Assurance Services for the Retail Electricity Market

Industry Governance Group (IGG)

Version 1

11th December 2024

Agenda

1. Assurance activity summary
   - Market Change Assurance
   - New Entrant & Market Participant Assurance

2. New Entrant & Market Participant Assurance Strategy
   - Outline of updates
   - Documentation transition overview
   - New Assurance Strategy key areas of change
   - Mapping summary slides
   - Common feedback and queries

Market Change Assurance Activity

- **Cyber Security Assurance**
    - The final outcome report has been issued to the CRU;
    - Supplier feedback sessions are being held;

New Entrant and Market Participant Assurance Activity

- **New Entrant Assurance**
    - Two new market entry applications are currently being processed.

- **Requalification and Material Change Assurance**
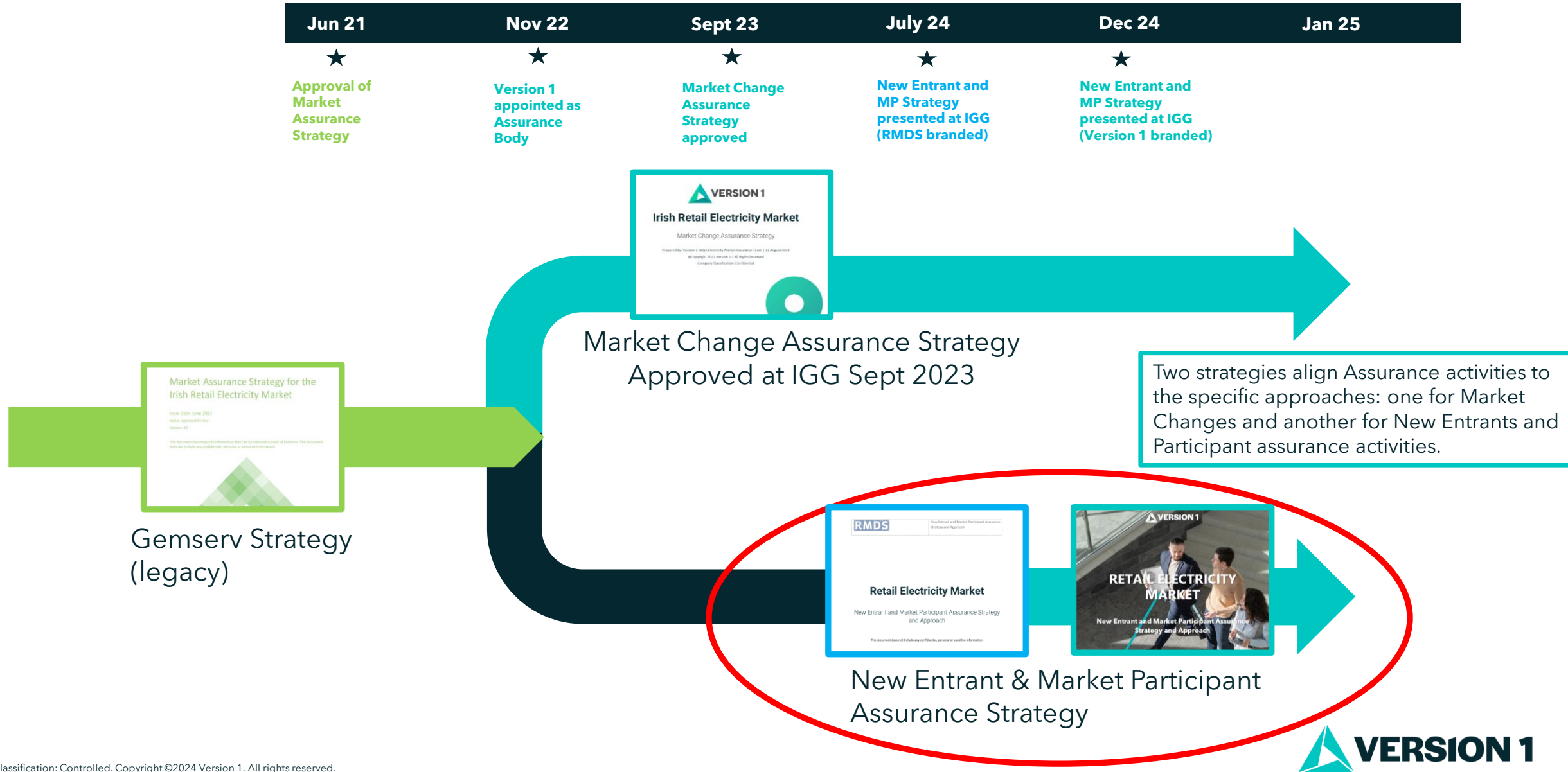   - Four material change applications are currently being processed.

