

Article 14 Licence Modification Notice of Decision

The Northern Ireland Authority for Utility Regulation

**DECISION UNDER ARTICLE 14(8)
OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992**

**MODIFICATION OF LICENCES TO GENERATE
ELECTRICITY**

In accordance with Article 14(2) of the Electricity (Northern Ireland) Order 1992 ("the Order") the Northern Ireland Authority for Utility Regulation ("the Authority") published a notice of its intention to modify the licences to generate electricity (granted under Article 10(1)(a) of the Order) as detailed in the Annex A to this notice ("the Generation Licences").

In accordance with Article 14(5) of the Order the Authority has considered representations duly made to it.

The Authority has decided to proceed with the making of modifications of the conditions of the Generation Licences in exercise of its powers under Article 14(1) of the Order.

In accordance with Article 14(8) of the Order the Authority gives notice as follows:

- 1) The Authority will modify the Generation Licences.
- 2) The modifications to the Generation Licences are set out in the Authority's decision paper entitled "Decision on modifications to NI electricity generation and NI electricity supply Licences, necessitated to implement the Integrated Single Electricity Market (I-SEM)" published 15 September 2017 (the "**Decision Paper**").
- 3) The tracked change text of the modifications (showing changes from consultation to decision) are set out in Annexes B, C and D to this notice as follows:
 - Annex B contains the modifications to 'standard' generator licences.
 - Annex C contains the modifications to 'DSU' generator licences.
 - Annex D contains modifications to the AES Ballylumford Ltd generation licence only.
- 4) The Authority considers that the modifications to the licence are an appropriate course of action in order to allow for implementation of the I-SEM.
- 5) In addition, to ensure the consistency of numbering of conditions across licences, where any of the Generation Licences does not currently contain a Condition 18, a Condition 18 will be inserted and marked as 'Not Used' The effect will be to allow the new Condition 19 (Capacity Market Code) to be positioned consistently across the Generation Licences.

6) On 2 June 2017, the Authority published a notice¹ stating that it intended to modify the Generation Licences and giving the reasons and effect of the modifications. The purpose of that notice was to bring the proposed modifications to the attention of persons likely to be affected by them, and to invite representations or objections in connection thereto. We have taken into account representations related to the modifications, made any necessary adjustments and explained the reasons for and effects of any changes to our proposals in the Decision Paper.

7) Each of the modifications detailed in the attached annexes will take effect on 10 November 2017 (subject to the requirements contained therein for particular provisions to be brought into effect on such later date(s) as may be specified by direction of the Authority).

8) The Authority has, pursuant to Article 14(8) of the Order, published this notice on its website and sent a copy of this notice to the effected licensees. In addition, the Authority has provided a copy of this notice to the Department for the Economy and the Consumer Council.

9) A copy of the modifications can be obtained in hard copy from Barbara Stevenson at: Utility Regulator, Queens House, 14 Queen Street, Belfast, BT1 6ED. Email barbara.stevenson@uregni.gov.uk

Dated 15 September 2017



Jenny Pypen Chief Executive
For and on behalf of the Northern Ireland Authority for Utility Regulation

¹ <https://www.uregni.gov.uk/consultations/proposed-modifications-ni-generation-and-supply-licences-i-sem-related>

ANNEX A
The Generation Licences

	Licensee	Address
i.	AES Ballylumford Power Ltd	Ballylumford Power Station Islandmagee Larne Co. Antrim BT40 3RS
ii.	AES Kilroot Ltd	Kilroot Power Station Larne Road Carrickfergus BT38 7LX
iii.	AES Kilroot Generating Ltd	Kilroot Power Station Larne Road Carrickfergus BT38 7LX
iv.	Altahullion Wind Farm Ltd	Renewable Energy Systems Ltd Beaufort Court Egg Farm Lane King's Langley Hertfordshire WD4 8LR
v.	Altamuskin Wind Farm Ltd	Energia Greenwood House 64 Newforge Lane Belfast BT9 5NF
vi.	Altaveedan Energy Limited	NTR plc Burton Court Burton Hall Drive Sandyford Dublin 18
vii.	Brockaghboy Windfarm Ltd	750m South East of Dowlins Bridge Drumbane Road Garvagh Coleraine Co. Londonderry BT51 5DR
viii.	Carn Hill Windfarm Ltd	12B Clarendon Dock Clarendon Quay Belfast BT1 3BG
ix.	Carnavarrow Windfarm Ltd	DW Consultancy Ltd 109 Whitney Drive Stevenage Hertfordshire SG1 4BL
x.	Church Hill Energy Ltd	Energia 62 Newforge Lane Belfast BT9 5NF
xi.	ContourGlobal Solutions (NI) Ltd	Knockmore Bottling Plant

	Licensee	Address
		12 Lissue Road Lisburn Co. Antrim BT28 2SU
xii.	Coolkeeragh Power Ltd	C/O ESB International Head Office Stephen Court 18-21 St. Stephen's Green Dublin 2 Republic of Ireland
xiii.	Cregganconroe Windfarm Ltd	Gaelectric Developments Limited 2 nd Floor Princess Dock 14 Claredon Road Belfast BT1 3BG
xiv.	Crighshane Energy Ltd	Energia House 62 Newforge Lane Belfast BT9 5NF
xv.	Crockagarran Wind Farm Ltd	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xvi.	Crockandun Wind Farm	Brookfield Renewable Energy Group 5 th Floor City Quarter Lapps Quay Co. Cork Ireland
xvii.	Curryfree Wind Farm Ltd	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xviii.	Dunbeg Wind Farm Ltd	C/O Gaelectric Developments 12B Clarendon Quay Clarendon Dock Belfast BT1 3BG
xix.	Dunmore Wind Farm Ltd	Arevon Energy 1030 Centre Park Slutchers Lane Warrington WA1 1QL
xx.	EEB7 Ltd	EEB7 Limited C/O Elgin Energy EsCo Limited Broad Quay House Prince Street Bristol BS1 4DJ
xxi.	ERE Developments Ltd	ERE Developments Limited Forsyth House Cromac Square Belfast BT2 8LA

	Licensee	Address
xxii.	Full Circle Generation Ltd	56 Craigmore Road Garvagh BT51 5HF
xxiii.	Garves Wind Ltd	Entap Limited 20 Manchester Square London W1U 3PZ
xxiv.	Gortfinbar Windfarm Ltd	Energia Greenwood house 64 Newforge Lane Belfast BT9 5NF
xxv.	Gruig Wind Farm	C/O Renewable Energy Systems Ltd Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
xxvi.	Hunters Hill Wind Farm Ltd	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xxvii.	Hunters Hill Wind Farm Ltd (Carrickatane Site)	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xxviii.	Hunters Hill Wind Farm Ltd (Crockdun Site)	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xxix.	Hunters Hill Wind Farm Ltd (EGLISH Site)	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xxx.	Inishative Windfarm Ltd	C/O ESB Head Office 27 Lower Fitzwilliam Street Dublin 2
xxxi.	Lendrum's Bridge Wind Farm Ltd	C/O Renewable Energy Systems Ltd Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
xxxii.	Lightsource SPV 10 Ltd	33 Holburn London EC1N 2HT
xxxiii.	Lightsource SPV 48 Ltd	33 Holburn London EC1N 2HT
xxxiv.	Lightsource SPV 231 Ltd	Lightsource SPV 231 (NI) Limited Scottish Provident Building 7 Donegall Square West Belfast BT1 6JH
xxxv.	Lightsource SPV 266 (NI) Ltd	33 Holburn London

	Licensee	Address
		EC1N 2HT
xxxvi.	Long Mountain Wind Farm Ltd	Energia Greenwood house 64 Newforge Lane Belfast BT9 5NF
xxxvii.	Lough Hill Wind Farm Ltd	C/O Renewable Energy Systems Ltd Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
xxxviii.	Mantlin Ltd (Slieve Rushen Wind Farm)	Platina Energy Partners LLP 20 Manchester Square London W1U 3PZ
xxxix.	Molly Wind Ltd	C/O Limetree Management & Consulting Limited Cam Hill House Cam Kinawley
Xxxx.	Monnaboy Windfarm Ltd	Gaelectric Developments Limited 2 nd Floor Princess Dock 14 Claredon Road Belfast BT1 3BG
xxxxi.	Ora More Energy Ltd	NTR plc Burton Court Burton Hall Drive Sandyford Dublin 18 Ireland
xxxii.	Owenreagh Wind Farm Ltd	3 rd Floor City Quarter Lapps Quay Co. Cork Ireland
xxxiii.	Rasharkin Solar PV Ltd	Rasharkin Solar PV Limited C/O Elgin Energy EsCo Limited Broad Quay House Prince Street Bristol BS1 4DJ
xxxiv.	Scottish Power Renewables (UK) Ltd	Cathcart Business Park Spean Street Glasgow G44 4BE
xxxv.	Screggagh Windfarm Ltd	C/O Greencoat UK Wind Holdco Limited The Innovation Centre Unit 18 Queen's Road

