

I-SEM: Status Update

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Market Rules

- Development of Rules & Procedures is advancing to Plan
- Complete:
 - Trading & Settlement Code
 - Capacity Market Code
 - Grid Code
- Being Finalised:
 - SEMOpx Rules (by 30 June)
 - AoLR Service Contract & Procedures (by 6 September)

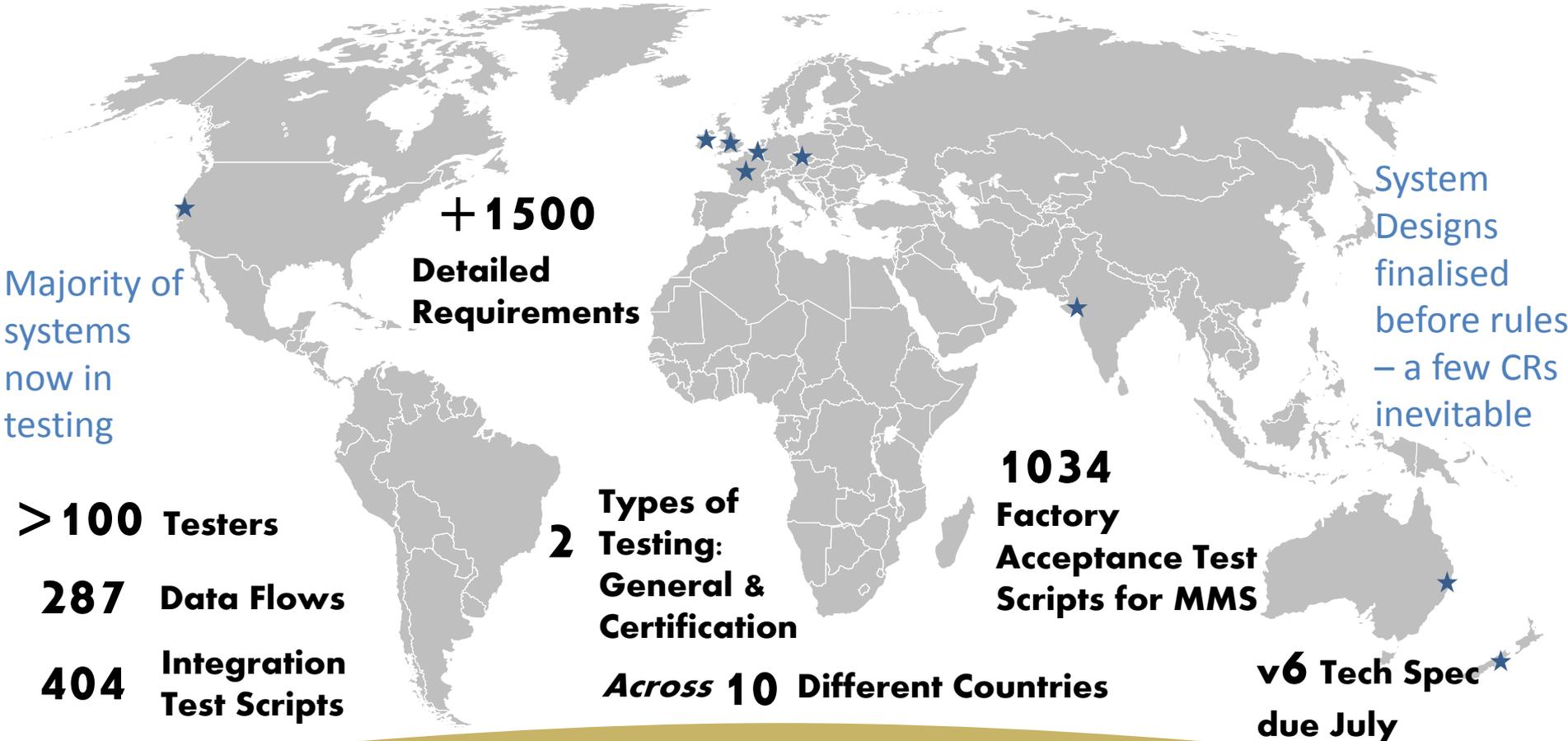
Central Systems

We are delivering a complex, highly interdependent set of technology systems to meet the new market designs.

13 Major Technology Systems

10 Technology Vendors & Service Providers

Biggest Challenge - Vendor Management



Registration

- Balancing Market forms received from all participants on 16 June:
 - Currently undergoing validation (some 600 new forms to process)
- Capacity Market forms due 28 July
 - Progressing well
- SEMOpx forms due 7 August:
 - Initial registrations tracking well
- Framework Agreements:
 - All final TSC and CMC framework agreements have been issued for signing.
 - Due back on 28 July.

Regional Coupling

- Agreement with regional partners on SEM-GB Intraday Auction timings:
 - 2 Regional Intraday Auctions; 3rd auction will initially be local
 - First intraday auction will now be at 17:30
- Recent Euphemia test failure has led to development of a strategy and advocacy plan for taking our case to the European Committees:
 - no guaranteed outcome, process ill-defined, and not in our control
 - competition from other markets for inclusion in the algorithm introduces considerable risk
 - our view is that simple and complex order types will be available for go-live
 - block orders may not be available for go-live, but we continue to push hard
 - multi-faceted approach proposed, including participant workshops to inform strategy; escalation through NEMO Committee & ACER; and further testing

Training

- Training Plan published May 2017
- Learning Management System live June 2017
 - Initial self-learning materials now available; more to follow
- Training Calendar for Classroom Training published July 2017
 - 10 Training Sessions; typically whole day, each covering 2 or 3 topics
- Classroom Training will commence in August
 - Will build on and reinforce self-learning

Market Trial

- Updated Market Trial Plan published April 2017
- Nominations invited for Market Trial Working Group:
 - Terms of Reference published
 - WG established by end of July 2017
- Market Trial Agreement – issued August 2017
- Market Trial Participant Guidebook - published October 2017
- Market Trial commences 1 December 2017

Revenues & Charges

- Tariffs are dependent on conclusion of Regulatory Price Control processes, which are currently underway.
- Draft SEMOpx tariffs included in NEMO Price Control consultation, July 2017
- SEMO tariffs published February 2018, following SEMO Price Control decision in December.
- AoLR tariffs timelines being finalised with the RAs; goal to publish as soon as possible.