

Retail Market Procedure
MP NI 502
Recertification

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1. Introduction

1.1 Overview

The Market Registration Code outlines the responsibility of Suppliers to maintain their market sector certification. The certification categories for the various market sectors are outlined in MP NI 501 and are as follows;

- Interval commercial;
- Non-interval commercial;
- Non-interval residential credit metered;
- Non-interval residential keypad metered; and
- Unmetered.

As the initial certification for any sector is awarded at a single point in time, the basis on which the certification decision was made may subsequently change. To ensure that Suppliers remain capable of meeting their obligations, a regular process of review and reassurance is undertaken by MEPCT.

This document provides an outline of how this reassurance process is performed. The document will also outline the process undertaken when a recertification is needed

1.2 In scope

The following are within the scope of this procedure in respect of each market sector for which the Supplier is certified:

- Annual reassurance of continued compliance;
- Notification of material change in systems, processes and procedures; and
- Re-certification of continued compliance by a Supplier as notified by the Market Entry Process Co-ordination Team (“MEPCT”)

1.3 Out of scope

The following are not within scope of this procedure in respect of each market sector for which the Supplier is Certified.

- Initial certification of a Supplier; and
- Disputes and appeals relating to this process. MP NI 505 outlines the disputes and appeals procedure.

2. Annual Reassurance

The Market Registration Code indicates that Suppliers must maintain their certified IT systems and business processes in order to maintain their certification status. The annual reassurance process is used as a mechanism to confirm that this has occurred during the review year.

The process uses two mechanisms to provide comfort that Suppliers have maintained their certification status, namely;

- The annual reassurance statement; and
- The balanced scorecard.

2.1 The annual reassurance statement

All Suppliers are required to submit an annual reassurance statement to the MEPCT outlining any material changes during the year for each relevant market sector. The statement must address all material changes to the Supplier's certified systems, certified procedures as at the first day of November in the year the Annual Reassurance Statement is provided and is to be delivered to MEPCT no later than the last day of November each year commencing from the first year after the year in which the Suppliers original Certification is granted

2.2 Balanced scorecard

The Balanced Scorecard is a mechanism for Suppliers to focus on how their Market Messaging applications and back-end systems are communicating with NIE Networks. It also seeks to provide assurance that the Retail Market Procedures are being followed when communicating with NIE Networks. Further, the scorecard will also allow Suppliers an ability to compare their specific results against the average of the whole NI market. The scorecard focuses mainly on the following key areas;

- Contingency events within the Tibco system;
- Market Messages that have been issued with errors or follow unusual trends; and
- Customer cap levels have not been breached (where applicable).

The target for the Supplier with respect to the balanced scorecard is to achieve a satisfactory result or a green status in each area. An amber or red status would indicate a level of intervention is required by the supplier to resolve.

In order for MEPCT to renew the Certification Decision, the Supplier will be required to;

- Indicate through the Annual Reassurance Statement that no material changes, other than those for which Recertification has already been obtained, or have occurred; and
- Achieve a satisfactory result within their Balanced Scorecard or have provided comfort over the remedial actions that are being instigated to enhance their Scorecard result. In other words, a red or amber status in itself does not automatically mean a recertification will occur rather will suggest the need to

develop a plan for resolution of the issues to improve the scores in the relevant areas. It is expected the plan will involve a dialogue between the Supplier and NIE Networks. The Utility Regulator will also be kept informed

2.3 Reassurance outcome

In the normal course of activities, upon successful confirmation of the above, MEPCT will renew the Suppliers current certification decision by sending confirmation to the Supplier in writing.

Where comfort has not been attained either at this annual period or indeed any time during the year, MEPCT will issue a Notice to Recertify on the basis that the Supplier should have applied for recertification and has failed to do so, or that their systems or market message business processes have not been maintained as directed under the Market Registration Code.

