

Market Readiness Assessment Report 10-08-2017

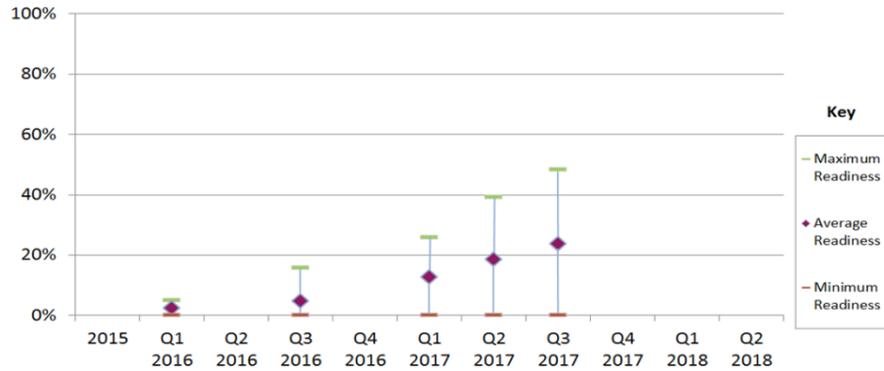
Comment

Market participant readiness continues to progress to plan, with larger participants reporting a greater state of readiness overall than many smaller participants. Concerns noted by participants this month focus on uncertainty - for example, around the Day-Ahead products and also with regard to definition of the interfaces with the new Balancing Market and SEMOpX systems. The readiness of the central programme also continues to progress well, although this has been hampered by some resource and vendor issues.

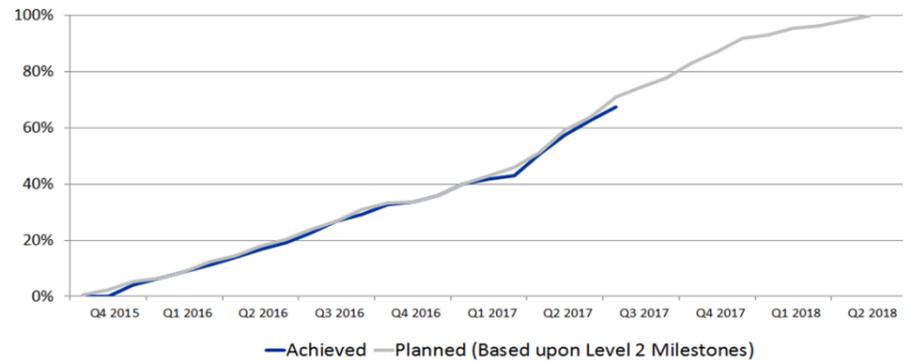
Data Collection Period: 10.07.2017 - 24.07.2017

Progress

Market Participant Comparative Readiness



Central Markets Project Progress



Readiness Status by Market and Participant Category

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

Readiness of Legal and Contractual Framework: Central Components

			Rules				
Legislation	Licensing	Grid Code	TSC	AoLR	SEMOpX	CMC	HAR

Notes

New Comments	Actions & Impacts
<p>1) Many participants' trading strategies remain undecided, given uncertainty over DAM products, IDM auction timings, order types (simple and complex), price formulation and associated market liquidity expectations.</p>	<p>The Business Liaison Group (BLG) is working with participants to provide the necessary clarity and certainty with regard to these items. Many now are resolved; notably the Intraday Market (IDM) auction times have been clarified and approved - following JCR_287 (http://www.sem-o.com/isem/General/JCR_287 Change to time of the first intraday auction.docx); the only change in this regard was to move the proposed 15:30 auction to 17:30. Likewise, IDM order types were clarified at the July BLG; only simple orders will be available for Go-Live for IDM auctions, given that the GB NEMOs would not agree to include block orders as part of the high-level agreement to finalise timelines and also because of the issues in implementing complex orders for Go-Live, identified at the BLG last year.</p> <p>Other issues remain unresolved, but via the BLG, SEMOpX is working closely with participants to provide the necessary insights and mitigations for the associated risks, given the current uncertainty. For example, as the process for approval of the SEMOpX products for the Day-Ahead Market (DAM) is subject to external approval by the PCR, this introduces both risk and uncertainty. Hence, SEMOpX has shared its advocacy strategy with participants and been providing regular updates on the PCR's testing process at the BLG and PMG. In addition, progress reports are published on the SEMO website. Associated milestones are included in the Level 2 Plan, providing additional transparency and focus. Further, SEMOpX has sought to gain an understanding of participant concerns and requirements; for example, it recently held a workshop on DAM products to discuss participant concerns and to provide updates on SEMOpX's progress in discussing the issues in the testing process with the NEMO Committee. SEMOpX is engaging with the RAs on the feedback received, the issues encountered in the testing process, and concerns about certainty and impacts to the Project.</p>

