



Market Readiness Reporting Strategy

29th April 2016



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1 Summary

The EirGrid I-SEM Project (the Market Readiness Team) has been tasked with assessing and reporting progress towards I-SEM market readiness. This document sets out the overall strategy to be adopted: it will form the starting point for the more detailed Market Readiness Reporting Plan which is to be developed subsequently.

The assessment of market readiness will encompass all facets of I-SEM, including the readiness of all Participants to fulfil their various defined roles. In this context, the term Participants will include Market Participants, the EirGrid Group, Interconnector Owners, Meter Data Providers and the Regulatory Authorities.

Participants will be invited to submit, voluntarily and regularly, their own assessment of their readiness status in accordance with a defined assessment framework: the quality of the resultant overall assessment will be determined by the extent to which Participants choose to engage in the process. Information about individual Participants which has been used to compile the summary report will be kept confidential by EirGrid (unless the Regulatory Authorities require access to it); similarly, in reports, information from individual Market Participants will be aggregated and anonymised so far as is practicable.

Readiness will be assessed on the basis of the status of the regulatory and legal framework, staffing, business processes, systems, information systems infrastructure, data, and the progress of trialling.

For each of these components, the assessment framework will define a set of metrics and associated criteria for completion: together, these form the definition of “readiness” against which progress is assessed.

Status information for the individual components and individual Participants will be combined to derive an overall view of readiness status which will be included in summary reporting. Market readiness reporting will start in September 2016 (from that time it will incorporate Market Participant Readiness reporting which commenced in March 2016).

The market readiness reporting process will operate according to a published calendar, with a regular submission and reporting cycle: this will be monthly initially, with an increased frequency as go-live approaches.

Market readiness reports will inform the decision making processes for the start of trialling and for go-live. Further, it will enable individual Participants to consider their own status in the context of the overall picture.



2 Introduction

2.1 Overview

The EirGrid I-SEM Project has recently (March 2016) initiated regular summary readiness reporting on the status of Market Participants as they prepare for I-SEM. In this initial stage, Market Participants are contributing assessments of their progress on understanding I-SEM, its impact, and the establishment of their implementation projects. EirGrid is using this information to assemble an aggregated, summary report, which is then published.

In September 2016, readiness reporting will move on to the next stage: full Market Readiness Reporting. In this, the scope will be broadened to include other Participants (Meter Data Providers, Interconnector Owners, and the EirGrid Group). Further, recognising that, by that time, implementation projects are likely to be defined and underway, a set of specific metrics and criteria will be introduced to form the framework for assessment and reporting. The full description of this framework and the associated process to be followed will be published by June 2017.

Information from Market Readiness Reporting will be used to identify risks and issues, and inform the decisions to start the Market Trial (scheduled for the end of May 2017) and to go live (October 2017).

2.2 Purpose of this Document

EirGrid (having responsibility for implementation of the I-SEM), and the Regulatory Authorities (having responsibility for determining if the market is ready to go live), will require an accurate assessment of the overall readiness of the market to commence.

This Market Readiness Reporting Strategy describes how the EirGrid I-SEM Project will measure, assess, track and periodically report upon market readiness against pre-defined criteria. It is being published to provide all stakeholders with an understanding of the approach, and information in the lead up to the commencement of the live operations.

This document therefore sets out the overall approach to tracking, assessing and periodically reporting progress towards readiness for go-live. It is intended to communicate this approach internally within the I-SEM Project, and externally - including to the Regulatory Authorities.

This strategy also forms the starting point for the development of the Market Readiness Reporting Plan, which will describe specifically how market readiness measurement, assessment, tracking and reporting will be undertaken.



2.3 Terminology

The following terms and acronyms are used in this document.