	Licensee	Address
		NI Science Park Belfast BT3 9DT
xxxxvi.	Seagroanan Wind Farm Ltd	Brookfield Renewable 5 th Floor City Quarter Lapps Quay Co. Cork Ireland
xxxxvii.	Short Brothers plc – Bombardier Aerospace	Airport Road Belfast BT3 9DZ
xxxxviii.	Slieve Divena Wind Farm Ltd	Finis Wind Limited 50 Fredrick Street Edinburgh EH2 1EX
xxxxix.	Slieve Divena Wind Farm No. 2 Ltd	SSE South County Business Park Red Oak South Carmanhall and Leopardstown Dublin 18
xxxxx	Smulgedon Windfarm Ltd	Gaelectric 12B Clarendon Quay Clarendon Dock Belfast BT1 3BG
xxxxxi.	SSE Renewables UK Ltd (Multiple Site)	South County Business Park Red Oak South Leopardstown Dublin 18
xxxxxii.	Tappaghan Wind Farm (NI) Ltd	Greencoat Capital Burdett House 15-16 Buckingham Street London WC2N 6DU
xxxxxiii.	Teiges Mountain Wind Farm	DW Consultancy Ltd 109 Whitney Drive Stevenage Hertfordshire SG1 4BL
xxxxxiv.	Thornog Windfarm Ltd	Energia Renewables Greenwood House 64 Newforge Lane Belfast BT9 5NF
xxxxxv.	Tyrone Wind Energy	C/O Shantavany Scotch Wind Farm Shantavany Road Ballygawley
xxxxxvi.	Upper Ballyrogan Wind Farm Ltd	TCI Renewables Ltd Unit 1C Kilroot Business Park

	Licensee	Address
		Carrickfergus Co. Antrim BT38 7PR
xxxxxvii.	WEL Solar Park 15 Ltd	Wirsol Energy Limited SE Park Farm Chichester Road Arundel West Sussex BN18 0AG
xxxxxviii.	Wheelhouse Energy (NI) Ltd	Energia Energia House 62 Newforge Lane Belfast BT9 5NF
Demand Side Units (DSUs)		
xxxxxix.	AC Automation (UK) Ltd	5 Sloefield Park Trooperslane Industrial Estate Carrickfergus Co. Antrim BT38 8GR
xxxxxx.	Activation Energy	EnerNOC Ireland 70 Sir John Rogerson's Quay Dublin 2
xxxxxxi.	Empower Generation Ltd	Wesler House 45 Church View Holywood BT18 9DP
xxxxxxii.	Energy Trading Ireland	Unit A2 Inspire Business Park Carrowreagh Road Dundonald BT16 1QT
xxxxxxiii.	Electricity Exchange	Unit 62 Eastlink Business Park Ballysimon Road Limerick
xxxxxxiv.	iPower Solutions Ltd	The Innovation Centre Northern Ireland Science Park Queen's Road Belfast BT3 9DT
xxxxxxv.	Kiwi Power Ltd	45 Broadwick Street London W1F 9QW
xxxxxxvi.	Powerhouse Generation Ltd	The Courtyard 62a Drumnabreeze Road Magheralin Co. Armagh BT67 0RH
xxxxxxvii.	Wire-Lite Sensors Ltd	Dublin Headquarters 3015 Lake Drive Citywest Business Park Dubin 24

ANNEX B

Modifications to 'standard' generator licences

Drafting of modifications to NI electricity generation licences (excluding DSU licences – these are in Annex C)

NEW Condition 17a: Balancing Market Principles Code of Practice

1. The Licensee shall ensure that, in formulating and submitting Commercial Offer Data to the Single Market Operation Business in the Balancing Market under the Single Electricity Market Trading and Settlement Code (whether by the Licensee itself or by any person acting on its behalf in relation to a generation set for which the Licensee is the licensed generator), it acts so as to secure its compliance with the Balancing Market Principles Code of Practice.
2. The Authority shall publish and subject to paragraph 3 below, from time to time by direction amend, a document to be known as the Balancing Market Principles Code of Practice, which:
 - (a) shall apply to such categories of Commercial Offer Data submitted into the Balancing Market as may be specified in the Code of Practice from time to time;
 - (b) shall make such provision as appears requisite to the Authority for the purpose of securing that such Commercial Offer Data reasonably reflect the short run marginal cost of operating the generating set to which they relate (and thereby facilitating, by contributing to the mitigation of market power in the Single Electricity Market, the efficient operation of the Balancing Market)

and the Authority may elect to perform the functions conferred by this paragraph jointly with the Commission for Energy Regulation.

3. The Authority shall, without prejudice to any additional requirements specified in the Code of Practice, consult with all licensees required to comply with the Code of Practice and such other persons as the Authority considers appropriate before making any direction to amend the Code of Practice.

4. The Authority may issue directions to the Licensee for the purposes of securing that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with this Condition and with the Code of Practice, and the Licensee shall comply with such directions.
5. The Licensee shall retain records of each set of Relevant Commercial Offer Data, and all of its supporting data relevant to the calculation of the components of such Relevant Commercial Offer Data, for a period of at least four years commencing on the date on which the relevant Commercial Offer Data are submitted to the Single Market Operation Business.
6. The Licensee shall, if requested to do so by the Authority, provide the Authority with:
 - (a) a reasoned explanation of its calculations in relation to any Relevant Commercial Offer Data; and
 - (b) supporting evidence sufficient to establish the consistency of those Relevant Commercial Offer Data with the obligations of the Licensee under this Condition and the Code of Practice.
7. In any case in which Relevant Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee's obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Relevant Commercial Offer Data submitted.
8. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:
 - (a) it has acted independently in relation to all submissions of Relevant Commercial Offer Data that have been submitted, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and
 - (b) no such submissions made by it or on its behalf have been co-ordinated with any other submissions made by or on behalf of another party to the Single Electricity Market Trading and Settlement Code.

9. The provisions of this Condition (other than those of this paragraph and paragraph 10 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

10. In this Condition:

Balancing Market

has the meaning given to it in the Single Electricity Market Trading and Settlement Code, Part B;

Balancing Market Principles Code of Practice or Code of Practice

means the document of that title published by the Authority in accordance with paragraph 2, as it may be amended from time

to time in accordance with the provisions of that paragraph;

Commercial Offer Data

has the meaning given to it in the Single Electricity Market Trading and Settlement Code as it may be amended from time to time;

Relevant Commercial Offer Data

means Commercial Offer Data falling within the category specified in the Code of

Single Market Operation Business

Practice;
and

has the
meaning
given to it
in
Northern
Ireland
Market
Operator
Licence.

NEW Condition 19: Capacity Market Code

1. The Licensee shall, in respect of any generation set which is owned or operated by it, either:
 - (a) be a party to and comply with the Capacity Market Code insofar as applicable to it in its capacity as the holder of a licence under Article 10(1)(a) of the Order; or
 - (b) with the prior consent of the Authority, enter into an agreement to appoint an appropriate person to act as an Intermediary under the Capacity Market Code in respect of any generation set (as owned or operated by the Licensee) specified in the agreement.
2. The Licensee shall ensure that the person appointed as an Intermediary under an agreement entered into in accordance with paragraph 1(b) insofar as applicable to it:
 - (a) becomes a party to the Capacity Market Code; and
 - (b) complies with its obligations, in relation to any generation set which is specified in the agreement, in the capacity of Intermediary under the Capacity Market Code.
3. The provisions of this Condition (other than those of this paragraph and paragraph 4 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

4. In this Condition:

Capacity Market Code has the meaning given to that term in the Transmission System Operator Licence; and

Intermediary has the meaning given to that term in the Capacity Market Code.

Condition 1: Interpretation and construction

1. Unless the contrary intention appears:
 - (a) words and expressions used in the Conditions or in Schedule 1 shall be construed as if they were in an enactment and the Interpretation Act (Northern Ireland) 1954 applied to them; and
 - (b) references to an enactment shall include subordinate legislation and in both cases any statutory modification or re-enactment thereof after the date when this licence comes into force.
2. Any word or expression defined for the purposes of any provision of Part II of the Order, of the Energy Order or the SEM Order shall, unless the contrary intention appears, have the same meaning when used in the Conditions or in the Schedules.
3. In the Conditions and in the Schedules, unless otherwise specified or the context otherwise requires:

Affiliate	in relation to any person means any holding company of that person, any subsidiary of that person, or any subsidiary of a holding company of that person, in each case within the meaning of section 1159 of the Companies Act 2006.
Auditors	means the Licensee's auditors for the time being holding office in accordance with the requirements of Chapter 2 of Part 16 of the Companies Act 2006.
authorised	in relation to any business or activity means authorised by licence granted under Article 10 or exemption granted under Article 9 of the Order.
authorised electricity	means any person (other than the Licensee in its

operator	capacity as the holder of this licence) who holds a licence granted pursuant to Article 10 of the Order or whose activities are exempt pursuant to Article 9 of the Order, and any person transferring electricity across an interconnector or who has made an application for use of an interconnector which has not been refused;
Authority	means the Northern Ireland Authority for Utility Regulation.
cancel	in relation to the Authority, means the exercise of its cancellation powers.
cancellable generating unit agreement	means a generating unit agreement which may be the subject of a cancellation direction, being the generating unit agreements specified in Annex 4 (as it may be modified from time to time) of the NIE Energy Supply Licence.
cancellation direction	means a direction issued by the Authority to cancel a cancellable generating unit agreement.
cancellation powers	means the powers of the Authority to direct any party to a cancellable generating unit agreement to terminate that agreement upon such date or the happening of such event as shall be specified in the notice containing the direction.
Competition and Markets Authority (CMA)	means the body of that name established by section 25 of the Enterprise and Regulatory Reform Act 2013.
Department	means the Department of Enterprise, Trade and