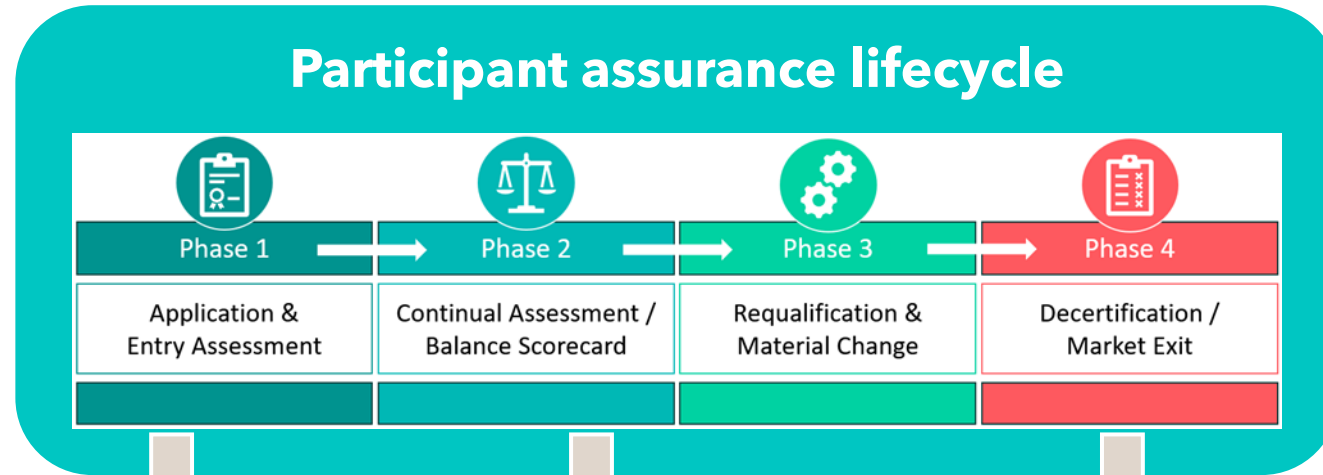# New Entrant & Market Participant Assurance Strategy

New Entrant and Market Participant Assurance Strategy and Approach updates

- Consensus was that a tracked change document would benefit MPs in understanding changes within the updated New Entrant and Market Participant Assurance Strategy and Approach. Although it was not possible to provide a tracked change document, the following has been prepared to assist with MP review:

  - **Mapping Document:** A document has been provided to map each section of the legacy Assurance Strategy to the new Market Change Assurance Strategy and the New Entrant and Market Participant Assurance Strategy and Approach. Additionally, this document includes commentary to highlight fundamental additions and/or changes.

  - **Key Areas of Change Slide:** The summary slide below outlines the high-level fundamental new inclusions in the New Entrant and Market Participant Assurance Strategy and Approach.

  - **Mapping Summary Slides:** Four slides below provide the high-level mapping summary contained in the full mapping document.

- Following the Roles and Responsibilities brief provided by the CRU at the November IGG, the New Entrant and Market Participant Strategy and Approach has been adopted by the Assurance Body. MPs have been provided an updated document version from the Assurance Body, which involves changes to text for ownership purposes. The changes between the RMDS baseline strategy and the Version 1 revision have been detailed in a tracked change version of the document.

