

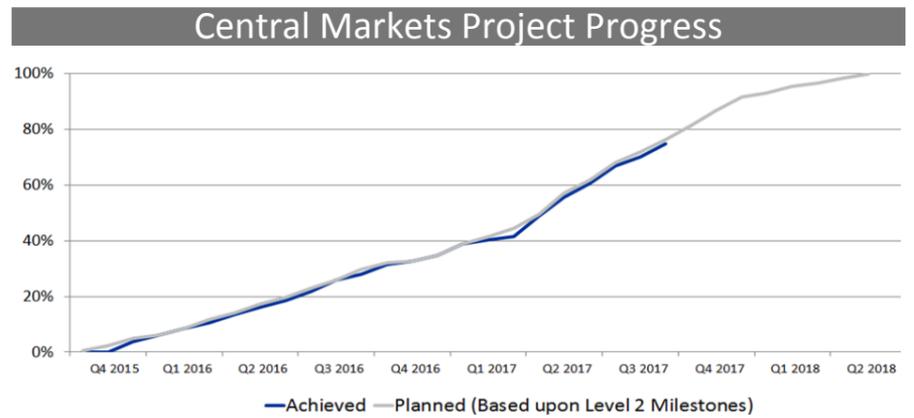
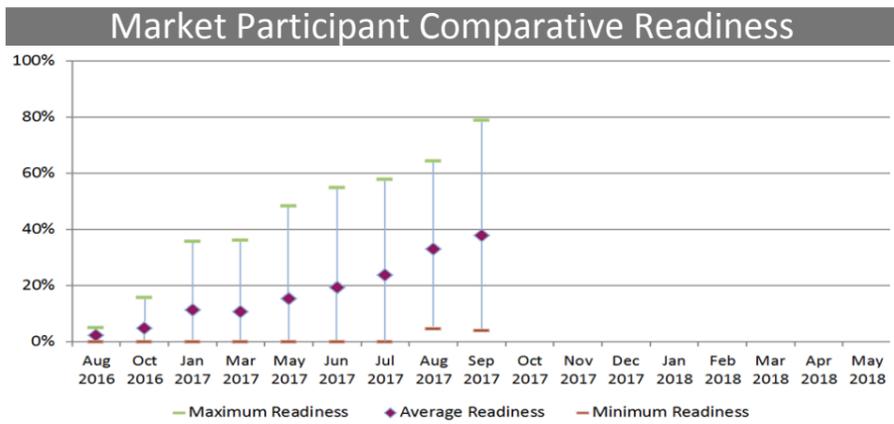
Market Readiness Assessment Report 27-10-2017

Comment

The overall readiness continues to progress forward with some identified risks to the Central Markets; however, Market Participant readiness continues to fall short of expectation. Connectivity issues with the Central Market Systems during Communication Channel Quality Testing (CCQT) and Market Participant Interface Testing (PIT) have been a common concern for a number of Market Participants. Some have noted the requirement for sample files and file formats needed for the development of their settlement systems and Market Reports to complete testing. Particularly the smaller organisations, are looking for clarity on the Forwards Market and decision on Directed Contracts. Despite the TSOs reporting some specific issues and risks - notably the risks to system testing, some slippage in completing business procedures, and the later delivery of the Credit Settlement & Billing system, arising from essential changes to that system to align with the Trading and Settlement Code, the TSOs remain confident that they have reprioritised sufficiently to meet the Market Trial timeline.