Term	Meaning
BM	Balancing Market
Criterion	The value of a Metric that must be achieved for a particular status to be declared as achieved.
CRM	Capacity Remuneration Mechanism
DAM	Day Ahead Market
FTR	Financial Transmission Rights
IBM/S	Imbalance Market/Settlement
ICO	Interconnector Owner
IDM	Intraday Market
I-SEM	Integrated Single Electricity Market
Market Readiness	The extent to which the arrangements and components of I-SEM are ready for live operation and Participants are ready to fulfil their obligations in I-SEM.
Market Readiness Report	A report, based on the information provided by Participants, that summarises the current readiness status.
Market Readiness Team	Eirgrid I-SEM team that manages the Market Readiness Reporting Process.
Market Trial	The “as-live” practice operation of I-SEM leading up to the opening of the DAM/IDM and BM.



Metric	An indicator of progress that can be assessed or measured.
MPs	Market Participants
MDPs	Meter Data Providers
MRC	EirGrid I-SEM Project Market Readiness Coordinator
MRRP	Market Readiness Reporting Process
Participants	Market Participants, EirGrid Group, Interconnector Owners, Meter Data Providers, Regulatory Authorities
PRC	Participant Readiness Coordinator
RAs	Regulatory Authorities
SEMO	Single Electricity Market Operator
TSO	Transmission System Operator
T&SC	Trading and Settlement Code



3 Purpose and Objectives

“Market Readiness” is the extent to which the I-SEM arrangements are capable of and ready for live operation, and that those involved are ready to meet their obligations. When the arrangements and the Participants essential for live operation are ready, then overall the status of I-SEM is “Market Ready”.

Market readiness information assists all Participants in understanding progress towards live operation of I-SEM as a whole, while individual Participants may use their own readiness status to understand their position in the context of the overall status.

It is planned that EirGrid will take account of readiness information in deciding to commence the Market Trial.(scheduled for May 2017).

It is anticipated that the Regulatory Authorities will take account of the overall Market Readiness status when authorising the commencement of live operation.

The overall purpose of the Market Readiness Reporting Process (MRRP) is to track and communicate progress of I-SEM as a whole towards “Market Ready”. Market readiness is dependent on the actions/readiness of a large number of parties – both individually and collectively. Therefore, progress will be assessed by considering the status of preparations of Participants, that is:

- I-SEM Market Participants (MPs)
- EirGrid Group (“EirGrid”)
- Interconnector Owners (ICOs)
- Meter Data Providers (MDPs)
- Regulatory Authorities (RAs).

For each of the above Participants, assessment of Market Readiness will be in terms of the components which they require to fulfil their roles and for which they are responsible, including, as appropriate:

- Legal framework
- Systems
- Business processes
- People
- IT and facilities
- Data
- Market Trial



More specifically, the objectives of the MRRP will be:

1. In collaboration with the Participants responsible for delivery and operation, to measure and assess the progress towards readiness of all the constituent components of I-SEM.
2. To assemble and communicate an overall summary of progress compared with expectations (taking account of current schedule), based on the aggregated status of individual Participants and components.
3. To identify and analyse risks (emerging from the readiness data and reports) arising during preparations for live operation, and recommend mitigation actions.
4. To provide information for the decision making processes for the commencement of trialling and live operation for the various markets comprising I-SEM.

4 Context

The various markets which are encompassed in I-SEM have different trialling activities and opening dates. Targets for key events for the opening of I-SEM markets include:

- March 2017 FTR Mock Auction
- April 2017 Initial FTR Auction
- May 2017 CRM Mock Auction
- June 2017 Initial CRM Auction
- May 2017 Commence Market Trial
- October 2017 First Trading Day (DAM/IDM/BM)

The Market Trial will be the subject of detailed planning, readiness assessment, and reporting on execution. These activities will be undertaken as separate processes, with summary information submitted to the MRRP.

A significant aspect of Market Readiness is the status of Market Participants: recognising this, the reporting on the status of Market Participants commenced early in March 2016. When the full MRRP commences, Market Participant Readiness reporting will be subsumed within it.