	Investment.
designated	in relation to any agreement, arrangement, code, notice, proposal therefore or other document, means designated by the Department or the Authority (as the case may be) or on its behalf by means of initialling or descriptive reference whether for the purposes of any Condition of this licence or otherwise, but so that an agreement, arrangement, code, notice, proposal therefore or other document so designated may at the discretion of the Department of the Authority (as the case may be) cease to be designated if amended or modified in any material respect.
Directive Regulations	means the Electricity Order 1992 (Amendment) Regulations (Northern Ireland) 2005 and/or the Electricity Regulations (Northern Ireland) 2007;
Distribution Code	means, where the relevant distributor is authorised to distribute electricity by a licence granted under Article 10(1)(bb) of the Order, the code of that title required to be prepared by the relevant distributor
distribution system	means a system comprising wholly or mainly of low voltage electric lines owned and operated by an authorised electricity operator (excepting lines forming part of the transmission system or any Interconnector), and any other electric lines which the Authority may specify as forming part of the distribution system of the authorised electricity operator, and includes any electrical plant and meters of the authorised electricity operator which

	are used in connection with distribution by the authorised electricity operator;
Distribution System Operator	means the person authorised, from time to time, to distribute electricity under the successor distribution licence.
electricity sale contract	<p>shall include (without limitation) any contract or arrangement under which provision is made for the making or receipt of payments by reference to the difference between:</p> <ul style="list-style-type: none"> (a) an amount specified or ascertainable under the terms of such contract or arrangement; and (b) the price at which electricity is sold or purchased under, pursuant to or as required or permitted by the Single Electricity Market Trading and Settlement Code <p>or any component of either of such prices.</p>
emissions	means the discharge of substances into the air.
Energy Order	means the Energy (Northern Ireland) Order 2003.
enforcement matter	means any matter in respect of which any functions of the Authority under Article 42 and Article 45 of the Energy Order are or may be exercisable;
financial year	has the meaning given in paragraph 1 of Condition 2.

General Consumer Council	means the General Consumer Council for Northern Ireland.
generating unit agreement	means a power purchase agreement between a generator and the Power Procurement Business in respect of a generation set or combination of generation sets.
Generation Business	means the authorised business of the Licensee or any affiliate or related undertaking of the Licensee in the generation of electricity or the provision of System Support Services.
generation set	means any plant or apparatus for the production of electricity.
generator	means a person authorised by a licence granted under Article 10(1)(a) of the Order.
Grid Code	means the code of that title required to be prepared by the Transmission System Operator, in its capacity as the operator of the transmission system, in accordance with the Transmission System Operator Licence.
holding company	means a holding company within the meaning of section 1159 of the Companies Act 2006.
interconnector	means electric lines and electrical plant and meters used for conveying electricity only directly to or from a substation or converter station on the Island of Ireland into or out of the Island of Ireland, and (for the avoidance of doubt) does not include the North/South Circuits.

Intermediary	has the meaning given in the Single Electricity Market Trading and Settlement Code.
Island of Ireland	means Northern Ireland and the Republic of Ireland.
licensed electricity supplier	means a person authorised to supply electricity by a licence granted under Article 10(1)(c) of the Order.
Licensee	means the person identified as such in the Grant and Terms of this Licence, and (where the context so requires) shall include any business in respect of which the Licensee is a successor company.
modification	includes addition, omission, amendment and substitution; and cognate expressions shall be construed accordingly.
NIE Energy Supply Licence	means the licence granted under Article 10(1)(c) of the Order to Northern Ireland Electricity plc on 31 March 1992 and transferred to NIE Energy Limited (a body corporate registered in Northern Ireland under company number NI27394) on 1 November 2007 pursuant to a statutory transfer scheme.
North/South Circuits	means the electric lines and electrical plant and meters used for conveying electricity directly to or from a substation or converter station within Northern Ireland directly to or from a substation or converter station within the Republic of Ireland.
Northern Ireland Fuel Security Code	means the document of that title designated as such by the Department as from time to time amended in accordance with its provisions, dealing with the co-

	operation of licence holders in strategic contingency planning in respect of fuel stocks, the modification of the merit order and certain other systems and procedures under the Grid Code during periods when the Department has given and there is in force one or more directions under Article 37(4) of the Order, the entitlement of the Licensee and other authorised electricity operators to and the collection of certain payments in anticipation of, during and after the expiry of any such periods, and connected matters.
notice	means (unless otherwise specified) notice given either in writing or by electronic data transfer.
Northern Ireland Market Operator Licence	means the licence granted, under Article 10(1)(d) of the Order, to SONI Limited (a body corporate registered in Northern Ireland under company number NI038715) on 3 July 2007.
Order	means the Electricity (Northern Ireland) Order 1992;
Power Procurement Business	has the meaning given to it in the NIE Energy Supply Licence.
power purchase agreement	means a contract for the provision to the Licensee or any other authorised electricity operator of the whole or any part of the available capacity and/or the sale or other disposal to the Licensee or any other authorised electricity operator of the whole or any part of the output of a generation set or combination of generation sets.

power station agreement	<p>means:</p> <p>(a) in relation to the Licensee, an agreement made with effect from 1 April 1992 between the Licensee and the Power Procurement Business in relation to matters concerning a generating station and designated for the purposes of this licence, as amended from time to time; and</p> <p>(b) in relation to any other generator, an agreement made with effect from 1 April 1992 between that generator and the Power Procurement Business in relation to matters concerning a generating station and designated for the purposes of this licence, as amended from time to time.</p>
related undertaking	<p>in relation to any person means any undertaking in which that person has a participating interest within the meaning of section 421A of the Financial Services and Markets Act 2000.</p>
relevant distributor	<p>means the owner and operator of the distribution system to which any generation set of the Licensee is, or is to be, connected.</p>
relevant exempt self-supplier	<p>means a relevant exempt self supplier within the meaning of the Electricity (Class Exemptions from the Requirement for a Licence) Order (Northern Ireland) 2013.</p>
relevant supplier	<p>means a licensed electricity supplier or a relevant</p>

	exempt self supplier.
representation	includes any objection or any other proposal made in writing.
SEM Go-Live	means the time and date designated as such by the Authority (with the consent of the Department) for the purpose of licences granted under the Order, being the commencement date for a number of matters including the Single Electricity Market.
SEM Order	means the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007.
Separate Business	means each of the Generation Business and the Supply Business (if any) each taken separately from one another and from any other business of the Licensee or any affiliate or related undertaking of the Licensee, but so that where all or any part of such business is carried on by an affiliate or related undertaking of the Licensee such part of the business as is carried on by that affiliate or related undertaking shall be consolidated with any other such business of the Licensee (and of any other affiliate or related undertaking of the Licensee) so as to form a single Separate Business.
Single Electricity Market	means the single wholesale electricity market for the Island of Ireland, implemented in Northern Ireland pursuant to Section 23 of the Northern Ireland (Miscellaneous Provisions) Act 2006;
Single Electricity Market	has the meaning given to that term in the Northern

Trading and Settlement Code	Ireland Market Operator Licence.
subsidiary	means a subsidiary within the meaning of section 1159 of the Companies Act 2006.
successor company	bears the meaning ascribed to it for the purposes of Part III of the Order.
successor distribution licence	means the licence, held by Northern Ireland Electricity Limited, which has effect under Article 10(1)(bb) of the Order (to distribute electricity) pursuant to Regulation 90(1)(b) of the Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 [SR2011/155].
successor transmission licence	means the licence which has effect as a licence under Article 10(1)(b) of the Order pursuant to Regulation 90(1)(b) of the Internal Markets Regulations and is held by Northern Ireland Electricity Limited (a body corporate registered in Northern Ireland under company number NI026041).
Supply Business	means the authorised business (if any) of the Licensee or any affiliate or related undertaking of the Licensee as a licensed electricity supplier.
System Support Services	means: <ul style="list-style-type: none"> (a) spinning reserve, fast start, black start, reactive power, frequency control and such other services as the Licensee may

	<p>be required to have available as system support services in association with any generation set pursuant to the Grid Code or the Distribution Code, including outage planning incentive arrangements;</p> <p>(b) any services relating to a reduction of demand or other demand side measures that can be taken by a final consumer (or any person acting on behalf and with the authority of a final consumer);</p> <p>(c) any services that the Licensee may have agreed to have available as being system support services in association with any generation set pursuant to an agreement made with the Transmission System Operator or the Distribution System Operator,</p> <p>and which may be required by or offered (whether by way of sale or otherwise) to the Transmission System Operator or, as the case may be, the Distribution System Operator for the purpose of securing stability of operation on the transmission system or the distribution system and/or on any other system linked to the transmission system or a distribution system by an interconnector.</p>
<p>total system</p>	<p>means the transmission system, and the distribution system owned and operated by the holder of the successor distribution licence, taken together.</p>

Transmission Owner	means the person authorised, from time to time, under the successor transmission licence in its capacity as the holder of that licence.
transmission system	means the system of electric lines owned by the Transmission Owner and comprising high voltage lines and electrical plant and meters used for conveying electricity from a generating station to a substation, from one generating station to another, and from one substation to another within the Transmission Owner's authorised transmission area (including such part of the North/South Circuits as is owned by the Transmission Owner) (except any such lines which the Authority may approve as being part of a distribution system) and any other electric lines which the Authority may specify as forming part of the transmission system but shall not include any interconnector.
Transmission System Operator	means the person authorised, from time to time, to participate in the transmission of electricity under the Transmission System Operator Licence, in its capacity as the holder of that licence.
Transmission System Operator Licence	means the licence granted under Article 10(1)(b) of the Order, to SONI Limited (a body corporate registered in Northern Ireland under company number NI038715) on 3 July 2007.
undertaking	bears the meaning ascribed to it by section 1161 of the Companies Act 2006.

