



# SEM Committee Senior Stakeholder briefing

EAI Perspectives

15<sup>th</sup> February, 2018  
Dundalk



*A Sustainable Future Powered by Electricity*

# Electrification of energy services for a decarbonised, sustainable future

Electricity Association of Ireland believe this can be achieved:

- In the overall interest of Society.
- Through Competitive markets.
- Fostering Investment and Innovation.
- Maintaining the reputation of the electricity sector

We promote this vision through Constructive engagement

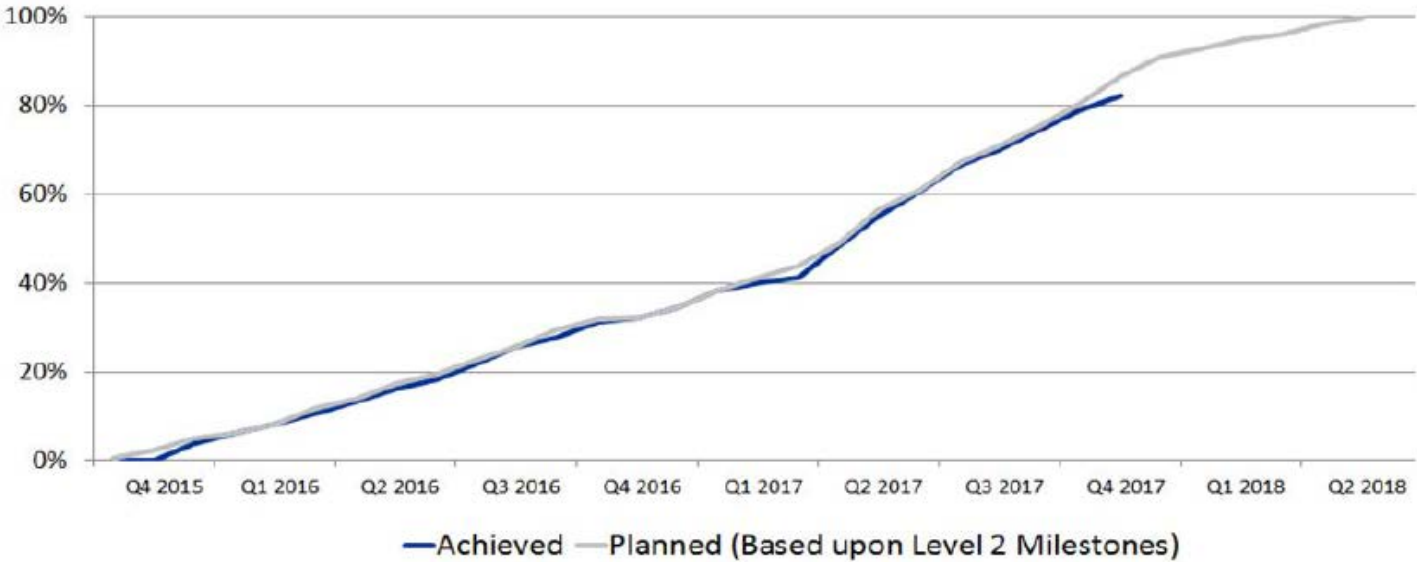
- Welcome this opportunity for engagement.
- Particularly now with less than 100 days to “GO LIVE”.

