

Market Readiness Assessment Report 11-06-2018

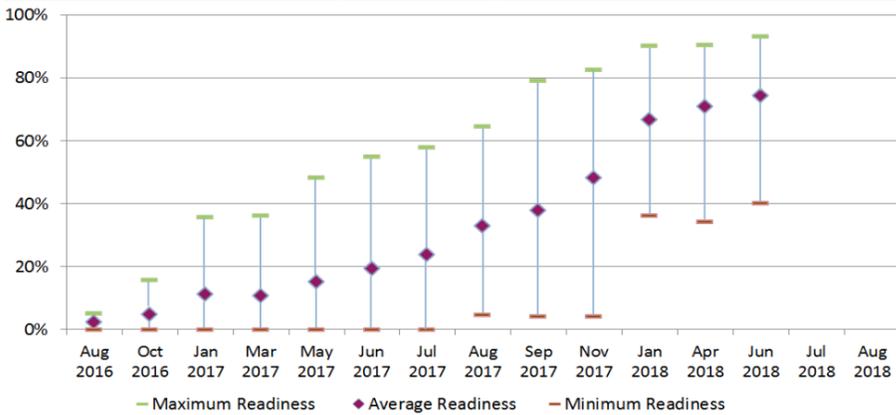
Comment

This Market Readiness Assessment Report represents the first formal snapshot of readiness collected post the SEMC's decision to amend the I-SEM go-live date to 1 October 2018. The overall picture of the state of readiness has generally improved, reflecting the new timeline and the additional time it affords for participant trialling, as well as recent progress which has been achieved by all parties and across most of the key indicators. Many of the concerns highlighted in past MRA Reports are consequently no longer highlighted. However, significant and widespread concerns remain in the Participant community regarding the working status of the central market systems in the Trial, with the emphasis on improving that status in order to deliver on the key requirement of a minimum period of seven weeks of effective unscripted trialling being delivered before participants will have the necessary understanding and confidence in their own systems and processes to be able to declare their own readiness. Given that the survey data was collected in the ten day period ending 24 May, the comments reflect the reality at that time and the incidents then impacting on Market Trial - notably with the Balancing Market and Settlements. With deployment of fixes to all priority defects having been achieved on 23 May (Milestone #175) and the subsequent focus on bedding down those systems to address a variety of largely configuration, data, and performance issues in Market Trial, the expectation is that the fruits of those improvements should start to be reflected in the next Market Readiness Assessment survey (14-21 June).

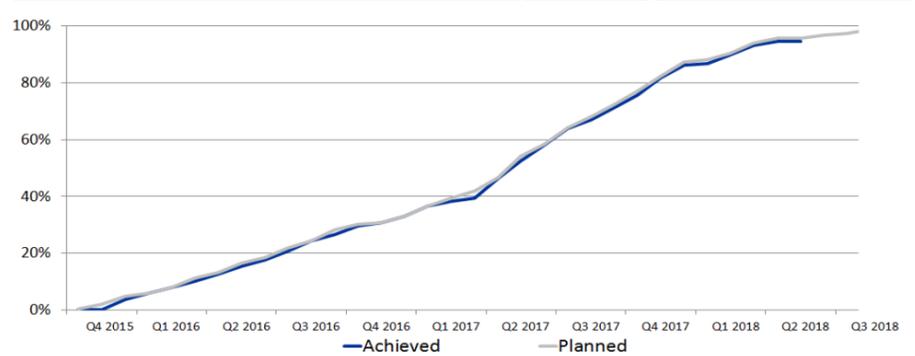
Data Collection Period: 14.05.2018 - 24.05.2018

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)	1,2,3,4,7,8,9,10	5,8		
Market Participants (Weighted by Market Share)	1,2,3,4,7,8,9,10	5,8		
Interconnector Owners				
Meter Data Providers				
System Operators (incl. CM Delivery Body)	2,3,6,7	5,8		
Market Operator (incl. NEMOs)	2,3,6,7	5,8		
Agent of Last Resort (AoLR)		5,8		
Market Trial: Planning and Decision Making				

