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## **Capacity Market Audit**

Independent Market Auditor's Report  
For the period 1 May 2023 to 30 April 2024

Date 29 April 2025



## Market Auditor Report – Notice re Distribution and Publication

This notice concerns the Market Auditor Report to the Commission for Regulation of Utilities (CRU) and the Utility Regulator (UR) (together the Regulatory Authorities (the RAs)) on the Capacity Market Audit for the 12 months ended 30 April 2024 dated 29 April 2025 (the "Report").

This notice does not apply to the RAs or Parties to the Code who have signed the "Terms of Release to the Parties to the Code" letter (including their employees acting within the scope of their employment duties).

The requirement for the Capacity Market Audit is set out in the I-SEM Capacity Market Code ("the Code") designated on 2 June 2017 and as amended from time to time. This Report was prepared by Deloitte Ireland LLP (a partnership established in Ireland and with its registered address at Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland) ("Deloitte").

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No work has been carried out nor have any enquiries of RAs or the System Operator ("SO") been made since 11 April 2025. The Report does not incorporate the effects, if any, of any events or circumstances which may have occurred or information which may have come to light subsequent to that date. Deloitte makes no representation as to whether, had Deloitte carried out such work or made such enquiries, there would have been any material effect on the Report. Further, Deloitte has no obligation to notify you if any matters come to its attention after the date of this report which might affect the continuing validity of the comments or conclusions in the Report.

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This notice shall be governed and construed in accordance with the laws of Ireland. The courts of Ireland will have exclusive jurisdiction to settle any claim, dispute or difference which may arise out of or in connection with this notice.

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# 1. Introduction

## 1.1 Background

The Code was first published on 2 June 2017, and subsequently updated to reflect any necessary amendments, and sets out the arrangements whereby market participants can qualify for, and participate in, auctions for the award of capacity.

The RAs have engaged Deloitte as Capacity Market Auditor to undertake a Market Audit of the operation and implementation of certain of the arrangements, procedures and processes as required under the Code. Section B.11 of the Code sets out the requirements of the Capacity Market Auditor. Paragraph B.11.1.1 of the Code requires the RAs to appoint a Market Auditor. As required under the Code, the RAs consulted on the scope of the Capacity Market Audit resulting in the publication of the Terms of Reference for the Capacity Market Audit (SEM-25-012) on 27 March 2025 ("ToR") in accordance with paragraph B.11.2 of the Code. The period of the Audit has been defined as covering the period from 1 May 2023 to 30 April 2024 and incorporates the following auctions:

- T-1 2023/2024 – which took place on 18 July 2023
- T-4 2027/2028 – which took place on 26 October 2023
- T-1 2024/2025 – which took place on 25 April 2024

As defined in the ToR, the scope of the Capacity Market Audit focused on the activities of the SO under the Code and associated Agreed Procedures and covered the systems and processes within the control of the SO. The scope of the Capacity Market Auditor's assurance activities relates to the SO activities under the Code, to the extent covered by specific requirements in the Code, Appendices and Agreed Procedures, and included:

- Accession and Registration;
- Default, Suspension and Termination;
- Qualification;
- Operation of the auction and award of capacity;
- Secondary Trading;
- Implementation agreements;
- SO and other Charges;
- Invoicing and Payment;
- Credit Cover management;
- Disputes;
- Modifications; and
- Design Authority / Code development and Systems Upgrade.



# 1. Introduction (Continued)

Based on discussions with the RAs, the RAs have confirmed that those areas already assessed and reported on by the Capacity Auction Monitor are not required to also be assessed by the Capacity Market Auditor – in broad terms this excludes from the Auditor scope the activities relating to Qualification and Operation of the Auction included in the 12 month audit period from 1 May 2023 to 30 April 2024. During the planning and delivery of the work, we liaised with the Auction Monitor to discuss the scope and findings of their work.

Unless otherwise specified, words and expressions used in this Report have the same meaning as defined in the Code.

## 1.2 Requirement for Market Audit

The requirement for a Market Audit of the Code is set out in Section B of the Code in paragraphs B.11.1.1 to B11.2.8. As specified in the ToR, it covers the 12 month period ended 30 April 2024.

## 1.3 Report Structure

Section 2 contains our Market Audit Conclusion. The Market Audit Scope was agreed by the RAs in accordance with the ToR.

Section 3 contains our Report of Significant Issues, setting out matters identified during the course of the audit which, while not material in the context of the audit and not resulting in a qualified Audit Opinion, may have a significant impact on Parties to the Code. Where, in our judgement, matters arising may be significant to individual parties such matters have been included in the Report of Significant Issues with sufficient detail so as to allow the RAs and Parties to the Code to evaluate the impact of the cause and circumstances of matters reported. As set out in the ToR the Auditor will report on a volumetric basis with a materiality set at 20MW for the market level. In addition the ToR requires that the Auditor will also report on any “Significant Issues” regardless of materiality in order to capture any regular incidents including those which may have a potential significant quantitative or qualitative impact.

