



Commission for Energy Regulation
An Coimisiún um Rialáil Fuinnimh

Duration of Generation Licence – Clarification Note

The CER has recently received enquiries from some licensed generators regarding the duration status of their licence. These enquiries have come mainly from generators whose licences are nearing the 15 year anniversary of their date of issue.

We appreciate that the wording of the present licence in this regard may warrant some clarification. This clarification is set out below.

Part I (Terms), clause 3, of the CER standard Electricity Generation Licence provides as follows:

“This licence shall come into force on [Date] and, unless revoked in accordance with the provisions of Schedule 2, shall continue in full force and effect until determined by not less than 15 years’ notice in writing given by the Commission to the Licensee, such notice not to be served earlier than the 15th anniversary of the date on which this licence comes into force or where this licence relates to more than one generating station, such other determination date(s) as may be specified in Schedule 1.”

In addition, and separately, the licence provides that the CER may

- *revoke* a licence on certain specified grounds on giving the licensee not less than 30 days’ notice in writing or
- *modify* a licence from time to time in accordance with Section 19 of the Electricity Regulation Act, 1999.

These revocation and modification provisions are *not* the subject of this note. They are separate to, and will not be affected by the clarification on the licence duration issue set out below.

Licence Duration.

The key points from clause 3 cited above, when read in its licence context, are as follows:

- The CER must uphold a *minimum* licence duration of 15 years before that licence can terminate, or be “determined”. Even then, if the CER is contemplating terminating a licence it must give the licensee a minimum further notice of 15 years from this “determination date”. In other words, any licensee is entitled to hold his/her licence for a *minimum* period of 30 years from its date of issue.
- The original date of issue of a licence does *not* constitute a “determination date” for the purpose of this minimum notice in the licence.
- Licences issued to date have not, in fact, specified a “determination” date. Therefore they are of indefinite duration as they stand.
- Should the CER wish in the future to change this situation – i.e. to introduce a general limit to the duration of a generation licence – it would do so by way of proposal to *modify* the licence.

Any such future modification, however, would still uphold the basic entitlement of a holder of a pre-existing licence to their current minimum duration of 15 years as well as their minimum further notice period of 15 years (i.e. the 30 years referred to above).

The CER's right to revoke an individual licence *for stated reasons* on a minimum 30 days' notice remains in place and is not affected by the general "minimum 30 year duration rule" as described above.

The CER trusts this clarification is helpful to stakeholders. Any follow up queries should be addressed to Liz Kavanagh (lkavanagh@cer.ie).

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