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Capacity Market Audit

Independent Market Auditor's Report

For the period 1 May 2024 to 30 September 2025

Date 26 August 2026

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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 17 months ended 30 September 2025 dated 26 August 2026 (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 limited liability partnership registered in Northern Ireland with registered number NC001499 and its registered office at The Ewart, 3 Bedford Square, Belfast, BT2 7EP, Northern 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 9 July 2026. 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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Contents

1. INTRODUCTION 1

2. MARKET AUDITOR CONCLUSION 3

3. REPORT OF SIGNIFICANT ISSUES 6

4. OTHER MATTERS ARISING 10

5. FOLLOW UP ON PRIOR YEAR ISSUES 24

1. Introduction

1.1 Background

The Single Electricity Market ("SEM") was developed by the Commission for Regulation of Utilities ("CRU") and the Utility Regulator ("UR"), together the Regulatory Authorities ("RAs"). The Capacity Market Code ("CMC" or "the Code") forms part of the legal and regulatory framework that governs the SEM. 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-25-055) on 18 September 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 2024 to 30 September 2025 and incorporates the following auctions:

- T-4 2028/2029 – which took place on 05 December 2024
- T-1 2025/2026 – which took place on 22 May 2025

As defined in the ToR, the scope of the Capacity Market Audit focused on the activities of the System Operator ("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 17 month audit period from 1 May 2024 to 30 September 2025. 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 B.11.2.8. As specified in the ToR, it covers the 17 month period ended 30 September 2025.

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 Market Audit and not resulting in a qualified Market Audit Conclusion, may have a significant impact on Parties to the Code. In assessing significance of matters, we consider both qualitative and quantitative factors. 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 materiality threshold of 0.5% of average capacity requirement for all capacity auctions during the period which was calculated as 33.133 MW for the Year 7 audit period. When assessing quantitative factors a threshold of 10% of materiality is used for the report on any "Significant Issues".

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 2024.

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 SO has complied with the Code and relevant Agreed Procedures as defined in the "Terms of Reference for the Year 7 Market Audit" published by the RAs on 18 September 2025, for the 17 month period ending 30 September 2025. 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 1 July 2025.

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 7 Market Audit and provide a reasonable assurance report thereon.

In conducting our engagement, we have complied with the independence and other ethical requirements of 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.

Work Performed

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 7 Market Audit (the 'Applicable Criteria').

2. Market Auditor Conclusion (Continued)

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 7 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. Additionally, Section 4 contains “Other Matters Arising” identified during our work that we wish to bring to the attention of the market, although these were not considered material or significant based on our professional judgement. Our conclusion should be read in conjunction with the “Report of Significant Issues” and “Other Matters Arising” but is not qualified in respect of the matters contained therein.

Conclusion

Our conclusion has been formed on the basis set out above and subject to the exclusions noted in the Responsibilities of the Market Auditor section, during the period 1 May 2024 to 30 September 2025 the SOs have, in all material respects, complied with the Code and relevant Agreed Procedures as set out in the “Terms of Reference for the Year 7 Market Audit” published by the RAs on 18 September 2025.

Eileen Healy

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

Date: 26 August 2026

3. Report of Significant Issues

Issue	Effect	SO Response
Credit Cover Management		
1. Process to establish a Reserve Account with the SEM Bank not completed		
Where a Participant elects to provide a cash deposit as part of its Performance Security, and such deposit is posted in a Reserve Account with the applicable SEM Bank, it is a requirement that a Deed of Charge and Account Security, including the Notice of Assignment and Acknowledgment attached thereto, in respect of the Reserve Account and Reserve Assets are executed by the Participant and the System Operators for the purposes of enabling the System Operators to give notice to the SEM Bank and procure the SEM Bank's acknowledgment pursuant to clause 2.4 of the Template for Deed of Charge and Account Security. Out of the nine Participants that elected to provide a cash deposit as its Performance Security: • For all nine Participants, the aforementioned documents had not been executed by the System Operator • For two of the Participants, the aforementioned documents had not been executed by the Participant For all nine Participants where the Deed of Charge had not been registered, no notice had been given to the SEM Bank and the SEM Bank's acknowledgment pursuant to clause 2.4 of the Deed of Charge and Account Security had not been procured at the time of our testing, which was 10 months after the	This represents non-compliance with: Paragraph J.3.3.2 (g): "on the same day on which its Performance Security is posted and the cash collateral is paid into the relevant Reserve Account(s), complete and enter into a Deed of Charge and Account Security (in the form set out in Appendix I "Template for Deed of Charge and Account Security"), including the Notice of Assignment and Acknowledgment attached thereto, in respect of the Reserve Account and Reserve Assets;" Paragraph J.3.3.2 (h): "within five Working Days from the date on which its Performance Security is posted, furnish to the System Operators the original executed Deed of Charge and Account Security for the purposes of (to the extent required by the System Operators) the registration of such Deed of Charge and Account Security pursuant to section 860 of the Companies Act 2006 (UK) and/or section 409 of the Companies Act 2014 (Ireland), as appropriate, and/or at such other registry or registries as may be appropriate from time to time." Clause 2.4 of the Deed of Charge: "2.4. Notices Immediately after delivery of this Deed, the Participant shall give notice to the Account Bank in the form set out in Part 1 of Schedule 2. The System Operators shall procure the Account Bank's acknowledgement and agreement in the form set out in Part 2 of Schedule 2." The requirement in Clause 2.4 is triggered by Paragraph J.3.3.2 (i): "within five Working Days from the date on which its Performance Security is posted and the Deed of Charge and Account Security is dated, furnish to the System Operators the original executed Notice of Assignment and Acknowledgment for the purposes of enabling the System Operators to give notice to the SEM Bank and procure the	Accepted. <u>J.3.3.2(a)-(f):</u> The SOs confirm that for all nine Participants sampled, full cash deposits (as their Performance Security) were lodged in relevant Reserve Accounts (under the name of and fully controlled by the SOs) in compliance with CMC Sections J.3.3.2(a)-(f). There was never, at any stage, a shortfall in required cash Performance Security provided by the Participants. <u>J.3.3.2(g):</u> The SOs confirm seven of the nine Participants provided the SOs with signed Deeds of Charge in accordance with J.3.3.2(g). The remaining two Participants did not provide the SOs with executed Deeds of Charge under J.3.3.2(g) during the audit period. As such, the SOs consider that the SOs cannot be non-compliant with J.3.3.2(g)–(i) with respect to these two Participants as without the Participants first fulfilling their obligation under J.3.3.2(g) the SOs are unable to comply with the subsequent contingent steps under J.3.3.2(h)-(i). <u>J.3.3.2(h):</u> The SOs acknowledge that the two NI Deeds of Charge should have been registered but were not, representing non-compliance with J.3.3.2(h). <u>Appendix I Deed of Charge Template Clause 2.4:</u> The SOs acknowledge non-compliance with Clause 2.4 by failing to procure the SEM Bank's Acknowledgement of Notice regarding the seven Participants who fulfilled their obligations under J.3.3.2(g) and J.3.3.2 (i). <u>July 2026 Status:</u> The two Participants who did not fulfil their obligations under J.3.3.2(g) have since provided the SOs with executed Deeds of Charge. Of