4. Unless otherwise specified:

- (a) any reference to a numbered Condition or to a numbered Schedule is respectively a reference to the Condition or the Schedule bearing that number in this licence;
 - (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition or Schedule in which the reference occurs; and
 - (c) (without prejudice to any provision which restricts such variation, supplement or replacement) any reference to any agreement, licence (other than this licence), code or other instrument shall include a reference to such agreement, licence, code or other instrument as varied, supplemented or replaced from time to time.
5. The heading or title of any Part, Condition, Schedule or paragraph shall not affect the construction thereof.
6. Where any obligation of the Licensee is expressed to require performance within a specified time limit that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of the Licensee's failure to perform within the time limit).
7. The provisions of section 24 of the Interpretation Act (Northern Ireland) 1954 shall apply for the purposes of the delivery or service of any document, direction or notice to be delivered or served pursuant to this licence and directions issued by the Authority pursuant to any Condition shall be delivered or served as aforesaid.

Condition 14: Single Electricity Market Trading and Settlement Code

- 1 The Licensee shall, in respect of any generation set which is owned or operated by it, either:
 - (a) be a party to and, in so far as applicable to it in its capacity as the holder of a licence under Article 10(1)(a) of the Order, comply with the Single Electricity Market Trading and Settlement Code; or
 - (b) with the prior consent of the Authority, enter into an agreement to appoint an appropriate person to act as an Intermediary under the Single Electricity Market Trading and Settlement Code in respect of any generation set (as owned or operated by the Licensee) specified in the agreement.

- 2 The Licensee shall ensure that the person appointed as an Intermediary under an agreement entered into in accordance with paragraph 1(b):
 - (a) becomes a party to the Single Electricity Market Trading and Settlement Code; and
 - (b) complies with its obligations, in relation to any generation set which is specified in the agreement, in the capacity of Intermediary under the Single Electricity Market Trading and Settlement Code.

3. In this Condition:

Intermediary	has the meaning given in the Single Electricity Market Trading and Settlement Code.
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Condition 17: Cost-Reflective Bidding in the Single Electricity Market

1. The Licensee shall ensure that the price components of all Commercial Offer Data submitted to the Single Market Operation Business under the Single Electricity Market Trading and Settlement Code, whether by the Licensee itself or by any person acting on its behalf in relation to a generation set for which the Licensee is the licensed generator, are cost-reflective.
2. For the purposes of this Condition, the price component of any Commercial Offer Data shall be treated as cost-reflective only if, in relation to each relevant generation set, the Schedule Production Cost related to that generation set in respect of the Trading Day to which the Commercial Offer Data submitted by or on behalf of the Licensee apply is equal to the Short Run Marginal Cost related to that generation set in respect of that Trading Day.
3. For the purposes of paragraph 2, the Short Run Marginal Cost related to a generation set in respect of a Trading Day is to be calculated as:
 - (a) the total costs that would be attributable to the ownership, operation and maintenance of that generation set during that Trading Day if the generation set were operating to generate electricity during that day;minus
 - (b) the total costs that would be attributable to the ownership, operation and maintenance of that generation set during that Trading Day if the generation set was not operating to generate electricity during that day,the result of which calculation may be either a negative or a positive number.
4. For the purposes of paragraph 3, the costs attributable to the ownership, operation or maintenance of a generation set shall be deemed, in respect of each relevant cost-item, to be the Opportunity Cost of that cost-item in relation to the relevant Trading Day.
5. The Authority may publish and, following consultation with generators and such other

persons as it considers appropriate, from time to time by direction amend, a document to be known as the Bidding Code of Practice, which shall have the purposes of:

- (a) defining the term Opportunity Cost;
 - (b) making provision, in respect of the calculation by the Licensee and other generators of the Opportunity Cost of specified cost-items, for the treatment of:
 - (i) the costs of fuel used by generators in the generation of electricity;
 - (ii) the value to be attributed to credits issued under the Emissions Trading Scheme established by the European Commission;
 - (iii) variable operational and maintenance costs;
 - (iv) start-up and no load costs; and
 - (v) any other costs attributable to the generation of electricity; and
 - (c) setting out such other principles of good market behaviour as, in the opinion of the Authority, should be observed by the Licensee and other generators in carrying out the activity to which paragraph 1 refers.
6. The Licensee shall, in carrying out the activity to which paragraph 1 refers, act so as to ensure its compliance with the requirements of the Bidding Code of Practice.
 7. The Authority may issue directions to the Licensee for the purpose of securing that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with the requirements of this Condition and of the Bidding Code of Practice, and the Licensee shall comply with any such directions.
 8. The Licensee shall retain each set of Commercial Offer Data, and all of its supporting data relevant to the calculation of the price component of that Commercial Offer Data, for a period of at least four years commencing on the date on which the Commercial Offer Data is submitted to the Single Market Operation Business.
 9. The Licensee shall, if requested to do so by the Authority, provide the Authority with:

- (a) a reasoned explanation of its calculations in relation to any Commercial Offer Data; and
 - (b) supporting evidence sufficient to establish the consistency of that data with the obligations of the Licensee under this Condition.
10. In any case in which Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee’s obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Commercial Offer Data submitted.
11. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:
- (a) it has acted independently in relation to all submissions of Commercial Offer Data that have been made, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and
 - (b) no such submissions made by it or on its behalf have been co-ordinated with any other submissions made by or on behalf of any other party to the Code.
12. This Condition shall cease to have any effect from the date determined by the Authority subject to any transitional arrangements which the Authority may direct and without prejudice to the continuing enforceability of any rights or obligations which may have accrued or otherwise fallen due for performance prior to that date (including any requirement to comply with the direction of the Authority issued prior to that date).
13. In this Condition:

Bidding Code of Practice	means the document of that title published by the Authority in accordance with paragraph 5, as it may be amended from time to time.
Commercial Offer Data	has the meaning given to it in the Single

	Electricity Market Trading and Settlement Code, as it may be amended from time to time.
Opportunity Cost	shall have the meaning set out in, and the value calculated in accordance with, the terms of the Bidding Code of Practice.
Schedule Production Cost	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.
Short Run Marginal Cost	means certain costs attributable to the ownership, operation and maintenance of a generation set, as calculated in accordance with paragraph 3 of this Condition.
Single Market Operation Business	has the meaning given to it in the market operator licence for Northern Ireland.
Trading Day	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.]

ANNEX C

Modifications to 'DSU' generator licences

Drafting of modifications to NI electricity DSU generation licences

NEW Condition 17a: Balancing Market Principles Code of Practice²

1. The Licensee shall ensure that, in formulating and submitting Commercial Offer Data to the Single Market Operation Business in the Balancing Market under the Single Electricity Market Trading and Settlement Code (whether by the Licensee itself or by any person acting on its behalf in relation to a generation set for which the Licensee is the licensed generator), it acts so as to ~~secure~~ensure its compliance with the Balancing Market Principles Code of Practice.
2. The Authority shall publish and subject to paragraph 3 below, following consultation with the holders of Generation Licences and such other persons as the Authority considers appropriate, from time to time by direction amend, a document to be known as the Balancing Market Principles Code of Practice, which:
 - (a) shall apply to such categories of Commercial Offer Data submitted into the Balancing Market as may be specified in the Code of Practice from time to time;
 - (b) shall make such provision as appears requisite to the Authority for the purpose of securing that such Commercial Offer Data ~~are cost reflective~~reasonably reflect the short run marginal cost of operating the generating set to which they relate (and thereby facilitating, by contributing to the mitigation of market power in the Single Electricity Market, the efficient operation of the Balancing Market)

and the Authority may elect to perform the functions conferred by this paragraph jointly with the Commission for Energy Regulation.

3. The Authority shall, without prejudice to any additional requirements specified in the Code of Practice, consult with all licensees required to comply with the Code of Practice and such

² Note: The drafting of new Condition 17a is no different for the DSU generators as for 'standard' generators

other persons as the Authority considers appropriate before making any direction to amend the Code of Practice.