# I-SEM Considerations

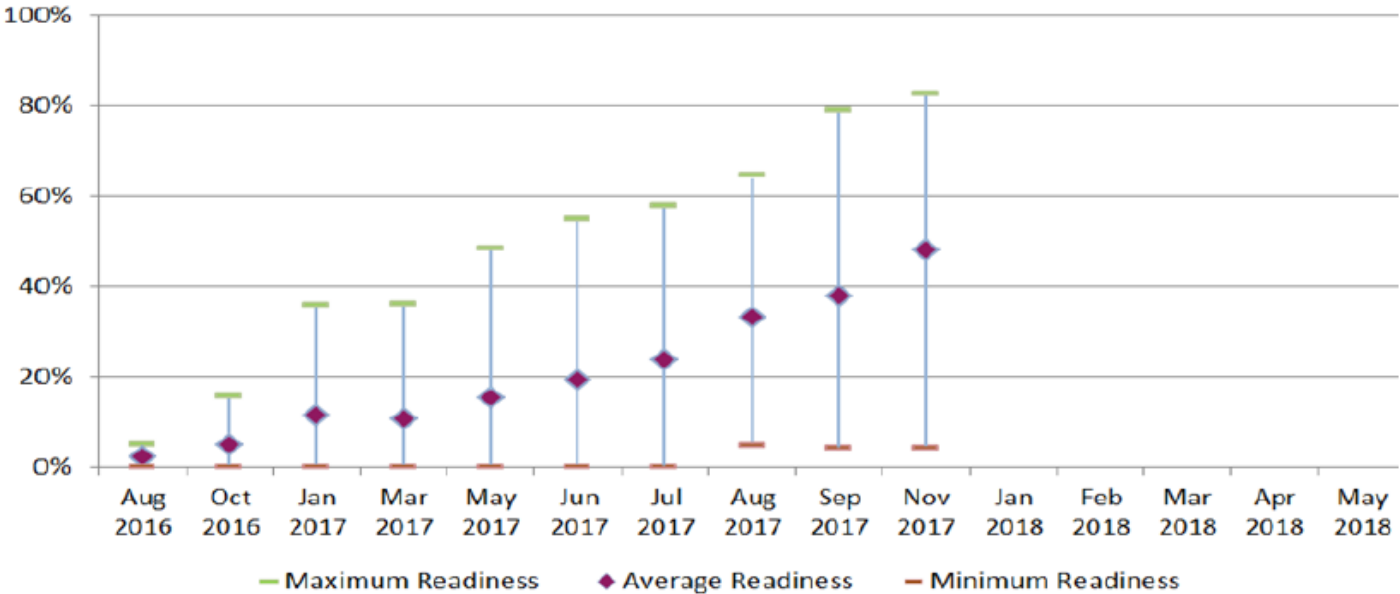
# Market Participant Readiness <sup>1</sup>

- Participant readiness levels reported are falling short of expectation; ..... message from participants is that they will be ready to commence the Market Trial from 1 December 2017 - as confirmed by the Readiness Statements received to date.
- A number of immediate issues impacting on parties' preparations ..... were understandably front and centre, .....have each been addressed sufficiently to allow those parties to progress - for example, with their interface testing.
- Participants highlight risks associated with uncertainty, .....

# Central Markets Project Progress



# Market Participant Comparative Readiness



# Challenge 1

## **Expectations not being met leading to a loss of confidence and frustration**

- The Central Markets Project team are not delivering to the Original Plan & specifications and not taking into consideration the ability of Market Participants to ‘absorb’ the changes.
- Concern that the Project appears to be managed primarily for the benefit of the ‘Central Markets’ rather than Market Participants.
- Market Participants have no real insight into CMS readiness given the ongoing design changes.

# Challenge 2

**Elements of the solution are ‘still in development mode, not “bug fixing mode’**

- System Design not complete by market Trials.
- Design drops expected as late as April or May forcing redesigns.
- Real concern whether there is enough time to test systems internally for go-live.
- Not primarily due to Market Participant or vendor tardiness.

# Challenge 3

**Solution providers (vendors) have not been able to provide timely solutions to participants – primarily because all the ‘contingency’ has been consumed by the Central Markets Project team.**

- Production line analogy - SEMOpx develop Systems > Vendors develop Solutions (e.g. ABB, Brady etc) > Participants deploy vendor or bespoke solutions.
- Because CMS Readiness is behind, so too are vendors, which has knock on impacts for market participants who need to test solutions internally.



