

3rd March 2011

**Kenny Dane
Utility Regulator
Queens House
14 Queens Street
Belfast BT1 6ER**

Re: The Market Monitoring Unit (MMU) Governance Process Manual consultation paper

Dear Kenny,

SEMO welcomes the opportunity to respond to the consultation, "The Market Monitoring Unit (MMU) Governance Process Manual" (SEM/10/085) published on 23rd Dec 2010.

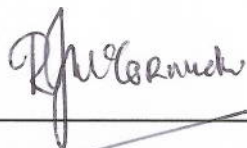
Effective market monitoring is now widely accepted as a key component of electricity markets across the world. It ensures both participants and customers have the greatest level of confidence in the market and that any exercise of market power is effectively dealt with in a timely and proportional manner.

The SEM, among other things, has the objective to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity. In our view, the MMU helps to further this objective: in the short term, by ensuring prices are cost reflective and efficient; in the long term, by giving confidence to new entrants, whose presence underpins a competitive market.

SEMO welcomes the publication of the Governance Process Manual as it provides greater clarity to Market Participants as to the kinds of interactions they can expect with the MMU. This kind of transparency can only be positive.

As is noted in the paper, SEMO provides the MMU with large datasets to enable the MMU to monitor the market. We would like to highlight that SEMO also has detailed knowledge of the rules of the SEM and we are intimately familiar with the workings of individual generators. If SEMO can provide any additional analysis and play a greater role in the monitoring of the SEM, we would be more than happy to discuss this further.

Yours sincerely,



Robin McCormick

General Manager SEMO