Title	**MO Licence Performance Metrics**
Version	**1.0**
Date	**31st May 2007**
From	**SMO Establishment Team**
To	**Regulatory Authorities**

Purpose

In the SMO Revenue Submission, it was argued that incentives based on operating costs would be considered premature at this stage given the uncertainties with the introduction of the SEM. However, it is recognised that the Market Operator Licences, MOA and T&SC require that the SMO Submit performance metrics that are not necessarily subject to incentivisation.

Proposed Metrics

The SMO will play a central role in the development of the SEM. The first priority for the SMO will be to stabilise market operations.

A number of categories against which the proposed incentives are planned are:

- Manage Change
- Service Delivery
- Manage Stakeholders
- Provide Information

Manage Change

The SMO will play a central role in the development of the SEM, actively supporting the Modifications Committee to assess, administer, design, cost and deliver the efficient implementation of any required change to the T&SC and associated systems, agreements, documentation and business processes.

1 Produce Market Development Plan in a timely fashion within 6 months of go live.

2 The SMO will undertake timely reviews reflecting changing industry conditions.

Service Delivery

The first priority for the SMO will be to stabilise market operations. This requires the SMO to meet its obligations under the Trading & Settlement Code (T&SC) to ensure the smooth, efficient and effective running of the SEM.

3 Review and scope development for additional business system requirements which may arise.

4 Effective administration of market money flows through timely funds transfer.

5 Administer and support a robust credit management policy in the SEM.

Manage Stakeholders

As a new organisation, the SMO will need to develop and maintain the confidence of its stakeholder groups, including Participants, the Operators, the Regulatory Authorities, and the relevant government departments. The SMO to must be stakeholder focused, seeking to understand stakeholder expectations and establish effective communications with all of its stakeholders.

6   Conduct an annual market participant survey.

7   To allow the SMO to better meet Regulatory Authority timetables for submissions, consultation responses and information requests, AIME will implement a structured approach to the regulatory interface and produce a monthly regulatory report focused on the key issues arising.

8   The SMO will establish a single point of contact for the interface between the SMO and industry participants.

Provide Information

In delivering an efficient market it is important to provide a degree of accessibility and understanding of AIME processes and make it easier for customers to interact and do business with the SMO.

9   Develop Statements of Market Operator Charges and Structure of Charges to be submitted to Commission for approval within two weeks of determinations of allowed revenues.

10   Implement processes whereby customers' requests/information requirements are handled in a timely manner[1] (for example 75% of all queries closed within 15 business days).

11   The SMO will facilitate and educate parties in acceding to the framework agreement, registering units and participating in the market, beyond its responsibilities set out in the T&SC.

12   The SMO will facilitate greater interaction with customers e.g. through workshops, allowing the SMO to better understand customer needs, beyond its responsibilities set out in the T&SC.

Proposal

This proposal is being submitted as per the relevant licence condition (Condition 10 for EirGrid and Condition 17 for SONI) of the market operator licences. It is proposed that the above metrics be used to measure AIMEs performance for the first 11 month regulatory period. AIME believes that performance metrics around its stakeholder objectives are not only in line with current best practice but also satisfy the terms of the licence themselves.

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[1] This is not to be confused with settlement queries as defined by the T&SC