

**Statutory Notice**

Published in accordance with Section 20 of the Electricity Regulation Act, 1999 ("the Act"), Electricity Regulation (Amendment) (Single Electricity Market) Act, 2007 and Energy Act, 2016 and amendments thereto

**ELECTRICITY GENERATION LICENCES**

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

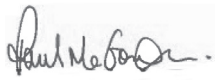
**TAKE NOTICE THAT THE COMMISSION FOR ENERGY REGULATION (the "Commission") IS OF THE OPINION THAT CONDITIONS OR REQUIREMENTS CONTAINED IN THE ELECTRICITY GENERATION LICENCES (the "Generation Licences") ISSUED BY THE COMMISSION PURSUANT TO SECTION 14 (1) (a) OF THE ACT SHOULD EACH BE AMENDED TO FACILITATE NEW WHOLESALE MARKET ARRANGEMENTS IN THE SINGLE ELECTRICITY MARKET DESCRIBED IN THE ACT AND PROPOSES TO MODIFY THE GENERATION LICENCES.**

The proposed 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. An information paper setting out the background for the proposed modifications of Generation Licences and the background to the nature and reasons for the proposed modifications stated in this notice is published on the Commission's website [www.cer.ie](http://www.cer.ie).
5. The text for the proposed modifications referred to at point 1 and point 2 above can be found in Annex 2 of the information paper.
6. Representations or objections with respect to the proposed modifications can be made before 4 July 2017, (being a date not less than 28 days from the date of the publication of this notice) for consideration by the Commission and shall be sent by email to [isemlicences@cer.ie](mailto:isemlicences@cer.ie) or alternatively by post to ISEM Licences, Commission for Energy Regulation, The Exchange, Belgard Square North, Tallaght, Dublin 24.
7. Where within the period specified in paragraph 6 above no objections or representations are made or such representations or objections as are made in that period specified in paragraph 6 above are subsequently withdrawn, the modifications of the generation licences shall have effect accordingly.
8. Where objections or representations made within the period specified in paragraph 6 are not withdrawn –
  - (a) the Commission may either accept or reject such representations, in whole or in part, and the modifications shall have effect accordingly, or
  - (b) where it is satisfied that sufficient grounds exist to warrant a public hearing, the Commission may cause such a public hearing to be held.
9. The Commission shall, within a reasonable period from the date of completion of the public hearing, make a determination –
  - (a) to modify a licence or an authorisation in accordance with the proposed modifications, or
  - (b) not to make the modifications concerned.
10. Where the Commission rejects any objections or representations without a public hearing being held, the reasons for the rejection and the refusal of a public hearing shall be notified to the persons who made those objections or representations and the proposed modifications shall be effected in accordance with Section 22(3) of the Act.
11. The proposed modifications relate to the Single Electricity Market, thus the Commission shall have due regard in exercising its functions under Sections 20 to 23 of the Act to the desirability of similar modifications (including similar modifications in Northern Ireland) having effect at the same time.
12. 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".
13. For further information please see the Commission's information paper at [www.cer.ie](http://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 CER AT [isemlicences@cer.ie](mailto:isemlicences@cer.ie) SO THAT YOUR RECORDS CAN BE UPDATED.

Signed:



Paul McGowan  
Chair of the Commission  
2 June 2017

**ANNEX: STATEMENT OF THE NATURE OF MODIFICATIONS AND REASONS THEREFOR**

Condition	Nature of proposed modification	Reason(s) for proposed modification
<b>New Condition</b> 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 (BMP COP) in formulating and submitting Commercial Offer Data to the Single Market Operation Business in the Balancing Market.  The Commission will publish the BMP COP and will make provision to secure that Commercial Offer Data are cost reflective.  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 proposed modification is required to implement the SEM Committee decision (produced as part of the market power workstream) 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).
<b>New Condition</b> 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.
<b>Existing Condition</b> 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.
<b>Existing Condition</b> 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 proposed 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.
<b>Existing Condition</b> 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 proposed new condition 15a will become effective).	The proposed modification is required to enable the Commission to turn off the condition at the relevant point in time when the new proposed condition, Condition 15a Balancing Market Principles Code of Practice will come into effect.