

**Governance Arrangements for the
Industry Governance Group (IGG)**

Change Control

Date	Status	Ver
27.09.21	Governance Arrangements for IGG reviewed and updated following System Separation in September 2021.	V1.0

* Changes to this document require the agreement of IGG (consensus) and CRU approval.

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1 Introduction

1.1 Background

As part of its decision paper Governance Procedures for the Liberalised Retail Electricity Market ([CER/05/081](#)) the Commission for Regulation of Utilities (CRU) – formerly (CER) – proposed to operate an Industry Governance Group (IGG) to implement and oversee all issues relating to retail market governance.

Retail Market governance as defined by CRU involves the systems and structures for implementing market policy and establishing and monitoring the long-term direction of the retail market in accordance with established policy. It will ensure consistency of policy and direction and comprise the institutions and processes that determine how participants are given a voice and define how decisions are made on issues affecting both market participants and customers.

A coordinated retail market between NI & ROI went live in both jurisdictions in October 2012 and a coordinated governance approach was adopted. The coordinated retail market system was de-harmonised in September 2021 and all governance arrangements reverted to individual jurisdictions.

1.2 Definition of Terms

Term	Definition
<i>Commission for Regulation of Utilities (CRU)</i>	The Commission for the Regulation of Utilities is the independent energy and water regulator in the Republic of Ireland (formally known as CER).
<i>Retail Electricity Market Industry Governance Group (IGG)</i>	The IGG is the main group for the co-ordination and control of the retail electricity market design in the Republic of Ireland. The group is chaired by the CRU, with RMDS in the role of secretariat. All retail market participants such as electricity suppliers, ESB Networks and Eirgrid as well as the independent Market Assurance body (as observers) are represented on the group.
<i>Retail Market Design Service (RMDS)</i>	The Retail Market Design Service is the ‘ring fenced’ function within ESB Networks responsible for all aspects of the retail electricity market design on behalf of the Commission for Regulation of Utilities.
<i>Market Participant</i>	A Market Participant, for the purposes of the IGG, is defined as any licensed electricity supplier, the DSO and the TSO.

1.3 Aims for Retail Market Governance

The aims for Retail Market Governance, as outlined in the CRU decision paper ([CER/05/081](#)) are:

- A reduction in the requirement for formal regulation and administration by facilitating representative decision-making and consensus amongst market participants.
- Cost effectiveness and the control of industry costs over the long term.
- The continued development and implementation of market policy that encourages best

practice and places quality of service, security of supply and customer satisfaction at its core.

1.4 High Level Principles

The following is a summary of the seven high level principles for retail market governance which were proposed by the Commission in its consultation paper ([CER/05/081](#)).

- **Industry Representation and Input**
All market participants should have an input to the governance process. It follows that all must also comply with the rules which are put in place following consultation.
- **Efficiency and Cost Control**
The procedures should ensure rapid problem solving and facilitate the forming of recommendations. All participants need to be aware of the rules for decision making. The benefits derived from the governance procedures put in place should outweigh the requirements and obligations on participants.
- **Transparency and Accountability**
This principle relates to transparency in the process for making a recommendation and the Commission's decision. This is especially important for new entrants to the market. All participants should be accountable for performance compared to agreed standards. Accountability refers to the requirement that each participant bringing a proposal for discussion to the retail market governance group will provide supporting evidence to back up their position and will be accountable to the group and to the Commission for actions they take which may affect the retail market design. Poor market behaviour in this instance, can be explained as deliberate actions by participants which may cause a risk to the market design or operation, or the failure of participants to commit to any procedures (such as assurance) that are put in place by the Commission.
- **External Involvement and Consultation**
Input by consumers, business and commercial representative organisations should be facilitated.
- **Consistency with RMIG design and future direction**
Consistency with RMIG design will help to ensure smooth transition. The process should include defined future direction (work-plans) with achievable targets.
- **Mutuality / Impartiality**
Participants should represent the interests of the industry as a whole, as well as their own individual interests. The Commission will retain responsibility for all final decisions regarding retail market design. However, the Commission's preference is that the retail market governance group will be able to provide a recommendation which the group has reached a consensus on.
- **Evolution of the design**
Procedures which will allow market design to change rapidly and respond to needs of participants, while at the same time maintaining the stability and cohesion of overall governance objectives. Defined change control process is central.