Section 4 contains details of Other Matters Arising which we wish to bring to the attention of the market. We include this section as we believe it may assist the RAs and Parties to the Code to judge for themselves the relative impact of all points reported.

Section 5 contains details of Follow up on issues included in our prior year report. We include this section to provide the RAs and Parties to the Code with the update around the resolution status of the Significant Issues and/or Other Matters Arising that had been documented in our report for the prior Capacity Market Audit for the 12 months ended 30 April 2023.

## 2. Market Auditor Conclusion

Independent Market Auditor's Assurance Report to the Commission for Regulation of Utilities ("The Commission" or "CRU") and the Utility Regulator ("UR") (together "The RAs")

We have performed reasonable assurance work over the extent to which the System Operator ("SO") has complied with the Code and relevant Agreed Procedures as defined in the "Terms of Reference for the Year 6 Market Audit" published by the RAs on 27 March 2025, for the 12 month period ending 30 April 2024. The engagement has been performed in accordance with ISAE 3000 (Revised) "Assurance Services Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. In the context of this engagement, the terms "Audit" and "Market Audit" mean a reasonable assurance engagement performed in accordance with ISAE 3000.

This report is made solely for the RAs, as a body, in accordance with paragraph B.11.2.1 of the Code. Our work has been undertaken so that we might state to the RAs those matters we are required to state to them in a reasonable assurance report in accordance with ISAE 3000 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the RAs and the Parties as a body, for our work, for this report, or for the conclusions we have formed. Parties to the Code may only rely on this report if they have agreed in writing to be bound by the conditions under which it has been prepared, in line with the engagement letter dated 3 May 2022 and Change Control Note dated 15 October 2024.

Unless otherwise specified, words and expressions used in this report have the same meaning as defined in the Code.

### Responsibilities of the System Operator, RAs and Parties to the Code (together the "Responsible Party")

The Code is a legal agreement which, inter alia, sets out the terms of the Capacity Market arrangements to secure generation adequacy and capacity to meet the demands of consumers on the island of Ireland ("Single Electricity Market"). The Code defines the rules (the "Rules") and Agreed Procedures which are required to be followed by the signatories to the Code ("Parties") who are bound by its provisions.

The functions of the RAs are set out in the Electricity Regulation Act 1999, the Northern Ireland (Miscellaneous Provisions) Act 2006 and in the Code. In the context of the Market Audit, the role of the RAs as the Responsible Party is to appoint the Market Auditor and agree the terms of the Market Auditor's appointment, consult on and issue the Terms of Reference for the Market Audit, and receive Market Audit Reports.

The SO is responsible for the operation of the Single Electricity Market under the Code as set out in paragraphs A.1.1.1 and A.1.2.1 therein and for complying with the requirements of the Code and Agreed Procedures as listed in appendix A to the Code, insofar as they are applicable to the SO.

The responsibilities of the Parties in respect of the Market Audit are set out in paragraph B.5 of the Code, which requires parties to provide without charge to the Market Auditor in a timely manner, subject to any obligations of confidentiality, such information as is reasonably required by the Market Auditor to enable the Market Auditor to comply with the functions and obligations and Terms of Reference for the purposes of conducting the audit and preparing and finalising the Audit Report. A person may only become a Party to the Code in accordance with the terms of the Code and the Capacity Market Framework Agreement.

## 2. Market Auditor Conclusion (Continued)

### Responsibilities of the Market Auditor

The requirements for the Market Audit are set out in paragraphs B.11.2.1 to B.11.2.8 of the Code, in particular paragraph B.11.2.1 of the Code which sets out that “The Capacity Market Auditor shall conduct an audit of the operation and implementation of the arrangements, procedures and processes under this Code at least once a year, in accordance with the Terms of Reference determined by the RAs.”. It is our responsibility as Market Auditor to execute the Market Audit as required under the Code and as set out in the Terms of Reference for the Year 6 Market Audit and provide a reasonable assurance report thereon. In conducting our engagement, we have complied with the Code of Ethics issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We further include other matters not considered material / significant, based on the stipulated levels, that are considered of interest to parties to the Code in the “Other Matters Arising” section of the report.

### Limitations and exclusions from scope

Our assurance work under this engagement excluded the audit of the obligations on the System Operators in relation to the Operation of the Auction and award of Capacity that was tested by the Capacity Auction Monitor. We liaised with the Capacity Auction Monitor during the performance of our assurance work in respect of the scope and findings of the Auction Monitor and sought to avoid duplicating the work performed by the Capacity Auction Monitor. The role and reporting obligations of the Capacity Auction Monitor are reflected in Section B.10.2 to B.10.4 of the Capacity Market Code.

There are inherent limitations in assurance engagements on controls as because of their nature they may not detect all errors or omissions in processing or reporting of transactions. The conclusions expressed herein only relate to the period under review, and as at the period end date specified and do not provide assurance in relation to any future period or date as changes to systems or controls subsequent to the period/year covered by this report may alter the validity of our opinions.