Readiness of Legal and Contractual Framework: Central Components

Legislation	Licensing	Grid Code	Rules				
			TSC	AoLR	SEMOpX	CMC	HAR
	11						

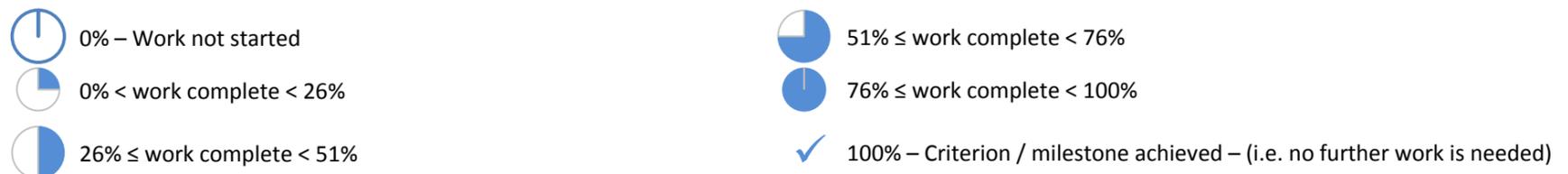
Notes

New Comments	Responses
<p>1) Market Participants have raised that 7 weeks of access to a stable, fully functioning central market system enabling the trialling of end to end business processes, operations and overall commercial readiness as the key pre-requisite for go-live. Market Participants have requested that a number of exceptional condition tests from Scenario 6 are re-run during Scenario 7; for example, Funds Transfer.</p>	<p>The requirement for a minimum of seven weeks of unscripted trialling with all of the priority defects fixed is fully understood and was a key determinant in the SEMC's decision to extend the I-SEM go-live date to 1 October 2018 in order to provide that trialling to Market Participants. Milestone 175 "All Priority Defects Fixed and Deployed into Market Trial" was consequently introduced via Joint Change Request, JCR362, and subsequently achieved in advance of the 1 June 2018 baseline date. This earlier delivery allowed some time to bed down the systems, improve configurations, and manage data issues in advance of the minimum seven weeks of unscripted trialling commencing in June 2018.</p> <p>A number of the exceptional conditions, such as Funds Transfer and Units Under Test, will be conducted during the extension to Scenario 7. Timings of these actives will be agreed at the Market Trial Coordinator meetings (held every 2 weeks) and reflected in the Market Trial run-sheets.</p>
<p>2) There is still critical functionality that has not been delivered including; feasible settlement statements and imbalance pricing that can be analysed. Market Participants are not in a position to complete the data loading that is required for their systems and this is having a knock on impact on Market Trial Testing.</p>	<p>With the delivery of fixes to the last of the priority defects, all of the core functionality required for live operation has been delivered, including imbalance pricing. However, the Balancing Market engine still has to be certified - the work is ongoing with certification scheduled to be complete by 6 July (Milestone #6b). A number of other 'non-priority' defects will persist, but these are not assessed as being critical to live operation.</p> <p>Incidents which arise during the Market Trial are being actively managed and communicated; where appropriate and essential, fixes to critical defects which are determined by an Incident will be deployed into the Market Trial environment, just as they would in live production. For example, it was determined in late May that system fixes were required to address a handful of incidents impacting on the successful delivery of settlement statements (mainly with data transfer); these have been addressed by our vendor for deployment into the Market Trial environment from early June.</p>
<p>3) Although defect fixes have come through on the central systems, Market Participants are concerned that there are still a number of outstanding issues (specifically with reports). As a result of this, they and their third party vendors are still working on these and therefore are not where they should be with regard to the readiness of their solutions. It is imperative that all SEMO priority defects are fixed and stable systems available by June 1st.</p>	<p>The response to Comment #2, above, also applies in response here. All priority defects have been fixed, as per Milestone #175, and the team has been focused on ensuring the necessary stability for the next phase of unscripted trialling.</p> <p>Any issues impacting on Market Reports are detailed in the Report Bulletin and discussed on the daily Market Trial calls. Any which result in Incidents will be managed according to the defined process. If there are any specific issues relating to Market Reports which are not currently reported in the Report Bulletin, please can they kindly be forwarded through the formal Market Trial query process, where they will be assessed and addressed in order of priority.</p>