Issue	Effect	SO Response
date on which the Performance Security was posted.	SEM Bank's acknowledgment pursuant to clause 2.4 of the Deed of Charge and Account Security." Notwithstanding the above, pursuant to B.11.2.7 of the Code, consideration should be given to revising the drafting of J.3.3.2 to clearly and separately articulate the responsibilities of Participants and the System Operators.	the seven Participants who did fulfil their obligations under J.3.3.2(g) during the audit period, the SOs have registered the three of the four NI Deeds of Charge as required under J.3.3.2(h). The remaining deed is in the process of being registered. For the seven Participants who fulfilled their obligations under J.3.3.2(g) and J.3.3.2(i) during the audit period (thus triggering the SO obligation under Clause 2.4) the SOs confirm that the acknowledgement is under review by the SEM Bank. The System Operators await the return of Acknowledgement by the SEM Bank. Notice is being procured for all Participants as required under Clause 2.4. The SOs are also fulfilling Clause 2.4 for the two Participants who did not originally comply with J.3.3.2(g). **<u>SO Conclusion:</u>** The SOs consider that the provisions under J.3.3.2 which actively place an obligation on the SOs had two non-compliances during the audit period: • <u>J.3.3.2(h):</u> Failure to register two NI Deeds of Charge • <u>Clause 2.4:</u> Failure to procure SEM Bank's Acknowledgement of Notice for seven Deeds of Charges The SOs acknowledge that greater clarity is required to define the respective responsibilities of Participants and the SOs. As a matter of priority, an SO review of the Deeds of Charge process is underway. Process improvements regarding Deeds of Charge procedures will be updated and implemented by September 2026. As these updates were implemented towards the end of the current audit period, the impact will primarily benefit the subsequent audit period.

Issue	Effect	SO Response
Party Registration		
2. Unit Registered, Qualified and Awarded Capacity prior to party registration		
For four of the four parties sampled that were registered in the period and for the one Party transfer that occurred, the SO performed the following activities prior to the Accession Deed being fully executed: a) registered, qualified and subsequently awarded new capacity to three units in the T-4 2028/2029 Capacity Auction and to one unit in T-1 2025/2026, and b) registered and qualified one unit in the T-4 2028/2029 and one unit in T-1 2025/2026, and c) registered two units, prior to the applicant becoming a Party to the Code. Although B.5.1.8 states that the Applicant shall "become a Party to the Code following receipt of an executed Accession Deed from the party on the date specified in the Accession Deed" the Accession Deed contains a specific clause stating that "This Accession Deed shall not take effect unless or until executed by each of the System Operators and the Party Applicant". The activities listed above were completed prior to the execution of the Accession Deed by the System Operators and, in one case, prior to the receipt of the executed Accession Deed from the Applicant.	Taking into account Clause 5 of the Accession Deed, the activities of the System Operators were non-compliance with sections B.5.1.8 and B.5.2.1 of the Code: 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." B.5.2.1: "In order for a Party 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."	Partially accepted. CMC Section B.5.1.8 provides that 'The Applicant shall submit to the System Operators an executed Accession Deed within 20 Working Days of receipt'. Section B.5.1.8 provides that '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'. The SOs applied the CMC by providing sampled Applicants with Accession Deeds. In accordance with B.5.1.7 / B.5.1.8, the Applicants returned signed Accession Deeds to the SOs in advance of the Final Qualification Results date. As such, the Parties were regarded as eligible to participate in the associated capacity auction. The SOs acknowledge delay in countersigning the executed Accession Deeds provided by the Applicants per Agreed Procedure 1 Section 3.1 Step 9 (SOs to sign Accession Deed within 10 working days of receipt of signed Deeds from the Applicant). An SO review of process improvements was completed in June 2025. Process improvements regarding registration procedures were updated and implemented in August 2025. As these updates were implemented towards the end of the existing audit period, the impact will primarily benefit the subsequent audit period. Further to the review, the SOs also raised CMC Modification CMC_09_25 in May 2025 which was approved by the Regulatory Authorities in December 2025 and will take effect for all Capacity Auctions from the T-1 26/27 auction. CMC_09_25 introduces a new auction timetable milestone with a deadline by which Applicants must provisionally register a unit to be eligible to participate in the Capacity Auction. This