## 2. Market Auditor Conclusion (Continued)

### Basis of assurance conclusion

We conducted our assurance work in accordance with ISAE 3000. That standard requires that we plan and perform our work to obtain appropriate evidence about the subject matter of the engagement sufficient to support a conclusion providing reasonable assurance when evaluated against the applicable criteria. In the context of the Market Audit, the subject matter consists of relevant activities of the SO which are evaluated against the applicable paragraphs of the Code and applicable Agreed Procedures as set out in the Terms of Reference for the Year 6 Market Audit (the 'Applicable Criteria').

Our assurance work included examination, on a sample basis, of evidence relevant to the Code and Agreed Procedures including the review of risks, control objectives and controls associated with the SO performance of their duties and operation of the Capacity Market arrangements. Our testing of the controls comprised review of documentation, corroborative enquiry with key SO staff and, on a sample basis, testing the operation of controls and the validity and accuracy of the calculations underlying settlement output.

We planned and performed our assurance work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the SO has complied with the Code and relevant Agreed Procedures as defined in the Terms of Reference for the Year 6 Market Audit.

We were not required to carry out an audit conducted in accordance with International Standards on Auditing (Ireland). Consequently, our conclusion is not expressed as an audit opinion.

For the purpose of our conclusion a qualification, in terms of material non-compliance with the Rules and relevant Agreed Procedures of the Code, would arise if the volumetric impact of errors identified individually or in aggregate exceeded the volumetric materiality value as set out in section 1.3 above or where we considered the breach to be of such significance that it undermined the robust operation of the processes in place.

We have prepared a Report of Significant Issues as included in Section 3 setting out matters identified during the course of the audit which, while not material in the context of the audit, may have a significant impact for Parties to the Code. Our conclusion should be read in conjunction with the "Report of Significant Issues" but is not qualified in respect of the matters contained in the Report of Significant Issues.



## 2. Market Auditor Conclusion (Continued)

### Conclusion

On the basis set out above and subject to the exclusions noted in the Responsibilities of the Market Auditor section above, during the period 1 May 2023 to 30 April 2024 the SO has, in all material respects, complied with the Code and relevant Agreed Procedures as set out in the "Terms of Reference for the Year 6 Market Audit" published by the RAs on 27 March 2025.

A handwritten signature in black ink, appearing to be 'J. Smith' or similar, written in a cursive style.

For and on behalf of  
Deloitte Ireland LLP  
Chartered Accountants  
Deloitte & Touche House  
29 Earlsfort Terrace  
Dublin 2  
Date: 29 April 2025

### 3. Report of Significant Issues

Issue	Effect	SO Response
<b>Accession and Registration – Agreed Procedure 1</b>		
<b>1. Unit Qualified and Awarded Capacity prior to party registration</b>		
For the one Party registered in the period of the Audit, the SO qualified the unit and subsequently awarded new capacity to the unit in the 2027/2028 T-4 Capacity Auction prior to the applicant becoming a Party to the Code.	<p>Participation in the Capacity Market is limited to entities that accede to the Code and hence are required to comply with the Code requirements and rules. Permitting a unit to be qualified and partake in an auction represents a qualitatively significant non-compliance by the SOs, including with the Code requirement B.5.1.8 and B.5.2.1.</p> <p>B.5.1.8. Following receipt by the System Operators of an executed Accession Deed in accordance with paragraph B.5.1.7, the Applicant shall become a Party on the date specified in the Accession Deed unless the System Operators and the Applicant agree on a different date separately in writing.</p> <p>B.5.2.1: In order for a <b>Party</b> to participate in any of the arrangements under this Code, it shall have registered, or be deemed to have registered, or have provisionally registered, a Candidate Unit in accordance with this section B.5.2.</p> <p>In assessing the impact of this issue we considered whether there were other units that could have been awarded capacity had the Party (and the associated unit) not been qualified to take part in the auction. As all other units were successful in the auction there is no other unit that could have been awarded capacity.</p> <p>We also considered whether there would have been any impact on the Auction Clearing Price. The SOs performed analysis based on the auction rules for the scenario where the unit had not participated in the auction. The SOs determined that the clearing price would have been less than half a percent lower in this scenario.</p> <p>Based on the SO's re-run auction calculation, the combined impact of the reduction in awarded capacity (due to the unit not participating) and the corresponding lower Clearing Price would have been a reduced total cost of less than half a percent for the total remaining awarded capacity.</p>	<p>The SOs acknowledge the importance of accession deeds being completed in a timely manner before parties participate in any Capacity Auction. Following an internal review of our processes, we have identified that no formal check was in place to confirm that Accession Deeds were signed prior to the final qualification submission date. Reliance had been placed on the party having declared their intention to sign the Accession Deed in their registration form. To address this gap, we are currently updating our procedures to prevent recurrence.</p> <p>It is important to note that the SOs are currently reviewing this matter and have not yet reached a conclusion regarding any implications for the relevant Party. Any assessment undertaken to date is intended solely to inform the review process and does not reflect a final position or recommendation from the SOs on how the issue should be addressed.</p> <p>The analysis conducted by the SOs did not involve a re-run of the Capacity Auction calculation. It was carried out independently of the auction system, using the auction rules to explore possible outcomes. At present, the SOs understand that there is no provision under the CMC to amend final Capacity Auction Results once they have been approved.</p>

