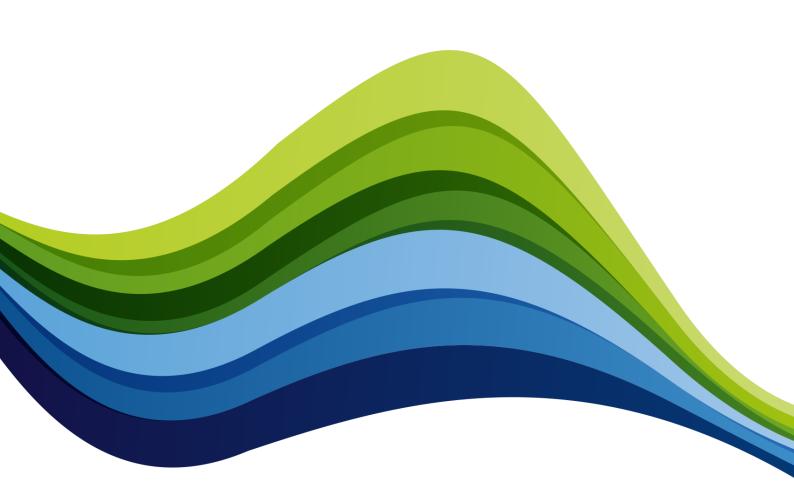


SEM

Terms of Reference for the Market Audit 2016

If you have any questions in relation to our response, please don't hesitate to contact me at connor.powell@sse.com





Market Audit 2016

Thank you for giving SSE the opportunity to comment on the Terms of Reference for the 2016 Market Audit.

Usually we would recommend a simple, core SEMO audit. However, given that the role of the MDPs and SOs in relation to meter data for generation and metered demand is primarily being defined outside of the I-SEM Rules Development process and presented in final legal drafting form, there is value in looking at previous AuP findings. This will help to identify areas in which the MDPs and SOs have improved in delivery of their obligations to the Market Operator (and underlying Market Participants), and which areas still require improvement or more explicit obligation between MDP and Market Participant.

Looking at the annex within the consultation paper, most of the AuPs from previous 2015 and 2011 audits will remain relevant in I-SEM, given that they relate to functions that will remain constant, even if the underlying sections of T&SC may change.

SSE would therefore recommend that **Option 2 – Core SEMO Audit with follow-up of all previous AuP findings** is chosen. While **Option 3** may deliver additional value to the Market, it will not do so until after I-SEM requirements for MDPs are finalised. Given that some of the audit findings may be better addressed by realignment of obligations between participants, this makes **Option 2** preferable to **Option 3**.