

Condition 1 Interpretation and Construction

1. Unless the contrary intention appears:
 - (a) words and expressions used in the Conditions shall be construed as if they were in an enactment and the Interpretation Acts, 1937 to 1997 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 the Act, SI 445 of 2000 or SI 60 of 2005 shall, unless otherwise defined herein, have the same meaning when used in the Conditions.

3. In the Conditions unless otherwise specified or the context otherwise requires:

"Act"	refers to the Electricity Regulation Act, 1999;
"affiliate"	in relation to the Licensee or any subsidiary of a holding company of the Licensee, means any holding company of the Licensee or any subsidiary of the Licensee or any subsidiary of a holding company of the Licensee in each case within the meaning of the Companies Acts, 1963 to 2003;
"All-Island Networks"	means the total system, the Northern Ireland Transmission System and the Northern Ireland Distribution System taken together;
"All-Island Transmission Networks"	means the transmission system together with the Northern Ireland Transmission System;
"Ancillary Services"	has the meaning given to "Ancillary Service" in the Grid Code;
"authorised operator"	electricity has the meaning given thereto in the Northern Ireland System Operator Licence;
"Board"	means the Electricity Supply Board;

"Balancing Market" [has the meaning set out in the Single Electricity Market Trading and Settlement Code, Part B;](#)

"Capacity Market" [means the arrangements for securing generation adequacy and capacity described in Condition 6A and set out in the Capacity Market Code;](#)

"Capacity Market Code" [means the code of that name referred to in Condition 6A;](#)

"Development Plan"	means the plan required to be prepared by the Licensee pursuant to Regulation 8(6)(a) (functions of transmission system operator) of SI 445 of 2000;
"Distribution Code"	means the Distribution Code prepared by the Board pursuant to Section 33 (Preparation of Grid Code and Distribution Code) of the Act, and approved by the Commission, as from time to time revised, amended, supplemented or replaced with the approval or at the instance of the Commission;
"distribution system"	has the same meaning as assigned to that term in the Distribution System Operator licence granted to the Board;
"Distribution Operator"	System means the Board in its capacity as distribution system operator, licensed pursuant to Section 14(1)(g) of the Act;
"EirGrid"	means the company formed under Regulation 34 of SI 445 of 2000;
"electricity undertaking"	means any person engaged in the generation, transmission, distribution or supply of electricity, including any holder of a licence or authorisation or a person who has been granted a permit under Section 37 of the Electricity (Supply) Act 1927 and any person transferring electricity to or from the Republic of Ireland across a Republic of Ireland Interconnector or across the North/South Circuits, or who has made an application for use of a Republic of Ireland Interconnector which has not been refused;
<u>"Ex-Ante Markets"</u>	<u>means the day-ahead and intraday markets for the trading of wholesale electricity in the Single Electricity Market prior to the relevant Gate Closure;</u>
"Forecast Statement"	means the statement which the Licensee is required to prepare pursuant to Section 38 of the Act;
<u>"Gate Closure"</u>	<u>has the meaning set out in the Single Electricity Market Trading and Settlement Code, Part B;</u>
"generation unit"	means any plant or apparatus for the production of electricity;
"Generator"	means a person licensed to generate electricity under Section 14(1)(a) (Licences to generate and supply electricity) of the Act or the Board acting in its capacity as owner or operator of generating units;

"Grid Code"	means the Grid Code prepared by the Board pursuant to Section 33 (Preparation of Grid Code and Distribution Code) of the Act and approved by the Commission, as from time to time revised, amended, supplemented or replaced by the Licensee with the approval or at the instance of the Commission;
"holding company"	means a holding company within the meaning of the Companies Acts, 1963 to 2003;
"Infrastructure Agreement"	means the agreement between the Board in its capacity as Transmission System Owner and the Licensee, entered into on 16 th March 2006 pursuant to Regulation 18 (Infrastructure Agreement) of SI 445 of 2000, as from time to time revised, amended, supplemented or replaced with the approval or at the instance of the Commission;
"Interconnector"	means a Republic of Ireland Interconnector and/or a Northern Ireland Interconnector;
"Island of Ireland"	means the Republic of Ireland and Northern Ireland;
"Licensee"	means EirGrid, in its capacity as Transmission System Operator;
"Market Operation Activity"	means the business of the Market Operator Licensee as provided for in the licence granted to the Market Operator Licensee pursuant to Section 14(1)(j) of the Act;
<u>"Market Operator Licence"</u>	<u>means the licence granted to the Market Operator Licensee pursuant to Section 14(1)(j) of the Act;</u>
"Market Operator Licensee"	means EirGrid in its capacity as market operator licensed pursuant to Section 14(1)(j) of the Act or any other person which may, from time to time, hold a licence pursuant to Section 14(1)(j) of the Act;
"Metering Equipment"	means meters, time-switches, measurement transformers, metering protection and isolation equipment, circuitry and their associated data storage and data communications equipment and wiring which are part of the active energy and reactive energy measuring equipment at or relating to land and/or premises of a final customer or electricity undertaking;
"modification"	includes addition, deletion, amendment and substitution; and cognate expressions shall be

construed accordingly;

"NEMO Activity" [has the meaning given to that expression in the Market Operator Licence;](#)

"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 the Republic of Ireland directly to or from a substation or converter station within Northern Ireland (and not for conveying electricity elsewhere);

"Northern Ireland Interconnector" means for the purpose of this Licence, equipment used to link the Northern Ireland Transmission System to electricity systems outside of the Island of Ireland, and (for the avoidance of doubt) does not include the North/South Circuits;

"Northern Ireland Market Operator Licensee" means SONI and/or any other company or person which may from time to time be authorised to undertake the role of market operator of the Single Electricity Market by a licence granted under Article 10(1)(d) of the Electricity (Northern Ireland) Order 1992;

"Northern Ireland System Operator" means the person authorised, from time to time, under the Northern Ireland System Operator Licence in its capacity as the holder of that licence;

"Northern Ireland System Operator Licence" means the licence granted under Article 10 (1)(b) of the Electricity (Northern Ireland) Order 1992 to SONI on 3rd July 2007 or a licence subsequently granted under Article 10 (1)(b) of the Electricity (Northern Ireland) Order 1992;

"Northern Ireland Distribution System" has the meaning given to the term "distribution system" in the Northern Ireland System Operator Licence;

"Northern Ireland Transmission System" has the meaning given to the term "transmission system" in the Northern Ireland System Operator Licence;

"Operating Standards" means the document of that title prepared by the Licensee under the terms of this Licence;