Issue	Effect	SO Response
		change introduces additional rigor and structure to the accession/registration process and will better facilitate accession/registration processing by the SOs in line with the CMC requirements. The SOs acknowledge that one of the units sampled did not provide the SOs with signed Accession Deeds in advance of the T-4 2028/2029 auction in accordance with Sections B.5.1.7 and B.5.1.8. The SOs took subsequent action to remediate this event with executed deeds now in place in accordance with Section B.5.1.8- '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'. The SOs confirm that this unit participating in the T-4 2028/2029 auction did not impact any other units regarding qualification, participation in the auction or auction results and price.

4. Other Matters Arising

Issue	Effect	SO Response
Party Registration		
1. Signed and dated Accession Deed not sent to the Applicant within the required timeframe		
For four of the four parties sampled, the Accession Deed was not executed nor sent to the Applicant by the System Operators within the required timeframe. The signed and dated Accession Deed was sent to the Applicant by the System Operators between 3 and 12 months after the required timeframe.	Non-compliance with the Code B.5.1.8 and Agreed Procedure 1, 3.1, Step 9: 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. AP 1, 3.1, Step 9: System Operators sign and date the Accession Deed, sending a copy to the Applicant. Applicant becomes a Party to the Code on the date specified in the Accession Deed. Timing: Within 10 WD of receipt of signed Accession Deed. Method: Email. Non-compliance with Clause 5 of the Accession Deed which states that "this Accession Deed shall not take effect unless or until executed by each of the System Operators and the Party Applicant."	Accepted. An SO review of process improvements was completed in June 2025. Resulting from this review, process improvements regarding registration procedures were updated and implemented in August 2025. As these updates were implemented towards the end of the existing audit period, the impact will primarily benefit the subsequent audit period. The SOs will continue to review and update relevant processes as required in the interim. Further to the review, the SOs also raised a CMC Modification CMC_09_25 which was approved by the Regulatory Authorities in December 2025 and will take effect for all Capacity Auctions from the T-1 26/27 auction. The modification introduces a new auction timetable milestone being a deadline by which Applicants must provisionally register a unit to be eligible to participate in the Capacity Auction. This change introduces additional rigor and structure to the accession/registration process and will better facilitate accession/registration processing by the SOs in line with the CMC requirements.
2. System Operators signature in the Accession Deed not witnessed		
For one of the four parties sampled, the Witness Signature, Address and Description have not been completed by the System Operators in executing the Accession Deed. The Witness Signature, Address and Description are part of the execution details required by the Accession Deed form.	Non-compliance with the Agreed Procedure 1, 3.1, Step 9: System Operators sign and date the Accession Deed, sending a copy to the Applicant. Applicant becomes a Party to the Code on the date specified in the Accession Deed. Timing: Within 10 WD of receipt of signed Accession Deed. Method: Email.	Accepted. The SOs accept that the Accession Deed associated with the unit was not witnessed by SONI in error, thus the SOs did not fulfil the timeframe per Agreed Procedure 1, Section 3.1, Step 9. Follow up action has been taken to perfect the Deed in accordance with Agreed Procedure 1. It is the SOs' position that while some follow up action is required to fully perfect the Deed, the Accession

Issue	Effect	SO Response
The SO registered, qualified and subsequently awarded new capacity to the Party's units in the 2028/2029 T-4 Capacity Auction.	Non-compliance with sections B.5.1.8 and B.5.2.1 of the Code: 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. 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. B.5.2.1: In order for a Party 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.	Deeds have been executed in accordance with CMC Section B.5.1.8- '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'. An SO review of process improvements was completed in June 2025. Resulting from this review, process improvements regarding registration procedures were updated and implemented in August 2025. As these updates were implemented towards the end of the existing audit period, the impact will primarily benefit the subsequent audit period. The SOs will continue to review and update relevant processes as required in the interim. Further to the review, the SOs also raised a CMC Modification CMC_09_25 which was approved by the Regulatory Authorities in December 2025 and will take effect for all Capacity Auctions from the T-1 26/27 auction. The modification introduces a new auction timetable milestone being a deadline by which Applicants must provisionally register a unit to be eligible to participate in the Capacity Auction. This change introduces additional rigor and structure to the accession/registration process and will better facilitate accession/registration processing by the SOs in line with the CMC requirements. The SOs confirm that this unit participating in the T-4 2028/2029 auction did not impact any other units regarding qualification, participation in the auction or auction results and price.