VERSION 1

Documentation transition overview

Jun 21	Nov 22	Sept 23	July 24	Dec 24	Jan 25
★	★	★	★	★	
Approval of Market Assurance Strategy	Version 1 appointed as Assurance Body	Market Change Assurance Strategy approved	New Entrant and MP Strategy presented at IGG (RMDS branded)	New Entrant and MP Strategy presented at IGG (Version 1 branded)	

Market Change Assurance Strategy Approved at IGG Sept 2023

Gemserv Strategy (legacy)

Two strategies align Assurance activities to the specific approaches: one for Market Changes and another for New Entrants and Participant assurance activities.

New Entrant & Market Participant Assurance Strategy

New Assurance Strategy key areas of change

Participant assurance lifecycle

Phase 1	Phase 2	Phase 3	Phase 4
Application & Entry Assessment	Continual Assessment / Balance Scorecard	Requalification & Material Change	Decertification / Market Exit

IPT Hurdle

A testing defect tolerance is being introduced as an IPT Exit criteria, to ensure an adequate performance level is attained.

Annual Assurance Return / Bi-annual Balance Scorecard

Maintaining the key elements of certification as a Supplier matures in the market.

Market Exit Assurance

Additional assurance phase should a Large or Small Supplier exit the market.

VERSION 1

Document Mapping summary - 'Approach to Market Assurance' section

Legacy - Market Assurance Strategy for the Irish Retail Electricity Market – June 2021		Market Change Assurance Strategy – August 2023		New Entrant and Market Participant Assurance Strategy and Approach – RMDS July 2024	
Section	Paragraph	Section	Change comments	Section	Change comments
Approach To Market Assurance	**Principles**	2.1 The focus and objective of Market Change Assurance 2.2 The guiding principles of Market Change Assurance Strategy	- There are no changes to existing assurance principles. - overall summary objectives included to provide the overarching objective of assurance strategy and approach - principles have been tailored for Market Change assurance, June 2021 legacy strategy focused primarily on New Entrant and Supplier assurance principle - Additional principle added 'There should be transparency on the activities being performed'	2.1 The focus and objective of Supplier Assurance Strategy & Approach 2.2 The guiding principles of Supplier Assurance Strategy & Approach	- There are no changes to existing assurance principles. Updates to this section are outlined below: - Overall summary statement included to provide the overarching objective of New Entrant and MP assurance strategy and approach; - Reference to suppliers replaced with Market Participant; - Additional granularity to define the market segments included in section 1.5. <u>New:</u> - Additional principle added to encompass material change/requalification and continual assessment;
	Types of Market Participant	Relevant to Participant Strategy and Approach	Scope of Market Change Assurance has been specified in section 1.3 as impacting DSO, TSO, Large Suppliers and Small Suppliers.	1.4 Definition of Supplier Categories	- Updates have been made to the structure and report format. - The following updates have not made any fundamental changes to the existing types of Market Participants: ○ Market Roles introduced to categorise Market Participant types ○ Tabularised format to provide additional clarity where an EMMA and use of market messages is required for each market role ○ Cross referencing of market segments eligible for each market role ○ Updated Small Supplier thresholds as per MCR 1185
	Market Assurance Triggers	1.4 Market Change Assurance Triggers	- There are no changes to the triggers for Market Change Assurance, these have been separated into the dedicated strategy document, including more detail of examples constituting a market change.	1.6 New Market Entrant or Participant Change Assurance Triggers	- The following updates have not made any fundamental changes to the existing assurance triggers: ○ additional table to provide improved clarity and alignment of assurance triggers to Market Roles, Assurance Type and to the MP lifecycle phase; ○ Market Design Release and/or changes to Central Systems trigger removed that is now included in the Market Change strategy; ○ Additional granularity for Requalification for existing participants, between new market roles, new market segments and material changes. <u>New assurance trigger:</u> ○ Inclusion of market exit as an assurance trigger.