"participating interest" has the meaning given to that term in Regulation 35 of the European Communities (Companies: Group Accounts) Regulations 1992 (SI 201 of 1992);

"related undertaking" means any undertaking having a participating interest in the Licensee or any undertaking in which the Licensee has a participating interest;

“representation”	includes any objection or any other proposal made in writing;
“Republic of Ireland Interconnector”	means for the purpose of this Licence, equipment used to link the transmission system to electricity systems outside of the Island of Ireland, and (for the avoidance of doubt) does not include the North/South Circuits;
"Separate Business"	means any business or businesses of the Licensee, whether carried out directly or by an affiliate or related undertaking of the Licensee, other than the Transmission System Operation Business;
“Single Electricity Market”	means the single wholesale electricity market for the Island of Ireland implemented in the Republic of Ireland pursuant to the Act and the Single Market Regulations;
“Single Electricity Market Trading and Settlement Code”	means the Trading and Settlement Code provided for in Regulation 4 of the Single Market Regulations, as from time to time revised, amended, supplemented or replaced;
“Single Market Operation Business“	means the activity of the Market Operator Licensee as provided for in the licence granted pursuant to Section 14 (1)(j) of the Act and the activity of the Northern Ireland Market Operator Licensee as provided for in the licence granted under Article 10 (1)(d) of the Electricity (Northern Ireland) Order 1992;
“Single Market Regulations”	means the Electricity Regulation Act 1999 (Single Electricity Market) Regulations 2007;
“SONI”	means SONI Limited, a company incorporated in Northern Ireland under company number NI038715;
"subsidiary"	has the meaning given in the Companies Acts, 1963 to 2003;
“Supplier”	means any person licensed to supply electricity pursuant to section 14 of the Act;
“System Operator Agreement”	means the agreement of that name entered into pursuant to Condition 4;
"total system"	means the transmission system and the distribution system taken together;
"transmission system"	means the system of electric lines comprising wholly or mainly the Board's high voltage lines and

electric plant and which is used for conveying electricity from a generating station to a substation, from one generating station to another, from one substation to another or to or from any Republic of Ireland Interconnector or to final customers (including such part of the North/South Circuits as is owned by the Board) (but shall not include any such lines which the Board may, with the approval of the Commission, specify as being part of the distribution system), and shall include any Republic of Ireland Interconnector owned by the Board;

"Transmission System Operation Business" means the business of the Licensee as operator of the transmission system, [including but not limited to its activities in relation to the Capacity Market and the Balancing Market](#);

"Transmission System Operator" means the Licensee in its capacity as transmission system operator pursuant to this Licence;

"Transmission System Owner" means the Board as owner of the transmission system, licensed pursuant to Section 14(1)(f) of the Act; and

"Transmission System Security and Standards" means the document of that title prepared by the Licensee under the terms of this Licence.

4. Unless otherwise specified:
 - (a) any reference to a numbered Condition is a reference to the Condition bearing that number in the Section of this Licence in which the reference occurs;
 - (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition 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, Section, Condition 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 4 (Service of Notices) of the Act 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 Commission pursuant to any Condition shall be delivered or served as aforesaid.

8. In discharging its obligations under this Licence, the Licensee shall take into account the following aims:
 - (a) securing the operation, maintenance and development of a safe, secure, reliable, economical, efficient and co-ordinated electricity transmission system as part of an efficient, economical, co-ordinated, safe, secure and reliable electricity transmission system on the Island of Ireland as a whole;
 - (b) facilitate the transmission system being made available to persons authorised to supply or generate electricity, on terms which ~~neither prevent nor restrict~~ facilitate competition in the supply or generation of electricity on the Island of Ireland as a whole;
 - (c) subject to subparagraphs (a) and (b) of this paragraph 8, promoting the security and efficiency of electricity generation on the Island of Ireland as a whole and promoting the security and efficiency of electricity distribution in the Republic of Ireland;
 - (d) subject to subparagraphs (a), (b) and (c) of this paragraph 8, minimising the overall costs of the generation, transmission, distribution and supply of electricity to final customers on the Island of Ireland; and
 - (e) ensuring that all reasonable demands for electricity are met.

9. Where any Condition of this Licence requires the Licensee to act “in conjunction with the Northern Ireland System Operator” in the fulfilment of an obligation, the Licensee shall:
 - (a) to the extent the Licensee is reasonably capable of fulfilling that obligation without the assistance of the Northern Ireland System Operator, be obliged to fulfil that obligation and shall use all reasonable endeavours to work together with the Northern Ireland System Operator in so doing;
 - (b) to the extent the Licensee is not reasonably capable of fulfilling that obligation without the assistance of the Northern Ireland System Operator:
 - (i) ensure that the System Operator Agreement requires the Northern Ireland System Operator to provide the assistance in question, and, where it does not, seek to amend the System Operator Agreement so that it does;
 - (ii) exercise all rights available to the Licensee (including under the System Operator Agreement) in order to obtain the assistance in question; and
 - (iii) on obtaining the assistance in question, be obliged to fulfil that obligation and shall use all reasonable endeavours to work together with the Northern Ireland System Operator in so doing; and
 - (c) to the extent the Northern Ireland System Operator is obliged (by the laws or licence obligations applicable to it) to act in conjunction with the Licensee in the fulfilment of an equivalent obligation, be obliged to provide such assistance as the Northern Ireland System Operator reasonably requests in order to enable it to fulfil that obligation.

Condition 1A Transition ~~New Condition~~

1. General Requirement

The Licensee shall take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to give full and timely effect to the revised SEM arrangements, so that the Licensee is able to comply with them from the time at which they are effective (or intended to be effective).

Requirement to Co-operate

2. Without prejudice to paragraphs 1 and 3, the Licensee shall cooperate with electricity undertakings and ~~Northern Ireland~~ authorised electricity operators (and with the Department of Communications, Energy and Natural Resources, the Commission and such other persons as the Commission may direct) and shall take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to enable:

- (a) electricity undertakings to comply with their statutory or licence obligations to give full and timely effect to the revised SEM arrangements, so that such electricity undertakings are able to comply with them from the time at which they are effective (or intended to be effective);
- (b) electricity undertakings to comply with any directions by the Commission under a provision of their licences equivalent to paragraph 4; and
- (c) Northern Ireland authorised electricity operators to comply with their statutory or licence obligations to prepare for the coming into effect of the revised SEM arrangements,

and in the event of any dispute between the Licensee and such other person as to whether a particular step, or thing, is reasonable, the Licensee or such other person may refer the matter to the Commission for determination (which determination shall be final for the purposes of this paragraph).

