

Statutory Notice

Published in accordance with Section 22(3) of the Electricity Regulation Act, 1999 ("the Act")

ELECTRICITY GENERATION LICENCES


In the matter of Section 19, 20, 21, 22 and 29 of the Act.

THE COMMISSION FOR ENERGY REGULATION (the "Commission") HEREBY GIVES NOTICE OF MODIFICATIONS TO ALL ELECTRICITY GENERATION LICENCES (the "Generation Licences") ISSUED BY THE COMMISSION PURSUANT TO SECTION 14 (1) (a) OF THE ACT. THESE LICENCE MODIFICATIONS ARE TO FACILITATE THE IMPLEMENTATION OF THE INTEGRATED SINGLE ELECTRICITY MARKET. THE IMPLEMENTATION OF THESE MODIFICATIONS FOLLOWS THE STATUTORY NOTICE PUBLISHED IN THE IRISH TIMES ON 2 JUNE 2017. FURTHER DETAILS ON THE CONTENT OF THE LICENCE MODIFICATIONS IS OUTLINED IN THE DECISION PAPER CER/17/277 PUBLISHED ON THE COMMISSION'S WEBSITE www.cer.ie. THE EFFECTIVE DATE OF THESE LICENCE MODIFICATIONS IS (16 OCTOBER 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 COMMISSION).

The modifications are as follows:

1. Generation Licences will be modified as arises in Section C thereof by the insertion of the following new conditions:
 - a. Condition 15a Balancing Market Principles Code of Practice;
 - b. Condition 20 Capacity Market Code;
2. Generation Licences will be modified as arises in Section C thereof by amendments to the following existing conditions:
 - c. Condition 1 Interpretation and Construction;
 - d. Condition 14 Trading and Settlement Codes; and
 - e. Condition 15 Cost-Reflective Bidding in the Single Electricity Market.
3. **TAKE FURTHER NOTICE THAT** the nature of the modifications and the reasons therefor are stated in the Annex to this notice.
4. A decision paper setting out the background for the modifications of Generation Licences and the background to the nature and reasons for the modifications stated in this notice is published on the Commission's website www.cer.ie.
5. The text for the modifications referred to at point 1 and point 2 above can be found in the [example] Generation Licence published alongside the decision paper.
6. The licence modifications will come into effect on (16 October 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 Commission).
7. In accordance with Section 29 of the Act, a person who is a holder of a licence or an authorisation and who wishes to appeal against a decision of the Commission to modify the licence or authorisation concerned may, within 28 days of the making of the decision to modify a licence or an authorisation, request the Minister to establish a panel to be known and in the Act referred to as an "Appeal Panel".
8. For further information please see the Commission's decision paper at www.cer.ie.

NOTE: A COPY OF THIS NOTICE WILL BE SERVED ON THE LICENCE HOLDER. IF YOU, AS LICENCE HOLDER, HAVE NOT RECEIVED A COPY OF THIS NOTICE BY POST OR OTHERWISE PLEASE CONTACT isemlicences@cer.ie SO THAT YOUR RECORDS CAN BE UPDATED.



Signed:

Paul McGowan
Chair of the Commission
(15 September 2017)

ANNEX: STATEMENT OF THE NATURE OF MODIFICATIONS AND REASONS THEREFOR

Condition	Nature of modification	Reason(s) for modifications
New Condition Condition 15a Balancing Market Principles Code of Practice	Introduce a new condition requiring the licence holder to comply with the Balancing Market Principles Code of Practice (BMPCOP) in formulating and submitting Commercial Offer Data to the Single Market Operation Business in the Balancing Market. The Commission will publish the BMPCOP and will make provision to secure that Commercial Offer Data are reasonably reflective of short run marginal costs (thereby facilitating, by contributing to the mitigation of market power in the SEM, the efficient operation of the Balancing Market). The Commission will also have powers to issue directions and request explanations from licensees. The licensee will be obliged to retain records for a period of four years and will be required to provide annual certifications to the Commission that it has acted independently.	The modification is required to implement the SEM Committee decision to establish a generic licence condition to require generation licence holders to comply with the Balancing Market Principles Code of Practice (Decision Paper "Complex Bid Offer Controls in the I-SEM Balancing Market" (SEM-17-020)). In light of representations received, the condition now specifies that the BMPCOP will make provision securing that Commercial Offer Data are reasonably reflective of short run marginal costs (thereby facilitating, by contributing to the mitigation of market power in the SEM, the efficient operation of the Balancing Market). Similarly, in light of representations received the power of the Commission to modify the BMPCOP is now also made subject to any additional requirements as regards modification set out in the BMPCOP.
New Condition Condition 20 Capacity Market Code	Introduce a new condition requiring licence holders to sign up to and comply with the Capacity Market Code insofar as applicable to them. If any of the licence holder's generation units have been registered by an Intermediary, the licence holder will be obliged to ensure that the Intermediary will comply with the Code in relation to those generation units.	Insofar as licence holders have obligations under the Capacity Market Code, it is important that they are subject to a licence condition to comply with the code.
Existing Condition Conditions to Apply from SEM Go Live Condition 1 Interpretation and Construction	Delete the definition of the term "Trading and Settlement Code".	The definition is no longer required as this code has been replaced by the Single Electricity Market Trading and Settlement Code. As such, the term is now redundant.
Existing Condition Conditions to Apply from SEM Go Live Condition 14 Trading and Settlement Codes	Amend the title of the condition to "Single Electricity Market Trading and Settlement Code" and delete paragraph 1 of the Condition which obliges the licence holder to comply with the "Trading and Settlement Code".	The modifications to this condition are to reflect the fact that the Trading and Settlement Code has been replaced by the Single Electricity Market Trading and Settlement Code and as such, the condition no longer needs to refer to the (now defunct) Trading and Settlement Code.
Existing Condition Condition 15 Cost Reflective Bidding in the Single Electricity Market	Modification of the condition to allow the Commission to "turn off" this condition at a date and time determined by it (being the same point in time as the new condition 15a will become effective).	The modification is required to enable the Commission to turn off the condition at the relevant point in time when the new condition, Condition 15a Balancing Market Principles Code of Practice will come into effect.