## 4. Other Matters Arising

Issue	Effect	SO Response
<b>Commissioned Capacity</b>		
1. Changes to the Substantial Completion date not updated in the Capacity and Trade Register		
For 4 of the 5 samples selected, the SO did not update the Capacity Quantity Commissioning Date for the relevant trade in the Capacity and Trade Register based on the Implementation Progress Report indicating that the date for achieving the Substantial Completion Milestone has changed.	<p>Non-compliance with the section G.3.1.7 in the code.</p> <p>If the System Operators receive an Implementation Progress Report in respect of Awarded New Capacity indicating that the date for achieving the Substantial Completion Milestone has changed, then the System Operators shall update the Capacity Quantity Commissioning Date for the relevant trade in the Capacity and Trade Register to be the earlier of that date and the Long Stop Date.</p>	Accepted - The System Operators acknowledge that changes to forecasted Capacity Quantity Commissioning Date set out in Implementation Progress Reports should be updated in the Capacity & Trade Register. The System Operators have updated our processes to avoid further instances.
<b>Modifications</b>		
2. Decision taken by Regulatory Authority not published on the website within the required timeframe		
For 1 of the 2 samples, it was noted that the decision of the Regulatory Authorities in relation to the Modification Proposal was not published on the Modifications Website by the System Operator within the required timeframe. The decision was published 3 working days after the required timeframe.	<p>Non-compliance with Section B 12.13.5 of the code.</p> <p>The System Operators shall publish on the Modifications Website the decision of the Regulatory Authorities in relation to a Modification Proposal within two Working Days after the decision has been made and provided to the System Operators and, where a Modification Proposal has been made, include the text of the Modification in the notice of the decision.</p>	Accepted - Initial RA Decision contained issues that were highlighted by the Secretariat before the decision could be published. The updated version of the RA Decision was resubmitted by the RAs during the Christmas holiday period & the decision was published by the Secretariat on the earliest working day in the new year.

Issue	Effect	SO Response
<b>Disputes</b>		
3. Membership of Panel not reviewed based on the confirmations obtained from Panel Members		
We noted that the Dispute Resolution Panel document was not reviewed and updated based on the confirmations obtained from the Panel members. For 1 of the 12 Panel members, the Panel member was included in the Dispute Resolution Panel despite their unwillingness to be included in the Panel.	<p>Non-compliance with the Code B.14.4.3.</p> <p>The System Operators shall review the membership of the Panel, confirming the continued willingness and availability of members to be included at least once every year. The System Operators shall publish the name and a brief curriculum vitae for each Panel member.</p>	Accepted - The SOs note that a DRB panel member should have been removed from the published panel member document - this has since been corrected and republished.
<b>Secondary Trading</b>		
4. Timings of Alternative Secondary Trading process activity		
<p>We noted the following instances from our testing where the specific timing requirements of the Code were not met:</p> <p>a) The SO did not submit the weekly values for the Product Load Following Factor (PLFF) within the required timeframe. The PLFF values were submitted more than one year after the required timeframe.</p> <p>b) For 8 of the 15 samples tested, the SO did not validate and update the Capacity and Trade Register within the required timeframe. The Capacity and Trade Register was updated for 1 sample at 6 working days, 1 sample at 8 working days, 2 samples at 9 working days, 1 sample at 15 working days and 3 samples at 5 months following the receipt of the Alternative Secondary Trade Notification.</p>	<p>a) Non-compliance with Section M.12.4.2 of the Code.</p> <p>The System Operators shall submit weekly values for the Product Load Following Factor for a Capacity Year to the Regulatory Authorities for approval at least 3 months prior to the start of the preceding Capacity Year, or as requested by the Regulatory Authorities.</p> <p>b) Non-compliance with Section M.12.3.1 of the code.</p> <p>The System Operators must do all things necessary to operate and administer the Alternative Secondary Trading Arrangements such that Alternative Secondary Trade Notifications are validated, and the Capacity and Trade Register is updated within 5 Working Days in accordance with this section M.12 including:</p> <p>(a) providing facilities for the receipt and processing of Alternative Secondary Trade Notifications;</p> <p>(b) validating Alternative Secondary Trade Notifications and the associated proposed Secondary Trades;</p>	<p>a) Accepted - The SOs acknowledge that the wording in M.12.4.2 can be read that the values of PLFF are required to be submitted 15 months prior to the Capacity Year; however, the System Operators consider that the text is not clear. The System Operators understand that the requirement is for these values to be submitted three months prior to the Capacity Year. If the Capacity Market Code intended that the values be submitted 15 months prior to the Capacity Year, it would simply state this. Calculating PLFFs more than 15 months prior to the Capacity Year would result in values that are (a) based on a demand forecast that is more than 15 months ahead of the Capacity Year and (b) would require the use of a forecast of the T-1 auction, which would not have taken place. Both of these factors are likely to increase the disparity between PLFFs (based on forecasts) and the actual load following factors applied in settlement. On this basis, the System Operators have applied this as requiring the PLFF values to be submitted three months prior to the Capacity Year. The System Operators intend to raise a Modification Proposal by June 2025 to address this issue.</p>

