



## **Re: Response to SEMO Revenue and Tariffs & TSO Dispatch Balancing Costs for October 2008 – September 2009.**

Dear Kevin,

ESB PG welcomes the opportunity to comment on consultation paper ‘SEMO Revenue and Tariffs & TSO Dispatch Balancing Costs for October 2008 – September 2009’.

### **Summary**

Whilst we are not in a position to comment on the precise SEMO payroll numbers required to operate the market effectively and efficiently, we are concerned that the current processes, resources and quality assurance procedures are not adequate to provide the quality of market operations that participants reasonably expect. We are also concerned that the current test facilities available to Market Participants are inadequate to cater for future releases. We wish to ensure that these issues are considered and factored into the determination of resources and revenue allowed in the current review with SEMO.

### **General Delays / Quality Issues**

We acknowledge that communications around delays and systems problems are well communicated with participants.

However, notwithstanding that it is now over eight months since SEM Go-live, there is still a significant amount of delays to publication of reports and there are a number of data corrections / re-pricing and resettlement runs outstanding, some relating to November 2007.

Given the advent of adhoc, M+4 and the approach of M+13 resettlements, there is a risk that performance will deteriorate and become less manageable due to the accumulation of outstanding works.

It is important and it is an opportune time now to ensure that SEMO allowable revenue has an adequate provision to provide the right level of resources to address these issues and to provide additional quality assurance around its service.

### **Test Environment**

In the planning phase for SEM Go-live, participants through the Programme Managers Forum expressed concerns about the extent of the testing environment available for market participants to test their systems interactions with the MO systems. Whilst progress was made in documenting participant requirements, little progress has been made in delivery of the appropriate test environments that would be both reasonable and acceptable to participants. In general, the level of test environment and associated MO support that was available during Un-Scripted Market Trials is a requirement for future MO releases.

It is critical that all participants have a means of full regression testing of their systems and their interactions with the MO systems in full before any significant MO software releases impacting participants is considered. This was proven to be the case during unscripted market trials where both MO and Participants required this period to debug their respective systems.

ESB PG is concerned that the current consultation paper makes no reference to the above requirements. Given the delays and quality problems noted above, it is critical that resources are applied to test facilities to avoid further systems related problems and consequent exacerbation of system / process related delays and outstanding re-pricing / resettlement runs.



Brendan Barry,

18<sup>th</sup> July 2008.

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