34. The Authority may issue directions to the Licensee for the purposes of securing that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with this Condition and with the Code of Practice, and the Licensee shall comply with such directions.
54. The Licensee shall retain records of each set of Relevant Commercial Offer Data, and all of its supporting data relevant to the calculation of the components of such Relevant Commercial Offer Data, for a period of at least four years commencing on the date on which the relevant Commercial Offer Data are submitted to the Single Market Operation Business.
65. The Licensee shall, if requested to do so by the Authority, provide the Authority with:
- (a) a reasoned explanation of its calculations in relation to any Relevant Commercial Offer Data; and
 - (b) supporting evidence sufficient to establish the consistency of those Relevant Commercial Offer Data with the obligations of the Licensee under this Condition and the Code of Practice.
76. In any case in which Relevant Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee's obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Relevant Commercial Offer Data submitted.
87. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:
- (a) it has acted independently in relation to all submissions of Relevant Commercial Offer Data that have been submitted, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and
 - (b) no such submissions made by it or on its behalf have been co-ordinated with any

other submissions made by or on behalf of another party to the Single Electricity Market Trading and Settlement Code.

98. The provisions of this Condition (other than those of this paragraph and paragraph 109 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

109. In this Condition:

Balancing Market

has the meaning given to it in the Single Electricity Market Trading and Settlement Code, Part B;

Balancing Market Principles Code of Practice or Code of Practice

means the document of that title published by the Authority in accordance with paragraph

2, as it may be amended from time to time in accordance with the provisions of that paragraph;

Commercial Offer Data

has the meaning given to it in the Single Electricity Market Trading and Settlement Code as it may be amended from time to time;

Relevant Commercial Offer Data

means Commercial Offer Data falling within the

Single Market Operation Business

category specified in the Code of Practice; and

has the meaning given to it in Northern Ireland Market Operator Licence.

NEW Condition 19: Capacity Market Code³

1. The Licensee shall, in respect of any generation set which is owned or operated by it, either:
 - (a) be a party to and comply with the Capacity Market Code insofar as applicable to it in its capacity as the holder of a licence under Article 10(1)(a) of the Order; or
 - (b) with the prior consent of the Authority, enter into an agreement to appoint an appropriate person to act as an Intermediary under the Capacity Market Code in respect of any generation set (as owned or operated by the Licensee) specified in the agreement.

2. The Licensee shall ensure that the person appointed as an Intermediary under an agreement entered into in accordance with paragraph 1(b) insofar as applicable to it:
 - (a) becomes a party to the Capacity Market Code; and
 - (b) complies with its obligations, in relation to any generation set which is specified in the agreement, in the capacity of Intermediary under the Capacity Market Code.

3. The provisions of this Condition (other than those of this paragraph and paragraph 4 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

4. In this Condition:

Capacity Market Code has the meaning given to that term in the Transmission System Operator Licence; and

Intermediary has the meaning given to that term in the Capacity Market Code.

³ Note: The drafting of new Condition 19 is not different for DSU generators as for 'standard' generators

Condition 1: Interpretation and construction⁴

1. Unless the contrary intention appears:
 - (a) words and expressions used in the Conditions or in Schedule 1 shall be construed as if they were in an enactment and the Interpretation Act (Northern Ireland) 1954 applied to them; and
 - (b) references to an enactment shall include subordinate legislation and in both cases any statutory modification or re-enactment thereof after the date when this licence comes into force.
2. Any word or expression defined for the purposes of any provision of Part II of the Order, of the Energy Order or the SEM Order shall, unless the contrary intention appears, have the same meaning when used in the Conditions or in the Schedules.
3. In the Conditions and in the Schedules, unless otherwise specified or the context otherwise requires:

Affiliate	in relation to any person means any holding company of that person, any subsidiary of that person, or any subsidiary of a holding company of that person, in each case within the meaning of section 1159 of the Companies Act 2006.
Auditors	means the Licensee's auditors for the time being holding office in accordance with the requirements of Chapter 2 of Part 16 of the Companies Act 2006.
authorised	in relation to any business or activity means authorised by licence granted under Article 10 or

⁴ Note: The modifications to Conditions 1, 14 and 17 in the DSU generator licences are no different to the modifications in the 'standard' generator licences, but the existing drafting of the conditions is different in places, hence versions of the modifications are shown as separate annexes.

	exemption granted under Article 9 of the Order.
authorised electricity operator	means any person (other than the Licensee in its capacity as the holder of this licence) who holds a licence granted pursuant to Article 10 of the Order or whose activities are exempt pursuant to Article 9 of the Order, and any person transferring electricity across an interconnector or who has made an application for use of an interconnector which has not been refused;
Authority	means the Northern Ireland Authority for Utility Regulation.
cancel	in relation to the Authority, means the exercise of its cancellation powers.
cancellable generating unit agreement	means a generating unit agreement which may be the subject of a cancellation direction, being the generating unit agreements specified in Annex 4 (as it may be modified from time to time) of the NIE Energy Supply Licence.
cancellation direction	means a direction issued by the Authority to cancel a cancellable generating unit agreement.
cancellation powers	means the powers of the Authority to direct any party to a cancellable generating unit agreement to terminate that agreement upon such date or the happening of such event as shall be specified in the notice containing the direction.
Competition and Markets Authority (CMA)	means the body of that name established by section 25 of the Enterprise and Regulatory Reform Act

	2013.
Demand Side Unit	means an Individual Demand Side or Aggregated Demand Side with a Demand Side Unit MW Capacity of at least 4MW (and the words or phrases used in this definition which are not otherwise used in this Licence shall have the same meaning as is given to them from time to time in the Grid Code).
Demand Side Unit MW Capacity	means the maximum change in Active Power that can be achieved by a Demand Side Unit on a sustained basis for the duration of the Demand Side Unit's Maximum Down Time by totalling the potential increase in on-site Active Power Generation and the potential decrease in on-site Active Power Demand at each Individual Demand Site (and the words or phrases used in this definition which are not otherwise used in this Licence shall have the same meaning as is given to them from time to time in the Grid Code).
Demand Side Unit Operator	means a person who operates a Demand Side Unit.
Department	means the Department of Enterprise, Trade and Investment.
designated	in relation to any agreement, arrangement, code, notice, proposal therefore or other document, means designated by the Department or the Authority (as the case may be) or on its behalf by means of initialling or descriptive reference whether for the purposes of any Condition of this licence or otherwise, but so that an agreement, arrangement, code, notice, proposal therefore or other document

	so designated may at the discretion of the Department of the Authority (as the case may be) cease to be designated if amended or modified in any material respect.
Directive Regulations	means the Electricity Order 1992 (Amendment) Regulations (Northern Ireland) 2005 and/or the Electricity Regulations (Northern Ireland) 2007;
Demand Side Unit Operator Business	means the business of the Licensee or any affiliate or related undertaking of the Licensee as a Demand Side Unit Operator.
Distribution Code	means, where the relevant distributor is authorised to distribute electricity by a licence granted under Article 10(1)(bb) of the Order, the code of that title required to be prepared by the relevant distributor
distribution system	means a system comprising wholly or mainly of low voltage electric lines owned and operated by an authorised electricity operator (excepting lines forming part of the transmission system or any Interconnector), and any other electric lines which the Authority may specify as forming part of the distribution system of the authorised electricity operator, and includes any electrical plant and meters of the authorised electricity operator which are used in connection with distribution by the authorised electricity operator;
Distribution System Operator	means the person authorised, from time to time, to distribute electricity under the successor distribution licence.

electricity sale contract	<p>shall include (without limitation) any contract or arrangement under which provision is made for the making or receipt of payments by reference to the difference between:</p> <ul style="list-style-type: none"> (c) an amount specified or ascertainable under the terms of such contract or arrangement; and (d) the price at which electricity is sold or purchased under, pursuant to or as required or permitted by the Single Electricity Market Trading and Settlement Code <p>or any component of either of such prices.</p>
emissions	means the discharge of substances into the air.
Energy Order	means the Energy (Northern Ireland) Order 2003.
enforcement matter	means any matter in respect of which any functions of the Authority under Article 42 and Article 45 of the Energy Order are or may be exercisable;
financial year	has the meaning given in paragraph 1 of Condition 2.
General Consumer Council	means the General Consumer Council for Northern Ireland.
generating unit agreement	means a power purchase agreement between a generator and the Power Procurement Business in respect of a generation set or combination of generation sets.

Generation Business	means the authorised business of the Licensee or any affiliate or related undertaking of the Licensee in the generation of electricity or the provision of System Support Services.
generation set	means any plant or apparatus for the production of electricity.
generator	means a person authorised by a licence granted under Article 10(1)(a) of the Order.
Grid Code	means the code of that title required to be prepared by the Transmission System Operator, in its capacity as the operator of the transmission system, in accordance with the Transmission System Operator Licence.
holding company	means a holding company within the meaning of section 1159 of the Companies Act 2006.
interconnector	means electric lines and electrical plant and meters used for conveying electricity only directly to or from a substation or converter station on the Island of Ireland into or out of the Island of Ireland, and (for the avoidance of doubt) does not include the North/South Circuits.
Intermediary	has the meaning given in the Single Electricity Market Trading and Settlement Code.
Island of Ireland	means Northern Ireland and the Republic of Ireland.
licensed electricity supplier	means a person authorised to supply electricity by a licence granted under Article 10(1)(c) of the Order.

