

Markets

Terms of Reference for the Market Audit 2017 (SEM-17- 021)

If you have any questions in relation to our response, please don't hesitate to contact Connor Powell (connor.powell@sse.com)

Thank you for giving SSE the opportunity to comment on the Terms of Reference for the 2017 SEM Market Audit. We would prefer a Core SEMO Audit only for 2017 given the substantial changes taking place to facilitate the introduction of I-SEM in May 2018.

We have provided comments on the two options outlined in the consultation paper.

Option 1 – Core SEMO Audit vs Option 2 – Core SEMO Audit plus non-interval aggregation processes

We recognise the RAs point that:

“While the method of recovery of the system error will change from smearing across all non-interval meters to a supplier tariff in I-SEM, the findings of such an extension of the scope of the Audit would be expected to have continued relevance in the new market.”

However, there is limited resource available on the part of SEMO, the MDPs and Market Participants to review and action any findings from this Audit within the first 12 months of I-SEM Market Go-Live.

In addition, SSE’s expectation is that the Modifications Committee and supporting industry resource will be occupied for the first 12 months of market go-live resolving both ‘Day 2’ and unknown issues. **Our clear preference for 2017 would be a Core SEMO Audit** to provide assurance that market pricing and settlement activities are being carried out in line with the T&SC and Agreed Procedures.