New Comments		Actions & Impacts
2)	Some participants have raised concerns that a working example of the interface needed to interact and trade with the new Balancing Market has not been fully defined and are concerned that there is insufficient detail on SEMOpx API definition and trade capture. As such, there is a request that the details on APIs be distributed to participants to allow for development of SEMOpx related systems and preparation of Market Trial.	<p>The I-SEM Technical Specifications, Volumes B: Technical, C: Balancing Market, and D: SEMOpx, now in Release 6 published on 17 July 2017, contain the necessary technical detail for market participants to connect with and exchange data with the central market systems. Additionally, the Balancing Market Toolkit, which provides working examples and the technical framework by which market participants can test the Balancing Market Interfaces, was published on 17 May 2017. The Balancing Market Toolkit was demonstrated at the Technical Liaison Group #10 on 25 May 2017, and Technical Liaison Group #11 on 27 June 2017.</p> <p>Additionally, the I-SEM Project has published the approach, plan, and materials for Communication Channel Qualification Testing (CCQT) and Participant Interface Testing (PIT). These materials were presented and discussed at the Technical Liaison Group #11 (27 June 2017) and #12 (26 July 2017). Furthermore, the Technical Liaison Group #13, scheduled for 01 September 2017, will include additional demonstrations of the CCQT and PIT testing for the Balancing Market and SEMOpx.</p> <p>Finally, the I-SEM Project has confirmed that the SEMOpx API documents are complete with sufficient detail for market participants to connect and test their interfaces. This was communicated at Technical Liaison Group #12, 27 July 2017.</p>
3)	A number of smaller participants are affected by the recent change to 17.30 auction, meaning a trading day of 06:30 to 19:00. The consequence of this decision means multiple shifts in one day, additional staffing and resource requirements need to be considered.	This concern was noted through discussions in the BLG and the impact assessment to the change request (JCR_287) to implement these design changes. Unfortunately, as detailed and explained in SEMOpx's response to JCR287, it was not possible to reach an agreement with our GB partners on a time earlier than 17:30. That account of the feedback, assessment and response relating to these points is available on the I-SEM website (http://www.sem-o.com/ISEM/General/JCR_287 Change to time of the first intraday auction.docx).
4)	Participants are awaiting a more defined FTR plan in order to continue progress in Test Planning.	The "FTR Auction – Initial Trial and Participant Test Plan" was published in May 2017 (Milestone # 192), which will provide the necessary information required to allow participants to prepare for the FTR Auctions. For more information, please refer to: http://www.sem-o.com/ISEM/General/Interconnectors%20FTR%20Trial%20and%20Participant%20Test%20Plan.pdf