<p>4) Updated Cutover plan has yet to be published in support of the new Go-Live date. There is insufficient information regarding the production of cut-over plans, particularly for SEMOpx which makes internal planning extremely challenging.</p>	<p>The Participant Cutover Guide v3.0 is due to be published week commencing 4 June, detailing the updated cutover arrangements based upon the revised go-live date. The updated Cutover Guide is to be presented to the Project Managers' Group and the Market Trial Co-ordination Group meetings on 6 June, where there will be an opportunity to discuss the content of this publication and gain assurance that it does now provide the detailed information required for market participants to plan their own cutovers.</p>
<p>5) ETS Type 3 conformance testing has failed previously and needs be completed again. Member participants concerned with communication and support from EPEX.</p>	<p>All SEMOpx API Conformance Tests for ETS are now completed successfully for all Members. SEMOpx API Conformance Tests for M7 are in progress. The I-SEM Project is working closely with Members, third-party vendors, and EPEX to bring all remaining Members to a successful conclusion of the M7 tests. To address the ongoing concerns with communication and follow-up from EPEX, the I-SEM Project Front Office team, led by Claire Breslin, is now coordinating all API Conformance Testing with Members and liaising with EPEX when issues arise in the process.</p>
<p>6) TSOs reporting Amber due to Business processes needing to be tested once systems are stable, they are unable to run all unscripted tests or verify their end to end processes.</p>	<p>TSOs' have determined that this risk is manageable, with the deployment and testing of the final business processes proceeding to the revised plan. All priority defects are now fixed and deployed to Market Trial. Systems availability should be demonstrated in the daily run-sheets for Market Trial (168-Hour operation).</p>
<p>7) Due to lack of availability of central systems and data, development of training material has been impacted.</p>	<p>All priority defects are now fixed and deployed to Market Trial. Systems availability should be demonstrated in the daily run-sheets for Market Trial (168-Hour operation). The lack of Settlements to date is acknowledged; with the priority defects fixed and deployed to Market Trial, the immediate focus in the run-up to the clean phase of trialling has been to address a number of incidents raised in Market Trial which impact on Settlements. These incidents have now been addressed, such that Market Participants should now have the systems/data they require to trial and validate their own end-to-end processes, thereby allowing them to complete their associated resource planning and training activities.</p> <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.</p>
<p>8) Market Trial gate closures (or at least the intervals) should be as live.</p>	<p>The goal is to have the gate intervals to be as close to live as possible but recognising any practical constraints. We are therefore actively working with the service provider, vendors, and internal processes to get the gate intervals as close a feasibly possible to live. This is subject to vendor contract negotiations, which are well advanced and due to conclude by early June. Note that the service provider has advised that it cannot accommodate the operation the Market Trial Day-ahead Market at production timings, due to resource constraints.</p>

