SEM Technical Specification and Data Publication Guide, notably the changes to the Market Reports. They have also expressed concerns about the capacity of their vendors to align their systems with any further material changes to the central programme's documentation. They further commented on the lack of certainty regarding the Cutover Plan by the Central Market Project, which hindered their ability to prepare for and be prepared for I-SEM cutover and go-live.	This is referenced under comment #1 in the summary page. Please refer to the update provided.
B2 The pending final decision on REFIT continues to be noted as presenting a risk to Market Participant readiness, both large and small.	This is referenced under comment #7 in the summary page. Please refer to the update provided.
B3 The TSOs' progress on business processes and procedures is behind schedule, with consequential risk to internal training within the TSOs and Market Trial due to their dependency of those processes and procedures.	This is referenced under comment #9 in the summary page. Please refer to the update provided.
B4 The TSOs' infrastructure build is progressing well; however, slippages in testing phases and volumes of work are causing resource constraints putting implementation at risk.	This is referenced under comment #10 in the summary page. Please refer to the update provided.
B5 The TSOs report some slippage in the testing of the settlements and dynamics systems in as a result of the delayed implementation, consequently having an impact on the Market Trial.	This is referenced under comment #11 in the summary page. Please refer to the update provided.
B6 A number of Market Participants are seeking to register new units through Market Trial.	It is the TSOs' intention to have these units registered in the week beginning 19th of March, 2018.

Readiness Status by Metric and Market Participant Category

Day-Ahead & Intraday Markets		Market Participants	ICOs	MDPs	Transmission System Operators	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Market Participant Category		 D1-4			 D5,7	 D2,5-7	 D5,7
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts	 D3					
C	Readiness of Systems	 D1,2				 D7	
D	Readiness of Business Processes and Procedures				 D5	 D5	 D5
E	Readiness of People and Organisation				 D5	 D5	
F	Readiness of IT infrastructure and Other Facilities	 D4			 D6	 D6	
G	Registration	 D2				 D2	
H	Market Trial: Preparation						 D5,7
I	Market Trial: Management & Reporting						
J	Market Trial: Execution	 D1,2			 D5,7	 D5,7	
K	Deployment of back-end systems to support FTR market						
L	Deployment and Transition to live: Planning & central market processes and systems						
M	Deployment and Transition to live: Market Participants						

Comments	Responses
D1 A number of Market Participants have raised concerns regarding their vendor's ability to deliver the system solution on time to align with the updated details in the December release of the I-SEM Technical Specification and Data Publication Guide, notably the changes to the Market Reports. They have also expressed concerns about the capacity of their vendors to align their systems with any further material changes to the central programme's documentation. They further commented on the lack of certainty regarding the Cutover Plan by the Central Market Project, which hindered their ability to prepare for and be prepared for I-SEM cutover and go-live.	This is referenced under comment #1 in the summary page. Please refer to the update provided.
D2 A couple of Market Participants have raised some concerns around insufficient clarity related to SEMOpX API Conformance Testing, which is preventing them from trialling Type 3 submissions and the concerns over the responsiveness of SEMOpX's service provider, EPEX, which is delaying resolution of their system issues and therefore impacting on their readiness for Market Trial.	This is referenced under comment #2 in the summary page. Please refer to the update provided.
D3 The pending final decision on REFIT continues to be noted as presenting a risk to Market Participant readiness, both large and small.	This is referenced under comment #7 in the summary page. Please refer to the update provided.
D4 Some Market Participants have raised the risk to their readiness of the NEMO website not being delivered until March 2018, noting the impact on their ability to complete testing of their IT systems relating to the DAM & IDM.	This is referenced under comment #3 in the summary page. Please refer to the update provided.
D5 The TSOs' progress on business processes and procedures is behind schedule, with consequential risk to internal training within the TSOs and Market Trial due to their dependency of those processes and procedures.	This is referenced under comment #9 in the summary page. Please refer to the update provided.
D6 The TSOs' infrastructure build is progressing well; however, slippages in testing phases and volumes of work are causing resource constraints putting implementation at risk.	This is referenced under comment #10 in the summary page. Please refer to the update provided.
D7 The TSOs report some slippage in the testing of the settlements and dynamics systems in as a result of the delayed implementation, consequently having an impact on the Market Trial.	This is referenced under comment #11 in the summary page. Please refer to the update provided.

Readiness Status by Metric and Market Participant Category

Capacity Market		Market Participants	ICOs	MDPs	System Operators (incl. CM Delivery Body)	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Market Participant Category		 ^{c1}			✓		
A	Readiness of Business Strategy, Planning, and Financial Resources				✓		
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems				✓		
D	Readiness of Business Processes and Procedures				✓		
E	Readiness of People and Organisation				✓		
F	Readiness of IT infrastructure and Other Facilities				✓		
G	Registration				✓		
H	Market Trial/Mock Auction: Preparation				✓		
I	Market Trial/Mock Auction: Management & Reporting				✓		
J	Market Trial/Mock Auction: Execution				✓		
K	Deployment of back-end systems to support FTR market						
L	Deployment and Transition to live: Planning & central market processes and systems				✓		
M	Deployment and Transition to live: Market Participants	 ^{c1}					

Comments		Responses
C1	A couple of Market Participants have expressed concerns around the lack of clarity regarding reporting requirements and compliance due to low levels of engagement from the Regulator and TSOs.	This is referenced under comment #4 in the summary page. Please refer to the update provided.

Readiness Status by Metric and Market Participant Category

Financial Transmission Rights Market		Market Participants	ICOs	MDPs	Transmission System Operators	Market Operator	EirGrid/SONI as AoLR
Readiness Per Market Participant Category		F1,2			F3		
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems	F1,2			F3		
D	Readiness of Business Processes and Procedures						
E	Readiness of People and Organisation						
F	Readiness of IT infrastructure and Other Facilities						
G	Registration						
H	Trial/Mock Auction: Preparation						
I	Trial/Mock Auction: Management & Reporting						
J	Trial/Mock Auction: Execution						
K	Deployment of back-end systems to support FTR market						
L	Deployment and Transition to live: Planning & central market processes and systems						
M	Deployment and Transition to live: Market Participants						

Comments		Responses
F1	The lack of availability of information in regards to settlement from JAO has made integration of vendor systems a difficult task, and a risk to a number of Market Participants' readiness projects.	This is referenced under comment #5 in the summary page. Please refer to the update provided.
F2	Some participants have expressed issues with securing appropriate digital certs for live systems as the certs are issued to Eirgrid, whereas JAO requires certs to be issued to the Participant/user.	This is referenced under comment #6 in the summary page. Please refer to the update provided.
F3	The TSOs report slippages in ICMP build, and consequently the replanning of delivery timelines.	This is referenced under comment #11 in the summary page. Please refer to the update provided.