



Key Performance
Indicators – SEM-19-11 –
SEMO Response

April 18
2019

EirGrid and SONI are the licenced Market Operators and are responsible for the operation of the Single Electricity Market (SEM). This document outlines the Market Operators' response to the RAs' consultation on Key Performance Indicators (KPIs) for SEMO.

SEMO KPIs

Overview

SEMO welcomes the opportunity to respond to the RAs' Consultation Paper on Key Performance Indicators (SEM-19-11)¹. It should be noted at the outset that SEMO has previously submitted its views regarding an appropriate set of KPIs on 1 February 2019 as requested by the RAs (SEM-19-11a)². SEMO remains of the view that its proposals are the most appropriate set of KPIs for the 2018-2021 Price Control period. Insofar as the RAs' proposals deviate from what was set out in SEM-19-11a, SEMO believes that revised proposals would require further engagement and consideration in advance of being determined to be the applied operational KPIs.

In terms of general comments, SEMO would reiterate that, while it acknowledges that there is a need to ensure the Market Operator is meeting stakeholder needs, it should be understood that SEMO's priority at this point is stabilisation of the newly implemented market. There is a need to ensure that all priority defects are identified and managed effectively and any key modifications to affected systems and processes are made. Whilst SEMO makes every effort to ensure that it meets stakeholder needs in a quality, timely manner, it believes that the KPI incentive targets should only apply from 1 October 2019 to allow priority of market stabilisation.

The remainder of this paper sets out SEMO's responses to the specific questions posed in SEM-19-11.

¹ <https://www.semcommittee.com/sites/semc/files/media-files/SEM-19-011%20SEMO%20KPIs%20Consultation%20Paper.pdf>

² https://www.semcommittee.com/sites/semc/files/media-files/SEM-19-011a%20-%20SEMOs%20Response%20to%20the%20Regulato~for%20Key%20Performance%20Indicators_0.PDF

Responses to the RAs' Questions

Below are SEMO's responses to the questions posed by the RAs' in SEM-19-11.

Consultation Question 1: Comments are invited from interested stakeholders on the parameter to be used for assessment of KPIs. Under option 1, a measure would be taken at the end of each quarter using the average value of each KPI over that period.

Under option 2, a measure would be taken at the end of each month using the average value of each KPI over that period.

SEMO Response: SEMO is of the view that a measure should be taken at the end of each month using the average value of each KPI. Option 2 is therefore SEMO's preference.

Consultation Question 2: Should the timelines for addressing resettlement queries be considered under this indicator or a separate indicator?

SEMO Response: It is unclear what the RAs are seeking to address here. At no point in the consultation paper or in SEMO's proposals is any reference made to timelines for addressing resettlement queries.

Consultation Question 3: The RAs have identified two options for the definition of the 'Timely Publication of Key Market Information' KPI and have added a requirement around the accuracy of publications. Feedback is requested from interested stakeholders on whether this should be measured against all required publications or against a specific list of key market information. Feedback is also requested on the RAs' proposed list of key market information.

SEMO Response: SEMO is of the view that a limited and specific set of reports should be included in this KPI measurement. Setting unrealistic targets against a broad range of reporting requirements would neither be specific or achievable. The Data Publication Guide covers over 100 reports and the Trading and Settlement code Ex-Ante and Ex-Post reports were individual KPIs in their own right in the SEM Market commanding a combined reward of 40% of the KPI reward.

As stated in the Introduction the current priority is to stabilise the Market Systems and address known issues in a clear priority order.