1.5 Terms of Reference for the IGG

- Development and implementation of Commission agreed messaging standards for the liberalised retail electricity market.
- Development and implementation of agreed procedures, codes of practice and draft operational policy to govern the liberalised retail electricity market.
- Over-seeing performance reporting, monitoring and discuss and develop forward planning.
- Development of industry sub-groups, where necessary, to over-see and advise the IGG on relevant issues. Any such groups will be appointed by the Commission.
- Recommendation on Market Change Requests to the Commission based on input from IGG members.
- Develop an agreed work programme for the implementation of agreed market design changes. This will involve the scheduling of agreed changes as appropriate and the production of annual work-plans.
- Communication to the industry of changes to agreed baseline market design, testing procedures and upgrade and cutover issues.
- Input into drafting of assurance processes for the market going forward.
- Input into development of processes for compliance checks and regular audits for market participants already operational in the market if the Commission deems this necessary.
- Encouraging best practice and co-operation between all market participants.
- Interacting with the Trading and Settlement Code Modification Panel and with the Distribution Code Modification Panel.

1.6 Chair & Membership

The IGG is chaired by the Commission for Regulation of Utilities (CRU) and consists of representation from the following participants:

- Suppliers as approved by the CRU
- RMDS
- MRSO
- ESB Networks (DSO)
- EirGrid (TSO)
- SEMO
- Assurance body (Observers)
- Other interested parties such as Consumer Groups (Observers)

RMDS acts as secretariat for the IGG.

Each market participant (including ESB Networks) is to nominate a primary and secondary

individual as their IGG representatives. Each IGG representative is expected to be able to represent their organisation's position at meetings in relation to each agenda item.

1.7 Roles & Responsibilities

Commission for Regulation of Utilities (CRU)

- Chair meetings
- Pre-approval of agenda & minutes
- May direct IGG to implement policies e.g. via CRU Decision Papers
- Adjudicate in instances where IGG is unable to achieve consensus
- Ultimate approval of all IGG decisions and recommendations
- Interactions with the Trading and Settlement Code Modifications Panel and Gas Retail Market

Retail Market Design Services (RMDS)

- Secretariat for the IGG
- Minute taking and preparation of agendas and other meeting documentation
- Make IGG materials available in central online location
- Maintain & publish MCR register
- Bring all Discussion Requests, Baseline Change Requests and Market Change Requests to the IGG group for discussion and to any associated subgroup when necessary
- Report on open Discussion Requests, Baseline Change Requests and Market Change Requests
- Co-ordinate responses and Group recommendations to the Commission
- Progress actions with action owners
- Publish an agreed work programme for the implementation of agreed market changes. This will involve scheduling of agreed changes as appropriate and the production of annual work plans
- Communication to the industry of changes to the agreed baseline market design, testing procedures and upgrade and release planning issues
- Maintain distribution lists

Members of the IGG

- Attend meetings
- Review IGG materials in advance of meetings

- Contribute to discussions and recommendations
- Respond to IGG proposals / actions *
- Submit Change Requests to RMDS as required and complete impact assessments on Change Requests
- Approve minutes of meetings

*MPs reserve the right to request the publication of written responses to RMDS on IGG matters, where this happens, RMDS will request approval from MPs for the publication of response and all such responses will be handled as follows:

- uploaded to a central online repository/emailed to MPs and made visible to all market participants
- a summary of collated responses may subsequently be presented to IGG

2 Meeting Administration

2.1 Frequency

RMDS will produce an annual schedule of meetings in advance of each calendar year, agreed by CRU, and taking account of the anticipated workload for that year.

Meetings will usually be held on a monthly basis and will alternate between in-person meetings and teleconferences.

2.2 Quorum

The following minimum attendance is required for a quorum to be achieved for IGG meetings to go ahead:

- IGG Chair
- RMDS
- ESB Networks and
- A minimum of 5 licensed suppliers are represented.