# Challenge 4

## Market Trials are being undermined

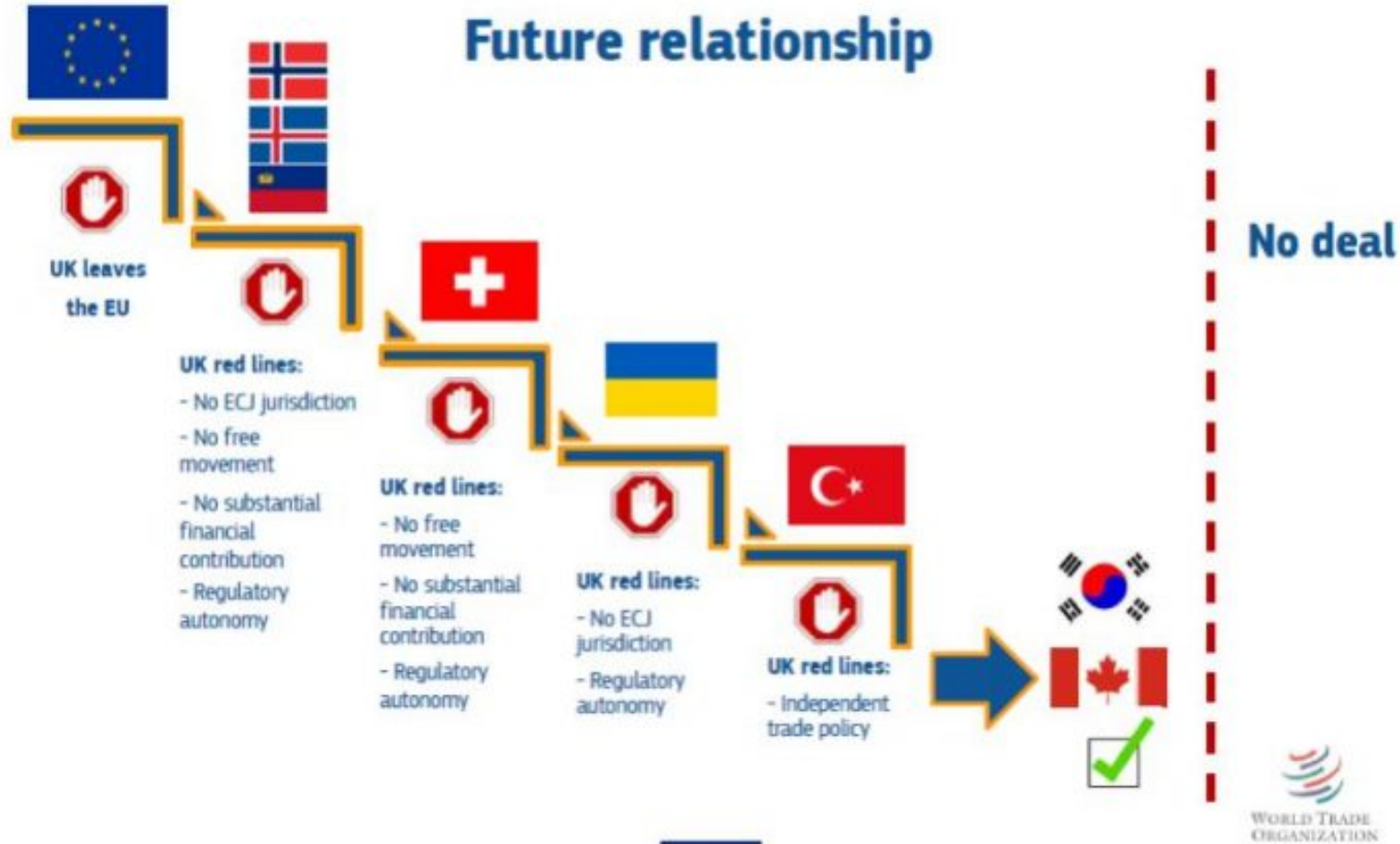
- Focus has been on delivering Type 2 communications but Type 3 just as important for participants.
- Market Participants were envisaging trading in the market with a Type 3 interface from 'go-live' to enable them to appropriately mitigate risk.
- Market Trial outcomes/usefulness has been compromised.
- Going live with systems not fully tested poses significant commercial and reputation risk for participants. Adding to the aggregate of commercial risks that the participant are being , unexpectedly, being required to carry.

# External Dependencies

- Brexit
- Interconnectors

# BREXIT - EAI Policy Position

- Desired outcomes
  - No barriers to retention of SEM/ISEM.
  - Energy , environment and related policy frameworks remain coordinated.
  - Existing security of supply (gas) agreements maintained.
- Actions
  - Treat energy negotiations separately from Single Market.
  - Addressing energy issues is important but not most urgent.
  - Maintain status quo on energy through negotiations.
  - Not imperative that ECJ be the arbiter of disputes.



# Interconnection

# EAI welcomed N-S Interconnector Decision

- A significant step in the transition of our energy system to one which will be almost fully decarbonised by 2050.
- Projected to deliver savings of €40m per annum from 2030.
- Need to ensure that any risks associated with BREXIT on project and finances are mitigated.

# The Ask....

- Require remaining market participant readiness reports to be unequivocal.
- Move from “Development Mode” to “Bug Fix Mode”.
- Prevent any further “contingency” being consumed by CMS Project team.
- Run “Market trials” that are as close to market conditions as possible.
- Require further opportunity needed to discuss these I-SEM issues again at a final Stakeholders meeting in April 2018 prior to “GO-LIVE”

END