5 Principles

The following are assumed:

1. Participants choose whether to take part in the MRRP.



2. Participants will submit their own assessment of their readiness status, following a framework set out by the EirGrid I-SEM Project Market Readiness Team.
3. Reporting of status and progress will not identify individual Market Participants; published information will either be in aggregated form, or anonymous. However, it is recognised that, in some cases (for example, the EirGrid Group and Interconnector Owners) progress reporting cannot in practice be made anonymous.
4. Information about individual Participants which has been used to compile the summary report will be kept confidential by EirGrid (unless the Regulatory Authorities require access to it).
5. This process is aimed at establishing an overall view of readiness across I-SEM; it is not intended as a mechanism for managing the progress of individual Participants. Consequently, the Market Readiness Reporting Process:
 - a. Does not involve commentary on or assessment of Market Participants' business objectives and business strategies for participation in I-SEM: Market Participants are responsible for establishing these.
 - b. Does not include advice on, briefings about, or training related to I-SEM.
6. Risk identification and analysis will address risks relating to I-SEM readiness, rather than risks associated with individual Participants.
7. Information about preparations and readiness will be collected from "principals" (normally those Participants expected to be signatories of the revised T&SC): these will be responsible for communicating the readiness of any service providers they may use.
8. The RAs will communicate with the Governments and will contribute any relevant information on their behalf into the Market Readiness Reporting Process.

6 Scope

General

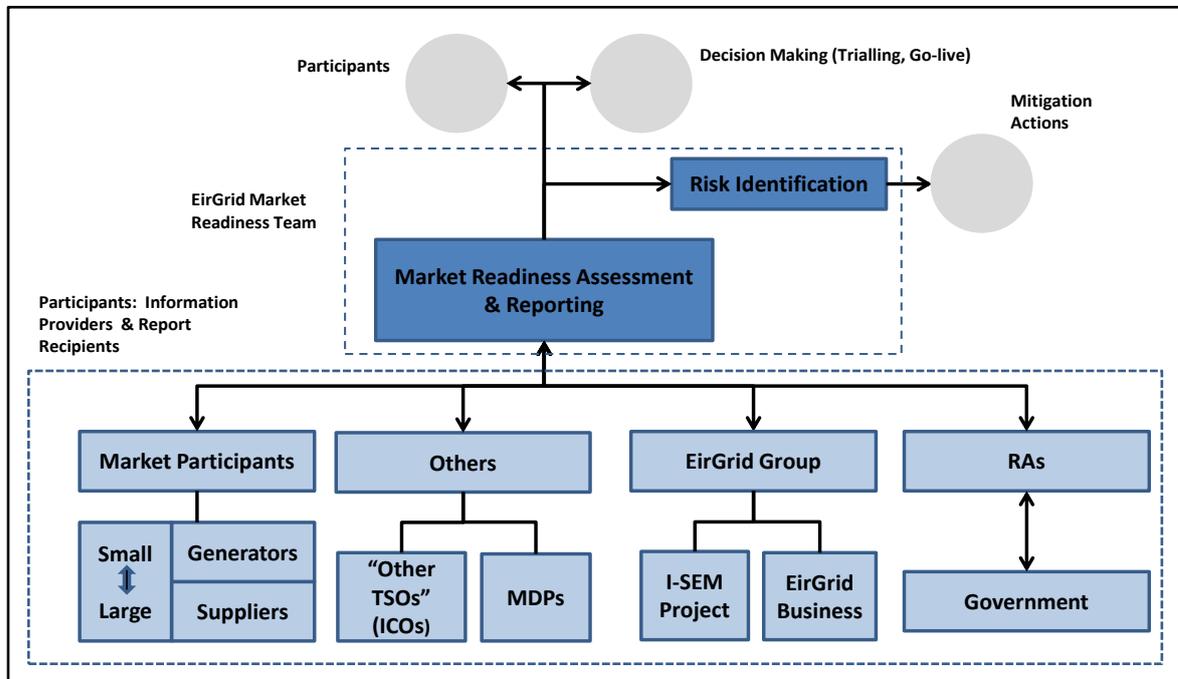


Figure 1 Scope of Market Readiness Reporting Process

Figure 1 shows the scope of the Market Readiness Reporting process. This encompasses collection and analysis of information relating to:

- All the markets comprising I-SEM (FTR, CRM, DAM, IDM, BM/IBS).
- The readiness of all the Participants with delivery or operational responsibilities in I-SEM.
- For each market, progress towards readiness for the start of trialling, and progress towards readiness for live operation. Note that detailed reporting on the Market Trial will be undertaken separately and is not described here.
- Readiness of required components (Legal framework, business processes and procedures, systems, staffing, facilities).