Data Collection Period: 22.09.2017 - 12.10.2017

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

Readiness of Legal and Contractual Framework: Central Components

Legislation	Licensing	Grid Code	Rules				
			TSC	AoLR	SEMOpX	CMC	HAR

Notes

New Comments	Responses
1) Current issues connecting to the Central Market Systems have delayed the completion of Type 2 & 3 CCQT / PIT testing for a number of Market Participants and MDPs, putting their Systems Readiness and consequently the entry into Market Trial at risk. Additionally, the delivery of functionality of 3rd party systems delayed while awaiting resolution of vendor queries regarding SEMOpX documentation.	The TSOs have and will continue to work proactively with the Market Participants and their 3rd party technology vendors and service providers to support their connectivity and interface tests (CCQT/PIT) with the Balancing Market, Capacity Market, and SEMOpX. Thus far, from September through October 2017, the I-SEM CCQT/PIT team has fielded and responded to 500+ queries and closed approx. 465. As of 20th of October 2017, all open queries on the technical specifications for 3rd party vendors and Market Participants were closed. The TSOs remain committed to responding quickly and accurately to all queries as they arrive and believe all Market Participants and their respective 3rd party technology vendors and service providers have the technical and functional information they need to complete CCQT/PIT.
2) Some concerns have been reported regarding the unavailability of sample files and file formats needed for the development of settlement systems. Market Participants are awaiting Market reports to be made available in order to complete testing in advance of market trials.	The TSOs have published multiple versions of the I-SEM Technical Specification and I-SEM Data Publication Guide. Included in these publications are the specifications for the Member Public, Member Private, and General Public reports. For SEMOpX specifically, the sample reports for DAM, IDA1, IDA2, IDA3 auction results were published on 15 Sept 2017. The TSOs anticipate publishing updates to the Balancing Market reports specifications, as well as new information - schema file for energy and capacity settlement reports and a complete set of sample files for Balancing Market reports, as well as a list of all settlement charge types and determinants in Nov 2017.

New Comments		Responses
3)	Market Participants, particularly the smaller organisations, are looking for clarity on the Forwards Market and pending decision in relation to Directed Contracts.	Milestones 153b and 154b have been added to the programme plan. These relate to the publication of the Directed Contract Decision and the Master Agreement & Subscription Rules for the I-SEM Directed Contracts round which is scheduled for December 1, 2017.

