Initial Designation for the purpose of Articles 4(4) and 9(8) of the Commission Regulation, No. 2015/1222 of 24 July 2015, establishing a Guideline on Capacity Allocation and Congestion Management (the CACM Regulation), (the Designation)

Designation

1. The Utility Regulator (the UR), pursuant to Articles 4 (NEMOs designation and revocation of the designation) and 9(8)(a) (Adoption of terms and conditions or methodologies) of the CACM Regulation, hereby designates: SONI Ltd., a company registered in Northern Ireland with company number NI038715, whose registered office is situated at Castlereagh House, 12 Manse Road, Belfast, BT6 9RT, Northern Ireland (SONI) as a Nominated Electricity Market Operator (NEMO), for single day ahead and intraday coupling in Northern Ireland for an initial term of four years. The Designation is subject to the conditions set out below.

Obligations

2. As a NEMO, SONI will be expected to comply with all obligations place on NEMOs under and in connection with the CACM Regulation. This shall include but not be limited to taking such steps as may be required to comply with all directions issued by the UR to address any actual or perceived conflict of interest.

Effective Date and Revocation

3. The Designation shall take effect at 12:00 am on 3 October 2015 and shall continue in force until 12:00 am on 3 October 2019, unless renewed in accordance with paragraph [11] below.

4. Subject to the notice periods specified in paragraphs [6 to 9] below, the UR may at any time revoke by written notice the Designation: –

   a. if SONI agrees in writing with the UR that the Designation should be revoked; or
   b. if SONI fails to maintain compliance with the criteria set out in Article 6 (NEMO designation criteria) of the CACM Regulation and is not able to restore compliance within six months of being notified of its non-compliance by the Authority; or
   c. if SONI -
      i. is unable to pay its debts (within the meaning of Article 103(1) or (2) of the Insolvency (Northern Ireland) Order 1989 “the Order” but subject to paragraph 5 of this Notice of Designation) or has any voluntary arrangement proposed in relation to it under Article 14) of the Order or enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved by the UR);
      ii. has a receiver (which expression shall include an administrative receiver within the meaning of Article 5(1) of the Order) of the whole or any material part of its assets or undertaking appointed;
      iii. has entered into administration under Article 21 of and Schedule B1 to the Order;
      iv. passes any resolution for winding-up other than a resolution previously approved in writing by the UR; or
      v. becomes subject to an order for winding-up by a court of competent jurisdiction; or
   d. if SONI is incorporated or has assets in a jurisdiction outside Ireland and Northern Ireland and anything analogous to any of the events specified in sub-paragraph (c) occurs in relation to SONI under the law of any such jurisdiction; or
   e. termination of SEMO joint venture arrangements.
5. **SONI** shall not be deemed to be unable to pay its debts for the purposes of sub-paragraph 4(c) (i) if any such demand as is mentioned in article 103 of the Order is being contested in good faith by **SONI** with recourse to all appropriate measures and procedures or if any such demand is satisfied before the expiration of such period as may be stated in any notice given by the UR under paragraph 4.

6. For the purposes of paragraph 4 (a), the notice period for revocation shall be not less than [30] days from the date of the written agreement between **SONI** and the UR.

7. For the purposes of paragraph 4 (b), **SONI** will have six months to provide the UR with evidence of its compliance following its notification of non-compliance by the UR. If, following consideration of this evidence, the UR decides, in its total discretion, to revoke the Designation it will give **SONI** no less than 30 days’ notice.

8. For the purposes of paragraph 4 (c) and 4 (d), the notice period for revocation shall be not less than 24 hours’ notice.

9. The UR may at any time revoke the Designation by giving no less than seven days’ notice in writing to **SONI** where the UR is satisfied that there has been a material misstatement (of fact) by, or on behalf of **SONI**, in making its application for designation as a NEMO.

10. The UR will publish any decision to revoke this Designation on its website.

**Renewal**

11. **SONI** must confirm to the UR twelve months before expiry of this initial designation, on 3 October 2018, if it wishes to continue its designation on an ongoing basis and provide evidence that it meets the criteria set out in Article 6 (*NEMO designation criteria*) of the CACM Regulation.

**Interpretation**

12. References in this Designation to the provision of any enactment, where after the date of this designation -

   a) the enactment has been replaced or supplemented by another enactment, and

   b) such enactment incorporates a corresponding provision in relation to fundamentally the same subject matter.

shall be construed, so far as the context permits, as including a reference to the corresponding provision of that other enactment.

_Jenny Pyper_

CEO

Utility Regulator for Northern Ireland

Duly authorised on behalf of the Utility Regulator for Northern Ireland.