Issue	Effect	SO Response
3. Publication of the Party registration and deregistration / termination not within the required timeframe		
a) For four of the four parties sampled, the System Operators did not publish notification that the Applicant has become a Party / update the published List of Capacity Market Code Parties and Participants within the required timeframe. The SO published the notification more than two months after the required timeframe. b) As part of our analysis of the complete populations, it was noted that the System Operators did not publish notification that the Applicant has become a Party / update the published List of Capacity Market Code Parties and Participants within the required timeframe for one additional Party that registered during the period under review. The SO published the notification more than six months after the required timeframe c) For the one Voluntary Termination of a Party occurred in the period, the System Operator did not update the published List of Capacity Market Code Parties and Participants within the required timeframe. The SO published the updated list six months after the required timeframe. d) For the one Transfer occurred during the period, the System Operators did not publish notification that the Transferee has become a Party / update the published List of Capacity Market Code Parties and Participants. The notification is not published / the published List of Capacity Market Code Parties and Participants is not updated at the time of our testing, nine months after the required timeframe.	Non-compliance with: Agreed Procedure 1, 3.1, Step 10 System Operators publish notification that the Applicant has become a Party. Timing: Within 2 WD of the Applicant becoming a Party. Method: System Operators' website. Appendix G: Data Publication Step description: Item / Data Record: List of Capacity Market Code Parties and Participants. Time: As updated and at least within five Working Days of a successful application for Registration or Deregistration	Accepted. The SOs confirm that affected Parties experienced no material impacts due to the delay with no impacts regarding qualification. SO processes will be reviewed and updated.

Issue	Effect	SO Response
Unit Registration		
4. Candidate Units not included in the published list		
As part of our analysis of the complete Candidate Units population, it was noted that the System Operators did not include 14 units in the published list of Parties and Participants.	This represents non-compliance with: B.5.4.1: The System Operators shall maintain and publish from time to time a current list of Parties and Participants in accordance with Agreed Procedure 1 “Registration”. B.5.4.2: The list shall include for each Participant the following details: (a) each of its Candidate Units; (b) each of its Capacity Market Units (as determined during the Qualification Process); and (c) a mapping between Candidate Units and Capacity Market Units.	Accepted. SO processes will be reviewed and updated. The published list will be updated and re-published.
5. Participation Notice and provisional registration approval not notified within the required timeframe		
For two of the six units sampled, the System Operators did not assess the Participation Notice within 10 WD of receiving the Participation Notice.	Non-compliance with the Code B.5.2.8 and Agreed Procedure 1, 3.2, Step 3 B.5.2.8 Where the System Operators receive a Participation Notice from a Party (or an Applicant, as applicable) they shall where applicable within 10 Working Days of receiving the Participation Notice, if they consider that further information or clarification is required in order to complete the Participation Notice send a notice to the Party (or Applicant, as applicable) submitting the Participation Notice identifying the further information or clarification required. AP 1, 3.2, Step 3: Assess the completed Participation Notice. Timing: Within 10 WD of receiving the Participation Notice	Accepted. Both samples relate to the same application. The Participants experienced no material impacts due to the delay with no impacts regarding qualification. SO processes will be reviewed and updated.

Issue	Effect	SO Response
Transfer		
6. Process activity not completed – Unit Transfer		
We noted the following instances from our testing where the SO did not perform the required process steps / activity as required by the Code. For the one Transfer that occurred during the period of the audit, the SOs: a) Completed the Transfer when the Transferee was not a Party to the Code and the Capacity Market Framework Agreement. b) Did not execute the Deed of Transfer. c) Did not undertake any activities to assess if the Transferee was capable legally, financially and technically of undertaking the Transferor's obligations under this Code, the Capacity Market Framework Agreement, the Trading and Settlement Code and any Implementation Plan relating to the Generator Unit.	a) Non-compliance with Section B.21.1.3 (a) of the Code: B.21.1.3 (a) A Party (the "Transferor") may not Transfer a Generator Unit or Interconnector that is, or forms part of, a Capacity Market Unit unless the proposed transferee ("Transferee") is a Party to this Code and the Capacity Market Framework Agreement. b) Non-compliance with Section B.21.1.3 (c) of the Code: B.21.1.3 (c) A Party (the "Transferor") may not Transfer a Generator Unit or Interconnector that is, or forms part of, a Capacity Market Unit unless the proposed transferee ("Transferee") has executed a deed in form and substance reasonably satisfactory to the System Operators under which the Transferee assumes responsibility for providing any Awarded Capacity in respect of the Capacity Market Unit and becomes bound to perform the Transferor's obligations under this Code, the Capacity Market Framework Agreement, the Trading and Settlement Code and any Implementation Plan relating to the Generator Unit or Interconnector. c) Non-compliance with Section B.21.1.3 (d) of the Code: B.21.1.3 (d) A Party (the "Transferor") may not Transfer a Generator Unit or Interconnector that is, or forms part of, a Capacity Market Unit unless the proposed transferee ("Transferee") is, in the reasonable opinion of the System Operators, capable legally, financially and technically of undertaking the Transferor's obligations under this Code, the Capacity Market Framework Agreement, the Trading and Settlement Code and any Implementation Plan relating to the Generator Unit or Interconnector.	(a) The SOs note that standard clause 2.1 of relevant Deed of Transfer outlines that the Deed does not become effective until the later date of when Receiving Party becomes a Party to the CMC. (b) The SOs accept that there was delay in the SOs executing the Deed of Transfer. The SOs note CMC Section 5.6.3(b)(ii)(B) which provides that the SOs shall issue a Deregistration Consent Order where the SOs are satisfied that 'the Other Party has executed a deed in form and substance reasonably satisfactory to the System Operators'. In this instance, the Other Party had signed the relevant Deed of Transfer, notwithstanding final execution by the SOs. (c) It is typically a condition of the relevant Deed of Transfer / De-registration Consent Order that the B.21.1.3(d) requirements are fulfilled by the Party. The SOs then seek to rely on this condition being fulfilled. The SOs will review internal processes regarding B.21.1.3(d).