Recurring Topics		Responses
4)	Concerns around EUPHEMIA bid types and its interaction with the Price Coupling of Regions continue to be reported by Market Participants. A number of Market Participants continue to raise concerns on the pricing outcomes in the Balancing Market, given the reduced flexibility in DAM / IDM offer products and uncertainty with regards to the Day-Ahead (DA) and Intraday (ID) Market products, and interaction with GB markets.	The TSOs acknowledge the concerns of Market Participants in this regard and have been working to transparently progress this issue through communication at the Business Liaison Group (BLG) and Project Managers' Group (PMG) meetings. The dependency on the GB markets has been long noted as an external risk in the PMG meetings. The TSOs are continuing to progress the necessary testing relating to confirming the DA market products in order to ensure a satisfactory outcome as soon as possible, and are communicating on this progress through the BLG. Similarly, this is a noted external dependency and the TSOs' I-SEM Project team are actively engaged with Market Participants on the mitigation strategy for this risk. While the risks and dependencies remain, the TSOs feel that all necessary controls are being implemented to mitigate these risks.
5)	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 DCAE. 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.
6)	The TSOs report delays to ICMP and CMP build, Site Acceptance Testing (SAT) of the Market Management System (MMS), and to Testing of all of the central market systems. The TSOs also report additional risk in their system delivery programme, given the need to make changes to the Credit Settlement and Billing (CSB) engine of MMS, in order to align it to the Trading & Settlement Code (TSC).	Through concerted action, commercial incentives, and the application of TSO resources on-site, vendor delays have been contained, build is now largely complete, and testing activities have been replanned to maintain overall Project Timelines. Focus is on meeting the new Milestone #174a, that we have the central market systems ready which are necessary to successfully commence Market Trial (together with the necessary infrastructure and data). The replanning has placed additional resourcing demands on the TSOs, which is proving to be challenging. E2E Testing is now in the ninth week, with considerable progress made across all fronts - e.g. environments, connectivity, data, and applications. The major challenge has been to triage and fix the defects coming out of testing sufficiently and quickly to preserve the overall Project timeline. The decision has been taken to remain in pass one of E2E Testing until all blocking issues have been removed, all test scripts have been successfully run, and all higher severity defects have been fixed and re-tested. Once the quality of systems has been established and demonstrated, we will be able to complete the first pass and move to the next complete pass of all test scripts. The investment in pass one is believed to be essential and will pay dividends later. As noted previously, E2E Testing is a significant undertaking given the large number of systems, interfaces, and inherent complexity; as a consequence, these inevitably bring a certain amount of risk, which the TSOs/SEMO/SEMOPx (referred to collectively as 'the TSOs' throughout this Report) are actively managing and, as of today, they believe that they can successfully mitigate in order to have systems ready for when required in Market Trial. It should be noted that E2E Testing of the systems not required for commencing the Market Trial will follow later - notably CSB, website and AOLR. Changes to the CSB system are progressing to plan, which sees system code designed, developed and tested in a number of parts so as to de-risk delivery and to reduce the overall timeline. That work is well advanced, with build largely complete and factory testing well advanced. The revised CSB engine remains on-track to be on site in Dublin by early November 2017, having completed Factory Acceptance Testing by the vendor. As per the plans discussed at the Market Trial Working Group in August 2017 to gradually add complexity into the Market Trial, the CSB engine is not going to be used before February 2018, allowing time to complete a regression test of the systems necessary to have the CSB engine ready for use by the end of January 2018. The associated public Milestone #174b is reported as being at risk, but with the current expectation that the date will be met.
7)	The TSOs report some risks to their preparations for Market Trial due to slippages in completing drafting of a large suite of business procedures, and consequential impact on internal training. Some delays have also been reported in the preparation of data required for the Market Trial.	The TSOs are managing these risks by re-prioritising procedure development to focus first on those procedures required for Market Trial and to delay others not needed until later. In addition, the TSOs have improved their management and co-ordination of business procedures, and brought on additional resources to assist in ensuring timely delivery. They have also sought to maximise the synergies between procedure development, drafting of training materials, system testing, and getting staff ready for roles, as well as recognising that the initial set of procedures will inevitably need to be refined and updated, once they are used - as is the case now, with those being used for registration. It is a significant task, but one which the TSOs remain confident that they can complete sufficiently to meet the Market Trial timeline. Production of the internal training materials is proceeding in parallel with procedure development. Note that Market Participant training is unaffected by any slippage to internal training, which only affects the detailed operational training being provided to selective internal staff (TSOs/MO/SEMOPx).

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:

-  0% – Work not started
-  0% < work complete < 26%
-  26% ≤ work complete < 51%
-  51% ≤ work complete < 76%
-  76% ≤ work complete < 100%
-  100% – Criterion / milestone achieved – (i.e. 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 Market Participant Category