Overview of Information to be collected

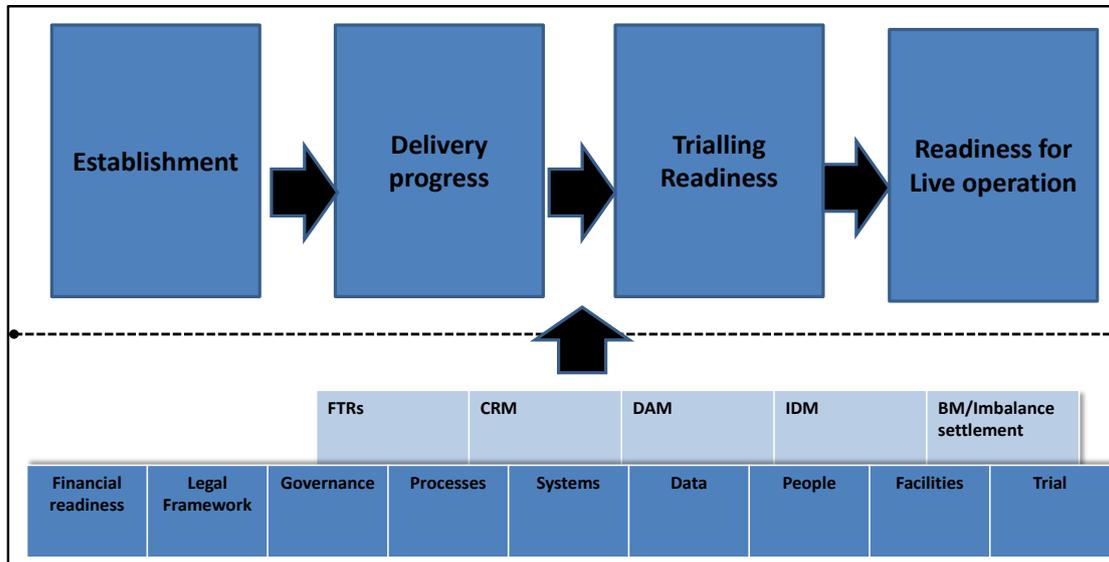


Figure 2 Readiness Information Overview

Figure 2 shows how the emphasis of the readiness information collected will evolve as time goes on: initially, Market Participant Readiness reporting is focusing on understanding of I-SEM and the establishment of implementation projects; subsequently, the progress towards delivery of these projects will be tracked, together with the steps towards readiness for trialling and go-live.

Figure 2 also illustrates the categories of information that will be collected. In essence this comprises, for each participant, self –assessed readiness information relating to:

- Legal framework
- Systems
- Business processes
- People
- IT and facilities
- Data
- Market Trial

Reporting

The collected information will be used to prepare an I-SEM readiness report, which will be published on the SEMO website.



7 Roles and Responsibilities

The principal roles in the MRRP are described below.

General

- The EirGrid I-SEM Project Market Readiness Team will plan and manage the MRRP; a member of this team will be designated as the Market Readiness Coordinator (MRC) as the main point of contact.
- Each participant will be asked to designate a Participant Readiness Coordinator (PRC), who will be the main contact point in the process, and will be responsible for submitting information and receiving reports.
- The EirGrid group will designate one PRC¹ to report progress about :
 - the EirGrid I-SEM project deliverables
 - readiness across the EirGrid organisation²

Information Provision

- Market Participants will provide information about their progress towards readiness to operate in the various markets comprising I-SEM
- The EirGrid Group will provide information about the readiness of the central market arrangements for I-SEM, and the EirGrid Group's readiness to deliver and operate these arrangements

¹ The EirGrid PRC is expected to be the EirGrid I-SEM Project Management Office (PMO)

² It is planned that the information to be collected will be defined in Transition Information Plans for each EirGrid business area impacted by I-SEM



- The Interconnector Owners will provide information about their readiness to meet their obligations in I-SEM
- Meter Data Providers will provide information about their readiness to meet their obligations in I-SEM
- The RAs will provide information about their readiness to carry out their roles in delivering and subsequently in operating I-SEM

Information Collection and Analysis

The EirGrid I-SEM Project (Market Readiness Team) will be responsible for collecting and analysing the information provided.