Recurring Topics		Actions & Impacts
5)	Uncertainty in EUPHEMIA bid types and the interaction with PCR is still a concern for participants.	Participant concerns are noted and shared by the central programme, which recognises the need for certainty. In response, SEMOpx has developed and shared with participants its strategy and advocacy plan to escalate this issue within the relevant European committees. An important part of this strategy is to ensure good engagement with market participants through the BLG and PMG, so as to be informed on what minimum EUPHEMIA products might be acceptable to participants and to ensure that participants remain informed of the process and outcomes. Although both are important, participants currently appear more vocal about delivery of the full product set than they are about gaining certainty. SEMOpx continues to push for both, having initiated a further round of testing based upon discussions at the NEMO Committee, with the objective of getting the necessary approvals and certainty. Participants will be kept informed of progress via the BLG.
6)	Lack of transparency across a number of areas including market system build & testing and external project dependencies such as IDM interactions with National Grid, and Capacity interaction with State Aid e.g. changes to auction timings in relation to Intraday coupling and order types across all Ex-Ante markets.	<p>The need for transparency is recognised - both to provide the information necessary for participants to progress with their own I-SEM preparations and also to provide the confidence required regarding the state of readiness of the central programme. Hence, the weekly tracking and reporting of status against the Level 2 Milestone Plan, the provision of technical interface specifications, interaction at the regular liaison group meetings, and the reporting of readiness via this Market Readiness Assessment Report. Further, a high-level summary of status during end-to-end testing will also be provided, as part of the process of providing sufficient transparency and providing assurance.</p> <p>Likewise, IDM interactions with external parties are reported via the BLG and PMG. In the case of an external dependency on National Grid, meetings between the regional partners are held regularly to discuss readiness of the cross border auctions. These meetings have not identified any current issues with National Grid's readiness. The matter of State Aid is for the Member States; therefore, the TSOs' I-SEM Project is not in a position to comment on the State Aid processes; however, any updates on State Aid Approval will be provided via PMG as the engagement with DG Competition continues.</p>
7)	The lack of clarity on REFIT reference price and rules concerning PPA novations remains a concern for some Participants in their readiness preparations.	The REFIT decision rests with DCCAE, which plans to make its decision shortly. It is recognised that 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. To facilitate this process, the TSOs' I-SEM Registration Team have committed to updating registration, if intermediaries are subsequently changed once the REFIT decision is known. This will be done as quickly as possible, on a best endeavours basis.
8)	Some participants noted that a number of clarifications are needed, such as the feasibility of a party registering a single legal entity straddling RoI & NI, and the rolled-up treatment of VAT at the party level, where the different component entities have different VAT arrangements.	A number of guides, information documents including FAQs on VAT (http://www.sem-o.com/ISEM/Pages/I-SEMRegistrationFAQ.aspx) and presentations (http://www.sem-o.com/ISEM/General/VAT%20arrangements%20for%20DAM-IDM%20Markets.pdf) have been made available on this subject, which are viewed as providing the necessary clarity. However, if there are specific outstanding questions, participants are encouraged to get in touch with the I-SEM Registration Team at I-SEMRegistration@sem-o.com to talk through these.
9)	Participants have raised risks in their readiness of systems due to 3rd party vendor timeline constraints. There are still concerns regarding the contingency arrangements for nMarket non-performance and vendor non-performance.	<p>This concern is recognised and noted. Furthermore, the Project Managers' Group is continuing to track the risk of system vendor non-delivery - for both participants and the central programme. This includes a risk specifically on ABB's nMarket not being available to meet I-SEM timelines, which is currently level trending, with participants reporting that it is on track for on-time delivery.</p> <p>A limited amount of contingency was included within the central market systems testing schedule when the plans were re-baselined, which should partly mitigate the risk identified. However, as with all major IT developments, the risk of vendor non-performance remains real and it is for each participant to manage. Thus, in the case of the TSOs, each of their many vendors are being actively managed to ensure that the TSOs have the necessary situational awareness to identify any issues in system delivery at the earliest opportunity and take any necessary corrective actions. Furthermore, with the majority of the core market systems now in testing, any quality issues are becoming evident and being addressed. It is suggested that any issues which participants are facing should be flagged at the Technical Liaison Group or Project Managers' Group, as appropriate.</p>

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:

 Work not started

 0-25% of work complete

 26-50% of work complete

 51-75% of work complete

 76-99% of work complete

 Criterion/milestone achieved – no further work is needed

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:

 No issues/risks

 The criterion/milestone is at risk (for example, work is behind schedule)

 The criterion/milestone will not be met without remedial action

Readiness Status by Metric and Participant Category

Balancing Market & Imbalance Settlement		Market Participants	ICOs	MDPs	System Operators (incl. CM Delivery Body)	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Participant Category		 B1-4, 9					
A	Readiness of Business Strategy, Planning, and Financial Resources	 B1,3,4, 9					
B	Readiness of Legal and Contractual Framework: Agreements and Contracts	 B3					
C	Readiness of Systems	 B2			 B5	 B5	
D	Readiness of Business Processes and Procedures	 B1,3			 B7	 B7	
E	Readiness of People and Organisation				 B7	 B7	
F	Readiness of IT infrastructure and Other Facilities	 B3			 B6	 B6	
G	Registration					 B8	
H	Market Trial: Preparation	 B3					
I	Market Trial: Management & Reporting						
J	Market Trial: Execution	 B3					
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: Participants	 B3					