2.3 Location

Meetings in person will be held in the offices of CRU, The Exchange, Belgard Square North, Tallaght, Dublin 24 unless otherwise agreed.

2.4 Meeting Materials (Pre-Meeting)

RMDS will produce and make available the following meeting materials in advance of each IGG meeting:

Meeting Material	Working Days <u>in Advance</u> of Meeting
Agenda	5
DR/MCRs	5
Presentation Pack (In-Person meetings only)	2

2.5 Meeting Materials (Post-Meeting)

The IGG Secretariat will produce and make available the following meeting materials after each IGG meeting:

Meeting Material	Working Days <u>After</u> Meeting
Action Log	2
Minutes	Within 5 days

2.6 Action Log

The actions are to be circulated to attendees initially as part of the actions log and subsequently incorporated within the meeting minutes.

The prompt issue of the actions log is intended to allow meeting attendees to commence actioning the items at the earliest possible date e.g. where an action requires suppliers to submit a response to IGG within 10 working days.

2.7 Extraordinary IGG

From time to time and in the interest of market expedience it may be necessary to schedule exceptional IGG meetings or conference calls. Scheduling of the meetings will be managed by RMDS and by agreement with CRU, in consultation with Market Participants.

2.8 Information Management

All meeting materials referenced in the above sections are to be made available on the RMDS website, accessible to all market participants.

RMDS will notify market participants by email when new documents are uploaded.

Meeting materials which are sensitive will be made available to members of the IGG through a private facility.

3 IGG Subgroups

3.1 Establishment of Subgroups

The IGG will, where it is deemed necessary and with the approval of the CRU, be responsible for convening subgroups to address detailed issues relevant to the Retail Electricity Market Design. Progress from these subgroups will be reported back to the IGG. Recommendations from any subgroup will need to be ratified by the IGG. Where consensus cannot be achieved the matter will be referred to CRU.

For each subgroup, the IGG will recommend the following to the CRU for their approval prior to any work commencing:

- Terms of Reference (see 3.3 below)
- Constitution & Chair
- Duration of operation
- Frequency of meeting
- Any other matters relevant to the operation of the subgroup.

3.2 General Requirements

While each individual subgroup is established on the basis of bespoke terms of reference, the following general requirements should apply to all subgroups:

- RMDS acts as secretariat of all subgroups.
- All IGG members are entitled to nominate a representative to participate in subgroups, however they are not obliged to do so, and it is not necessary to have representatives from all market participants on a subgroup.
- Membership to subgroups may be made up of supplier representative(s) rather than representatives from all suppliers.
- Subgroup members should have the authority and expertise to contribute to discussions at the subgroup.
- While CRU is not typically represented on subgroups, CRU may participate in a subgroup or attend individual subgroup meetings, either at the request of the subgroup or at their own discretion.
- Subgroup to update IGG regularly as to the subgroup's progress and outputs.
- Subgroups are to be established only where necessary, taking due account of the time and resource commitment required from market participants.

3.3 Terms of Reference

Each individual subgroup is to be governed by a bespoke terms of reference, catering to the particular requirements of that group. Each subgroup terms of reference must include the items listed in the table below:

Terms of Reference to include:	
Purpose / Objective	Description of the objective / purpose of the subgroup.
Scope	Description of the scope of the subgroup's activities.
Subgroup Membership	<ul style="list-style-type: none"> • Nominated Subgroup Chair • Nominated Subgroup members
Role Definition	Definition of the roles regarding attendance, participation, time commitment etc.
Logistics	Frequency and location of meetings, required quorum, method for recording group decisions and outputs.
Reporting	How and when the group will keep IGG abreast of progress and outcomes
Decision Making	Decision making will be by consensus - where consensus cannot be achieved the matter will be referred to IGG and/or CRU.
Deliverables	List of subgroup deliverables (type, number, format) that the group commits to produce e.g. Market Process Definition(s)
Timeline	<ul style="list-style-type: none"> • List of subgroup meeting dates; and • List of dates for submission of interim deliverables • List of dates for submission of final deliverables • Target IGG / CRU review / approval dates