Requirements to Comply with Directions

3. Without prejudice to paragraphs 1 and 2, the Licensee shall take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to comply with any direction made from time to time by the Commission in accordance with paragraph 4 (and shall by so doing be taken to have complied with such direction).

4. The Commission may issue directions to the Licensee setting out the steps (including without limitation those referred to in paragraph 5) to be taken (or procured) by the Licensee which are, in the Commission's reasonable opinion, appropriate in order to give full and timely effect to the revised SEM arrangements, so that the Licensee is able to comply with them from the time at which they are effective (or intended to be effective).

5. The directions made by the Commission under paragraph 4 (with which the Licensee is, in accordance with paragraph 3, required to take all reasonable steps, and do all such

reasonable things, as are (in each case) within its power and necessary or expedient in order to comply) may include requirements regarding the following steps:

- (a) to secure or facilitate the amendment or establishment of any of the core industry documents; and
 - (b) to effect the novation of (or other transfer of rights and obligations under) any of the core industry documents from the Licensee or an electricity undertaking to the Licensee or an electricity undertaking.
6. The Commission may, at any time, by a further direction in accordance with paragraph 4 (in order to give (or continue to give) full and timely effect to the revised SEM arrangements amend or cancel any direction (or part thereof) previously made under paragraph 4.
 7. The Commission may not make a direction under paragraph 4 until it has undertaken such period of prior consultation with the Licensee (and such other persons as the Commission deems appropriate) as is reasonable in the circumstances. No direction made under paragraph 4 shall be effective until a copy is served on the Licensee.

Requirement not to Frustrate

8. Without prejudice to any public or administrative law right, or statutory right, that the Licensee may have to bring any claim against any public body or person, the Licensee shall not take any step, or exercise any right, which is intended to hinder or frustrate the giving of full and timely effect to the revised SEM arrangements.

Potential Conflict

9. If the Licensee is aware of any conflict between its compliance with the provisions of this Condition or any direction under paragraph 4 and its compliance with any other Condition of the Licence, the Licensee shall promptly inform the Commission of such conflict.
10. Provided the Licensee complies with paragraph 9, the other Conditions of the Licence shall prevail over this Condition in the event of conflict. If there is any conflict between a direction made under paragraph 4 and another requirement of the Licence, the provisions of the direction shall prevail.

Information

11. The Licensee shall provide to the Commission, in such manner and at such times as the Commission may reasonably require, such information and shall procure and furnish to it such reports as the Commission may reasonably require or deem necessary or appropriate to enable the Commission to monitor the Licensee's compliance with the requirements of this Condition, including (without limitation):
 - (a) information as to the Licensee's readiness concerning the revised SEM arrangements; and
 - (b) status reports concerning those matters referred to in sub- paragraph (d) of the definition of the revised SEM arrangements, and drafts of any legal documents by which such matters are to be achieved.

12. If the Licensee is aware (or should reasonably be aware) of any matter or circumstance which it considers will (or which the Licensee should reasonably consider likely to) hinder or frustrate the giving of full and timely effect to the revised SEM arrangements, the Licensee shall promptly inform the Commission of such matter or circumstance.

Further requirements

13. Without prejudice to the generality of the foregoing provisions, the Licensee shall:
- (a) take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to secure the co-ordinated and effective commencement and implementation of, and operations under the Single Electricity Market Trading and Settlement Code in light of its modification or amendment (or intended modification or amendment) under or by virtue of the revised SEM arrangements (including the development, testing, trialling and start-up of the systems, processes and procedures employed in such implementation and employed by electricity undertakings and others in connection with such operations); ~~and~~
 - (b) carry out a review of the regulatory documents, where appropriate taking into account submissions received from ESB Networks, in order to identify any changes which may in the Licensee's opinion be necessary or expedient in light of the revised SEM arrangements (the "identified changes") and provide a report (by such date as the Commission may reasonably direct) on the outcome of that review and on the action which the Licensee proposes to give effect to the identified changes; and
 - (c) with the Northern Ireland Transmission System Operator Licence holder develop the changes to the Grid Codes necessitated by the changes to the SEM trading arrangements and propose such changes to the Regulatory Authorities no later than three months before Go-Live.

Coming into Effect and Cessation of Effect

14. The provisions of this Condition (other than those of this paragraph and of paragraphs 15 and 16 which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Commission may by direction appoint. Different days may be so appointed for different provisions and for different purposes.
15. This Condition shall cease to have effect on ~~30 June~~31 December 2018, without prejudice to the continuing enforceability of any right or obligation (including any requirement to comply with a direction of the Commission issued prior to that date) which may have accrued or otherwise fallen due for performance prior to that date.

Definitions

16. In this Condition, unless the context otherwise requires:

"core industry documents" means those documents relating to the revised SEM arrangements which may from time to time be designated, by direction of the Commission, as such for the purposes of this Condition;

“regulatory documents”

means those codes, agreements and other documents which the Licensee is required to prepare, be party to or have in effect (or with which the Licensee is required to comply) under or by virtue of this Licence or the Act, including without prejudice to the generality, the Grid Code and the System Operator Agreement; and

“revised SEM arrangements” means:

- a) any modifications made (or which the Commission has formally indicated are likely to be made) to the Licence, or to the licences of any electricity undertaking, for the purpose (in each case) of implementing the high level design set out in the document entitled, “Integrated Single Electricity Market (I-SEM): SEM Committee Decision on High Level Design”, with reference SEM-14-085a and published on 17 September 2014;
- b) the conditions of the Republic of Ireland Market Operator Licence and the Licence;
- c) the terms imposed in any exemption granted pursuant to section 14(2F) of the Act that reflect a modification referred to in sub-paragraph (a); and
- d) the matters that the Licensee knows (or should reasonably know) are envisaged by the modifications and conditions referred to in sub-paragraphs (a) and (b) (including, without limitation, the establishment, amendment or termination of, or the transfer of rights and obligations under, core industry documents);

including, without prejudice to the generality, any of the provisions or matters described above by which the Licensee is bound (or intended to be bound).