Comments	Actions & Impacts
B1 Some smaller participants have raised concerns that they have not been advised of the required level of collateral in the Balancing Market.	Credit Cover parameters were published on 7 June 2017 (https://www.semcommittee.com/news-centre/information-paper-directed-contracts-q4-2017-q2-2018-quantification-and-pricing-june), including the level of fixed credit requirement for the I-SEM. The level of variable credit cover will not be known for some time and therefore is not due to be made available to Participants until a date closer to Go-Live.
B2 Some participants have raised concerns that a working example of the interface needed to interact and trade with the new market has not been fully defined, impacting their readiness for Market Trial.	The I-SEM Technical Specifications, Volumes B: Technical, C: Balancing Market, and D: SEMOpX, now in Release 6 published on 17 July 2017, contain the necessary technical detail for market participants to connect with and exchange data with the central market systems. Additionally, the Balancing Market Toolkit, which provides working examples and the technical framework by which market participants can test the Balancing Market Interfaces, was published on 17 May 2017. The Balancing Market Toolkit was demonstrated at the Technical Liaison Group #10 on 25 May 2017, and Technical Liaison Group #11 on 27 June 2017. Additionally, the I-SEM Project has published the approach, plan, and materials for Communication Channel Qualification Testing (CCQT) and Participant Interface Testing (PIT). These materials were presented and discussed at the Technical Liaison Group #11 (27 June 2017) and #12 (26 July 2017). Furthermore, the Technical Liaison Group #13, scheduled for 01 September 2017, will include additional demonstrations of the CCQT and PIT testing for the Balancing Market and SEMOpX. Finally, the I-SEM Project has confirmed that the SEMOpX API documents are complete with sufficient detail for market participants to connect and test their interfaces. This was communicated at Technical Liaison Group #12, 27 July 2017.
B3 The lack of clarity on REFIT reference price and rules concerning PPA novations remains a concern for some Participants in their readiness preparations.	The REFIT decision rests with DCCAE, which plans to make its decision shortly. It is recognised that 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. To facilitate this process, the TSOs' I-SEM Registration Team have committed to updating registration, if intermediaries are subsequently changed once the REFIT decision is known. This will be done as quickly as possible, on a best endeavours basis.
B4 One Participant expressed some concerns over how BMPCOP is applied and that there might not be full cost recovery impacting on participants' trading strategies. Further, the participant noted some uncertainty about operational supported plant, which would be alleviated with a final decision on how they will interact in the I-SEM.	This concern was considered and addressed in the SEM Committee's Decision Paper on the "Balancing Market Principles Code of Practice" (SEM 17-048), which was published on 11 July 2017, following a public consultation. Attention is drawn to Section 3.2 of the Decision Paper, which details respondents' comments, and Section 4.1, which details the SEM Committee's response. As such, it is believed that participants have the necessary clarity and understanding.

Comments		Actions & Impacts
B5	Status of systems readiness is at amber due to some slippage in Factory Assessment Testing (FAT) of the Market Management System (MMS). Further, system design changes are required to the Credit Settlement and Billing module of MMS in order to align to the Trading & Settlement Code, which was finalised after the system requirements were locked down last year.	MMS FAT was completed in July 2017 and the product is currently being tested on site in Dublin. The slippage in FAT completion, which was required in order to close out defects to meet the exit criteria, has put pressure on the subsequent testing stages and, as such, the commencement of End-to-End (E2E) Testing on 14 August is currently reported as being at risk in the Level 2 Milestone Status Report (Milestone #76). As explained in that report, the TSOs remain hopeful of commencing E2E Testing on that date, but advise that if there is any slippage, it will be contained to ensure that this phase of testing is underway by early September. With regard to the changes to the Credit Settlement & Billing (CSB) module necessary to align to the final version of the Trading & Settlement Code, this work is progressing well against a plan which allow the I-SEM timelines to be preserved. Thus, a Change Request has been agreed with the vendor and the resulting work is progressing well, now being in the fourth week of the associated design. To de-risk delivery and reduce the timeline, the development has been split into a number of component parts, allowing build to commence before the whole design is complete; as such some build is already being underway. The plan is for the updated CSB code to be regression tested later in the year, in time for when first required in the Market Trial.
B6	Amber status noted by the TSOs, given that the complete plan for delivering the required system infrastructure is still to be finalised in the coming weeks. This presents a risk.	There is a considerable volume of work required to design, build, implement and configure the infrastructure required for the various testing phases, training, and Market Trial. Despite not all of the requisite planning having yet been completed, that planning is progressing well and on an as needed basis to date (e.g. for SAT, Integration Testing and E2E Testing), the necessary planning has taken place in time to allow the technical implementation to progress.
B7	The TSOs' progress on business processes and procedures is currently behind schedule. Since internal training is dependent on the business processes and procedures, readiness of People and Organisation is marked as being amber.	Work on the business processes is now complete and work on the development of procedures is progressing well. However, slippage was experienced in completing both activities, caused by content issues and resourcing challenges. As a consequence, the work has been subsequently replanned, new priorities established, the management given the necessary focus, and appropriate resources allocated. The work is now progressing well. One key aspect of the prioritisation is to ensure that training can progress and that each procedure is developed in time for when first needed. Note that participant training (self-learning and instructor-led) are unaffected by any slippage, which only affects the detailed operational training being provided to selective internal staff (TSO/MO/SEMOpX).
B8	SEMO is currently undertaking BM registration document validations; however, some participant queries remain outstanding and delays have been experienced due to slow response rates. Overall Registration readiness is amber, due to a large number of smaller participants having not yet submitted any balancing documents, except for the unit data forms.	The TSOs' I-SEM Registration Team is continuing to make contact with Parties (PY) to chase up any missing information. The Parties (PY) have now been advised that while registration forms will continue to be accepted and be processed on a best-endeavours basis, there is no longer guaranteed entry into the start of Market Trial. The I-SEM Registration Team is also waiting for additional information from the TSOs to assist with validation of this data.
B9	One participant noted a concern relating to the process for the System Operator (SO) flagging of binding constraints, believing that it is ambiguous in nature and therefore represents a risk to a participant's readiness for I-SEM.	The TSOs published the "Draft Methodology for Determining System Operator and Non-Marginal Flags" as part of their consultation on the Balancing Market Principles Statement (BMPS), which concluded in June 2017. The TSOs are currently working through participants' comments on these two documents, with the resulting BMPS due to be published by early October 2017 (Milestone # 15) and the Methodology for Determining SO and Non-Marginal Flags will be published shortly thereafter, ahead of the start of Market Trial. Further engagement on the SO flagging design is also planned; this will take the form of detailed presentations during the Participant training phase and updates to the SO flagging rules document, all in Q4 this year. Hence, it is expected that participants will have the additional clarity they seek over the next four months.