Licensee	means the person identified as such in the Grant and Terms of this Licence, and (where the context so requires) shall include any business in respect of which the Licensee is a successor company.
modification	includes addition, omission, amendment and substitution; and cognate expressions shall be construed accordingly.
NIE Energy Supply Licence	means the licence granted under Article 10(1)(c) of the Order to Northern Ireland Electricity plc on 31 March 1992 and transferred to NIE Energy Limited (a body corporate registered in Northern Ireland under company number NI27394) on 1 November 2007 pursuant to a statutory transfer scheme.
North/South Circuits	means the electric lines and electrical plant and meters used for conveying electricity directly to or from a substation or converter station within Northern Ireland directly to or from a substation or converter station within the Republic of Ireland.
Northern Ireland Fuel Security Code	means the document of that title designated as such by the Department as from time to time amended in accordance with its provisions, dealing with the co-operation of licence holders in strategic contingency planning in respect of fuel stocks, the modification of the merit order and certain other systems and procedures under the Grid Code during periods when the Department has given and there is in force one or more directions under Article 37(4) of the Order, the entitlement of the Licensee and other

	authorised electricity operators to and the collection of certain payments in anticipation of, during and after the expiry of any such periods, and connected matters.
notice	means (unless otherwise specified) notice given either in writing or by electronic data transfer.
Northern Ireland Market Operator Licence	means the licence granted, under Article 10(1)(d) of the Order, to SONI Limited (a body corporate registered in Northern Ireland under company number NI038715) on 3 July 2007.
Order	means the Electricity (Northern Ireland) Order 1992;
Power Procurement Business	has the meaning given to it in the NIE Energy Supply Licence.
power purchase agreement	means a contract for the provision to the Licensee or any other authorised electricity operator of the whole or any part of the available capacity and/or the sale or other disposal to the Licensee or any other authorised electricity operator of the whole or any part of the output of a generation set or combination of generation sets.
power station agreement	means: <ul style="list-style-type: none"> (c) in relation to the Licensee, an agreement made with effect from 1 April 1992 between the Licensee and the Power Procurement Business in relation to matters concerning a generating station and designated for the purposes of this

	<p>licence, as amended from time to time; and</p> <p>(d) in relation to any other generator, an agreement made with effect from 1 April 1992 between that generator and the Power Procurement Business in relation to matters concerning a generating station and designated for the purposes of this licence, as amended from time to time.</p>
related undertaking	in relation to any person means any undertaking in which that person has a participating interest within the meaning of section 421A of the Financial Services and Markets Act 2000.
relevant distributor	means the owner and operator of the distribution system to which any generation set of the Licensee is, or is to be, connected.
relevant exempt self-supplier	means a relevant exempt self supplier within the meaning of the Electricity (Class Exemptions from the Requirement for a Licence) Order (Northern Ireland) 2013.
relevant supplier	means a licensed electricity supplier or a relevant exempt self supplier.
representation	includes any objection or any other proposal made in writing.
SEM Go-Live	means the time and date designated as such by the Authority (with the consent of the Department) for the purpose of licences granted under the Order,

	being the commencement date for a number of matters including the Single Electricity Market.
SEM Order	means the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007.
Separate Business	means each of the Generation Business and the Supply Business (if any) each taken separately from one another and from any other business of the Licensee or any affiliate or related undertaking of the Licensee, but so that where all or any part of such business is carried on by an affiliate or related undertaking of the Licensee such part of the business as is carried on by that affiliate or related undertaking shall be consolidated with any other such business of the Licensee (and of any other affiliate or related undertaking of the Licensee) so as to form a single Separate Business.
Single Electricity Market	means the single wholesale electricity market for the Island of Ireland, implemented in Northern Ireland pursuant to Section 23 of the Northern Ireland (Miscellaneous Provisions) Act 2006;
Single Electricity Market Trading and Settlement Code	has the meaning given to that term in the Northern Ireland Market Operator Licence.
subsidiary	means a subsidiary within the meaning of section 1159 of the Companies Act 2006.
successor company	bears the meaning ascribed to it for the purposes of Part III of the Order.

<p>successor distribution licence</p>	<p>means the licence, held by Northern Ireland Electricity Limited, which has effect under Article 10(1)(bb) of the Order (to distribute electricity) pursuant to Regulation 90(1)(b) of the Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2011 [SR2011/155].</p>
<p>successor transmission licence</p>	<p>means the licence which has effect as a licence under Article 10(1)(b) of the Order pursuant to Regulation 90(1)(b) of the Internal Markets Regulations and is held by Northern Ireland Electricity Limited (a body corporate registered in Northern Ireland under company number NI026041).</p>
<p>Supply Business</p>	<p>means the authorised business (if any) of the Licensee or any affiliate or related undertaking of the Licensee as a licensed electricity supplier.</p>
<p>System Support Services</p>	<p>means:</p> <ul style="list-style-type: none"> (d) spinning reserve, fast start, black start, reactive power, frequency control and such other services as the Licensee may be required to have available as system support services in association with any generation set pursuant to the Grid Code or the Distribution Code, including outage planning incentive arrangements; (e) any services relating to a reduction of demand or other demand side measures that can be taken by a final consumer (or

	<p>any person acting on behalf and with the authority of a final consumer);</p> <p>(f) any services that the Licensee may have agreed to have available as being system support services in association with any generation set pursuant to an agreement made with the Transmission System Operator or the Distribution System Operator,</p> <p>and which may be required by or offered (whether by way of sale or otherwise) to the Transmission System Operator or, as the case may be, the Distribution System Operator for the purpose of securing stability of operation on the transmission system or the distribution system and/or on any other system linked to the transmission system or a distribution system by an interconnector.</p>
total system	means the transmission system, and the distribution system owned and operated by the holder of the successor distribution licence, taken together.
Transmission Owner	means the person authorised, from time to time, under the successor transmission licence in its capacity as the holder of that licence.
transmission system	means the system of electric lines owned by the Transmission Owner and comprising high voltage lines and electrical plant and meters used for conveying electricity from a generating station to a substation, from one generating station to another, and from one substation to another within the

	Transmission Owner's authorised transmission area (including such part of the North/South Circuits as is owned by the Transmission Owner) (except any such lines which the Authority may approve as being part of a distribution system) and any other electric lines which the Authority may specify as forming part of the transmission system but shall not include any interconnector.
Transmission System Operator	means the person authorised, from time to time, to participate in the transmission of electricity under the Transmission System Operator Licence, in its capacity as the holder of that licence.
Transmission System Operator Licence	means the licence granted under Article 10(1)(b) of the Order, to SONI Limited (a body corporate registered in Northern Ireland under company number NI038715) on 3 July 2007.
undertaking	bears the meaning ascribed to it by section 1161 of the Companies Act 2006.

4. Unless otherwise specified:

- (a) any reference to a numbered Condition or to a numbered Schedule is respectively a reference to the Condition or the Schedule bearing that number in this licence;
- (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition or Schedule in which the reference occurs; and
- (c) (without prejudice to any provision which restricts such variation, supplement or replacement) any reference to any agreement, licence (other than this licence), code or other instrument shall include a reference to such agreement, licence, code or other instrument as varied, supplemented or replaced from time to time.

5. The heading or title of any Part, Condition, Schedule or paragraph shall not affect the construction thereof.
6. Where any obligation of the Licensee is expressed to require performance within a specified time limit that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of the Licensee's failure to perform within the time limit).
7. The provisions of section 24 of the Interpretation Act (Northern Ireland) 1954 shall apply for the purposes of the delivery or service of any document, direction or notice to be delivered or served pursuant to this licence and directions issued by the Authority pursuant to any Condition shall be delivered or served as aforesaid.

Condition 14: Single Electricity Market Trading and Settlement Code

- 3 The Licensee shall, in respect of any generation set which is owned or operated by it or which is operated by it in its capacity as a Demand Side Unit Operator, either:
- (a) be a party to and, in so far as applicable to it in its capacity as the holder of a licence under Article 10(1)(a) of the Order or as a Demand Side Unit Operator (as the case may be), comply with the Single Electricity Market Trading and Settlement Code; or
 - (b) with the prior consent of the Authority, enter into an agreement to appoint an appropriate person to act as an Intermediary under the Single Electricity Market Trading and Settlement Code in respect of any generation set (as owned or operated by the Licensee) specified in the agreement.
- 4 The Licensee shall ensure that the person appointed as an Intermediary under an agreement entered into in accordance with paragraph 1(b):
- (a) becomes a party to the Single Electricity Market Trading and Settlement Code; and
 - (b) complies with its obligations, in relation to any generation set which is specified in the agreement, in the capacity of Intermediary under the Single Electricity Market Trading and Settlement Code.

3. In this Condition:

Intermediary	has the meaning given in the Single Electricity Market Trading and Settlement Code.
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Condition 17: Cost-Reflective Bidding in the Single Electricity Market

4. The Licensee shall ensure that the price components of all Commercial Offer Data submitted to the Single Market Operation Business under the Single Electricity Market Trading and Settlement Code, whether:
 - a. by the Licensee itself or by any person acting on its behalf in relation to a generation set for which the Licensee is the licensed generator; or
 - b. by the Licensee in relation to a generation set operated by the Licensee in its capacity as a Demand Side Unit Operator

are cost-reflective.