Condition 3 General Functions

1. The Licensee shall:
 - (a) operate and ensure the maintenance of and, if necessary, develop a safe, secure, reliable, economical and efficient electricity transmission system as part of an efficient, economical, co-ordinated, safe, secure and reliable electricity transmission system on the Island of Ireland as a whole, and to explore and develop opportunities for interconnection of its system with other systems, in all cases with a view to ensuring that all reasonable demands for electricity are met and having due regard for the environment; and
 - (b) ensure the availability of all ~~ancillary services~~ [Ancillary Services](#) which are necessary for the Licensee to carry out its functions in paragraph (a) insofar as this availability is independent from any other transmission system with which it is interconnected; and
 - (c) plan the long term ability of the transmission system to meet reasonable demands for the transmission of electricity; and
 - (d) contribute to security of supply through adequate planning and operation of transmission capacity and system reliability; and
 - (e) take into account the need to operate a co-ordinated distribution system and transmission system; and
 - (f) co-ordinate with the Northern Ireland System Operator in order to ensure that the transmission system and the Northern Ireland Transmission System can be operated in a co-ordinated manner; ~~and~~
 - (g) [perform the functions assigned to it by the Commission in relation to the establishment and operation of the Capacity Market;](#)
 - (h) [perform the functions assigned to it by the Commission in relation to the establishment and operation of the Balancing Market;](#)
 - (i) ~~(g)~~ report to the Commission, in such form and in such manner as may be required by the Commission, in regard to security of supply matters as specified in Regulation 28(2) of SI 60 of 2005 and other matters as the Commission may specify. Where the Licensee is of the opinion that security of supply is threatened or likely to be threatened, it shall advise the Commission of this and make recommendations to the Commission on measures necessary to cover peak demand and deal with shortfalls; ~~and~~
 - (j) ~~(h)~~ when carrying out the functions in paragraphs (a) - ~~(fh)~~ at all times have regard to the need to protect the interests of consumers of electricity in Northern Ireland and Ireland.¹

¹ Inserted by TSO License Modification Notice (SEM-09-019) effective from 2 March 2009. See also Appendix 1 Part 3 of Consultation Paper SEM-08-176.

2. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of decision of the Commission dated [#] 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 Commission may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

Condition 6 Single Electricity Market Trading and Settlement Code

1. The Licensee shall accede to the Single Electricity Market Trading and Settlement Code and comply with it insofar as it is applicable to it in its capacity as Transmission System Operator [including the performance of its obligations in relation to the Capacity Market and the Balancing Market.](#)

Condition 6A Capacity Market ~~Condition~~

1. The Licensee shall enter into and, in conjunction with the Northern Ireland System Operator, at all times administer and maintain in force, the Capacity Market Code, being a document which:
 - (a) makes provision in respect of the capacity arrangements described in paragraph 3;
 - (b) is designed to facilitate achievement of the objectives set out in paragraph 4; and
 - (c) contains modification procedures which provide that any modifications to the Capacity Market Code (but not, necessarily, to the Agreed Procedures) must be subject to the prior approval of the Commission and which enable the Commission to propose modifications to the Capacity Market Code;

and the Licensee shall be taken to have complied with this paragraph to the extent that it:

- (d) adopts, on the date of such designation, as the Capacity Market Code the document designated as such by the Commission for the purposes of this Condition; and
 - (e) on an on-going basis reviews and proposes such modifications to that document (in accordance with the modification provisions therein) as would be necessary to ensure that that document meets the requirements of this paragraph 1.
2. The Licensee shall comply with the Capacity Market Code insofar as it is applicable to it as the holder of a licence granted under Section 14(1)(e) of the Act.
3. The capacity arrangements referred to in paragraph 1(a) are arrangements to secure generation adequacy and capacity to meet the demands of consumers including (without limitation) rules and procedures for the application for and allocation of agreements to remunerate the provision of electricity capacity (whether through the provision of generation, electricity supplied via interconnectors, reduction in demand or otherwise) across the Island of Ireland. Those arrangements taken together with the arrangements for calculation and settlement of such remuneration (which are dealt with under the provisions of the Single Electricity Market Trading and Settlement Code), are referred to in this Condition as the “Capacity ~~Remuneration~~ Market”.
4. The objectives referred to in paragraph 1(b) are:
 - (a) to facilitate the efficient discharge by the Licensee of the obligations imposed on it by this licence, and to facilitate the efficient discharge by the Northern Ireland System Operator of the obligations imposed on it by the Northern Ireland System Operator Licence;
 - (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner;
 - (c) to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of ~~Electricity Capacity~~electricity capacity in the Capacity Market;

- (d) to promote competition in the provision of ~~Electricity Capacity~~electricity capacity to the Single Electricity Market;
 - (e) to provide transparency in the operation of the Single Electricity Market;
 - (f) to ensure no undue discrimination between persons who are or may seek to become parties to the Capacity Market Code; and
 - (g) through the development of the Capacity Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, and security of supply of electricity across the ~~island~~Island of Ireland.
5. The Licensee shall, in conjunction with the Northern Ireland System Operator, ensure that persons who are a party to the Capacity Market Code or who wish to become a party to the Capacity Market Code have, to the extent that is reasonably practicable, a single point of contact when participating in the Capacity Market and interfacing with the Transmission System Operation Business.
6. The Licensee shall provide to the Commission such information as the Commission may request concerning the Capacity Market Code or any aspect of its operation.

Coming into Effect

7. The provisions of this Condition (other than those of this paragraph and paragraph 8 below which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the ~~Authority~~Commission may by ~~discretion~~direction appoint. Different days may be so appointed for different provisions and for different purposes.

Definitions

8. In this Condition:

“Agreed Procedures” means the detailed procedures that form part of the Market Code, but which are subsidiary to the main part of the code, as (subject thereto) such expression is used in the code;

Condition 10 Central Dispatch

1. The Licensee shall, in conjunction with the Northern Ireland System Operator, schedule SEM Generation and ensure that direct instructions for the dispatch of SEM Generation are issued in accordance with paragraphs 2, 3, 4 and 5.
2. Having regard to information provided to it by the Northern Ireland System Operator and by electricity undertakings and by authorised electricity operators (including as to forecast levels of electricity demand and availability of generation capacity), to forecast levels of electricity available to be transferred to or from the Island of Ireland across any Interconnector and to the requirements of Operating Security Standards and the Northern Ireland Transmission and Distribution System Security and Planning Standards the Licensee shall, in conjunction with the Northern Ireland System Operator undertake operational planning:
 - (a) for the matching of SEM Generation output (including a reserve of SEM Generation to provide a security margin of SEM Generation availability) with forecast demand on the Island of Ireland after taking into account, inter alia:
 - (i) unavailability of generation units and/or Interconnector transfers;
 - (ii) constraints from time to time imposed by technical limitations on the All-Island Networks or any part thereof; and
 - (iii) electricity delivered to the All-Island Networks from generation units not subject to central dispatch; and
 - (b) consistently with sub-paragraph (a) above, and in accordance with the Grid Code, for the release of parts of the transmission system for maintenance, repair, extension or reinforcement.
3. The Licensee shall (pursuant to the Grid Code), in conjunction with the Northern Ireland System Operator (pursuant to the Northern Ireland Grid Code), establish and operate, a merit order system for SEM Generation.
4. Taking account of, inter alia, the factors set out in paragraph 5, the Licensee shall, in conjunction with the Northern Ireland System Operator:
 - (a) schedule SEM Generation; and
 - (b) except to the extent not reasonably achievable given the fact that the Licensee and the Northern Ireland System Operator each have separate control centres from which dispatch instructions to generation units in each of their respective jurisdictions are issued, ensure that direct instructions for the dispatch of SEM Generation are issued

in each case:

- (a) in ascending order of relevant prices; and

- (b) as will in aggregate (and after taking account of electricity delivered to or from the All- Island Transmission Networks from or to other sources) be sufficient to match at all times (to the extent possible having regard to the availability of SEM Generation) demand forecast on the All-Island Networks taking account of information provided by electricity undertakings and by authorised electricity operators, together with an appropriate margin of reserve.
5. The factors referred to in paragraph 4 are:
- (a) forecast demand on the Island of Ireland;
 - (b) technical constraints from time to time imposed on the All-Island Networks or any part or parts thereof;
 - (c) the dynamic operating characteristics of SEM Generation;
 - (d) forecast exports of electricity across any Interconnector;
 - (e) transmission and distribution losses;
 - (f) Operating Security Standards and the Northern Ireland Operating Security Standard; and
 - (g) other matters provided for in the Grid Code and the Northern Ireland Grid Code including in each case any arrangements for the dispatch of renewable generators.
6. The Licensee shall provide to the Commission such information as the Commission shall request concerning the merit order system or any aspect of its operation.

Cease to have effect

7. This Condition shall cease to have any effect from the date determined by the Commission subject to any transitional provisions which the Commission 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 Commission issued prior to that date).

~~7.~~ In this Condition:

- | | |
|-------------------------------------|---|
| "available", | in relation to any generation units or Interconnector transfer, means a generation unit or Interconnector transfer which is available in accordance with the Grid Code or the Northern Ireland Grid Code (as applicable) and "availability" shall be construed accordingly; |
| "central dispatch" | means the process of scheduling and issuing direct instructions by the Licensee, in conjunction with the Northern Ireland System Operator, as referred to in paragraph 1; |
| "Northern Ireland Grid Code" | has the meaning given to the expression "Grid Code" in the Northern Ireland System Operator |

	Licence;
"Interconnector transfer"	means the flow of electricity across an Interconnector into, or out of, the Island of Ireland;
"merit order system"	means a system establishing economic precedence of electricity from available generation units or Interconnector transfers to be delivered or transferred to the All- Island Networks (subject to other system needs);
"Northern Ireland Grid Code"	has the meaning given to the expression "Grid Code" in the Northern Ireland System Operator Licence;
"Northern Ireland Operating Security Standard"	has the meaning given to the expression "operating security standard" in the Northern Ireland System Operator Licence;
"Northern Ireland total system"	has the meaning given to the expression "total system" in the Northern Ireland System Operator Licence.
"Northern Ireland SEM Generation"	means the available generation units of each relevant generator in Northern Ireland which: <ul style="list-style-type: none"> (a) are required to be subject to central dispatch instructions under the terms of any exemption granted under Article 9 of the Electricity (Northern Ireland) Order 1992 or any licence granted under Article 10 of the Electricity (Northern Ireland) Order 1992; or (b) are otherwise agreed by that relevant generator to be subject to central dispatch;
"Northern Ireland Transmission and Distribution System Security and Planning Standards"	has the meaning given to the expression "Transmission and Distribution System Security and Planning Standards" in the Northern Ireland System Operator Licence;
"relevant generator"	means: <ul style="list-style-type: none"> (a) a holder of a licence under Article 10(1)(a) of the Electricity (Northern Ireland) Order 1992; or (b) a person who is exempt from the requirement to hold such a licence in accordance with Article 9 of the Electricity (Northern Ireland) Order 1992 and whose generation units are connected to the Northern Ireland total system;

“relevant price”	means in relation to each generation unit and each Interconnector transfer the price submitted in respect of that generation unit or Interconnector transfer in accordance with the Single Electricity Market Trading and Settlement Code;
“Republic of Ireland SEM Generation”	means the available generation units of each Generator which: <ul style="list-style-type: none"> <li data-bbox="760 548 1334 638">(a) are required to be subject to central dispatch under the terms of any licence granted under Section 14(1) of the Act (as amended); or <li data-bbox="760 669 1334 726">(b) are otherwise agreed by any such generator to be subjected to central dispatch;
“SEM Generation”	means Republic of Ireland SEM Generation and Northern Ireland SEM Generation and available Interconnector transfers taken together.

Condition 10A Central Dispatch

1. The Licensee shall, in conjunction with the Northern Ireland System Operator, schedule SEM Generation and ensure that direct instructions for the dispatch of SEM Generation are issued in accordance with paragraphs 2, 3, 4 and 5.
2. Having regard to information provided to it by the Northern Ireland System Operator and by electricity undertakings and by authorised electricity operators (including as to forecast levels of electricity demand and availability of generation capacity), to forecast levels of electricity available to be transferred to or from the Island of Ireland across any Interconnector and to the requirements of the Operating Security Standards and the Northern Ireland Transmission and Distribution System Security and Planning Standards the Licensee shall, in conjunction with the Northern Ireland System Operator undertake operational planning:
 - (a) for the matching of SEM Generation output (including a reserve of SEM Generation to provide a security margin of SEM Generation availability) with forecast demand on the Island of Ireland after taking into account, inter alia:
 - (i) physical notifications;
 - (ii) unavailability of generation units and/or Interconnector transfers;
 - (iii) constraints from time to time imposed by technical limitations on the All-Island Networks or any part thereof; and
 - (iv) electricity delivered to the AllIsland Networks from generation units not subject to central dispatch; and
 - (b) consistently with sub paragraph (a) above, and in accordance with the Grid Code, for the release of parts of the transmission system for maintenance and repair, extension or reinforcement.
3. The Licensee shall (pursuant to the Grid Code) in conjunction with the Northern Ireland System Operator (pursuant to the Northern Ireland Grid Code), establish and operate, a merit order system for the Balancing Market. The merit order so established shall take account of the following objectives:
 - (a) minimising the cost of diverging from physical notifications;
 - (b) as far as practical, enabling the Ex-Ante Market to resolve energy imbalances ahead of Gate Closure; and
 - (c) as far as practical minimising the cost of non-energy actions by the Licensee in the impact upon the Ex-Ante Market.
4. Taking account of, *inter alia*, the factors set out in paragraph 5, the Licensee shall, in conjunction with the Northern Ireland System Operator:
 - (a) schedule SEM Generation; and