Issue	Effect	SO Response
Unit Deregistration		
7. Process activity documentation not located		
We noted the following instances from our testing where the specific process documentation was not located by the SO: a) For one of the three samples selected, SO could not provide or locate specific process activity documentation to evidence that: i) that the Market Operator was notified of the Deregistration request. ii) the assessment of the Deregistration request; iii) the Deregistration Consent Order was issued to the Participant, Market Operator, Regulatory Authorities. b) For two of the three samples selected, SO could not provide or locate specific process activity documentation to evidence that the Deregistration Consent Order was issued to the Participant by Registered Post.	Non-compliance with the: a) i) Agreed Procedure 1, 3.3, Step 3 Notify Market Operator of the Deregistration request; Timing: Within 5 WD of receipt of Deregistration Form; Method: Email. a) ii) Agreed Procedure 1, 3.3, Step 5 System Operators assess the Deregistration request and notify the Participant if any issues raised by the Market Operator or System Operators; Timing: Within 25 WD of receipt of Deregistration Form; Method: Email. a) iii) and b) Agreed Procedure 1, 3.3, Step 9 Subject to the conditions set out in paragraph B.5.6.3 of the Code, issue Deregistration Consent Order; Timing: Prior to the date of Deregistration; Method: Registered Post to Participant. Email to Market Operator and Regulatory Authorities	Accepted. An SO review of process improvements was completed in June 2025. Resulting from this review, process improvements regarding registration procedures were updated and implemented in August 2025. As these updates were implemented towards the end of the existing audit period, the impact will primarily benefit the subsequent audit period. The SOs will continue to review and update relevant processes as required in the interim.
8. Publication Requirement - Registered Units List not updated on SEMO website		
For two of the three samples selected, at the time of our testing, the SO have not updated the published list of registered Units as applicable for the de-registered units, which was more than three months after the Deregistration Consent Order was issued. Additionally, as part of our analysis of the complete populations, it was noted that the SO have not updated the published list of registered Units as applicable for the de-registered units, for one additional de-registered unit. The published list was not updated at the time of our testing which was more than three months after the Deregistration Consent Order was issued.	Non-compliance with the Agreed Procedure 1, 3.3, Step 10: Agreed Procedure 1, 3.3, Step 10 If Deregistration Consent Order has been issued, update published list of registered Units as applicable; Timing: As required; Method: System Operators' website.	Accepted. SO processes will be reviewed and updated. The published list has been updated to include relevant units.

Issue	Effect	SO Response
Termination		
9. Voluntary Termination not formally approved by the Regulatory Authorities		
For the one Voluntary Termination of a Party which occurred in the period, the System Operator issued a Voluntary Termination Consent Order to the party when the party did not receive written consent of the Regulatory Authorities to be terminated under the Capacity Market Code.	This represents non-compliance with Agreed Procedure 1, Section 3.4, Step 3. Step description: Issue a Voluntary Termination Consent Order provided that: a) it has been confirmed that the relevant Party has complied with conditions set out in paragraph B.13.8.3 of the Code; and b) the Party has obtained the written consent of the Regulatory Authorities Timing: Following receipt of notification of Termination Method: Email	Partially accepted. RA approval was provided, however the approval letter referenced the Balancing Market and not the Capacity Market explicitly. Processes will be reviewed regarding inclusion of an explicit reference to Capacity Market in approval correspondence moving forward.
Commissioned Capacity		
10. Changes to the Capacity Quantity Commissioning Date not updated in the Capacity and Trade Register		
For five of the seven 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 in respect of Awarded New Capacity indicating that the date for achieving the Substantial Completion Milestone has changed.	Non-compliance with section G.3.1.7 of the code: 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.	Accepted. An SO review of process improvements was completed in June 2025. Process improvements regarding Post Auction Updates were updated and implemented in March 2026. As these updates were implemented recently, the impact will primarily benefit the subsequent audit period. A 'Post Auction' platform is also currently under development which aims to automate and better track milestone data, thus reducing the risk of human error. The present target commencement date of development works is Q4 2026 (subject to final requirements).