Readiness Status by Metric and Participant Category

Day-Ahead & Intraday Markets		Market Participants	ICOs	MDPs	System Operators (incl. CM Delivery Body)	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Participant Category		 D1-7					
A	Readiness of Business Strategy, Planning, and Financial Resources	 D1,2,3,4					
B	Readiness of Legal and Contractual Framework: Agreements and Contracts	 D4,5					
C	Readiness of Systems	 D1,6					 D9
D	Readiness of Business Processes and Procedures	 D1			 D8	 D8	
E	Readiness of People and Organisation	 D7			 D8	 D8	 D8
F	Readiness of IT infrastructure and Other Facilities	 D3			 D10		 D9
G	Registration	 D5,6				 D11	
H	Market Trial: Preparation	 D1,6					
I	Market Trial: Management & Reporting						
J	Market Trial: Execution	 D1,6					
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: Participants	 D6					

Comments	Actions & Impacts
D1 Trading strategies and business processes remain undecided with uncertainty continuing on DAM products availability, IDM auction timings, order types (simple and complex), price formulation and associated market liquidity expectations. These uncertainties are also reported to affect the participants' readiness in Market Trials.	<p>The Business Liaison Group (BLG) is working with participants to provide the necessary clarity and certainty with regard to these items. Many now are resolved; notably the Intraday Market (IDM) auction times have been clarified and approved - following JCR_287 (http://www.sem-o.com/sem/General/JCR_287 Change to time of the first intraday auction.docx); the only change in this regard was to move the proposed 15:30 auction to 17:30. Likewise, IDM order types were clarified at the July BLG; only simple orders will be available for Go-Live for IDM auctions, given that the GB NEMOs would not agree to include block orders as part of the high-level agreement to finalise timelines and also because of the issues in implementing complex orders for Go-Live, identified at the BLG last year.</p> <p>Other issues remain unresolved, but via the BLG, SEMOpx is working closely with participants to provide the necessary insights and mitigations for the associated risks, given the current uncertainty. For example, as the process for approval of the SEMOpx products for the Day-Ahead Market (DAM) is subject to external approval by the PCR, this introduces both risk and uncertainty. Hence, SEMOpx has shared its advocacy strategy with participants and been providing regular updates on the PCR's testing process at the BLG and PMG. In addition, progress reports are published on the SEMO website. Associated milestones are included in the Level 2 Plan, providing additional transparency and focus. Further, SEMOpx has sought to gain an understanding of participant concerns and requirements; for example, it recently held a workshop on DAM products to discuss participant concerns and to provide updates on SEMOpx's progress in discussing the issues in the testing process with the NEMO Committee. SEMOpx is engaging with the RAs on the feedback received, the issues encountered in the testing process, and concerns about certainty and impacts to the Project.</p> <p>The Entry and Exit Criteria for Market Trial were published on 4 August 2017, following discussion at the Market Trial Working Group. Participants are reminded that the Market Trial is an essential pre-requisite to a successful launch of live operations, providing an invaluable opportunity for the market as a whole to bed-down operations; as such, Market Participants should make every effort to participate from the start.</p>
D2 Uncertainty in EUPHEMIA bid types and the interaction with PCR is still a concern for participants.	Participant concerns are noted and shared by the central programme, which recognises the need for certainty. In response, SEMOpx has developed and shared with participants its strategy and advocacy plan to escalate this issue within the relevant European committees. An important part of this strategy is to ensure good engagement with market participants through the BLG and PMG, so as to be informed on what minimum EUPHEMIA products might be acceptable to participants and to ensure that participants remain informed of the process and outcomes. Although both are important, participants currently appear more vocal about delivery of the full product set than they are about gaining certainty. SEMOpx continues to push for both, having initiated a further round of testing based upon discussions at the NEMO Committee, with the objective of getting the necessary approvals and certainty. Participants will be kept informed of progress via the BLG.
D3 Unknown SEMOpx costs and issues around third party intermediary services have been raised by some smaller participants as causing delays in their strategies, processes and IT infrastructure planning.	Indicative SEMOpx charges were published as part of the Draft Determination on the SEMOpx Price Control on 28 July 2017 - see: https://www.semcommittee.com/sites/semcommittee.com/files/media-files/SEM-17-053.pdf . This publication should help alleviate some of the uncertainty concerns raised by participants.