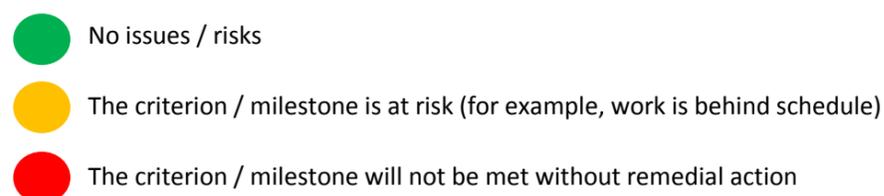
New Comments		Responses
9)	While an interim Website has been delivered, it's functionality is limited and no dynamic report testing can be done.	<p>The scope for the website delivery in March to meet the Level 2 Milestone 1/4c was (and has always been) to facilitate the delivery of static reports which were required for the Market Trial. That milestone was met. However, pending release of the SEMOpx website functionality for the automatic publication of auction results and input in the "D+1" timeframe, this process will continue to be a manual load of data. The TSOs continue to work with the website vendor to deliver the remaining functionality, including:</p> <ol style="list-style-type: none"> 1. Dynamic reporting; 2. API for static reports; 3. Content for all static pages; 4. Content for dynamic homepages; and 5. Automatic processing and upload of SEMOpx auction results and input on the D+1 timeline. <p>We previously advised that this additional functionality was scheduled for a May 2018 delivery, and whilst good progress has been made, some technical security issues with the website hosting were identified and must first be resolved before that functionality can be deployed.</p> <ol style="list-style-type: none"> a. The dynamic reports and API for the static pages are each available, but not yet approved for release. b. Work ongoing to deliver the content or standard website pages (general content). c. Work ongoing to deliver the content for the dynamic homepages. <p>A review of the progress of the SEMO and SEMOpx website development, including dynamic reporting, will be presented to the BLG Meeting scheduled for 13 June 2018.</p>
10)	Market Participants are concerned that levels of collateral are unknown.	Information on credit cover and collateral requirements has recently been presented to the 23 May 2018 meeting of the Project Managers' Group - see: slides 40-51 of the PMG slide deck: http://www.sem-o.com/sem/General/ISEM_PMG%20Presentation%2023%20May%202018.pdf
11)	ROI Generator and Supplier Licences are not yet effective, whilst Appeal remains outstanding.	In response to a request by a Licence Holder to the Minister in DCCAE, an Appeals Panel was initially established by Statutory Instrument on 10 November 2017 but required a member change on 3 January 2018, necessitating a further Statutory Instrument. The Panel's determination is now due within six months of this later date, i.e. by 3 July 2018. Notwithstanding the outcome of the Appeal, the existing licencing framework will be sufficient to allow 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
<i>This Market Readiness Assessment Report represents the first formal snapshot of readiness collected post the SEMC's decision to amend the I-SEM go-live date to 1 October 2018.</i>							
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems				B1, 2, 3, 5	B1, 2, 3, 5	
D	Readiness of Business Processes and Procedures				B1, 2, 3, 5	B1, 2, 3, 5	
E	Readiness of People and Organisation				B5	B5	
F	Readiness of IT infrastructure and Other Facilities						
G	Registration						
H	Market Trial: Preparation						
I	Market Trial: Management & Reporting						
J	Market Trial: Execution				B1, 2, 3	B1, 2, 3	
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 Market Participants have raised that 7 weeks of access to a stable, fully functioning central market system enabling the trialling of end to end business processes, operations and overall commercial readiness as the key pre-requisite for go-live. Member Participants have requested that a number of exceptional condition tests from Scenario 6 are re-run during Scenario 7 for example Funds Transfer.	Please see the response detailed for Comment #1 on the Summary Page.
B2 There is still critical functionality that has not been delivered including; feasible settlement statements and imbalance pricing that can be analysed. Market Participants are not in a position to complete the data loading that is required for their systems and this is having a knock on impact on Market Trial Testing.	Please see the response detailed for Comment #2 on the Summary Page.
B3 Although defect fixes have come through on the central systems, Market Participants are concerned that there are still a number of outstanding issues (specifically with reports). As a result of this, they and their third party vendors are still working on these and therefore are not where they should be with regard to the readiness of their solutions. It is imperative that all SEMO priority defects are fixed and stable systems available by	Please see the response detailed for Comment #3 on the Summary Page.
B4 Market Participants are concerned about the lack of clarity on REFIT reference price. This is affecting ability to determine Trading Strategies; no 3rd party off-takers are able to provide firm prices or contractual offers until there is a final, definitive position concerning REFIT and REFIT PPA novation.	Please see the response detailed for Comment #9 on the Summary Page.
B5 Updated Cutover plan has yet to be published in support of new Go-Live date. There is insufficient information regarding the production cut-over plans, particularly for SEMOpX which makes internal planning extremely challenging.	Please see the response detailed for Comment #4 on the Summary Page.