Issue	Effect	SO Response
Remedial Actions		
11. New scheduled date for Substantial Financial Completion not recorded in the Capacity and Trade Register		
For three of the three samples selected, the SO did not record the new scheduled date for Substantial Financial Completion, as accepted and communicated to the SO by the Regulatory Authority, in the Capacity and Trade Register.	Non-compliance with Section J.5.2.4 of the Code: Where the Regulatory Authority accepts a request under paragraph J.5.2.1, they shall advise the System Operators of the new scheduled date for Substantial Financial Completion, and any other changed Implementation Plan dates and the System Operators shall record those changes in the Capacity and Trade Register.	Accepted. An SO review of process improvements was completed in June 2025. Process improvements regarding Post Auction Updates were updated and implemented in February 2026. As these updates were implemented recently, the impact will primarily benefit the subsequent audit period. A 'Post Auction' platform is also currently under development which aims to automate and better track milestone data, thus reducing the risk of human error. The present target commencement date of development works is Q4 2026 (subject to final requirements).

Issue	Effect	SO Response
Alternative Secondary Trading		
12. Incorrect recording of the Capacity and Trade Register and/or published list of Secondary Trades		
As part of our analysis of the Secondary Trades population it was noted that: a) the System Operators incorrectly updated, in the Capacity and Trade Register, the: (i) MW quantity of the trade, for two Alternative Secondary Trade records; (ii) date of the end of the trade, for two Alternative Secondary Trade records; (iii) time of the end of the trade, for one Alternative Secondary Trade record; and (iv) price per year that applies to the proposed trade, for four Alternative Secondary Trade records. b) for five Alternative Secondary Trade records, the System Operators published incorrect values for the Capacity Market Unit ID of the Seller. c) for 20 Alternative Secondary Trade records, the System Operators published incorrect values for the MW quantity of the trade. d) For 14 Alternative Secondary Trade records, the System Operators published incorrect values for the date of the start of the trade. e) For one Interim Secondary Trade record and 30 Alternative Secondary Trade records, the System Operators published incorrect values for the date of the end of the trade. f) For 18 Alternative Secondary Trade records, the System Operators published incorrect values for the price per year that applies to the proposed trade.	a) Non-compliance with M.12.3.1 (d) b) Non-compliance with M.12.9.2 (b) c) Non- compliance with M.12.9.2 (c) d) Non- compliance with M.12.9.2 (d) e) Non- compliance with M.7.2.6 (a) and M.12.9.2 (e) f) Non- compliance with M.12.9.2 (f)	Accepted. The SOs note that the current processing of Secondary Trades is manual, with Secondary Trading volumes having seen a marked increase in recent years. To address this, the SOs have developed an online platform to automate processing of Secondary Trades, which will serve to reduce the risk of human error. The platform went live in April 2026. The trades listed were subject to publication / typographical errors only, trade settlement was not impacted. Along with go live of the automated platform, processes will be reviewed and updated.

Issue	Effect	SO Response
13. Timings of Alternative Secondary Trading process activity		
We noted the following instances from our testing where the specific timing requirements of the Code were not met: a) The SO did not submit the weekly values for the Product Load Following Factor (PLFF) within the required timeframe, for two Capacity Years. The PLFF values were submitted more than one year after the required timeframe for Capacity Year 2025/2026 and more than two months after the required timeframe for Capacity Year 2026/2027. b) For 10 of the 14 samples tested, the SO did not update the Capacity and Trade Register within the required timeframe. The Capacity and Trade Register was updated between six working days and 19 working days following the receipt of the Alternative Secondary Trade Notification. For three of the 10 Secondary Trades for which the SO did not update the Capacity and Trade Register within the required timeframe, the SO updated the Capacity and Trade Register, after the date of the start of the trade. The Capacity and Trade Register was updated between one working day and nine working days after the date of the start of the trade. c) For 13 of the 14 samples tested, the SO did not validate the Alternative Secondary Trade Notification within the required timeframe. The Alternative Secondary Trade Notification was validated between six working days and 20 working days following the receipt of the Alternative Secondary Trade Notification. Additionally, as part of our analysis of the complete populations, it was noted that the SO did not validate the Alternative Secondary Trade Notification within the required timeframe, for additional eight Secondary Trades. For five Secondary Trades the Alternative Secondary Trade Notification was validated between six working	a) Non-Compliance with Section M.12.4.2 of the Code 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. b) and c) Non- Compliance with Section M.12.3.1 of the code. “M.12.3.1 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: (a) providing facilities for the receipt and processing of Alternative Secondary Trade Notifications; (b) validating Alternative Secondary Trade Notifications and the associated proposed Secondary Trades; (c) determining and publishing the outcome of Secondary Trades, including Awarded Capacity and prices; (d) update the Capacity and Trade Register with the details of a valid trade as soon as reasonably practicable.”	(a) The SOs acknowledge the potential ambiguity regarding interpretation of Section M.12.4.2. It is the SOs' position that M.12.4.2 requires that Product Load Following Factors for a Capacity Year be submitted to the Regulatory Authorities 3 months prior to the associated Capacity Year, which is the current timeframe followed by the SOs. An SO review of process improvements was completed in June 2025. Resulting from this review, a CMC modification is being progressed for completion by September 2026 to clarify the timelines under M.12.4.2. (b) Not accepted. The SOs note that CMC Section M.12.3.1(d) requires that the SOs 'update the Capacity and Trade Register with the details of a valid trade as soon as reasonably practicable'. As such, it is the SOs' position that the requirement to update the Capacity and Trade Register is 5 working days in advance of the trade start date. If the SOs receive a trade notification in excess of 5 working days prior to the start date, the SOs endeavour to update the Capacity and Trade Register as soon as reasonably practicable in line with M.12.3.1(d). (c) Accepted. SO Commentary on both (b)(c): The SOs note that the current processing of Secondary Trades is manual, with Secondary Trading volumes having seen a marked increase in recent years. To address this, the SOs have developed an online platform to automate processing of Secondary Trades, which will serve to reduce the risk of human error. The platform went live in April 2026.