Comments		Actions & Impacts
D4	The lack of clarity on REFIT reference price and rules concerning PPA novations remains a concern for some Participants in their readiness preparations.	The REFIT decision rests with DCCAE, which plans to make its decision shortly. It is recognised that 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. To facilitate this process, the TSOs' I-SEM Registration Team have committed to updating registration, if intermediaries are subsequently changed once the REFIT decision is known. This will be done as quickly as possible, on a best endeavours basis.
D5	A few participants have had issues with securing a clearing bank and are looking at alternatives.	Participants are advised to contact I-SEMregistration@sem-o.com , or contact ECC directly if they are having any issues securing a clearing bank. Further, it is noted that this is being tracked as a risk at the Project Managers' Group. AIB has made progress internally, with its Board of Directors being supportive of becoming a settlement bank; however, there is still some legal work to be completed before the technical testing can start. AIB's goal is to have the legal and operational readiness within the next couple of weeks.
D6	Some participants have raised concerns that a working example of the interface needed to interact and trade with the new Balancing Market has not been fully defined and are concerned that there is insufficient detail on SEMOpX API definition and trade capture. As such, there is a request that the details on APIs be distributed to participants to allow for development of SEMOpX related systems and preparation of Market Trial.	The I-SEM Technical Specifications, Volumes B: Technical, C: Balancing Market, and D: SEMOpX, now in Release 6 published on 17 July 2017, contain the necessary technical detail for market participants to connect with and exchange data with the central market systems. Additionally, the Balancing Market Toolkit, which provides working examples and the technical framework by which market participants can test the Balancing Market Interfaces, was published on 17 May 2017. The Balancing Market Toolkit was demonstrated at the Technical Liaison Group #10 on 25 May 2017, and Technical Liaison Group #11 on 27 June 2017. Additionally, the I-SEM Project has published the approach, plan, and materials for Communication Channel Qualification Testing (CCQT) and Participant Interface Testing (PIT). These materials were presented and discussed at the Technical Liaison Group #11 (27 June 2017) and #12 (26 July 2017). Furthermore, the Technical Liaison Group #13, scheduled for 01 September 2017, will include additional demonstrations of the CCQT and PIT testing for the Balancing Market and SEMOpX. Finally, the I-SEM Project has confirmed that the SEMOpX API documents are complete with sufficient detail for market participants to connect and test their interfaces. This was communicated at Technical Liaison Group #12, 27 July 2017.
D7	A number of smaller participants are affected by the recent change to 17.30 auction, meaning a trading day of 06:30 to 19:00. The consequence of this decision means multiple shifts in one day, additional staffing and resource requirements need to be considered.	This concern was noted through discussions in the BLG and the impact assessment to the change request (JCR_287) to implement these design changes. Unfortunately, as detailed and explained in SEMOpX's response to JCR287, it was not possible to reach an agreement with our GB partners on a time earlier than 17:30. That account of the feedback, assessment and response relating to these points is available on the I-SEM website (http://www.sem-o.com/sem/General/JCR_287 Change to time of the first intraday auction.docx).
D8	The TSOs' progress on business processes and procedures is currently behind schedule. Since internal training is dependent on the business processes and procedures, readiness of People and Organisation is marked as being amber.	Work on the business processes is now complete and work on the development of procedures is progressing well. However, slippage was experienced in completing both activities, caused by content issues and resourcing challenges. As a consequence, the work has been subsequently replanned, new priorities established, the management given the necessary focus, and appropriate resources allocated. The work is now progressing well. One key aspect of the prioritisation is to ensure that training can progress and that each procedure is developed in time for when first needed. Note that participant training (self-learning and instructor-led) are unaffected by any slippage, which only affects the detailed operational training being provided to selective internal staff.
D9	AoLR status of systems and infrastructure readiness is currently at amber due to pending agreement to be signed with vendor.	In order to de-risk delivery and meet the overall Project timeline, the TSOs revisited the AoLR solution and decided to progress an alternative solution to that originally planned. The agreement with the vendor is currently being finalised and commercial discussions close to being concluded. As the product now is essentially off-the-shelf with minimal customisation, delivery is still expected in time for Market Trial.
D10	Amber status noted by the TSOs, given that the complete plan for delivering the required system infrastructure is still to be finalised in the coming weeks. This presents a risk.	There is a considerable volume of work required to design, build, implement and configure the infrastructure required for the various testing phases, training, and Market Trial. Despite not all of the requisite planning having yet been completed, that planning is progressing well and on an as needed basis to date (e.g. for SAT, Integration Testing and E2E Testing), the necessary planning has taken place in time to allow the technical implementation to progress.
D11	Whilst the larger participants are all working towards a 7 August 2017 registration deadline and are confident that they will meet this deadline, a few participants have submitted draft forms. Smaller participants are still unsure whether they will enter the ID/DAM and are highly unlikely to submit any registration forms by the due date. Participants are seeking more information on AoLR.	SEMO is currently preparing to hold a workshop for smaller participants towards mid-August. The content of these workshops is currently being developed which will include: an overview of each market, identify who should, could and must participate in each market, outline a roadmap for key dates, and discuss the next steps. To that end, the TSOs' I-SEM Registration Team will accept updates to registration forms for SEMOpX (S01, S02, S06 and S07) after the due date (7th August, 2017), and we will endeavour to have registrations completed to allow entry to CCQT and PIT before the closing dates.

