

IGG Design Discussion Request

Discussion Request Number	Title	Priority
DR 0162	Small Supplier Threshold	<i>Medium</i>

Name of Requesting Organisation	Gemserv Ltd (Assurance Body)
Contact Name	Peter Varley & Babatunde Sodeke
Date Request sent to RMDS	22nd October 2008

Date	Version	Reason for Change
22 nd Oct 2008	0.1	First draft
23 rd Oct 2008	1.0	<i>Release to the market</i>

Detail of Discussion Request
<p>The assurance strategy objective is to provide assurance that the Market operations will not be disrupted by the legitimate activities of market participants and the introduction of changes to the design of the Market itself. The key principle behind assurance is that it should not place an unnecessary burden on the participant, thus the assurance body has sought to balance the overhead of the assurance process against the risk posed by the participant.</p> <p>As set out in the Assurance Strategy a small supplier would be expected to pose a lower risk than a large one and the level of rigour to be applied in Retail Market Assurance is consequently lower.</p> <p>The current definition of a small supplier (as in the Assurance Strategy) is as follows: <i>A supplier with up to 200 metering points registered or up to 10MW power supplied at peak demand and intends to work within these thresholds for the foreseeable future.</i></p> <p>This threshold was set during the Market Opening Project in 2004 for the particular requirements of that period and may be viewed as somewhat over-restrictive in today's environment. It has recently been increased on a one-off basis for a particular supplier rather than subject them to further assurance and it is envisaged that this situation will recur.</p> <p>It is proposed that the term "<i>Small Supplier</i>" is redefined and based on a more flexible criterion, as follows: <i>"A Small Supplier is a Supplier who utilizes only Webforms (or directly equivalent facility) for the creation of all outgoing Market Messages."</i></p>
Reason for Discussion Request
<p>The current threshold for small suppliers is too restrictive. The fixed threshold aspect of the definition is a poor reflection of risk.</p> <p>Costs incurred in redefining the thresholds would be limited to updating three approved market documents and one presentation.</p>
Market Design Documents impacted by Request
<p>None.</p>

The following Assurance documents will be affected:

- Retail Market Assurance Strategy
- Irish Retail Electricity Market - Market Entry Assurance
- Irish Retail Electricity Market - Re-Qualification for Existing Participants
- IPT within the Assurance Process - an introduction for new entrants

Date of IGG where discussed	30 th October 2008
Change Request xref (if applicable)	

PART 2 MARKET ASSURANCE:				
Applicability				
ESB Networks	Suppliers	TSO	SSA	Generators
X	X			
Scope of Test				
Connectivity	DTT	MSA	IPT	Other
None	None	None	None	None
			No. Of Scenarios	

Scope of Discussion Request							
Correction to Documentation	Business Process	Market & MP Systems	MPC	Readings Processor	Market Gateway	Schema	Web Forms
X							