Balancing Market & Imbalance Settlement		Market Participants	ICOs	MDPs	Transmission System Operators	Market Operator (incl. Nemo)	EirGrid/SONI as AoLR
Readiness Per Market Participant Category					B5-8	B5-8	
A	Readiness of Business Strategy, Planning, and Financial Resources	B4					
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems	B1,2			B5	B5	
D	Readiness of Business Processes and Procedures	B3			B6	B6	
E	Readiness of People and Organisation				B6	B6	
F	Readiness of IT infrastructure and Other Facilities			B1	B7	B7	
G	Registration						
H	Market Trial: Preparation			B1	B6,8	B6,8	
I	Market Trial: Management & Reporting						
J	Market Trial: Execution	B1					
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 Current issues connecting to the Central Market Systems have delayed the completion of Type 2 & 3 CCQT / PIT testing for a number of Market Participants and MDPs, putting their Systems Readiness and consequently the entry into Market Trial at risk. Additionally, the delivery of functionality of 3rd party systems delayed while awaiting resolution of vendor queries regarding SEMOPx documentation.	This is referenced under comment #1 in the summary on page 1. Please refer to the update provided.
B2 Some concerns have been reported regarding the unavailability of sample files and file formats needed for the development of settlement systems. Market Participants are awaiting Market reports to be made available in order to complete testing in advance of market trials.	This is referenced under comment #2 in the summary on page 1. Please refer to the update provided.
B3 Market Participants reported delays in the development in business processes due to its dependency on their systems and availability of I-SEM working examples. Market Participant business process to reconcile to the final I-SEM processes.	The TSOs plan to publish updates to the Balancing Market reports specifications, as well as new information - schema file for energy and capacity settlement reports and a complete set of sample files for Balancing Market reports, as well as a list of all settlement charge types and determinants in November 2017.
B4 A few Market Participants have reported that more clarity is needed on I-SEM balancing market collateral requirements to accurately assess the amount of collateral to be posted against each unit in the new market and to understand how it will differ from the collateral requirements in the current SEM.	Extensive training is currently being provided to Market Participants on the new I-SEM collateral requirements, including the provision of worked example spreadsheets with the calculations laid out. Market Participants should be able to make use of 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. Further, a modification is being raised to the Trading & Settlement Code to add transitional collateral requirements which may provide earlier sight of collateral requirements.
B5 The TSOs report risk due to delays in Site Acceptance Testing (SAT) and End-to-End (E2E) Testing execution, and the need to make changes to the Credit Settlement and Billing (CSB) system in alignment with the Trading & Settlement Code.	This is referenced under comment #6 in the summary on page 2. Please refer to the update provided.
B6 The TSOs' progress on business processes and procedures is behind schedule, with consequential risk to internal training within the TSOs/MO and Market Trial due to their dependency of those processes and procedures.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.
B7 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 #6 in the summary on page 2. Please refer to the update provided.
B8 The TSOs report some slippage in the preparation of data required for the Market Trial.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.

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					D3-7	D4-7	D4-8
A	Readiness of Business Strategy, Planning, and Financial Resources	D2					
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems	D1			D3		D8
D	Readiness of Business Processes and Procedures				D4	D4	D4
E	Readiness of People and Organisation				D4	D4	D4
F	Readiness of IT infrastructure and Other Facilities				D5	D5	D5
G	Registration					D6	
H	Market Trial: Preparation				D4,7	D4,7	D4,7
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 Current issues connecting to the Central Market Systems have delayed the completion of Type 2 & 3 CCQT / PIT testing for a number of Market Participants, putting their Systems Readiness and consequently the entry into Market Trial at risk. Additionally, the delivery of functionality of 3rd party systems delayed while awaiting resolution of vendor queries regarding SEMOpx documentation.	This is referenced under comment #1 in the summary on page 1. Please refer to the update provided.
D2 Concerns around EUPHEMIA bid types and its interaction with the Price Coupling of Regions continue to be reported by Market Participants. A number of Market Participants continue to raise concerns on the pricing outcomes in the Balancing Market, given the reduced flexibility in DAM / IDM offer products and uncertainty with regards to the Day-Ahead (DA) and Intraday (ID) Market products, and interaction with GB markets.	This is referenced under comment #4 in the summary on page 2. Please refer to the update provided.
D3 The TSOs report risk due to delays in ICMP build and OSB Middleware and ICMP interface issues.	This is referenced under comment #6 in the summary on page 2. Please refer to the update provided.
D4 The TSOs' progress on business processes and procedures is behind schedule, with consequential risk to internal training within the TSOs/MO and Market Trial due to their dependency of those processes and procedures.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.
D5 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 #6 in the summary on page 2. Please refer to the update provided.
D6 The TSOs note limited slippage and risk to Registration given the delay in ECC receiving outstanding paperwork from a number of Market Participants. This is likely to turn green after the ECC's follow up with Market Participants.	The paperwork and data for SEMOpx for a number of Market Participants have been received, validated and forwarded to ECC and EPEX. The Know-Your-Customer (KYC) process with ECC is coming to a close for most Market Participants. SEMOpx framework agreements have been published for review. 92% of all units that should be registering for SEMOpx have submitted their paperwork to the SEMO and are through the registration process. The remainder 8% of units are actively being followed up by the Pre Go-Live Operations team. A number of Market Participants have outstanding paperwork with ECC; however, this is also being followed up by ECC.
D7 The TSOs report some slippage in the preparation of data required for the Market Trial.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.
D8 The TSOs report AOLR system contract is outstanding.	Low level risk to reflect signing of vendor contract remaining outstanding; however, is expected to be signed in the coming days. This has not delayed the vendor's development of the system which has progressed over the recent months.