Issue	Effect	SO Response
	<p>(c) determining and publishing the outcome of Secondary Trades, including Awarded Capacity and prices;</p> <p>(d) update the Capacity and Trade Register with the details of a valid trade as soon as reasonably practicable.</p>	<p>b) The System Operators agree that the referenced trades were not processed with the timelines prescribed under the Capacity Market Code. Over audit period, the System Operators processed 1231 secondary trade contract register entries between 1st May 2023 and 30th April 2024. The number of trades far exceeds the expected number of trades when the Alternative Secondary Trading process was introduced.</p> <p>Currently, the process is carried out manually. The System Operators continue to focus on process improvements, including the development of a new online secondary trading platform.</p> <p>Note :- In accordance with section M.12.3.1 d, the System Operator (SO) is required to update the Capacity and Trade Register with the details of a valid trade as soon as reasonably practicable after receiving the ASTN or ISTN notification. For operational purposes, and as per Code, the SO must receive this notification at least 5 working days before the trade commences to ensure proper processing. When the SO receives the notification more than 5 working days in advance, updating the Capacity and Trade Register as soon as reasonably practicable still complies with the requirement under section M.12.3.1 d.</p>
5. Process activity documentation not located – Notification of Awarded Capacity		
<p>For 3 of the 15 samples tested, SO could not provide or locate specific process activity documentation to evidence that notification of the Awarded Capacity and associated price was submitted to the Participants who submitted an Alternative Secondary Trade Notification. We confirmed in each case that the Trades had been included in the published List of Secondary Trades.</p>	<p>Non-compliance with Section M.12.9.1 of the code.</p> <p>The System Operators shall notify Participants submitting an Alternative Secondary Trade Notification of the Awarded Capacity and associated price as soon as practicable.</p>	<p>Accepted - The System Operators acknowledge that no notification was issued to the Participant in these instances. The System Operators have updated our processes to avoid further instances.</p>

Issue	Effect	SO Response
6. Alternative Secondary Trade received after the required timeframe was not rejected		
<p>For 1 of the 15 samples tested, the SO did not reject the Alternative Secondary Trade Notification received outside the required time frame. The notification was received 2 working days after the required timeframe.</p>	<p>Non-compliance with Section M.12.3.2 of the code.</p> <p>The System Operators shall reject a proposed Secondary Trade set out in an Alternative Secondary Trade Notification if:</p> <ul style="list-style-type: none"> <li>(a) it does not form part of a matching Trade Pair, where a Trade Pair is formed of matching Alternative Secondary Trade Notifications from Buyer and Seller submitted on the same Working Day;</li> <li>(b) the start of the proposed trade is prior to 5 Working Days after the trade was notified;</li> <li>(c) the end of the proposed trade is at or before its start;</li> <li>(d) the MW quantity of the proposed trade after adjustment pursuant to M.12.2.4 is zero; or</li> <li>(e) it does not comply with the requirements set out in this section M.12.</li> </ul>	<p>Accepted - The System Operators acknowledge that the Capacity Market Code does not provide for any flexibility in this regard and that trades submitted without the required notice should not have been processed.</p> <p>In addition to the instance observed by the Capacity Market Auditor, an additional 6 Alternative Secondary Trade Notifications received outside the required time frame were not rejected during the audit period. The notifications were received 2 working days after the required timeframe.</p>



Issue	Effect	SO Response
7. Incorrect recording of the Capacity and Trade Register and/or published list of Secondary Trades		
<p>As part of our analysis of the complete Secondary Trades population, it was noted that:</p> <ul style="list-style-type: none"> <li>a. for 2 Alternative Secondary Trade records, the Market Operator did not update the date of the end of the trade and the time of the start of the trade respectively in the Capacity and Trade Register and in the published list of Secondary Trades according to the Alternative Secondary Trade Notification.</li> <li>b. For 1 Interim Secondary Trade, the Market Operator did not update the date and time of the start and the end of the trade in the Capacity and Trade Register according to the Interim Secondary Trade Notification.</li> <li>c. For 1 Alternative Secondary Trade, the Market Operator published only the seller record, which was marked as Interim Secondary Trade and reported the MW quantity with opposite sign.</li> <li>d. For 3 Alternative Secondary Trade records, the Market Operator incorrectly published the MW quantity.</li> <li>e. For 22 Alternative Secondary Trade records and 2 Interim Secondary Trades, the Market Operator incorrectly published the date of the end of the trade.</li> </ul>	<ul style="list-style-type: none"> <li>a. Non-compliance with M.12.9.2 (d), (e) and M.12.3.1 (d)</li> <li>b. Non-compliance with M.7.2.6 (a) and (b)</li> <li>c. Non-compliance with M.12.9.2 (a), (c)</li> <li>d. Non-compliance with M.12.9.2 (c)</li> <li>e. Non-compliance with M.12.9.2 (e)</li> </ul>	<p>Over audit period, the System Operators processed 1231 secondary trade contract register entries between 1st May 2023 and 30th April 2024. The number of trades far exceeds the expected number of trades when the Alternative Secondary Trading process was introduced. Currently, the process is carried out manually, and despite the low number of errors when compared with the number of trades, the System Operators continue to focus on process improvements including the development of a new online secondary trading system.</p>

