

CMC AUDIT 2 TERMS OF REFERENCE



INTRODUCTION

SSE welcomes the opportunity to comment on *Capacity Market Code Terms of Reference for the Year 2 Market Audit SEM-20-073*.

SSE is a large generator and supplier operating circa 2,000MW of generation in the all-island centrally dispatched SEM. We participate in Capacity Auctions as required under the CMC.

We have provided a response primarily focussed on the areas of consideration and improvement that should be included in the scope of the Audit.

SSE RESPONSE

Having had experience of the T-1 and T-4 auctions for several years, we welcome the intention for a second audit of compliance under the Capacity Market Code. We understand the scope covers all areas required under the CMC and are supportive of the specific auditing standards being employed.

Our first concern to raise for consideration in the audit relates the delays relating to deliverables and milestones on an ongoing basis. Delayed publication of Initial and Final Information Packs for instance, has a big impact on those participating in the auctions. This has occurred on several occasions alongside other delays to milestones and deliverables within the auctions. Persistent delays must be examined in the context of compliance with the overall process and delivery of the auctions.

Secondly, transparency is not as optimal as it could be. We note that in the similar auctions in GB, qualification registers are published before the auctions and provide a good level of transparency for participants to prepare. We would encourage that this must be considered in the context of delivery of the qualification requirements. Otherwise, it should be seriously considered as a modification to the CMC. We note that recently SEMO has published all the details after the auction, which is a welcome first step, but is of little value to participants following the auction.

Thirdly, we note that there is currently no version control relating to the qualification documentation, so where these have errors and have needed to be withdrawn and updated, it is not always clear what changes have been made, because previous documentation is overwritten. For participants to be able to adequately prepare and track changes, version control should be considered as an obvious project management strategy to ensure an appropriate data trail for future assessment of compliance.