5. For the purposes of this Condition, the price component of any Commercial Offer Data shall be treated as cost-reflective only if, in relation to each relevant generation set, the Schedule Production Cost related to that generation set in respect of the Trading Day to which the Commercial Offer Data submitted by or on behalf of the Licensee apply is equal to the Short Run Marginal Cost related to that generation set in respect of that Trading Day.

6. For the purposes of paragraph 2, the Short Run Marginal Cost related to a generation set in respect of a Trading Day is to be calculated as:

- a. In the case of a generation set which is a Demand Side Unit:

- i. the total costs that would be attributable to the ownership, operation and maintenance of that Demand Side Unit during that Trading Day if the Demand Side Unit were operating so as to reduce its consumption of electricity during that day;

minus

- ii. the total costs that would be attributable to the ownership, operation and maintenance of that Demand Side Unit during that Trading Day if the

Demand Side Unit was not operating so as to reduce its consumption of electricity during that day; and

- (b) in the case of any other generation set:
 - (i) the total costs that would be attributable to the ownership, operation and maintenance of that generation set during that Trading Day if the generation set were operating to generate electricity during that day;

minus

 - (ii) the total costs that would be attributable to the ownership, operation and maintenance of that generation set during that Trading Day if the generation set was not operating to generate electricity during that day,

the result of which calculation, in the case of either paragraph (a) or (b), may be either a negative or a positive number.

- 4. For the purposes of paragraph 3, the costs attributable to the ownership, operation or maintenance of a generation set shall be deemed, in respect of each relevant cost-item, to be the Opportunity Cost of that cost-item in relation to the relevant Trading Day.
- 5. The Authority may publish and, following consultation with generators and such other persons as it considers appropriate, from time to time by direction amend, a document to be known as the Bidding Code of Practice, which shall have the purposes of:
 - (d) defining the term Opportunity Cost;
 - (e) making provision, in respect of the calculation by the Licensee and other generators of the Opportunity Cost of specified cost-items, for the treatment of:
 - (i) the costs of fuel used by generators in the generation of electricity;
 - (ii) the value to be attributed to credits issued under the Emissions Trading Scheme established by the European Commission;
 - (iii) variable operational and maintenance costs;
 - (iv) start-up and no load costs; and

- (v) any other costs attributable to the generation of electricity; and
 - (f) setting out such other principles of good market behaviour as, in the opinion of the Authority, should be observed by the Licensee and other generators in carrying out the activity to which paragraph 1 refers.
- 6. The Licensee shall, in carrying out the activity to which paragraph 1 refers, act so as to ensure its compliance with the requirements of the Bidding Code of Practice.
- 7. The Authority may issue directions to the Licensee for the purpose of securing that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with the requirements of this Condition and of the Bidding Code of Practice, and the Licensee shall comply with any such directions.
- 8. The Licensee shall retain each set of Commercial Offer Data, and all of its supporting data relevant to the calculation of the price component of that Commercial Offer Data, for a period of at least four years commencing on the date on which the Commercial Offer Data is submitted to the Single Market Operation Business.
- 9. The Licensee shall, if requested to do so by the Authority, provide the Authority with:
 - (a) a reasoned explanation of its calculations in relation to any Commercial Offer Data; and
 - (b) supporting evidence sufficient to establish the consistency of that data with the obligations of the Licensee under this Condition.
- 10. In any case in which Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee's obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Commercial Offer Data submitted.
- 11. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:
 - (a) it has acted independently in relation to all submissions of Commercial Offer

Data that have been made, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and

- (b) no such submissions made by it or on its behalf have been co-ordinated with any other submissions made by or on behalf of any other party to the Code.

12. This Condition shall cease to have any effect from the date determined by the Authority subject to any transitional arrangements which the Authority may direct and without prejudice to the continuing enforceability of any rights or obligations which may have accrued or otherwise fallen due for performance prior to that date (including any requirement to comply with the direction of the Authority issued prior to that date).

14. In this Condition:

Bidding Code of Practice	means the document of that title published by the Authority in accordance with paragraph 5, as it may be amended from time to time.
Commercial Offer Data	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.
Opportunity Cost	shall have the meaning set out in, and the value calculated in accordance with, the terms of the Bidding Code of Practice.
Schedule Production Cost	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.
Short Run Marginal Cost	means certain costs attributable to the ownership, operation and maintenance of a generation set, as calculated in accordance with paragraph 3 of this Condition.
Single Market Operation	has the meaning given to it in the market

Business	operator licence for Northern Ireland.
Trading Day	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.]

ANNEX D

Modifications to the AES Ballylumford Ltd generation licence only

Drafting of modifications to the AES Ballylumford (Power) Ltd generation licence

Condition 1

~~“Intermediary”~~ has the meaning given in the ~~Single Electricity Market Trading and Settlement Code~~

Intermediary Agreement means the agreement entered into by the Licensee pursuant to Condition 18.

Condition 14: Single Electricity Market Trading and Settlement Code

1 The Licensee shall, in respect of any generation set which is owned or operated by it, either:

(a) be a party to and, in so far as applicable to it in its capacity as the holder of a licence under Article 10(1)(a) of the Order, comply with the Single Electricity Market Trading and Settlement Code; or

(b) with the prior consent of the Authority, enter into an agreement to appoint an appropriate person to act as an Intermediary under the Single Electricity Market Trading and Settlement Code in respect of any generation set (as owned or operated by the Licensee) specified in the agreement; or

(c) comply with the requirements of Condition 18.

2. The Licensee shall ensure that the person appointed as an Intermediary under an agreement entered into in accordance with paragraph 1(b):

(a) becomes a party to the Single Electricity Market Trading and Settlement Code; and

(b) complies with its obligations, in relation to any generation set which is specified in the agreement, in the capacity of Intermediary under the Single Electricity Market Trading and Settlement Code.

3. In this Condition:

Intermediary has the meaning given in the Single Electricity Market Trading and Settlement Code.

Condition 17: Cost-Reflective Bidding in the Single Electricity Market

1. The Licensee shall ensure that the price components of all Commercial Offer Data submitted to the Single Market Operation Business under the Single Electricity Market Trading and Settlement Code, whether by the Licensee itself or by any person acting on its behalf in relation to a generation set for which the Licensee is the licensed generator, are cost-reflective.
2. For the purposes of this Condition, the price component of any Commercial Offer Data shall be treated as cost-reflective only if, in relation to each relevant generation set, the Schedule Production Cost related to that generation set in respect of the Trading Day to which the Commercial Offer Data submitted by or on behalf of the Licensee apply is equal to the Short Run Marginal Cost related to that generation set in respect of that Trading Day.
3. For the purposes of paragraph 2, the Short Run Marginal Cost related to a generation set in respect of a Trading Day is to be calculated as:
 - a. the total costs that would be attributable to the ownership, operation and maintenance of that generation set during that Trading Day if the generation set were operating to generate electricity during that day;
minus
 - b. the total costs that would be attributable to the ownership, operation and maintenance of that generation set during that Trading Day if the generation set was not operating to generate electricity during that day,the result of which calculation may be either a negative or a positive number.
4. For the purposes of paragraph 3, the costs attributable to the ownership, operation or maintenance of a generation set shall be deemed, in respect of each relevant cost-item, to be the Opportunity Cost of that cost-item in relation to the relevant Trading Day.
5. The Authority may publish and, following consultation with generators and such other persons as it considers appropriate, from time to time by direction amend, a document to be known as the Bidding Code of Practice, which shall have the purposes of:
 - a. defining the term Opportunity Cost;
 - b. making provision, in respect of the calculation by the Licensee and other generators of the Opportunity Cost of specified cost-items, for the treatment of:
 - i. the costs of fuel used by generators in the generation of electricity;
 - ii. the value to be attributed to credits issued under the Emissions Trading Scheme established by the European Commission;
 - iii. (variable operational and maintenance costs;

- iv. start-up and no load costs; and
 - v. any other costs attributable to the generation of electricity; and
 - c. setting out such other principles of good market behaviour as, in the opinion of the Authority, should be observed by the Licensee and other generators in carrying out the activity to which paragraph 1 refers.
- 6. The Licensee shall, in carrying out the activity to which paragraph 1 refers, act so as to ensure its compliance with the requirements of the Bidding Code of Practice.
- 7. The Authority may issue directions to the Licensee for the purpose of securing that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with the requirements of this Condition and of the Bidding Code of Practice, and the Licensee shall comply with any such directions.
- 8. The Licensee shall retain each set of Commercial Offer Data, and all of its supporting data relevant to the calculation of the price component of that Commercial Offer Data, for a period of at least four years commencing on the date on which the Commercial Offer Data is submitted to the Single Market Operation Business.
- 9. The Licensee shall, if requested to do so by the Authority, provide the Authority with:
 - a. a reasoned explanation of its calculations in relation to any Commercial Offer Data; and
 - b. supporting evidence sufficient to establish the consistency of that data with the obligations of the Licensee under this Condition.
- 10. In any case in which Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee's obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Commercial Offer Data submitted.
- 11. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:
 - a. it has acted independently in relation to all submissions of Commercial Offer Data that have been made, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and

- b. no such submissions made by it or on its behalf have been co-ordinated with any other submissions made by or on behalf of any other party to the Code.

12. The provisions of paragraphs 1 to 11 shall not apply in respect of any generation set in relation to which the Power Procurement Business is, in accordance with an Intermediary Agreement with the Licensee, acting as an Intermediary under the Single Electricity Market Trading and Settlement Code.

