



**SINGLE ELECTRICITY MARKET, MARKET MONITORING
UNIT (MMU) INVESTIGATION PROCESS MANUAL**

(SEM-13-047)

FURTHER CONSULTATION PAPER

NOVEMBER 2013

SSE welcomes the opportunity to respond to the SEM Committee's Further Consultation paper on the Market Monitoring Unit's (MMU) investigation process manual. SSE owns and operates 1531MW of generation capacity in the Single Electricity Market, and is currently constructing a 461MW CCGT at Great Island, Co. Wexford.

SSE is supportive of steps to formalise MMU procedures. We would note that the Investigation Process Manual as drafted in the consultation paper only partially formalises MMU procedures and in parts lacks clearly defined steps to escalate or conclude a process.

Interactions with existing processes

The consultation paper states that:

“The purpose of this document is to consult on an investigation process manual that would complement and clarify the existing process followed by the MMU when carrying out such investigations. These existing processes are already described in previous documents published during the design of the SEM; the proposals contained herein are not intended to replace these existing procedures”

It would be useful if existing processes were fully referenced against the processes set out in this paper, for ease of use and understanding by market participants and Regulatory Authorities.

Final decisions in investigations

The consultation paper states:

“In most cases it will be the SEM Committee that makes the final decision as to whether or not a generator has complied with its cost-reflectivity obligation and/or whether other actions should be taken. However, the SEM Committee has delegated authority to its Oversight Committee, who will generally take the decisions as to whether or not to investigate any particular matter.”

Decisions to formally investigate a participant are a policy decision, as is a final decision on whether a generator has complied with its cost-reflectivity obligation. Both should therefore be taken by the SEM Committee.

Information to parties under investigation

The consultation paper states that a Licensee will be informed of certain information in the event that a formal request is made i.e. legal basis, licence conditions under investigation. Certain information should also be available in the event of an informal information request too:

- Whether the information request relates to the market participant's own licence, or another investigation;
- whether the information request has been triggered by the MMU, or another market participant;
- the licence condition(s) relevant to the investigation.

Similarly, once a formal request for information is made, the Licensee should be able to request information on the status of an investigation – likely timelines, whether an investigation has been concluded, etc.

Financial penalties

The consultation states:

“Considering all such information, the SEM Committee may decide to issue a direction to the licensee requiring it to take, or not take, certain action and/or may decide to take other steps such as issuing guidance on its interpretation of particular licence conditions or, in certain circumstances, imposing a financial penalty on the licensee, as applicable in each jurisdiction.”

SSE believes that generators need additional clarity on the consequences of breaches, particularly in relation to the legal basis on which financial penalties could be applied on generators in both jurisdictions.

I hope you find our comments on the consultation helpful, if you have any additional questions, please don't hesitate to contact me.

Yours sincerely,

Connor Powell

Regulation, SSE (Ireland)