Reporting

The EirGrid I-SEM Project (Market Readiness Team) will be responsible for producing the Market Readiness Report, in accordance with a defined schedule. The first report will be published in September 2016. Thereafter, it will initially be published on a monthly basis, with the frequency of reporting increasing as time goes on.

Reporting of market readiness will take place via the Market Readiness Report, which will detail the current status of the readiness metrics, together with an analysis of:

- actual and potential gaps;
- remedial action being taken to address these gaps;
- risks to market operation if the gap is not remedied; and
- potential mitigation of these risks

The Market Readiness Report will be in an easy-to-read 'dashboard' format, designed to provide a large amount of summary information about the status of market readiness in an easily digestible format. It will rely heavily on the use of visual metaphors, such as "Harvey Balls", to convey information on planned progress and current status (Figure 3 includes an illustration of "Harvey Balls").

Where appropriate, aggregated results will be weighted (for example, to reflect market shares); in such cases, both weighted and unweighted results will be presented.



Risk and Issue Identification

The EirGrid I-SEM Project (Market Readiness Team) will, based on the information received, seek to identify risks and issues relating to I-SEM readiness, and will include these in the Market Readiness Report. Risks and Issues will be highlighted to the appropriate responsible participant. Where appropriate, risks will be entered into the EirGrid I-SEM Risk and Issue Registers. They will then be managed through the Project's risk and issues management process.

Risk Mitigation

The EirGrid I-SEM Project (Market Readiness Team) may suggest possible mitigation actions when identifying risks; however, ownership of risks and mitigation actions will be with the appropriate responsible participant.

8 Assessing Readiness

8.1 Readiness Criteria

In order to monitor progress towards readiness, it is first necessary to establish the basis on which readiness status will be judged. This is achieved by:

1. Identifying metrics³ that enable progress towards readiness for each area of I-SEM to be measured or assessed.
2. For each metric, defining a "Criterion", which is the value of the metric that must be achieved for completion to be declared⁴

³ In this context a metric simply means an indicator of progress that can be assessed or measured. For example, the metric "Status of Integration Testing" might have a value such as "Three cycles completed satisfactorily".

⁴ For example, the Criterion for completion for the metric "Status of Integration Testing" might be "Five cycles completed satisfactorily"

- For each metric and criterion, providing a checklist of essential precursors or milestones leading to completion. This allows progress towards the achievement of the criterion to be assessed at a greater resolution than simply “done” or “not done”.

A generic set of metrics and criteria will be developed by the Market Readiness Team, and adjusted as necessary for different categories of participant.

Figure 3 Figure 1 illustrates the structure of the readiness information to be collected.