Issue	Effect	SO Response
<b>Remedial Actions</b>		
8. Changes to the Long Stop Date and Capacity Quantity End Date and Time not recorded in the Capacity and Trade Register		
For all the 5 instances of requests under J.5.7: Extension of Long Stop Date and Capacity Quantity End Date and Time pursuant to Extension of Date for Substantial Financial Completion, the SO did not record the changes in the Capacity and Trade Register.	<p>Non-compliance with Section J.5.7.6 in the code.</p> <p>Where the Regulatory Authorities accept a request under paragraph J.5.7.2, they shall advise the System Operators of the new Long Stop Date and Capacity Quantity End Date and Time, and any other changed Implementation Plan dates and the System Operators shall record those changes in the Capacity and Trade Register.</p>	Accepted - Any changes made in accordance with section J.5.7 are tracked by the System Operators; however, we acknowledge that any changes to Long Stop Date and Capacity Quantity End Date and Time should be updated in the Capacity & Trade Register. The System Operators have updated our processes to avoid further instances.
<b>Technology Class Change</b>		
9. Process activity not completed		
<p>We noted the following instance from our testing where the SO did not perform the required process steps / activity as required by the Code:</p> <p>a) For the one Technology Class Change request in the period of the audit, the SO did not update the Qualification Capacity Register with the relevant details of the revised application.</p> <p>b) For the one Technology Class Change request in the period of the audit, the SO did not update the Capacity Quantity End Date and Time in Capacity and Trade Register to reflect any changes made to the Maximum Capacity Duration for the Awarded New Capacity.</p> <p>c) For the one Technology Class Change request in the period of the audit, the SO did not update and re-publish the Qualification Results to take account of approved change of Technology Class.</p>	<p>a) Non-compliance with Section J.5.4.10 of the Code; The System Operators shall update the Qualification Capacity Register as set out in Appendix E with the relevant details of the revised application in respect of Awarded New Capacity and in particular the values of Maximum Capacity Duration and the Gross De-Rating Factor (FDERATEΩ).</p> <p>b) Non-compliance with Section J.5.4.11 of the Code; The System Operators shall update the Capacity Quantity End Date and Time in Capacity and Trade Register as set out in Appendix F to reflect any changes made to the Maximum Capacity Duration for the Awarded New Capacity.</p> <p>c) Non-compliance with Section J.5.4.12 of the Code; The System Operators shall re-publish the Qualification Results as set out in paragraph E.9.5.1 updated to take account of each approved change of Technology Class within [20] Working Days of such approval.</p>	<p>The Technology Change was approved in 2023. In CMP, this change could not be implemented because firstly CMP was locked for changes due to 24/25 T-1 then the end of 24/25 T-1 was overlapped with 28/29 T-4 hence the expected date to for the change in CMP was Jan 2025 i.e. after 28/29 T-4.</p> <p>Please note when an auction commences the data fields are populated and no major changes are allowed in CMP, hence we needed a window to make this change in CMP when CMP is not in use. Later, Technology Class change in CMP was not required for the awarded capacity relating to participant in respect of 2025/2026 T-4 Capacity Auction. This is because the Awarded New Capacity to the participant is due to be terminated for no meeting Substantial Financial Completion (SFC) by the SFC milestone date. The participant did not have any awarded capacity in any further auctions, so no further action needs to be taken. Termination Notice and Invoice will be issued in due course.</p>

