



## **I-SEM Project: Draft Revised Level 1 Milestones**

**November 2016**

---

## INTRODUCTION

The I-SEM Project is currently running to a Go Live date of October 2017. When this was a little less than 12 months away, the SEMC undertook a stocktake exercise, to identify design and delivery risks associated with the I-SEM Project, and to determine whether an October 2017 Go Live should still be pursued.

ESP Consulting has now completed this exercise, and presented a final report to the SEMC meeting in October 2016. The SEMC is pleased to note that the Stocktake acknowledged the significant progress being made by the many parties, across the multiple workstreams, in a highly complex programme. The SEMC also notes that the Stocktake confirmed the I-SEM design is fit for purpose, and accepts the two recommendations to cushion the commercial and operational impact of its introduction.

However, the SEMC also accepts the report's recommendation that there are a number of risks in proceeding to the current timeline that are at an unacceptably high level, in particular, associated with the challenges for industry readiness.

On this basis, the SEMC agrees to the report's recommendation that the I-SEM delivery is best de-risked through a reprogramming of a number of key milestones. This reprogramming has been completed, with the following objectives in mind:

- the central systems and processes which support the I-SEM market are targeted to be delivered by end 2017;
- this will support a four month market trial (running in parallel to the existing SEM) starting in January 2018;
- the first CRM auction is due to take place in December 2017; and
- I-SEM is then planned to Go Live during May 2018.

The reprogramming will:

- align all delivery activities within the I-SEM Project, addressing serious challenges in the CRM pathway and providing additional contingency throughout for all parties;
- maintain a focus on delivery of fully tested central systems and processes for the energy market by the end of 2017;
- give more time for testing and trialling to de-risk the likelihood of identifying problems close to the Go Live date;
- increase market participant confidence in the Go Live date and thus facilitate their commercial, organisational and systems delivery and readiness activities; and
- support parallel SEM operation, and I-SEM trialling, to afford participants extended time for commercial testing and readiness, thereby reducing risk at Go Live.

I-SEM Project: Draft Revised Level 1 Milestones

**DRAFT REVISED LEVEL 1 MILESTONES**

In light of the above, the RAs and TSO are now replanning the I-SEM Project's Level 1 and Level 2 milestones, against which progress is reported publicly. In addition, we have taken the opportunity to include some new milestones, reflecting activities which need to be publicly reported as they directly impact on industry. By the same token, a limited number of milestones have been removed, as they are either no longer relevant or are internal milestones to the TSOs which do not directly impact on other parties.

The table below lists the draft revised Level 1 delivery milestones for the I-SEM Project. These are subject to I-SEM Change Control; a Change Request including also the draft revised Level 2 milestones will be published shortly for Impact Assessment by participants. Participants should note, however, that the revised I-SEM Go Live date of 23 May 2018 has been approved at Departmental level in both jurisdictions, and is not therefore expected to change further as a result of the Impact Assessment.

Level	Ref	Milestone	Current Baseline Date	Current Expected Date	Proposed Date	Comments	Owner
1	106	<b>TSO &amp; MO Licence Changes (second tranche) – publication</b> Publication of the second tranche of proposed licence changes for TSOs & MO	16 September 2016	18 November 2016	16 December 2016	Publication is rescheduled to allow for additional reviews	RAs
1	45	<b>Forwards &amp; Liquidity (CFD) 2 Decision Paper</b> SEMC decision on F&L2 consultation.	05 September 2016	08 November 2016	06 March 2017	Decision is rescheduled in the light of the large and detailed number of responses to this consultation.	RAs
1	37	<b>CRM: Capacity Market Code Consultation Paper Published</b> Public consultation on draft 'CRM rules'	31 October 2016	05 December 2016	09 January 2017	Publication of CMC Consultation is re-scheduled for January to allow for any decisions in respect of Derating and Local Security of Supply, and minimise overlap with the T&SC consultation	RAs
1	68	<b>Publication of final TSC</b> Final TSC (including the Agreed Procedures) approved and published.	15 March 2017		15 March 2017	Unchanged	RAs
1	105	<b>Generation and Supply Licence Changes – publication</b> Publication of proposed changes for Generation and Supply licences	16 September 2016	05 November 2016	02 June 2017	Licence publication is rescheduled after the Trading and Settlement Code and Capacity Market Code are finalised. This will also facilitate input from the F&L Work Stream, BCOP and other policy decisions.	RAs
1	38	<b>CRM: Decision and Publication of Capacity Market Code</b> Decision and publication of final 'CRM rules'	08 March 2017		02 June 2017	Date change as a consequence of the later consultation publication date.	RAs

I-SEM Project: Draft Revised Level 1 Milestones

Level	Ref	Milestone	Current Baseline Date	Current Expected Date	Proposed Date	Comments	Owner
1	8	<b>Participant Interface Testing Begins</b> Participant interface testing begins three months in advance of market trial	23 January 2017		07 September 2017	Realigned with revised I-SEM delivery schedule; now extended to 12 week duration	TSOs
1	36	<b>Capacity Market Auction</b> First Capacity Market Auction takes place	01 June 2017		15 December 2017	Allows a five month window prior to I-SEM Go Live	TSOs
1	85	<b>Market Trial Commences</b> Commencement of an extended period of operational trialling of central market systems and processes which support the I-SEM market but without the financial consequences. It will be open to all participants to assist their understanding and trialling of market processes.	01 June 2017		01 December 2017	Now scheduled for a five month period, with four months of actual operational trialling from Jan to May 2018	TSOs
1	52	<b>FTR Auctions commence</b>	17 April 2017		01 February 2018	This date is indicative and subject to ICO confirmation, but is not likely to be less than 3 months before Go Live	ICOs
1	87	<b>Market Trial Complete</b> A full operational trial of all market systems and processes open to all participants to assist their understanding and trialling of market processes.	29 September 2017		22 May 2018		TSOs
1	150	<b>Go live</b> I-SEM Operational Go-Live.	01 October 2017		23 May 2018		RAs