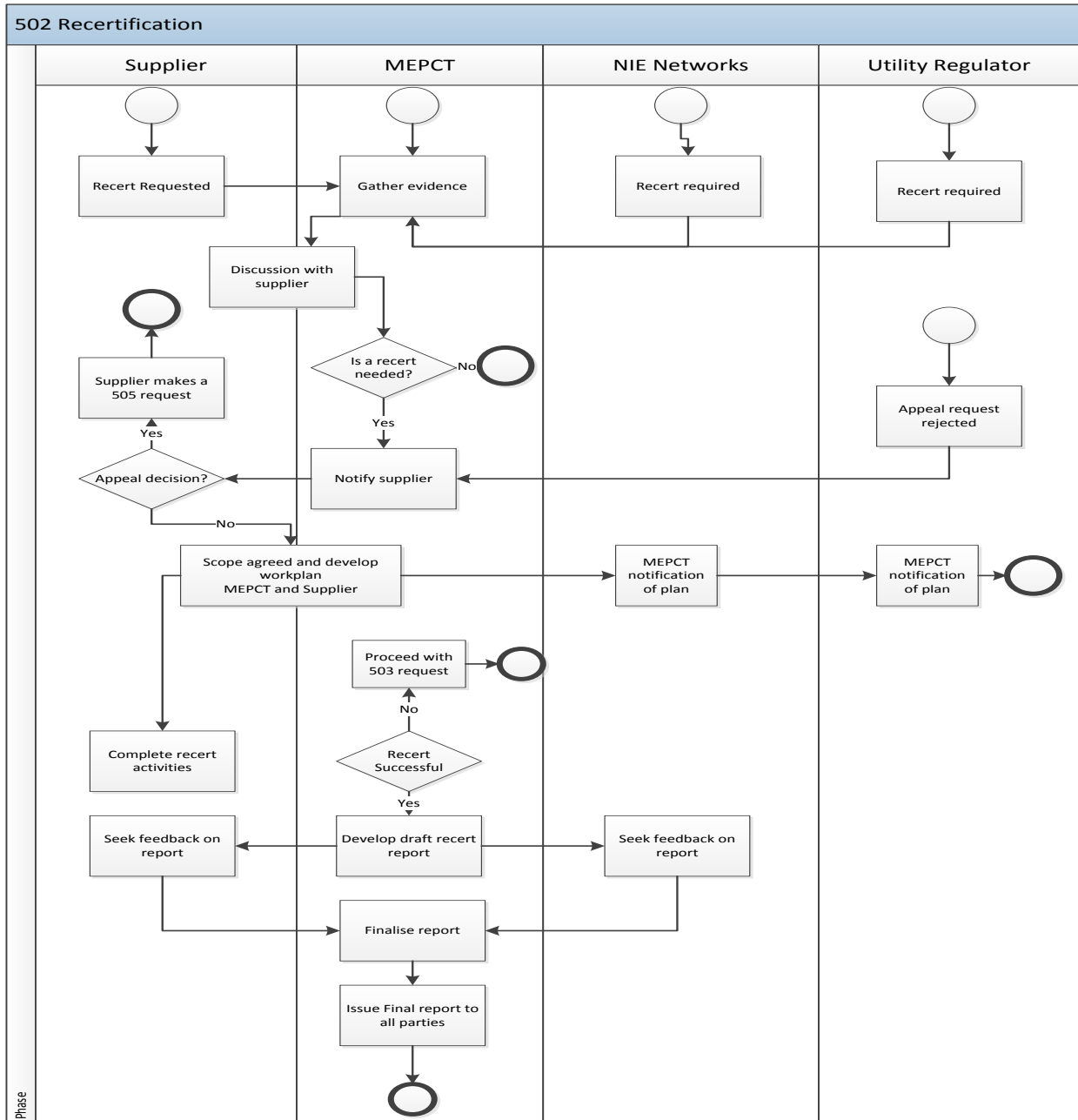
3. Recertification

Recertification is the process undertaken by the Supplier and MEPCT to certify systems and processes following a change or issue with those which had been previously certified under MP NI 501. Triggers for this process can arise from the Supplier themselves notifying MEPCT, NIE Networks identifying an issue or from MEPCT becoming aware of an issue.

Depending on the reason for the recertification it may be that MEPCT apply conditions over the existing certification of a Supplier, e.g. issues emanating from non-adherence to MRC or retail market procedures

3.1 Procedural flow

The procedural flow for the recertification for one or more category is shown below;



3.2 Recertification request from Supplier

A Supplier must request Recertification for each relevant market sector by providing a recertification application to MEPCT such that recertification will be achieved prior to the implementation of any material changes in the Supplier's certified procedures and/or certified systems. A material change may include:

- The automation or integration changes between the Electricity Market Messaging Application ("EMMA") and any of the Supplier's systems for any market message;
- Removal of automation of an Electricity Market Message to using the provided industry application (Webforms);
- Replacement of any part of a Supplier's system including changes to business processes which support interfaces with the EMMA;
- Significant amendments to the infrastructure which the EMMA or Suppliers operational systems will reside on;
- Changes to the Supplier's certified procedures and/or certified systems which impact on a Supplier's ability to maintain a baseline compliance as outlined in the Market Retail Code and MP_NI 501 Market Certification;
- The Supplier begins to supply meter points outside the restrictions in their certification decision; or
- Where the Supplier has been requested to undertake a recertification as an undertaking from the Utility Regulator

3.3 Recertification request from NIE Networks

NIE Networks may request that a Supplier undertake a recertification for any relevant market sector if requested to do so, for any reason. However, this would typically occur when;

- There is a planned market change to the messaging schema;
- There is a planned change to Tibco e.g. upgrade;
- Where NIE Networks has reasonable evidence that the Supplier is not adhering to the Market Registration Code; or
- Where there is reasonable evidence of non-compliance with the retail market procedures.

With the exception of Tibco or Schema changes, NIE Networks will notify the MEPCT of its request for a re-certification. MEPCT will subsequently discuss the issue with the Supplier and issue a Notice to Recertify to the Supplier.