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					C3-6		
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems	C1,2			C3		
D	Readiness of Business Processes and Procedures				C4		
E	Readiness of People and Organisation						
F	Readiness of IT infrastructure and Other Facilities				C5		
G	Registration						
H	Market Trial/Mock Auction: Preparation				C6		
I	Market Trial/Mock Auction: Management & Reporting						
J	Market Trial/Mock Auction: Execution	C1					
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	Current issues connecting to the Central Market Systems have delayed the completion of Type 2 & 3 CCQT / PIT testing for a number of Market Participants, putting their Systems Readiness and consequently the entry into Market Trial at risk. Additionally, the delivery of functionality of 3rd party systems delayed while awaiting resolution of vendor queries regarding SEMOPx documentation.	This is referenced under comment #1 in the summary on page 1. Please refer to the update provided.
C2	Some Market Participants await information on the Capacity Market Interface and Trading Platform.	The TSOs communicated updates to the Capacity Market Platform CCQT/PIT plan at the TLG14 session on 11 October 2017. At this session, the TSOs notified Market Participants of the updated schedule, revised approach for digital certificate and environment management, and a reduction in the scope for CCQT/PIT. Digital certificate download emails were sent to all Capacity Market Participant users on 24 October 2017, with an expected start date of Capacity Market CCQT/PIT on 30 October 2017. The updated CCQT and PIT guides are available on the SEMO website.
C3	The TSOs report risk due to delays in CMP build, and the need to make changes to the Credit Settlement and Billing (CSB) system in alignment with the Trading & Settlement Code.	This is referenced under comment #6 in the summary on page 2. Please refer to the update provided.
C4	The TSOs' progress on business processes and procedures is behind schedule. However, in the Capacity Market, the impact on the internal training is not as severe as the Balancing Market and the Day-Ahead / Intraday Markets.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.
C5	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 #6 in the summary on page 2. Please refer to the update provided.
C6	The TSOs report some slippage in the preparation of data required for the Market Trial.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.

Readiness Status by Metric and Market 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 Market Participant Category					F2-4		
A	Readiness of Business Strategy, Planning, and Financial Resources						
B	Readiness of Legal and Contractual Framework: Agreements and Contracts						
C	Readiness of Systems	F1			F2		
D	Readiness of Business Processes and Procedures				F3		
E	Readiness of People and Organisation				F3		
F	Readiness of IT infrastructure and Other Facilities				F4		
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	A couple of Market Participants are awaiting information on data flows to allow for system development.	This issue has been addressed and resolved by the Interconnector Owners. It is suggested that Market Participants should raise any outstanding queries directly with the ICOs (EastWestInterconnector@Eirgrid.com & moyle@mutual-energy.com) to ensure they are dealt with in a timely manner.
F2	The TSOs report slippages in ICMP build, and consequently the replanning of delivery timelines.	This is referenced under comment #6 in the summary on page 2. Please refer to the update provided.
F3	The TSOs' progress on business processes and procedures is behind schedule, with consequential risk to internal training within the TSOs/MO and Market Trial due to their dependency of those processes and procedures.	This is referenced under comment #7 in the summary on page 2. Please refer to the update provided.
F4	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 #6 in the summary on page 2. Please refer to the update provided.