With the above in mind SEMO can commit to publishing the following reports:

Report Name	MPI Ref	Website Ref
Commercial Offer Data	REPT_013: Member Public REPT_053: Member Private	BM-034
Four Day Aggregated Rolling Wind Unit Forecast	REPT_028	BM-013
Hourly Dispatch Instructions Report	REPT_102	BM-160
Imbalance Price	Settlements (30 min): REPT_009 Pricing (5-min): REPT_008	Settlements (30 min): BM-026 Pricing (5-min): BM-025
Imbalance Price Supporting Information Report	REPT_050	BM-027
Half Hourly PNs	REPT_052: PN Report – Member Public	BM-023: Final PN Report BM-020: Aggregated Final PN
LTS Operational Schedule Report	REPT_001b	BM-162
RTUC Operational Schedule Report	REPT_002b	BM-163
PN and BOD data	PN reports listed above COD: REPT_013: COD Report, Member Public REPT_053: COD Report, Member Private	PN reports listed above COD BM-034

Consultation Question 4: The RAs are minded to revise the KPI on ‘Timely and accurate data provision for use in public user systems’ to ‘Timely Information Provision to the RAs and SEMC’. This would be measured based on provision of market information requested by the RAs within a set timeframe. Feedback is invited on this proposal.

SEMO Response: SEMO is concerned that this KPI is not specific enough to be measureable and achievable and believes further engagement is required. Additionally, it is important to note that reports associated with the Ex-Ante markets are the responsibility of SEMOpx to produce and reports associated with the capacity market are the responsibility of the TSOs to produce. SEMO will make every effort to ensure timely publication but cannot accept responsibility for delays outside of its control.

Consultation Question 5: Feedback is invited from stakeholders on each of the KPIs and definitions of KPIs proposed to apply to SEMO from Q2 2019. The RAs request feedback from interested stakeholders on any additional KPIs to apply to SEMO or any revision to the proposed definitions which are summarised in Table 3.

SEMO Response: SEMO would add in relation to System Availability that only the Balancing Market Management System is supported on a 24-hour 7 day basis (i.e. Monday to Sunday) and the proposed approach should be revisited. In particular:

- SEMO does not see the operational requirement to have the Settlement & Credit Clearing systems supported on a 24-hour 7 day basis (i.e. Monday to Sunday). SEMO’s experience and operational practice is that settlement systems are supported 9am to 5pm Monday to Friday.
- SEMO does not see the operational requirement to have systems supporting Report and Market Monitoring supported on a 24-hour 7 day basis (i.e. Monday to Sunday). SEMO’s experience and operational practice is that such systems are supported 9am to 5pm, Monday to Friday.

Any approach which required the above would clearly cause an additional cost which would need to be reflected in the Price Control. We could not undertake to meet this KPI until the additional resources and systems impacts were understood and the changes implemented. SEMO’s recommendation is therefore that the current support approach should continue, i.e.:

- Systems supporting ‘real time’ Balancing Market operations should be supported on a 24 hour 7 day basis;
- Settlements systems should be supported on a 9am to 5pm working day basis; and
- Systems supporting reporting including the public website should be supported on a 9am to 5pm working day basis.

Consultation Question 6: Feedback is requested on the proposed weightings for each indicator as set out in Table 4.

SEMO Response: SEMO’s position on proposed weighting is set out in the table below:

KPI	Weight
Invoicing	20%
Credit Cover Increase Notices	20%
General Queries	20%
System Availability	10%
Publication of key market information	10%
Website Availability	10%
Timely and accurate data provision	10%

Consultation Question 7: Feedback is requested on whether targets applied to each KPI should be the same from period 1-3 under the current SEMO price control or if targets should be increased in each period to account for improved performance and market development.

SEMO Response: SEMO’s position is that targets should be increased in each period to account for improved performance and market development. As the revised I-SEM has only been operational for seven months it is critical that SEMO’s focus should be on stability and addressing any critical identified known issues. In this context SEMO supports the increased targets for each period.

Consultation Question 8: Feedback is requested in the proposed targets applied under each scenario.

SEMO Response: SEMO has detailed targets in SEM-19-11a based on operational experience and believes that these are specific, measurable, achievable, relevant and targeted. Moreover SEMO believes that these targets will bring benefits to market participants and other stakeholders while allowing SEMO to prioritise stabilising the market.