(b) except to the extent not reasonably achievable given the fact that the Licensee and the Northern Ireland System Operator each have separate control centres from which dispatch instructions to generation units in each of their respective jurisdictions are issued, ensure that direct instructions to dispatch SEM Generation are issued;

_____ in each case:

(c) in ascending order of incremental offer prices and descending order of decremental bid prices; and

(d) as will in aggregate (and after taking account of electricity delivered to or from the All-Island Transmission Networks from or to other sources and submitted physical notifications) be sufficient to match at all times (to the extent possible having regard to the availability of SEM Generation) demand forecast on the All-Island Networks taking account of information provided by electricity undertakings and by authorised electricity operators, together with an appropriate margin of reserve.

5. The factors referred to in paragraph 4 are:

(a) forecast demand on the Island of Ireland;

(b) physical notifications;

(c) the values of the parameters which have been determined by the Commission as the scheduling and dispatch parameters;

(d) technical constraints from time to time imposed on the All-Island Networks or any part or parts thereof;

(e) the dynamic operating characteristics of SEM Generation;

(f) forecast exports of electricity across any Interconnector;

(g) transmission and distribution losses;

(h) in respect of the transmission system, the Operating Security Standards and (in respect of the Northern Ireland Transmission System) the Northern Ireland Operating Security Standard; and

(i) other matters provided for in the Grid Code and the Northern Ireland Grid Code including in each case any arrangements for the dispatch of renewable generators.

6. The Licensee shall, when directed by the Commission to do so, prepare a report considering and proposing the initial values of the parameters to be used in its scheduling and dispatch parameters including the values of the Long Notice Adjustment Factor and the System Imbalance Flattening Factor. Following publication of the Licensee's report and consultation with such persons as the Commission believes appropriate, the Commission shall determine the values of the parameters to be used in the scheduling and dispatch parameters including the values of the Long Notice Adjustment Factor and the System Imbalance Flattening Factor and shall specify the period for which they shall apply. The Licensee shall use the specified values of the parameters in the scheduling and dispatch

support systems until such times any revisions are to be applied following the procedures set out in paragraph 7.

7. The Licensee shall provide a report to the Commission on an annual basis or whenever so required by the Commission on the performance of its scheduling and dispatch resulting from the current values of the scheduling and dispatch parameters. The Licensee may propose changes to the values of those parameters, or their replacement with different parameters. After publication of the Licensee's report and following consultation with such persons as the Commission believes appropriate, the Commission may determine that the values of the parameters shall change, or that different parameters shall be used. Such a determination shall specify the date from which any such changes shall take effect and may specify transitional arrangements to be applied by the Licensee.
8. The Licensee shall provide to the Commission such information as the Commission shall request concerning the merit order system or any aspect of its operation.
9. The Licensee shall arrange for the carrying out of a periodic audit of the scheduling and dispatch process, its operation and implementation in accordance with directions given to it from time to time by the Commission in respect of such matters as the Commission considers appropriate, including (without prejudice to the generality):
 - (a) the frequency, audit period, process and timetable for the audit;
 - (b) the selection, appointment and tenure of a person or firm to carry out the audit;
 - (c) the terms of reference for the audit;
 - (d) the publication of the audit report and of any other relevant materials;

and the Licensee shall provide, or arrange for the provision, in a timely manner of such information, reports or other assistance (whether to the Commission or to another person) as the Commission may request concerning the audit. The Licensee shall, where directed to do so by the Commission, implement the recommendations contained in any audit report.

Coming Into Effect

10. The provisions of this Condition (other than those of this paragraph and of paragraph 11 which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Commission may by direction appoint. Different days may be so appointed for different provisions and for different purposes.
11. In this Condition:

<u>"available"</u>	<u>in relation to any generation units or Interconnector transfer, means a generation unit or Interconnector transfer which is available in accordance with the Grid Code or the Northern Ireland Grid Code (as applicable) and "availability" shall be construed accordingly;</u>
<u>"central dispatch"</u>	<u>means the process of scheduling and issuing</u>

	<u>direct instructions by the Licensee, in conjunction with the Northern Ireland System Operator, as referred to in paragraph 1;</u>
<u>“Interconnector transfer”</u>	<u>means the flow of electricity across an Interconnector into, or out of, the Island of Ireland;</u>
<u>“Long Notice Adjustment Factor”</u>	<u>means a multiplier applied to the start-up costs of generation units which varies depending on the length of notice provided in any instruction from the Licensee to synchronise such generation unit and which has greater values for greater lengths of notice;</u>
<u>“merit order system”</u>	<u>means a system establishing economic precedence of electricity from available generation units or Interconnector transfers to be delivered or transferred to the All- Island Networks (subject to other system needs);</u>
<u>“non-energy actions”</u>	<u>means dispatch instructions issued with the intent of resolving constraints in the transmission system rather than balancing energy between demand and generation;</u>
<u>“Northern Ireland Grid Code”</u>	<u>has the meaning given to the expression “Grid Code” in the Northern Ireland System Operator Licence;</u>
<u>“Northern Ireland Operating Security Standard”</u>	<u>has the meaning given to the expression “operating security standard” in the Northern Ireland System Operator Licence;</u>
<u>“Northern Ireland SEM Generation”</u>	<u>means the available generation units of each relevant generator in Northern Ireland which:</u> <ul style="list-style-type: none"> <u>(a) are required to be subject to central dispatch instructions under the terms of any exemption granted under Article 9 of the Electricity (Northern Ireland) Order 1992 or any licence granted under Article 10 of the Electricity (Northern Ireland) Order 1992; or</u> <u>(b) are otherwise agreed by that relevant generator to be subject to central dispatch;</u>
<u>“Northern Ireland total system”</u>	<u>has the meaning given to the expression “total system” in the Northern Ireland System Operator Licence;</u>