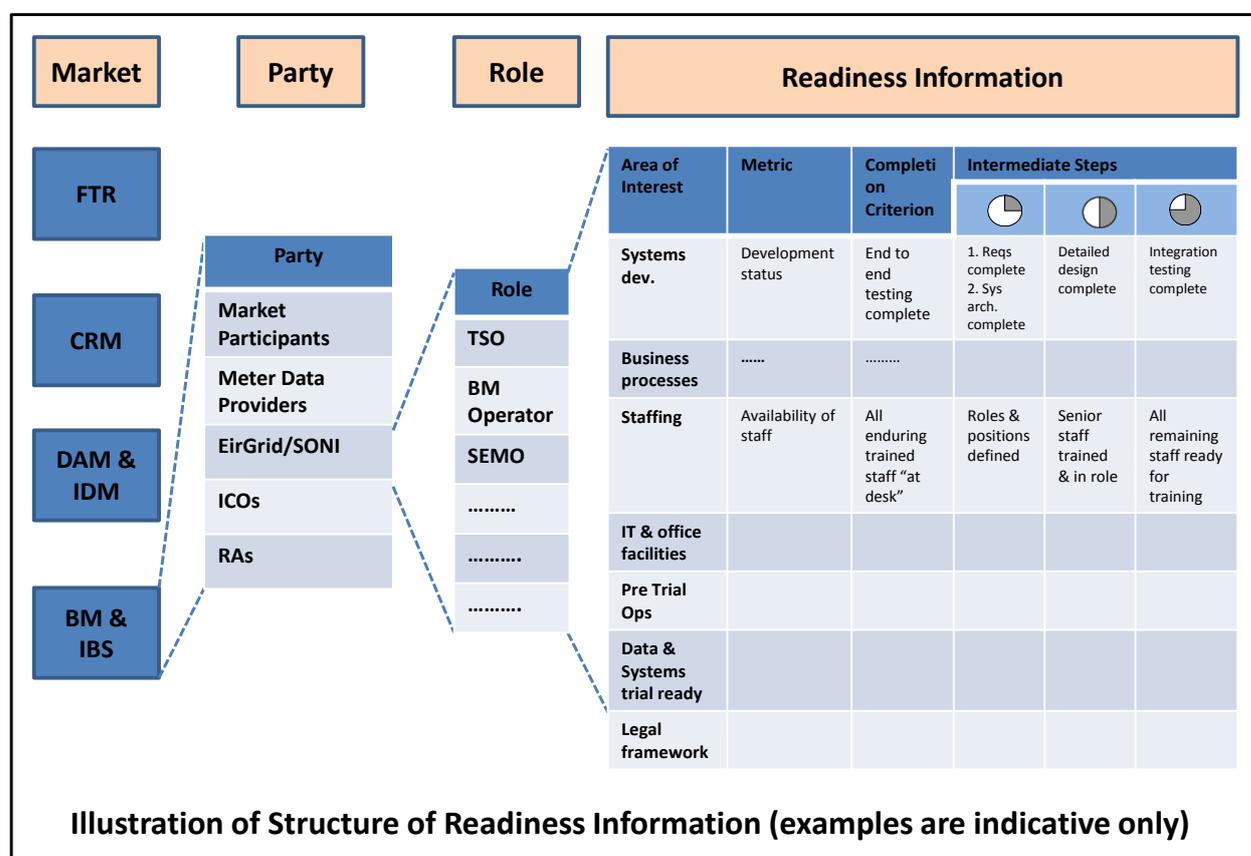


Figure 3 Illustration of Structure of Readiness Information

8.2 Progress and Expected Progress

Participants will be asked to make their own assessment of their progress for each of the defined metrics and criteria, reflecting the completion of precursors defined for the achievement of each criterion. The values for each metric will be combined to provide an indicator of the readiness status for each participant.



The EirGrid Market Readiness team will set out an indicative schedule, against which overall reported progress can be compared. It is recognised that each Participant will have their own individual project plan and schedule, and it is not expected that these will necessarily match the indicative schedule set out by EirGrid. However, the indicative schedule will provide a context for cumulative progress across all Participants.

8.3 Process

8.3.1 Planning

The MRC will publish a detailed Market Readiness Reporting Plan which will include definitions of:

- Process to be followed
- Calendar
- Information to be collected and from whom, and tools to be used
- Analysis to be carried out
- Reporting formats and recipients

8.3.2 The Process Cycle

The main steps in the regular submission and reporting process will be as below:

Step	Who is responsible	What
1	EirGrid MRC	Publish information request and confirm timetable for this cycle
2	PRCs & EirGrid MRC	Raise/resolve information requirement queries
3	PRCs	Collect and submit required information
4	EirGrid MRC & PRCs	Raise/ resolve any queries about information submission
5	EirGrid Market Readiness Team	Analyse information submissions
6	EirGrid Market	Produce reports



	Readiness Team	
7	EirGrid MRC	Publish reports
8	PRCs & EirGrid MRC	Raise/ resolve any queries about reports
9	EirGrid MRC	Register any identified risks
10	EirGrid Market Readiness Team	Review cycle outcomes, adjust process and information requirements as necessary

8.3.3 Tools

The information required will be defined in an information request. This will be in electronic form and either will be distributed by email or made available on line.