Financial Transmission Rights Market		Market Participants	ICOs	MDPs	Transmission System Operators	Market Operator	EirGrid/SONI as AoLR
<i>This Market Readiness Assessment Report represents the first formal snapshot of readiness collected post the SEMC's decision to amend the I-SEM go-live date to 1 October 2018. The overall picture of the state of readiness has generally</i>							
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	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	There is still critical functionality that has not been delivered including; feasible settlement statements and imbalance pricing that can be analysed. Market Participants are not in a position to complete the data loading that is required for their systems and this is having a knock on impact on Market Trial Testing.	Please see the response detailed for Comment #2 on the Summary Page.
F2	Updated Cutover plan has yet to be published in support of new Go-Live date. There is insufficient information regarding the production cut-over plans, particularly for SEMOpX which makes internal planning extremely challenging.	Please see the response detailed for Comment #4 on the Summary Page.
F3	Market Participants have raised that 7 weeks of access to a stable, fully functioning central market system enabling the trialling of end to end business processes, operations and overall commercial readiness as the key pre-requisite for go-live.	Please see the response detailed for Comment #1 on the Summary Page.

Day-Ahead & Intraday Markets		Market Participants	ICOs	MDPs	Transmission System Operators	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
<i>This Market Readiness Assessment Report represents the first formal snapshot of readiness collected post the SEMC's decision to amend the I-SEM go-live date to 1 October 2018. The overall</i>							
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts	D1, 2, 4					
C	Readiness of Systems						
D	Readiness of Business Processes and Procedures				D1, 2, 3, 5		
E	Readiness of People and Organisation						
F	Readiness of IT infrastructure and Other Facilities						
G	Registration						
H	Market Trial: Preparation						
I	Market Trial: Management & Reporting						
J	Market Trial: 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
D1 Market Participants are concerned that levels of collateral are still unknown.	Please see the response detailed for Comment #4 on the Summary Page.
D2 There is still critical functionality that has not been delivered including; feasible settlement statements that can be analysed. Market Participants are not in a position to complete the data loading that is required for their systems and this is having a knock on impact on Market Trial Testing.	Please see the response detailed for Comment #2 on the Summary Page.
D3 Market Participants have raised that 7 weeks of access to a stable, fully functioning central market system enabling the trialling of end to end business processes, operations and overall commercial readiness as the key pre-requisite for go-live. Member Participants have requested that a number of exceptional condition tests from Scenario 6 are re-run during Scenario 7 for example Funds Transfer.	Please see the response detailed for Comment #1 on the Summary Page.
D5 Due to lack of availability of central systems and data development of training material has been impacted.	Please see the response detailed for Comment #7 on the Summary Page.
D6 While an interim Website has been delivered, it's functionality is limited and no dynamic report testing can be done.	Please see the response detailed for Comment #9 on the Summary Page.
D7 ETS Type 3 conformance testing has failed previously and needs be completed again. Member participants concerned with communication and support from EPEX	Please see the response detailed for Comment #5 on the Summary Page.
D8 Market Trial gate closures (or at least the intervals) should be as live.	Please see the response detailed for Comment #8 on the Summary Page.

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
<i>This Market Readiness Assessment Report represents the first formal snapshot of readiness collected post the SEMC's decision to amend the I-SEM go-live date to 1</i>							
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						

Comments		Responses
C1	There is an absence of pricing data coming out of Market Trial to allow assessment of potential exposures and effective planning.	Comment is noted and considerable focus has been afforded of late to improving the situation, which was largely a result of existing defects to functionality persisting into May. With the delivery of fixes to the associated priority defects, the situation should materially improve the pricing data in Market Trial. Further, the forthcoming certification of the Balancing Market Engine will provide the necessary assurance regarding the quality of the outputs meeting the requirements of the TSC. We would therefore expect that this concern will significantly lessen over the month of June, but until then, it will remain a top focus for the TSOs. That said, the limitations of Trial data - notably that submitted by Market Participants - must be recognised; reliance on such data for anything more than the testing of participants' systems and processes is not advised.
C2	Market Participants have raised that 7 weeks of access to a stable, fully functioning central market system enabling the trialling of end to end business processes, operations and overall commercial readiness as the key pre-requisite for go-live.	Please see the response detailed for Comment #1 on the Summary Page.
C3	There is still critical functionality that has not been delivered including; feasible settlement statements that can be analysed. Market Participants are not in a position to complete the data loading that is required for their systems and this is having a knock on impact on Market Trial Testing.	Please see the response detailed for Comment #2 on the Summary Page.