<u>“Northern Ireland Transmission and Distribution System Security and Planning Standards”</u>	means the “Transmission System Security and Planning Standards” and “Distribution System Security and Planning Standards” as those expressions are defined in the Northern Ireland System Operator Licence”.
<u>“physical notification”</u>	has the meaning set out in the Single Electricity Market Trading and Settlement Code, Part B;
<u>“relevant generator”</u>	means: <ul style="list-style-type: none"> (a) <u>a holder of a licence under Article 10(1)(a) of the Electricity (Northern Ireland) Order 1992; or</u> (b) <u>a person who is exempt from the requirement to hold such a licence in accordance with Article 9 of the Electricity (Northern Ireland) Order 1992 and whose generation units are connected to the Northern Ireland total system;</u>
<u>“Republic of Ireland SEM Generation”</u>	means the <u>available generation units of each Generator which:</u> <ul style="list-style-type: none"> (a) <u>are required to be subject to central dispatch under the terms of any licence granted under Section 14(1) of the Act (as amended); or</u> (b) <u>are otherwise agreed by any such generator to be subjected to central dispatch;</u>
<u>“scheduling and dispatch parameters”</u>	means <u>the parameters to be used in the Licensee’s scheduling and dispatch support systems which shall be designed to defer central dispatch instructions to enable the maximum use by participants of the Ex-Ante Markets and shall include a Long Notice Adjustment Factor and a System Imbalance Flattening Factor;</u>
<u>“SEM Generation”</u>	means <u>Republic of Ireland SEM Generation and Northern Ireland SEM Generation and available Interconnector transfers taken together; and</u>
<u>“System Imbalance Flattening Factor”</u>	means <u>a multiplier applied to the start-up costs of generation units which varies depending on the degree to which forecast generation including forecast imports and forecast exports on Interconnectors is short of forecast demand and which has greater values for greater shortages.</u>

Condition 10B Balancing Market Principles Statement

1. The Licensee shall, when directed by the Commission to do so, prepare in conjunction with the Northern Ireland System Operator, a Balancing Market Principles Statement being a document which:

 - (i) describes the Licensee's scheduling and dispatch process within the Balancing Market; and
 - (ii) sets out the Licensee's reporting regime for occasions when it has acted in exception to the processes and procedures set out in the statement.
2. The Balancing Market Principles Statement shall be in a form approved by the Commission and shall be based upon and fully comply with the BMPS Terms of Reference. The Balancing Market Principles Statement shall be published on the Licensee's website.
3. The Licensee shall ensure that, following updates in accordance with paragraphs 5 and 6, the Balancing Market Principles Statement is as accurate and up-to-date a description of the scheduling and dispatch process as is practicable.
4. The Licensee shall review the Balancing Market Principles Statement on an ongoing basis (and in any event at least once a year) to determine if the Balancing Market Principles Statement continues to be an accurate and up-to-date description of the Licensee's scheduling and dispatch process within the Balancing Market. The Licensee shall propose such amendments to the Balancing Market Principles Statement as it considers necessary following such reviews, or upon being informed by the Commission, in accordance with paragraphs 5 and 6.
5. Except where the Commission directs otherwise, before revising the Balancing Market Principles Statement the Licensee shall:

 - (a) send a copy of the proposed revisions to the Commission;
 - (b) consult market participants on the proposed revisions and allow them a period of not less than 28 days in which to make representations to the Licensee;
 - (c) submit to the Commission, within 7 days from the close of the consultation a report setting out:

 - (i) the revisions originally proposed;
 - (ii) the representations (if any) made to the Licensee;
 - (iii) any changes to the revisions subsequent to the consultation process; and
 - (iv) where the Commission directs that sub-paragraphs i), ii), and iii) or any of them shall not apply, comply with such other requirements as are specified in the direction.
6. The Licensee shall not revise the Balancing Market Principles Statement and any revision thereof until the expiry of 28 days from the date on which the Commission receives the

report referred to in sub-paragraph 5(c) unless prior to that date the Commission either i) directs the Licensee to make the revision on an earlier date; or ii) directs the Licensee not to make the revision.

Coming Into Effect

7. The provisions of this Condition (other than those of this paragraph and of paragraph 8 which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Commission may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

8. In this condition:

<u>“BMPS Terms of Reference”</u>	<u>means Appendix A of the document named “Balancing Market Principles Statement Terms of Reference” published by the SEM Committee on 7th October 2016 (SEM-16-058) or such other document replacing the same and published by the Commission from time to time.</u>
---	--

Condition 11 Economic Procurement of Assets, Services and Ancillary Services

1. The Licensee shall procure such assets and services, and such quantities and types of Ancillary Services as may be necessary and appropriate to enable the Licensee to discharge its obligations under the Act, SI 445 of 2000, SI 60 of 2005, the Single Market Regulations and this Licence.
2. In procuring assets, services and Ancillary Services pursuant to paragraph 1, without prejudice to the Infrastructure Agreement and System Operator Agreement, the Licensee shall procure such assets, services and Ancillary Services from the most economical sources available to it having regard to the quantity and nature of the assets, services and Ancillary Services required to enable it to discharge its obligations under the Act, SI 445 of 2000, SI 60 of 2005 and this Licence and to the diversity, number, timeliness of delivery and reliability of such assets, services and Ancillary Services. Where appropriate, taking into account the quantity, nature and cost of Ancillary Services, the Licensee shall make arrangements for such contracting in co-operation with the Northern Ireland System Operator.
3. This Condition shall not extend to prescribing the manner or circumstances in which the Licensee shall at any time call for the delivery of assets and services under any contract or arrangement entered into pursuant to paragraph 1.
4. Any provision of assets, services or Ancillary Services:
 - (a) to the Licensee by any affiliate or related undertaking of the Licensee; or
 - (b) by the Licensee to any affiliate or related undertaking of the Licensee,shall be on arms-length terms.
5. Any provision of assets, services or Ancillary Services of a material nature by the Transmission System Operation Business to any Separate Business of the Licensee, or by any Separate Business of the Licensee to the Transmission System Operation Business shall (insofar as possible given that they are a single legal entity) be undertaken on arms-length terms (or such other specific terms as agreed in advance in writing by the Commission); and:
 - (a) where such Separate Business is the Market Operation Activity [and / or the NEMO Activity](#), the cost of such provision shall be apportioned between the Transmission System Operation Business and the Market Operation Activity [and / or the NEMO Activity \(as appropriate\)](#) at cost; and
 - (b) where such Separate Business is not the Market Operation Activity [and / or NEMO Activity](#), the cost of such provision shall be apportioned between the Transmission System Operation Business and such Separate Business at a commercial rate.
6. Any question arising as to materiality shall be determined by the Commission for the purposes of this Condition.

