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Elaine Gallagher
Commission for Energy Regulation,
The Exchange,
Belgard Square North
Dublin 24

20 May 2014

Dear Elaine,

Re: Terms of Reference for the 2014 Market Audit Consultation Paper (SEM-14-031)

Power NI welcomes the opportunity to respond to the above consultation. The market audit provides an important assurance to participants and has highlighted issues requiring attention.

Power NI believes that the expansion in the scope of the market audit over recent years has proved beneficial. In the 2013 audit, the inclusion of the actions taken by the Meter Data Providers (MDPs) was of particular importance to market participants. This element provided important additional insight, assessment and assurance regarding the processes in place.

Within the Consultation Paper the Regulatory Authorities (RAs) have proposed to maintain the review of the core SEMO activity and ruled out extending the scope to follow up of previous procedure findings and Dispatch Instructions. Power NI acknowledges that the significant changes to the market planned for 2016 and the associated cost implications support not extending the scope in the manner suggested under Options 2 and 3.

Power NI would however welcome the scope of the market audit to once again include the activities of the MDPs specifically in relation to index or non half hour data processing.

Accurate meter readings and aggregation processes are critical to the efficient and effective operation of the market. Erroneous data can have a significant financial impact on participants and given the level of the allocated error (under global aggregation rules a residual volume is smeared across suppliers index volumes) being witnessed in the market, Power NI considers this an area worthy of further audit and inquiry.

While processes in relation to dispatch and the general operation of SEMO will change as a result of the 2016 market changes the requirement for the MDP to collect, process and aggregate supplier volumes will remain regardless of the design of the wholesale market. The inclusion of these processes in an audit therefore would be beneficial both in the short and long term.

Please do not hesitate to contact me should you wish to discuss this response further.

Yours sincerely

A handwritten signature in blue ink that reads "William Steele". The signature is written in a cursive style with a large initial 'W'.

William Steele
Power NI