The information request will be completed and submitted in electronic form.

9 Schedule

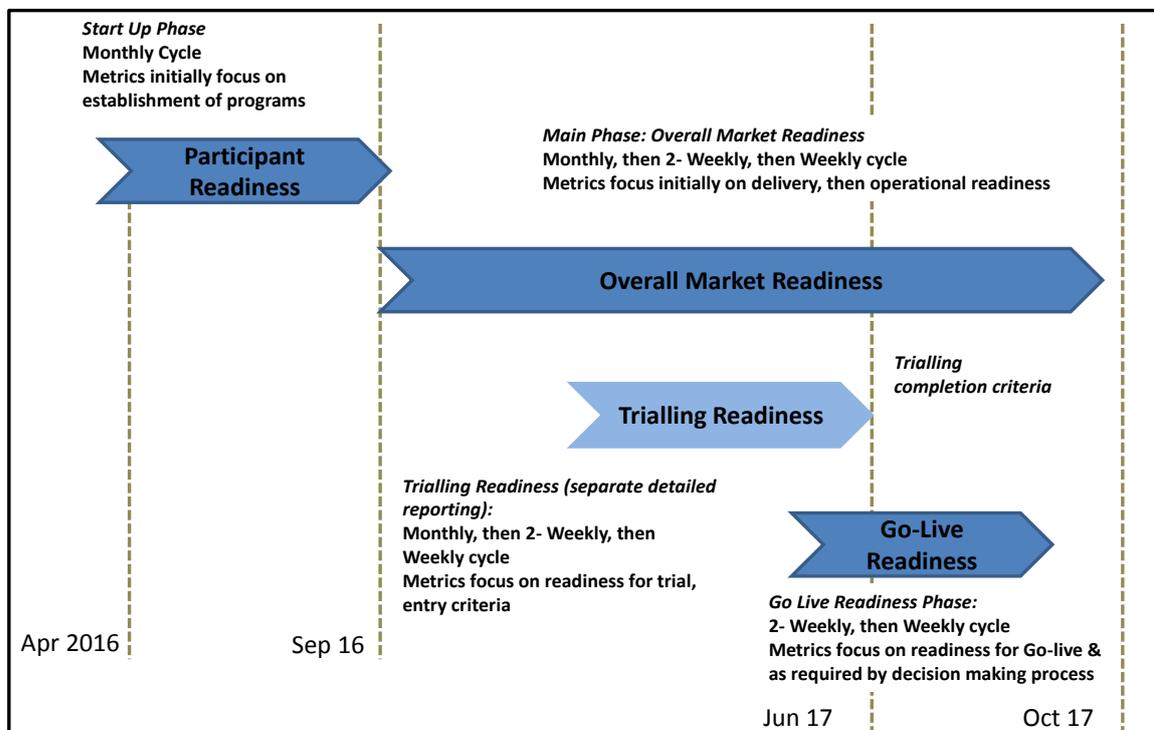


Figure 4 Overall Schedule for Market Readiness Monitoring Phases



Figure 4 shows the overall schedule for the different phases of Market Readiness Reporting.

At this time (April 2016), the establishment of Market Participant readiness reporting has commenced. At present, this comprises collecting information about awareness of I-SEM requirements and schedule, and about the initiation of implementation programmes. Subsequently, the information collected will expand to include the whole scope described in Section 8.

It is planned to commence full Market Readiness monitoring in September 2016: participant reporting will then become part of this wider process.

There will be a separate process to manage and report in detail on the progress of the Market Trial. Summary progress information about the progress of the Trial will be included in overall Market Readiness reporting.

It is anticipated that Market Readiness reporting will inform the decisions to commence the Market Trial (to be taken by EirGrid) and for market go live (decisions assumed to be made by the RAs).

The MRRP will run according to a published calendar. Initially, the submission and reporting cycle will be monthly, and will increase in frequency as go-live approaches.

10 Next Steps

This document will form the starting point for the development of the Market Readiness Reporting Plan. This will include details of how the strategy outlined here will be implemented, and will include further details of the process to be followed and tools to be used, the information to be collected, and the information to be reported, including specification of the reporting format.