Issue	Effect	SO Response
<b>Agreed Procedure 4 ('AP4') - Communication Channel Qualification</b>		
<b>10. Communication Channel Qualification Testing</b>		
In order to perform Communication Channel Testing each Party should be provided access to a Party Certification Environment to perform testing as set out in AP4. No such Party Certification Environment exists.	<p>Non-compliance with AP4 - Section 2.2</p> <p>As per Section 2.2 - The System Operators shall provide the Party with security access credentials (including a Digital Certificate) for the Party Certification Environment to perform testing.</p> <p>As part of the procedure, the Party connects to the System Operator's Party Certification Environment. This involves accessing a web-based portal. Note that this Party Certification Environment is a Test Environment distinct from the Capacity Market Platform.</p>	Accepted - There are no direct Participant System to Market System interfaces for the Capacity Market. As such, there is no need for a separate Communication Channel Testing environment. The System Operators intend to raise a Modification Proposal by June 2025 to address this issue.
<b>11. User access Provision</b>		
For 1 of the 5 samples selected, User Access approval evidence was not available/retained for access granted to a user. This was noted as an oversight by management and thus raised as an exception by us.	<p>Non-compliance with AP4, Section 2.10.5 - System Operators User Access Management</p> <p>As per Section 2.10.5 - To help prevent unauthorised access to systems, all System Operators' User access requires a level of authorisation prior to access being given. The System Operators shall implement an authorisation process to ensure only the appropriate level of access is granted to individual System Operators Users and Market Operator Users, to enable them to fulfil their roles.</p> <p>Market Operator Users, System Operators Users and support staff will have restricted access to specific areas of the system according to their level of authority and access requirements.</p>	Accepted, Certificate Requests for users should be accompanied by Management Approval and the 24/7 Service Desk are to be reminded of this requirement.

Issue	Effect	SO Response
12. System Operators User Access Management		
<p>a) There are no procedures in place to ensure that the third-party IT administrators of the Market platform are authorised prior to access grant or removal. For 1 of the 5 samples selected, there was no approval evidence available for the revocation of the vendor user account.</p> <p>b) As part of the authorisation process implemented by System Operators, a quarterly user access review is in place, however we did not receive evidence that the quarterly user access review over third-party support IT administrators was performed consistently over the 4 quarters during the audit period. We did not receive the evidence for 3 quarters out of 4.</p>	<p>Non-compliance with AP4, Section 2.10.5 - System Operators User Access Management</p> <p>As per Section 2.10.5 - To help prevent unauthorised access to systems, all System Operators' User access requires a level of authorisation prior to access being given. The System Operators shall implement an authorisation process to ensure only the appropriate level of access is granted to individual System Operators Users and Market Operator Users, to enable them to fulfil their roles.</p> <p>Market Operator Users, System Operators Users and support staff will have restricted access to specific areas of the system according to their level of authority and access requirements.</p>	<p>a) Partially Accepted, there is a process in place externally, we do not need to be party to the removal of Vendor access. There is a manual process for user management.</p> <ol style="list-style-type: none"> <li>1. Before any account is created in EirGrid environments, Unicorn PM/Main Support Contact needs to approve this.</li> <li>2. Users are added to EirGrid environments by CMP/ICMP/RESS only after completing general and SLS Team specific trainings.</li> <li>3. Each member with approved access has own account - Name, Surname and login are unique and clearly identify the user.</li> <li>4. If any member leaves the team or Unicorn, the user account is deleted manually.</li> </ol> <p>Step to be introduced that corresponding EirGrid approval required for setup of Unicorn user.</p> <p>b) Accepted, a more formal and stringent amendment to the process is to be put in place whereby the Vendor accounts are to be reviewed by vendor point of contact and reviewed / approved for continued access as part of the Quarterly User Review Process.</p>

Issue	Effect	SO Response
<b>Agreed Procedure 5 ('AP5') - System Operation, Testing, Upgrading and Support</b>		
<b>13. Helpdesk/Logging and Monitoring of Helpdesk Requests</b>		
<p>The helpdesk requests are not categorised and helpdesk requests are not logged by the SO with the resolution recorded. The timeliness of requests closure is not monitored or recorded. No tracking mechanism is in place to track whether each category request was closed as per AP5 - 2.1 to 2.1.2.</p>	<p>Non-compliance with AP5 - Section 2.1, 2.1.1 and 2.1.2:</p> <p>2.1.1 There are three categories of Helpdesk Requests.</p> <p>2.1.2 All Helpdesk Requests shall be logged by the System Operators with the details and resolution recorded.</p> <p>Helpdesk Requests shall be acknowledged within one Working Day of receipt.</p> <p>Category 1 and category 2 Helpdesk Requests are considered to be resolved once the Helpdesk contacts the Participant to assist in resolving the issue. The timelines shall be dependent on the type of request (e.g. an issue relating to submission of bids or offers may require a response within two hours whereas assistance with configuration of Communication Channels may require more than one Working Day). Category 3 Helpdesk Requests are considered to be resolved once the requested information has been provided.</p>	<p>Accepted. The System Operators have a process in place for managing participant queries and recognise that enhancements are needed. To address this, we will conduct a review to identify any gaps as outlined in AP5, with the goal of establishing an improvement plan by June 2025.</p>
<b>14. Change Testing</b>		
<p>There is no separate test environment to allow affected parties to test the interface when release involves changes to the interface with parties required in Agreed Procedure 5.</p>	<p>Non-compliance to AP5, Section 2.2.4 - Testing</p> <p>Where the Release involves changes to the interface with Parties, the System Operators shall provide a separate Test Environment of the relevant Capacity Market Platform to allow the affected Parties to test the interface.</p>	<p>Accepted - There are no direct Participant System to Market System interfaces for the Capacity Market. As such, there is no need for a separate testing environment. The System Operators intend to raise a Modification Proposal by June 2025 to address this issue.</p>