Where there is a market change to Tibco or the Schema and a recertification needed, notification will be given via the retail industry forums e.g. CDA

3.4 Recertification request from MEPCT

MEPCT may issue a Notice of Recertification to a Supplier when one of the following issues arises;

- A Supplier is actively involved within a category it is not registered for;
- MEPCT has identified that a material change has occurred with a Suppliers systems or processes;
- MEPCT has identified that a material change has occurred with a Suppliers infrastructure which the EMMA or market operational systems reside on;
- Where NIE Networks has reasonable evidence that the Supplier is not adhering to the Market Registration Code; or
- Where the Supplier has not satisfactorily fulfilled the agreed outcomes from a remedial action plan where issues have been identified from their Balanced Scorecard.

3.5 Recertification request from Utility Regulator

The Utility Regulator may from time to time by default instigate that Suppliers undertake a recertification exercise as a result of a schema or market wide change.

3.6 Supplier's right to appeal a recertification decision

A Supplier has the right to dispute a Notice to Recertify in accordance with the procedure specified in MP NI 505 Disputes and Appeals Procedure.

3.7 Recertification outcome

Where a recertification has been successful, MEPCT will notify the Supplier of this position and that their amended systems and/or processes have achieved certification status.

Where a recertification has been unsuccessful, MEPCT would proceed to remove the certification of the Supplier via the procedures outlined in MP NI 503.

3.8 Recertification approach

Where a supplier has identified that a recertification is required, they will submit an application to MEPCT. An Applicant can rely on evidence provided and statements made for the purpose of obtaining its current Certification. Where the recertification is requested either by NIE Networks the Utility Regulator or MEPCT, a letter will be issued by MEPCT to the Supplier notifying them of this decision.

The scope of recertification must be agreed between the Applicant and the MEPCT as well as the plans for any testing between the Applicant and the Test Co-ordination Centre ("TCC").

In general, the plan and scope of Recertification will be limited to the areas where changes have occurred, or areas of issue highlighted by the Balanced Scorecard.

Should a plan and scope of Recertification not be agreed, the Supplier will lose their Certification for the relevant market sector at the point the Recertification event occurs. The Supplier can raise a Dispute if they consider the failure to agree a plan with MEPCT is unreasonable.

Once the Recertification Application is made, the procedures outlined in Market Entry Process MP NI 501 are to be followed addressing the areas of scope only. This will generally entail a reduced Certification burden.

During the recertification process it may be required that the Supplier has conditions placed on their Certification whilst the recertification is ongoing. This would be agreed with the Applicant during the planning and scope discussions. This approach is consistent with the MP NI 501 certification process for new market entrants.

3.9 Timescales

Timescales in this document should be viewed as indicative and based on there being no iterations, rejections or testing failures. Ideally an Applicant should aim to complete Recertification within 65 business days from the point of submission of the Application or any other date as may be agreed between the parties or by an agreed date with MEPCT when Recertification is initiated by MEPCT.

These timescales do not include any impact from conditions placed on the Supplier during certification by MEPCT.

4. Document layouts

4.1 Annual reassurance statement

| | | | |
|------------------|--|----------------|---------|
| Type | Letter | Format | MS Word |
| Sent From | Supplier | Sent To | MEPCT |
| Copied To | NIE Networks and NI Utility Regulator | | |
| Notes | The statement must address all material changes as specified in Section 2 of this procedure that have occurred since the last day of November in the preceding year, confirm adherence to the Tibco EULA and is to be delivered to the MEPCT no later than the last day of November in each year. To be signed by a Main Board Director or equivalent in an organisation that is without a main board. | | |

4.2 Recertification request

| | | | |
|------------------|---|----------------|---------|
| Type | Form | Format | MS Word |
| Sent From | Supplier | Sent To | MEPCT |
| Copied To | NIE Networks and NI Utility Regulator | | |
| Notes | Letter outlining the reasons for seeking recertification and by Certification Category. | | |

4.3 Notice to recertify

| | | | |
|------------------|--|----------------|----------|
| Type | Form | Format | MS Word |
| Sent From | MEPCT | Sent To | Supplier |
| Copied To | NIE Networks and NI Utility Regulator | | |
| Notes | Stating the grounds upon which Recertification is required for each relevant Certification category. | | |

5. Procedural steps

5.1 Main procedural steps

| No | Applicant | MEPCT | NIE Networks | NI Utility Regulator | Business Days |
|-------------------------|---|---|---------------------|-----------------------------|---------------|
| 1 | Each Supplier is to complete an Annual Reassurance Statement to MEPCT | Notice sent to Supplier from MEPCT | | | |
| 2 | Submit the return to the MEPCT by the end of November each year | Receive and review the Annual Reassurance Statement | | | 10 |
| 3 | If recertification is required from the annual reassurance statement or balanced scorecard Supplier will receive a notice to recertify and continue below. | If recertification is required – issue a Notice to Recertify to Supplier and continue below | Notify NIE Networks | Notify NI Utility Regulator | 5 |
| 4 | If recertification is not required – receive a renewed Certification confirmation | If recertification is not required then notify Supplier and publish the Certification Decision renewing the Suppliers current Certification. | | | 5 |
| End of procedure | | | | | |