



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

22<sup>nd</sup> May 2014

**Terms of Reference for the Market Audit 2014**

Dear Elaine,

Thank you for giving SSE the opportunity to respond to the RAs consultation paper on *Terms of Reference for the Market Audit 2014*. SSE would agree that Option 1, a Core SEMO Market Audit would provide sufficient reassurance to the RAs and Market Participants that market pricing and settlement activities are being carried out by SEMO in accordance with the Trading and Settlement Code and its Agreed Procedures.

We would highlight one additional point with regard to the Market Audit. On a number of occasions there have been delays in the publication of revised MIUNs by SEMO, following forced outages on the East-West Interconnector (EWIC). There is no arrangement that ensures market participants are reliably advised of their revised position, when the automated feed of revised MIUNs to the Auction Management Platform (AMP) fails.

As SSE understands the agreement between SEMO and EWIC, EWIC is not permitted to advise participants directly of their revised MIUNs; the information has to come from SEMO. However, from a participant's operational perspective, this arrangement is flawed as SEMO provides neither 24 hour coverage, nor emergency cover in case of interconnector outages.

Under section 3.69 of the Trading and Settlement code, the Market Operator is required to "keep Parties updated of the best estimate of when the Market Operator's Isolated Market System will be operational again". The failure of SEMO systems to communicate with the AMP falls within the scope of this obligation, yet there is no communication whatsoever in the case of an out-of-hours isolated system failure. This failure to communicate to market participants should fall within the scope of the Core Market Audit report.

We would appreciate an opportunity to discuss this issue in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C Powell', written over a light blue horizontal line.

Connor Powell  
**Market Development, SSE (Ireland)**