Readiness Status by Metric and Participant Category

Capacity Market		Market Participants	ICOs	MDPs	System Operators (incl. CM Delivery Body)	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Participant Category		C1,2					
A	Readiness of Business Strategy, Planning, and Financial Resources	C1,2					
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems	C1			C3		
D	Readiness of Business Processes and Procedures	C1,2			C4		
E	Readiness of People and Organisation				C4		
F	Readiness of IT infrastructure and Other Facilities				C3		
G	Registration				C5		
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: Participants						

Comments	Actions & Impacts
C1 Due to a perceived lack of full clarity on the Central Market Systems, a limited number of participants have stated that progressive refinement to their systems development is ongoing awaiting the future releases of the Technical Specifications to be published, causing a delay to participant systems readiness.	The concern is noted; however, in response the TSOs note that and that the information is being published as soon as it is available, according to a published schedule, that schedule is being met, and any residual risk with this approach is being actively managed - most notably at the Technical Liaison Group and through the query management process. Thus, the I-SEM Technical Specifications are updated regularly as soon as content becomes available from vendors, according to a published delivery plan and tracked via a series of Milestones in the Level 2 Milestone Plan Status Report. The latest incarnation of the I-SEM Technical Specification was Version 6 (Milestone #7f), which was successfully published in July 2017 (including a Participant Toolkit). Version 7 is on track to be published in October 2017 (Milestone #7g). Furthermore, clarification on content and concerns over timelines, can be actively discussed via the Technical Liaison Group and the Project Managers' Group. Hence, whilst it is acknowledged that we'd all like information sooner, participants are being provided with technical specifications at the earliest opportunity and from previous such implementations, the content already available and the overall timeline are believed sufficient to allow participants to progress their system developments to be ready for use in the Market Trial.
C2 The lack of clarity on REFIT reference price and rules concerning PPA novations remains a concern for some Participants in their readiness preparations.	The REFIT decision rests with DCCAE, which plans to make its decision shortly. It is recognised that 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. To facilitate this process, the TSOs' I-SEM Registration Team have committed to updating registration, if intermediaries are subsequently changed once the REFIT decision is known. This will be done as quickly as possible, on a best endeavours basis.
C3 The status of the TSOs' capacity market system and associated infrastructure readiness is currently at amber due to the delay in testing, as a result of revised delivery plan and resources allocation.	Plans for delivery of the capacity market system have been updated to address some vendor resourcing issues and consequential slippage. A robust plan has been agreed, to ensure that the I-SEM timelines are preserved and priorities established to ensure sufficient time for testing of the systems - notably certification testing. The revised plan is now being actively progressed and managed; therefore, the TSOs would expect that the status to move towards "green" over the coming weeks.
C4 The TSOs' progress on business processes and procedures currently behind schedule. Since Training is dependent on the business processes and procedure, Readiness of People and Organisation is also marked amber.	Work on the business processes is now complete and work on the development of procedures is progressing well. However, some slippage was experienced in completing both activities, caused by content issues and resourcing challenges. As a consequence, the work has been subsequently replanned, new priorities established, the management given the necessary focus, and appropriate resources allocated. One key aspect of the prioritisation is to ensure that training can progress and that each procedure is developed in time for when first needed. Note that participant training (self-learning and instructor-led) are unaffected by any slippage, which only affects the detailed operational training being provided to selective internal staff (TSO/MO/SEMOpX).
C5 Capacity Forms due to be returned for processing by 3rd August, due to backlog of balancing forms, the TSOs are behind in terms of being able to process and validate the forms.	The issue flagged was one of work volume and insufficient resources. In response, additional resources have been allocated to manage this; therefore, it is anticipated that this area will be tracking from amber back to green in the coming weeks.