VERSION 1

Document Mapping summary - 'Stages of Assurance' section

Legacy - Market Assurance Strategy – June 2021		Market Change Assurance Strategy – August 2023		New Entrant and Market Participant Assurance Strategy and Approach – RMDS July 2024	
Section	**Paragraph**	**Section**	**Change comments**	**Section**	**Change comments**
Stages of Assurance	**Introduction**	3.1 Summary of Market Assurance Approach	- Update to format and incorporation of Market Change assurance processes: ○ Inclusion of assurance stage processes ○ Inclusion of Entry / Cutover readiness as an assurance stage ○ Introduction of Assess and define stages to provide additional visibility of assurance assessment methodology	3.1 Summary of the New Entrant and Market Participant Assurance Strategy and Approach	- Update to format and incorporation of MP assurance processes: ○ Inclusion of assurance stage processes ○ Inclusion of Entry / Cutover readiness as an assurance stage ○ Introduction of Assess and define stages to provide additional visibility of assurance assessment methodology.
	Application	3.2 Specific Assurance techniques employed	- Increased granularity to provide an overview of assurance project governance, together with assess and define stages as assurance techniques for the Application stage. No change to the application stage strategy or process, triggers refer in section 1.4.	3.2 Specific Assurance techniques employed	- Increased granularity to provide an overview of assurance project governance, together with assess and define stages as assurance techniques for the Application stage. No change to the application stage strategy or process.
		3.3.1 Control		3.2.1 Control	
		3.3.2 Assess		3.2.2 Assess	
		3.3.3 Define		3.2.3 Define	
	BSA	n/a	- Not relevant for Market Change assurance strategy	3.2.4 Business Solution or Design Assessment	- Document provides full detail of assurance approach and visibility process, entry / exit criteria, documentation, assessment overview and format.
	ITA	n/a	- Not relevant for Market Change assurance strategy	3.2.5 Integration Test Assessment (ITA)	- Document provides full detail of assurance approach and visibility process, entry / exit criteria, documentation, assessment overview and format.
	IPT	3.3.6 IPT	- Document provides full detail of assurance approach and visibility process, entry / exit criteria, documentation, assessment overview and format. - Tailors the IPT assessment assurance stage to Market Change projects	3.2.6 Inter Participant Testing (IPT)	- Document provides full detail of assurance approach and visibility process, entry / exit criteria, documentation, assessment overview and format. New: - IPT exit criteria includes pass completion hurdle for the number of permissible defects raised during IPT.
	Final Report	4.3 Document / Reports and Comms Requirements	- All reporting requirements provided in the new document in one section for ease of reference	4.2.3 Documents, evidence, reports and communication requirements	- All reporting requirements provided in the new document in one section for ease of reference - Figure 1 is represented in table 4 of the updated strategy

VERSION 1

Document Mapping summary - 'Stages of Assurance' section

Legacy - Market Assurance Strategy – June 2021		Market Change Assurance Strategy – August 2023		New Entrant and Market Participant Assurance Strategy and Approach – RMDS July 2024	
Section	Paragraph	Section	Change comments	Section	Change comments
Stages of Assurance	**New**	3.3.4. Self-Assessment	- New section to provide strategy and overview for the Self-Assessment Participant Questionnaire assurance stage applied for Market Change projects.	n/a	- Not relevant for New Entrant and MP assurance strategy.
	New	3.3.5 Formal Assessment	- New section to provide strategy and overview for the Formal Assessment assurance stage applied for Market Change projects.	n/a	- Not relevant for New Entrant and MP assurance strategy.
	New	3.3.7 Readiness for Cut Over	- New section to provide strategy and overview for an assurance technique applied for Market Change projects.	3.2.7 Market Entry /Cut Over Readiness	New: - New section to provide strategy and overview for an assurance technique applied for new entrants, requalification's and material changes.
	New	3.4 Priority Assurance process	New: process approved to ensure assurance activities can align with priority approval of urgent MCRs.	n/a	- Not relevant for New Entrant and MP assurance strategy.
	New	n/a	- Not relevant for Market Change assurance strategy	4.3 Phase 2 – Continual Assessment / Balance Scorecard	New: - New section to provide strategy and overview for Continual Assessment / Balance Scorecard assurance activities.
	New	n/a	- Not relevant for Market Change assurance strategy	4.5 Phase 4 – Market Exit / Supplier of Last Resort	New: - New section to provide strategy and overview for Market Exit / Supplier of Last Resort assurance activities.