Condition 21 Restriction on Use of Certain Information

1. The Licensee shall preserve the confidentiality of commercially sensitive information held and/or obtained by it in the discharge of its functions as transmission system operator in accordance with SI 445 of 2000, SI 60 of 2005, the Act, the System Operator Agreement, the Infrastructure Agreement and this Licence.
2. The Licensee shall prevent information about its own activities which may be commercially advantageous being disclosed in a discriminatory manner.
3. The Licensee shall implement such measures and procedures and take all such other steps as it shall reasonably consider and/or shall be specified in directions issued by the Commission from time to time to be necessary for the purpose of securing compliance by the Licensee with its obligations under paragraphs 1 and 2.
4. The Licensee shall ensure that confidential information is only disclosed to authorised recipients, classes of authorised recipients or authorised advisors.
5. The Licensee shall ensure that when any member of staff is to be transferred from the Transmission System Operation Business to any Separate Business and an unfair commercial advantage could accrue to either or both businesses, the Licensee shall inform the Commission of the proposed transfer(s) and shall make the Commission aware of the steps being taken to ensure that no unfair commercial advantage will accrue to either business. In particular (and insofar as is legally possible) the transfer of any member of staff that has been involved in the establishment or operation of the Capacity Market to an affiliate to perform activities in relation to an Interconnector (where appropriate) shall be the subject to a cooling-off period of a duration to be agreed with the Commission. The Commission may determine in certain cases that no cooling-off period is required.
6. ~~5-~~ Paragraphs 1, 2 and 4 shall not apply to:
 - (a) any confidential information which, before or after it is furnished to the Licensee's employees, is in the public domain; or
 - (b) the disclosure of any confidential information:
 - (i) in compliance with the duties of the Licensee under the Act, SI 445 of 2000, SI 60 of 2005, the Single Market Regulations, the System Operator Agreement the Infrastructure Agreement or any other requirement of a competent authority; or
 - (ii) in compliance with the Conditions granted in this Licence or any document referred to in this Licence with which the Licensee is required by virtue of the Act, SI 445 of 2000, SI 60 of 2005, the Single Market Regulations, the System Operator Agreement, the Infrastructure Agreement or this Licence to comply; or
 - (iii) in compliance with any other requirement of law; or
 - (iv) pursuant to any judicial or other arbitral process or tribunal of competent jurisdiction; or

(c) any confidential information to the extent that the Licensee is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the Grid Code, the Distribution Code, the Metering Code and the Single Electricity Market Trading and Settlement Code) with the relevant person to whose affairs such confidential information relates.

7. ~~6.~~ Without prejudice to the other provisions of this Condition, the Licensee shall procure that any additional copies made of the confidential information, whether in hard copy or computerised form, will clearly identify the confidential information as confidential.

8. ~~7.~~ The Licensee shall take all reasonable measures to prevent (so far as the Licensee can so require) any person who is or ceases to be employed by the Licensee, whether that person is or was employed part-time or full time in the Transmission System Operation Business, from disclosing confidential information.

9. ~~8.~~ The Licensee shall take all reasonable steps to ensure that every authorised adviser, consultant, director or member of staff to whom the Licensee discloses confidential information does not use that confidential information for any purpose other than that for which it was provided and does not disclose that confidential information otherwise than in accordance with the provisions of this Condition and pursuant to Regulation 49 (Prohibition on unauthorised disclosure of information) of SI 445 of 2000.

10. ~~9.~~ This Condition is without prejudice to the duties at law of the Licensee towards outside persons.

11. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of decision of the Commission dated [#] 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 Commission may by direction appoint. Different days may be so appointed for different provisions and for different purposes.

12. ~~10.~~ In this Condition:

"authorised adviser" means such professional advisers of the Licensee, engaged and acting in that capacity, as require access to any confidential information;

"authorised recipient" means, in relation to any confidential information, any employee who, before the confidential information had been divulged to him by the Licensee, had been informed of the nature and effect of this Condition and who requires access to such confidential information for the proper performance of his duties as an employee in the course of permitted activities;

"confidential information" means any commercially sensitive information held and/or obtained by the Licensee in the discharge of its functions as Transmission System Operator under the Act, SI 445 of 2000, SI 60 of 2005, the System Operator Agreement, the Infrastructure Agreement and this Licence.

“commercially sensitive information” means any matter the disclosure of which would materially prejudice the interests of any person.

“permitted activities” means the activities directly connected with the discharge by the Licensee of its functions as Transmission System Operator pursuant to this Licence.

“member of staff” means an employee of the Licensee.

“cooling-off period” means a period of time during which a member of staff is not actively engaged in any work of the Licensee which requires access to confidential information.

Condition 21A Compliance and Assurance Officer

1. The Licensee shall, in conjunction with the Northern Ireland System Operator , and following consultation with the Commission, appoint a competent person who is a senior member of its personnel (the "Compliance and Assurance Officer") for the purpose of verifying the Licensee's compliance with its obligations under Conditions 17, 21 and 23, and to provide independent assurance of such verifications.
2. The Licensee shall ensure that the Compliance and Assurance Officer is independent and has access to such staff, premises, systems, information, documentation, equipment, facilities and other resources as he might reasonably expect to require to fulfil the duties and tasks assigned to him.
3. The Licensee shall provide a copy of any complaints received by it in respect of Conditions, 17, 21 and 23 to the Compliance and Assurance Officer as soon as reasonably practicable and in any event within one month of receiving any such complaint.
4. The duties and tasks assigned to the Compliance and Assurance Officer shall include:
 - (a) providing relevant advice and information to the Licensee for the purpose of ensuring its compliance with Conditions 17, 21 and 23;
 - (b) monitoring the Licensee's compliance with Conditions 17, 21 and 23 and providing assurances around this;
 - (c) reviewing the processes followed and ensuring that due process has been applied to the investigation of any complaint or representation received by him or the Licensee from any person in respect of any matter arising under or by virtue of Conditions 17, 21 and 23;
 - (d) recommending and advising on the remedial action which any such investigation has demonstrated to be necessary or desirable; and
 - (e) reporting annually to the directors of the Licensee on his activities during the period covered by the report and the investigations he has conducted. This report shall be prepared and submitted in a form approved by the Commission and shall include the Compliance and Assurance Officer's assessment of the compliance of the Licensee with the requirements of Conditions 17, 21 and 23 as well as an explanation of the practices, procedures and systems adopted to effect compliance with such conditions.
5. The Licensee shall, following consideration of the Compliance and Assurance Officer's report and within one calendar month, or such other period agreed by the Commission, provide a copy of the Compliance and Assurance Officer's report, together with its response to that report to the Commission.
6. Following approval of the Compliance and Assurance Officer's report by the Commission, the Licensee shall publish it and any part of its response to the report specified by the Commission on its website once directed to do so by the Commission.

Coming into Effect

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