Readiness Status by Metric and Participant Category

Financial Transmission Rights Market		Market Participants	ICOs	MDPs	System Operators (incl. CM Delivery Body)	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Participant Category							
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: Participants						

Comments	Actions & Impacts
<p>F1 Trading strategies and business processes remain undecided with uncertainty such as DAM products availability, IDM auction timings, order types, price formulation and associated market liquidity expectations. These uncertainties are also reported to affect the participants' readiness in the FTR Market.</p>	<p>The Business Liaison Group (BLG) is working with participants to provide the necessary clarity and certainty with regard to these items. Many now are resolved; notably the Intraday Market (IDM) auction times have been clarified and approved - following JCR_287 (http://www.sem-o.com/sem/General/JCR_287 Change to time of the first intraday auction.docx); the only change in this regard was to move the proposed 15:30 auction to 17:30. Likewise, IDM order types were clarified at the July BLG; only simple orders will be available for Go-Live for IDM auctions, given that the GB NEMOs would not agree to include block orders as part of the high-level agreement to finalise timelines and also because of the issues in implementing complex orders for Go-Live, identified at the BLG last year.</p> <p>Other issues remain unresolved, but via the BLG, SEMOpx is working closely with participants to provide the necessary insights and mitigations for the associated risks, given the current uncertainty. For example, as the process for approval of the SEMOpx products for the Day-Ahead Market (DAM) is subject to external approval by the PCR, this introduces both risk and uncertainty. Hence, SEMOpx has shared its advocacy strategy with participants and been providing regular updates on the PCR's testing process at the BLG and PMG. In addition, progress reports are published on the SEMO website. Associated milestones are included in the Level 2 Plan, providing additional transparency and focus. Further, SEMOpx has sought to gain an understanding of participant concerns and requirements; for example, it recently held a workshop on DAM products to discuss participant concerns and to provide updates on SEMOpx's progress in discussing the issues in the testing process with the NEMO Committee. SEMOpx is engaging with the RAs on the feedback received, the issues encountered in the testing process, and concerns about certainty and impacts to the Project.</p>

Comments		Actions & Impacts
F2	The announcement that FTRs are now to be considered as Physical Derivatives has created internal reporting and trade capture concerns for some participants.	It is appreciated that participants will need to work-through the implications of the latest advice from JAO that FTRs should be considered to be Physical Derivatives, rather than Financial Derivatives. However, it is hoped that once those implications have been worked-through, participants will be able to appreciate the advantages of not being subjected to the far more onerous financial reporting obligations. Hence, our expectation is that the reporting obligations will decrease, not increase - as would appear to be feared by this comment.
F3	The risk of a suitable forwards market not being in place, which would cause the FTR auctions to be oversubscribed and very high auction premiums, has created a concern for some smaller participants.	The risk is noted, given that the detailed arrangements for forward trading in the I-SEM are still to be finalised. However, this detail and associated risk are actively being managed by the RAs, and the Level 2 Milestone Plan includes Milestone #138 "Directed Contracts for I-SEM (Round 1)", which are scheduled to be available by the start of the Market Trial. Hence, it is hoped that participant concerns are being addressed.
F4	Participants are awaiting a more defined FTR plan in order to continue progress in Test Planning.	The "FTR Auction – Initial Trial and Participant Test Plan" was published in May 2017 (Milestone # 192), which will provide the necessary information required to allow participants to prepare for the FTR Auctions. For more information, please refer to: http://www.sem-o.com/ISEM/General/Interconnectors%20FTR%20Trial%20and%20Participant%20Test%20Plan.pdf
F5	The status of the TSOs' interconnector management system and associated infrastructure readiness is currently at amber due to the delay in testing, as a result of revised delivery plan and resources allocation.	The delivery of the interconnector management system has been replanned to address some vendor resourcing issues and consequential slippage. A robust plan has been agreed, to ensure that the I-SEM timelines are preserved and sufficient time allocated for testing of the systems. The revised plan is now being actively progressed and managed; against this plan, the TSOs would expect that the status to shortly move to "green".
F6	The TSOs' progress on business processes and procedures currently behind schedule. Since Training is dependent on the business processes and procedure, Readiness of People and Organisation is also marked amber.	Work on the business processes is now complete and work on the development of procedures is progressing well. However, some slippage was experienced in completing both activities, caused by content issues and resourcing challenges. As a consequence, the work has been subsequently replanned, new priorities established, the management given the necessary focus, and appropriate resources allocated. One key aspect of the prioritisation is to ensure that training can progress and that each procedure is developed in time for when first needed. Note that participant training (self-learning and instructor-led) are unaffected by any slippage, which only affects the detailed operational training being provided to selective internal staff (TSO/MO/SEMOpX).