VERSION 1

Document Mapping summary - 'Assurance Reporting and Governance' sections

Legacy - Market Assurance Strategy for the Irish Retail Electricity Market – June 2021		Market Change Assurance Strategy – August 2023		New Entrant and Market Participant Assurance Strategy and Approach - RMDS July 2014	
Section	**Paragraph**	**Section**	**Change comments**	**Section**	**Change comments**
Assurance Reporting	**Reporting to the Market**	4.0 Assurance Governance and Reporting	- There are no changes to any aspect of governance or structure of approvals or provision of reporting to approved in the assurance approaches for recent Market Releases. There is additional visibility provided in the new document to outline: ○ Additional overview provided in regards the format and reporting process. ○ Inclusion of a table to provide visibility of assurance approach when individual MCRs are approved to assist with the priority assurance approach process.	5.2.2 IGG	- There is no change to IGG reporting mechanisms
	Reports to the CRU			4.2.3 Documents, evidence, reports and communication requirements 5.2-5.5 Assurance Reporting	- There are no changes to any aspect of governance or structure of approvals or provision of reporting. There is additional visibility provided in the new document to outline: ○ Additional overview provided in regards the format and reporting process. ○ Inclusion of a table to provide process overview of reports requiring CRU approval for New Market Entrant and Requalification / Material Change.
	Reports to RMDS				
	Reporting to ESB Networks and MRSO				
Governance	**Market Participant Obligations**	4.1 Approval of Assurance Strategy 5.2 Appendix 2 – Roles and Responsibilities	New strategy does not change to: - Market Participant Obligations At a fundamental level there are no changes to either approval of assurance processes or operations, except for the new priority assurance approach and high-level assurance approach table being included within MCRs, as detailed below: (a) Inclusion of a priority assurance process, to ensure the ability for assurance processes can accommodate the faster timelines for completion of priority MCRs (this is covered in section 3.4, page 15); to assist with facilitating the priority assurance process, MCRs will contain an assurance approach table as outlined in point b. below; (b) Providing earlier visibility of assurance approach when individual MCRs are being approved at IGG (as referenced in section 4.2). A table will be included in the MCR to give MPs and earlier view of the Assurance Body's assurance approach and IPT scenarios (where applicable)	5.1 Approval of Assurance Strategy 6.3 Appendix 3 - Roles and Responsibilities	The New strategy does not change in any respect, governance aspects in relation to: 1. Market Participant Obligations 2. Approval of Assurance Processes 3. Approval of Assurance Operations - Additional section to clearly outline reversioning approval process.
	Approval of Assurance Processes				
	Approval of Assurance Operations				

VERSION 1

Common Feedback and Queries

Feedback / query	Comment
A tracked change document would assist MP review	Noting the change in structure from the legacy strategy a tracked change document was not possible. However, a document has been provided detailing the mapping of each of the strategy sections with salient highlighting. Going forward any updated versions will include a tracked change document.
Will the Balance Scorecard cover all Suppliers in all segments	A scorecard will be produced for all suppliers with an EMMA.
Rationale for the Market Messages selected	The Market Messages selected, cover the key market processes and generally are triggered by a customer request.
Consideration should be provided re analysis of rejection reason codes	The second page of the scorecard will provide a breakdown of the rejection reason codes.
Increased costs burden to suppliers (i.e. build own in-house dashboards)	The 6 monthly dashboard will be created and provided to each Supplier; it is not being mandated that Suppliers are required to build their own dashboard.

VERSION 1

Thank you

For more information,

Please visit version1.com