13. This Condition shall cease to have any effect from the date determined by the Authority subject to any transitional arrangements which the Authority may direct and without prejudice to the continuing enforceability of any rights or obligations which may have accrued or otherwise fallen due for performance prior to that date (including any requirement to comply with the direction of the Authority issued prior to that date).

14. In this Condition:

Bidding Code of Practice	means the document of that title published by the Authority in accordance with paragraph 5, as it may be amended from time to time.
Commercial Offer Data	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.
Intermediary Agreement	means the agreement entered into by the Licensee pursuant to Condition 18.
Opportunity Cost	shall have the meaning set out in, and the value calculated in accordance with, the terms of the Bidding Code of Practice.
Schedule Production Cost	has the meaning given to it in the Single Electricity Market Trading and Settlement Code, as it may be amended from time to time.
Short Run Marginal Cost	means certain costs attributable to the ownership, operation and maintenance of a generation set, as calculated in accordance with paragraph 3 of this Condition.
Single Market Operation Business	has the meaning given to it in the market operator licence for Northern Ireland.
Trading Day	has the meaning given to it in the Single Electricity Market Trading

and Settlement Code, as it may be amended from time to time.

Condition 17a: Balancing Market Principles Code of Practice

1. The Licensee shall ensure that, in formulating and submitting Commercial Offer Data to the Single Market Operation Business in the Balancing Market under the Single Electricity Market Trading and Settlement Code (whether by the Licensee itself or by any person acting on its behalf in relation to a generation set for which the Licensee is the licensed generator), it acts so as to ~~secure~~ensure its compliance with the Balancing Market Principles Code of Practice.
2. The Authority shall publish and subject to paragraph 3 below, ~~following consultation with the holders of Generation Licences and such other persons as the Authority considers appropriate~~, from time to time by direction amend, a document to be known as the Balancing Market Principles Code of Practice, which:
 - (a) shall apply to such categories of Commercial Offer Data submitted into the Balancing Market as may be specified in the Code of Practice from time to time;
 - (b) shall make such provision as appears requisite to the Authority for the purpose of securing that such Commercial Offer Data reasonably reflect the short run marginal cost of operating the generating set to which they relate (and thereby facilitating, by contributing to the mitigation of market power in the Single Electricity Market, the efficient operation of the Balancing Market) ~~are cost-reflective~~and the Authority may elect to perform the functions conferred by this paragraph jointly with the Commission for Energy Regulation.
3. The Authority shall, without prejudice to any additional requirements specified in the Code of Practice, consult with all licensees required to comply with the Code of Practice and such other persons as the Authority considers appropriate before making any direction to amend the Code of Practice.
34. The Authority may issue directions to the Licensee for the purposes of securing

that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with this Condition and with the Code of Practice, and the Licensee shall comply with such directions.

54. The Licensee shall retain records of each set of Relevant Commercial Offer Data, and all of its supporting data relevant to the calculation of the components of such Relevant Commercial Offer Data, for a period of at least four years commencing on the date on which the relevant Commercial Offer Data are submitted to the Single Market Operation Business.

65. The Licensee shall, if requested to do so by the Authority, provide the Authority with:

(a) a reasoned explanation of its calculations in relation to any Relevant Commercial Offer Data; and

(b) supporting evidence sufficient to establish the consistency of those Relevant Commercial Offer Data with the obligations of the Licensee under this Condition and the Code of Practice.

76. In any case in which Relevant Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee's obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Relevant Commercial Offer Data submitted.

87. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:

(a) it has acted independently in relation to all submissions of Relevant Commercial Offer Data that have been submitted, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and

(b) no such submissions made by it or on its behalf have been co-ordinated with any other submissions made by or on behalf of another party to the

Single Electricity Market Trading and Settlement Code.

89. The provisions of paragraphs 1 to 87 shall not apply in respect of any generation set in relation to which the Power Procurement Business is, in accordance with an Intermediary Agreement with the Licensee, acting as an Intermediary under the Single Electricity Market Trading and Settlement Code.

109. The provisions of this Condition (other than those of this paragraph and paragraph 110 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

110. In this Condition:

Balancing Market

has the meaning given to it in the Single Electricity Market Trading and Settlement Code, Part B;

Balancing Market Principles Code of Practice or Code of Practice

means the document of that title published by the Authority in accordance with

paragraph 2, as it may be amended from time to time in accordance with the provisions of that paragraph ;

Commercial Offer Data

has the meaning given to it in the Single Electricity Market Trading and Settlement Code as it may be amended from time to time;

Relevant Commercial Offer Data

means Commercial Offer Data falling within the category

specified
in the
Code of
Practice;
and

Single Market Operation Business

has the
meaning
given to it
in
Northern
Ireland
Market
Operator
Licence.

Condition 18: Intermediary Agreement

1. The Licensee shall, in conjunction and co-operation with the Power Procurement Business, prepare and seek to agree with the Power Procurement Business the terms of an agreement between them to be known as an Intermediary Agreement.
2. The Authority may:
 - a. in default of agreement between the Licensee and the Power Procurement Business as to the terms of an Intermediary Agreement, determine the form and content of that agreement; or
 - b. where the Licensee and the Power Procurement Business agree the terms of the Intermediary Agreement, approve that agreement subject to such modifications as the Authority may consider appropriate.
3. The Authority may, by a direction given in writing, direct the Licensee to enter into any Intermediary Agreement which has been determined or approved by the Authority in accordance with paragraph 2, and the Licensee shall comply with that direction by any date that may be set out therein.
4. The Licensee shall at all times comply with any Intermediary Agreement entered into by it in accordance with this Condition.
5. For the purposes of paragraphs 1 to 4, an Intermediary Agreement:
 - a. shall be a contractually-binding agreement designed to govern the relationship between the Licensee and the Power Procurement Business in respect of the Power Procurement Business acting as an Intermediary in relation to the agreements specified at Schedule 2, for so long as such agreements remain extant;
 - b. shall specify the categories and detailed descriptions of data to be provided by the Licensee to the Power Procurement Business to enable the Power Procurement Business to comply with its obligations under **Condition 57a (Balancing Market Principles Code of Practice)** ~~Condition 57 (Cost Reflective Bidding in the Single Electricity Market)~~ of the NIE Energy Supply Licence in respect of generation sets which are the subject of the agreements specified at Schedule 2;
 - c. shall require that the Licensee provides the data referred to in subparagraph (b) to the Power Procurement Business in a form which is both timely and accurate; and
 - d. shall make such further provision as may be necessary or expedient to ensure that:
 - i. the Power Procurement Business is able to comply with its obligations under ~~Condition 57 (Cost Reflective Bidding in the~~

~~Single Electricity Market~~ Condition 57a (Balancing Market Principles Code of Practice) of the NIE Energy Supply Licence; and

- ii. (ii) the Licensee and the Power Procurement Business are able to comply with their respective obligations under their licences, and the Single Electricity Market Trading and Settlement Code and the Capacity Market Code,

in respect of generation sets which are the subject of the agreements specified at Schedule 2,

but may not make any provision which has the effect of increasing the liability or limiting the rights – in either case as contained in the Intermediary Agreement or any agreement specified at Schedule 2 – of a party to the Intermediary Agreement other than where it is, in the opinion of the Authority, reasonable in all the circumstances for such a provision to be made in relation to that party.

6. The Licensee shall from time to time, in conjunction and co-operation with the Power Procurement Business, review the terms and operation of an Intermediary Agreement, and may following that review propose any amendments to an Intermediary Agreement that it considers appropriate.
7. Any amendment that the Licensee proposes to make to an Intermediary Agreement shall, unless the Intermediary Agreement otherwise provides, require to be submitted to the Authority for its approval and, if the Authority approves that amendment, shall be given effect in the Intermediary Agreement.
8. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Authority dated 15 September 2017 shall come into (or, as the case may be, continue to have) effect on (or, as the case may be, until) such day, and subject to such transitional arrangements as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.
9. In this Condition:

Capacity Market Code has the meaning given to that term in the Transmission System Operator Licence.

Condition 19: Capacity Market Code

1. The Licensee shall, in respect of any generation set which is owned or operated by it, either:
 - (a) be a party to and comply with the Capacity Market Code in so far as applicable to it in its capacity as the holder of a licence under Article 10(1)(a) of the Order; or
 - (b) with the prior consent of the Authority, enter into an agreement to appoint an appropriate person to act as an Intermediary under the Capacity Market Code in respect of any generation set (as owned or operated by the Licensee) specified in the agreement; or
 - (c) comply with the requirements of Condition 18.
2. The Licensee shall ensure that the person appointed as an Intermediary under an agreement entered into in accordance with paragraph 1(b) insofar as applicable to it:
 - (a) becomes a party to the Capacity Market Code; and
 - (b) complies with its obligations, in relation to any generation set which is specified in the agreement, in the capacity of Intermediary under the Capacity Market Code.
3. The provisions of this Condition (other than those of this paragraph and paragraph 4 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.
4. In this Condition:

Capacity Market Code has the meaning given to that term in the Transmission System Operator Licence; and

Intermediary

has the meaning given to that term in the Capacity Market Code.