Issue	Effect	SO Response
15. Change Management		
For 1 of the 5 samples selected, Impact assessment for the Scheduled Release was not provided. The IT audit team have noted that impact assessment was not available or not conducted.	<p>Non-compliance to AP5, Section 2.2.2 - Release Management (Scheduled Releases)</p> <p>Any proposed Implementation shall consider corresponding updates to the Technical Specification and the System Operators shall detail this update within the impact assessment which shall be made available to Participants and the Market Operator</p> <p>Non-compliance to AP5, Section 3.2.1 - Change Management for Scheduled Releases, step 1 "Issue impact assessment"</p> <p>By/From: System Operators</p>	There is no impact assessment required as part of change. The change addressed an incident/bug which was not the intended behaviour of the application - Defect resolution.
16. Release Management (Scheduled Releases) and Proposed implementation plan		
<p>We were not able to obtain documentation of release plan. The evidence of release timetable and release plan as per the agreed procedures was not available for review.</p> <p>The process around AP5, section 2.2.2, "proposed implementation plan" is not followed.</p> <p>The System Operators do not issue a revised impact assessment to the Participants and the Market Operator (including the final Implementation classification, Release content and proposed timeline).</p>	<p>Non-compliance with AP5 - Section 2.2.2 Release Management (Scheduled Releases)</p> <p>In line with the bi-annual Release strategy contained in the Technical Specification, each year, before the final Working Day in June, the System Operators shall provide all Parties with a Release timetable for the following year that identifies the dates for Scheduled Releases of the Capacity Market Platform.</p>	The SO does not use a Release Management strategy for changes to the capacity market. Changes are delivered as required to support capacity auctions.



## 5. Follow up on prior year issues

The following table provides an update on the status of findings raised in the Year 5 Capacity Market Audit Report. This report was issued 26 February 2025. Updates on findings that were not Resolved were provided by the SOs.

Title	Year 5 Classification	Year 6 Status (as per SO)	SO Update [where not resolved]
<b>Accession and Registration</b>			
Completion of Registration and Deregistration Processes as per Code Timescales	Other Matter	Partially resolved	<p>With regards to the Party registration:</p> <ul style="list-style-type: none"> <li>The online Qualification Platform should be ready for the next T-4 auction which will include a process for PTs on how to register new units as access to CMP will be required to submit an application for qualification; and</li> <li>The Accession Deeds process has been reviewed and a number of efficiencies have been introduced. The SOs are currently trialling this new process for a 2/3 month period.</li> </ul>
Process activity documentation not located	Other Matter	Resolved	
<b>Operation of the auction and award of capacity</b>			
Process activity documentation not located – Termination notice notification	Other Matter	Resolved	
Capacity Auction Monitor's redacted report not published within the required timeframe	Other Matter	Resolved	

Title	Year 5 Classification	Year 6 Status (as per SO)	SO Update [where not resolved]
<b>Disputes</b>			
Panel appointments not confirmed by the SO for the year under review	Other Matter	Resolved	
Notices received from the Panel Chairperson in relation to the appointment of the CMDRB members not published	Other Matter	Resolved	
<b>Secondary Trading</b>			
Trade status not updated in the Capacity and Trade Register	Other Matter	Resolved	
Timings of Alternative Secondary Trading process activity	Other Matter	Resolution in Progress	See current year Other Matter 4 above in respect of the publication of PLFF values.  With regards to the timing of approval of the Alternative Secondary Trade, the System Operators acknowledge that we did not approve the Alternative Secondary Trade within the required timeframe. The System Operators have updated our processes to avoid further instances.
Process activity documentation not located – Notification of Awarded Capacity	Other Matter	Resolution in Progress	The System Operators acknowledge that no notification was issued to the Participant in this instance. The System Operators have updated our processes to avoid further instances.  See current year finding Other Matter 5 above.
<b>Agreed Procedure 4 ('AP4')- Communication Channel Qualification</b>			
Communication Channel Qualification Testing	Other Matter	Resolution in Progress	There are no direct Participant System to Market System interfaces for the Capacity Market. As such, there is no need for a separate Communication Channel Testing environment. The System Operators intend to

Title	Year 5 Classification	Year 6 Status (as per SO)	SO Update [where not resolved]
			raise a Modification Proposal by June 2025 to address this issue. See current year Other Matter 10 above.
User access termination	Other Matter	Open	See similar current year Other Matter 12 above.
User access Review	Other Matter	Open	See current year Other Matter 12 above.
<b>Agreed Procedure 5 ('AP5') - System Operation, Testing, Upgrading and Support</b>			
Helpdesk/Logging and Monitoring of Helpdesk Requests	Other Matter	Resolution in Progress	See current year Other Matter 13 above.
Release Management (Scheduled Releases) and Proposed implementation plan	Other Matter	Resolution in Progress	See current year Other Matter 16 above.
Change Testing	Other Matter	Resolution in Progress	See current year Other Matter 14 above.



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