Issue	Effect	SO Response
days and 17 working days following the receipt of the Alternative Secondary Trade Notification. For eight of the 21 Secondary Trades not validated by the SO within the required timeframe, the SO completed the validation of the Alternative Secondary Trade Notification, after the date of the start of the trade. The Alternative Secondary Trade Notification was validated between one working day and 13 working days after the date of the start of the trade.		
Disputes		
14. First resolution meeting not held within the required timeframe		
For the one General Dispute sampled out of a population of two, the first meeting to negotiate, agree a resolution and resolve the dispute was not held within the required timeframe. The meeting was held one day after the required timeframe.	Non-compliance with Section B.14.2.5 of the Code: In the case of a General Dispute, where a Notice of Dispute has been served, each Disputing Party must procure that a nominated representative of the Disputing Party, with authority to resolve the Dispute, meets within 10 Working Days of the date of the Notice of Dispute being issued to seek to resolve the Dispute. The Disputing Parties shall negotiate in good faith and use their respective reasonable endeavours to agree a resolution and resolve the Dispute. This paragraph is not intended to preclude the Disputing Parties meeting to seek to resolve a Dispute at any time whether under the provisions of this Code or otherwise.	Not accepted. The SOs offered to meet the Disputing Party 6 Working Days from when the Dispute was received by the SOs. It was per the Party's availability that a meeting was held 11 Working Days post receipt of Dispute.
15. Process activity documentation not located		
For one of the four samples selected, the SO could not provide or locate the signed Dispute Resolution Agreement to evidence that the Disputing Parties and the members of the CMDRB entered into an agreement for the members of the CMDRB to hear and determine the relevant Dispute.	Non-compliance with the Code B.14.7.2 The Disputing Parties and the member or members of the CMDRB shall enter into an agreement for the member or members of the CMDRB to hear and determine the relevant Dispute on the terms and conditions contained in Appendix B “Template for Dispute Resolution Agreement”, with such amendments as are agreed between all of them.	Accepted. SO processes will be reviewed and updated.

Issue	Effect	SO Response
16. Capacity Market Dispute Resolution Board ("CMDRB") appointment not published		
For one of the two auctions occurred during the period of the Audit, the SO did not publish the notice received from the Panel Chairperson relating to CMDRB appointment to hear and determine Qualification Disputes arising out of the Qualification Process in respect of a Capacity Auction prior to the Provisional Qualifications Result Date specified in the applicable Capacity Auction Timetable.	Non-compliance with the Section B.14.5.3 of the Code The System Operators shall publish any notices received from the Panel Chairperson under paragraphs B.14.5.1 or B.14.5.2 as soon as reasonably practicable after receiving them.	Accepted. An SO review of process improvements was completed in June 2025. Process improvements regarding dispute procedures were updated and implemented in December 2025. As these updates were implemented recently, the impact will primarily benefit the subsequent audit period.
Agreed Procedure 4 ('AP4') - Communication Channel Qualification		
17. Communication Channel Qualification Testing		
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.	Non-compliance with AP4 - Section 2.2 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. 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.	Accepted. There are no direct Participant System to Market System interfaces for the Capacity Market. As such, there is no requirement for a separate Communication Channel testing environment under Agreed Procedure 4. An SO review of process improvements was completed in June 2025. Resulting from this review, a CMC modification is being progressed for completion by November 2026.
18. System Operators User Access Management		
As part of the authorisation process implemented by System Operators, a quarterly user access review is in place. a) For one of the three quarters sampled, we noted that the System Operators' User access reviews was not performed. b) For two of the two quarters sampled, we noted that one user reviewed their own access without obtaining secondary sign-off from management. The	Non-compliance with AP4, Section 2.10.5 - System Operators User Access Management 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.	(a) Partially accepted. The SOs assert that the Q1 2025 review was carried out but under a combined Q1/Q2 2025 Review. As such, the Q1 2025 Review was carried out under Agreed Procedure 4 but was delayed. (b) Accepted. Processes were updated mid-2025 to ensure multi-level sign off. An SO review of process improvements was completed in June 2025. Process improvements regarding Agreed Procedure 4 were updated and implemented in March 2026. As these updates were implemented recently, the

Issue	Effect	SO Response
review was carried out solely by a single person, with no independent oversight of their access.	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.	impact will primarily benefit the subsequent audit period.
Agreed Procedure 5 ('AP5') - System Operation, Testing, Upgrading and Support		
19. Helpdesk/Logging and Monitoring of Helpdesk Requests		
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.	Non-compliance with AP5 - Section 2.1, 2.1.1 and 2.1.2: 2.1.1 There are three categories of Helpdesk Requests. 2.1.2 All Helpdesk Requests shall be logged by the System Operators with the details and resolution recorded. Helpdesk Requests shall be acknowledged within one Working Day of receipt. 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.	Accepted. The SOs currently have a separate process in place for managing Participant queries. An SO review of process improvements was completed in June 2025. Resulting from this review, process improvements regarding Agreed Procedure 5 and a potential CMC modification are being progressed for completion by November 2026.
20. Change Testing		
There is no separate test environment to allow affected parties to test the interface when release involves changes to the interface with parties, as required in Agreed Procedure 5.	Non-compliance to AP5, Section 2.2.4 - Testing 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.	Accepted. There are no direct Participant System to Market System interfaces for the Capacity Market. As such, there is no requirement for a separate testing environment under Agreed Procedure 5. An SO review of process improvements was completed in June 2025. Resulting from this review, a CMC modification is being progressed for completion by November 2026.

Issue	Effect	SO Response
21. Release Management (Scheduled Releases) and Proposed implementation plan		
We were not able to obtain documentation of release plan. The evidence of release timetable and release plan as per the AP5, section 2.2.2, "proposed implementation plan" was not available for review. 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).	Non-compliance with AP5 - Section 2.2.2 Release Management (Scheduled Releases) 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.	Accepted. The SOs do not utilise a bi-annual release strategy, changes are delivered as required to support capacity auctions. An SO review of process improvements was completed in June 2025. Resulting from this review, a CMC modification is being progressed for completion by November 2026.

5. Follow up on prior year issues

The following table provides an update on the status of findings raised in the Year 6 Capacity Market Audit Report. This report was issued 29 April 2025. Updates on findings that were not Resolved were provided by the SOs.

Title	**Year 6 Classification**	**Year 7 Status** (as per SO)	**SO Update** [where not resolved]
Accession and Registration			
Unit Qualified and Awarded Capacity prior to party registration	Report of Significant Issues	Partially resolved	See current year Significant Issue 1 above. An SO review of process improvements was completed in June 2025. Process improvements regarding registration procedures were updated and implemented in August 2025. As these updates were implemented towards the end of the existing audit period, the impact will primarily benefit the subsequent audit period. Further to the review, the SOs also raised CMC Modification CMC_09_25 in May 2025 which was approved by the Regulatory Authorities in December 2025 and will take effect for all Capacity Auctions from the T-1 26/27 auction. CMC_09_25 introduces a new auction timetable milestone with a deadline by which Applicants must provisionally register a unit to be eligible to participate in the Capacity Auction. This change introduces additional rigor and structure to the accession/registration process and will better facilitate accession/registration processing by the SOs in line with the CMC requirements.
Commissioned Capacity			
Changes to the Substantial Completion date not updated in the Capacity and Trade Register	Other Matter	Resolution in Progress	See current year Other Matter 10 above.

Title	Year 6 Classification	Year 7 Status (as per SO)	SO Update [where not resolved]
Modifications			
Decision taken by Regulatory Authority not published on the website within the required timeframe	Other Matter	Resolved	
Disputes			
Membership of Panel not reviewed based on the confirmations obtained from Panel Members	Other Matter	Resolved	
Secondary Trading			
Timings of Alternative Secondary Trading process activity	Other Matter	Resolution in Progress	See current year Other Matter 13 above. The SOs note that the current processing of Secondary Trades is manual, with Secondary Trading volumes having seen a marked increase in recent years. To address this, the SOs have developed an online platform to automate processing of Secondary Trades, which will serve to reduce the risk of human error. The platform went live in April 2026.
Process activity documentation not located – Notification of Awarded Capacity	Other Matter	Resolved	
Alternative Secondary Trade received after the required timeframe was not rejected	Other Matter	Resolution in Progress	The SOs note that the current processing of Secondary Trades is manual, with Secondary Trading volumes having seen a marked increase in recent years. To address this, the SOs have developed an online platform to automate processing of Secondary Trades, which will serve to reduce the risk of human error. The platform went live in April 2026.
Incorrect recording of the Capacity and Trade Register and/or published list of Secondary Trades	Other Matter	Resolution in Progress	See current year Other Matter 12 above. The SOs note that the current processing of Secondary Trades is manual, with Secondary

Title	**Year 6 Classification**	**Year 7 Status** (as per SO)	**SO Update** [where not resolved]
			Trading volumes having seen a marked increase in recent years. To address this, the SOs have developed an online platform to automate processing of Secondary Trades, which will serve to reduce the risk of human error. The platform went live in April 2026.
Remedial Actions			
Changes to the Long Stop Date and Capacity Quantity End Date and Time not recorded in the Capacity and Trade Register	Other Matter	Resolution in Progress	See current year Other Matter 11 above.
Technology Class Change			
Process activity not completed	Other Matter	Resolved	
Agreed Procedure 4 (‘AP4’)- Communication Channel Qualification			
Communication Channel Qualification Testing	Other Matter	Resolution in Progress	See current year Other Matter 17 above.
User access Provision	Other Matter	Resolved	
System Operators User Access Management	Other Matter	Resolution in Progress	See current year Other Matter 18 above.

Title	**Year 6 Classification**	**Year 7 Status** (as per SO)	**SO Update** [where not resolved]
Agreed Procedure 5 ('AP5') - System Operation, Testing, Upgrading and Support			
Helpdesk/Logging and Monitoring of Helpdesk Requests	Other Matter	Resolution in Progress	See current year Other Matter 19 above.
Change Testing	Other Matter	Resolution in Progress	See current year Other Matter 20 above.
Change Management	Other Matter	Resolved	
Release Management (Scheduled Releases) and Proposed implementation plan	Other Matter	Resolution in Progress	See current year Other Matter 21 above.

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