

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

PUBLIC ELECTRICITY SUPPLY LICENCE

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 PUBLIC ELECTRICITY SUPPLY LICENCE ISSUED BY THE COMMISSION PURSUANT TO SECTION 14 (1) (h) OF THE ACT SHOULD BE AMENDED TO FACILITATE NEW WHOLESALE MARKET ARRANGEMENTS IN THE SINGLE ELECTRICITY MARKET DESCRIBED IN THE ACT AND PROPOSES TO MODIFY THE PUBLIC ELECTRICITY SUPPLY LICENCE.

The proposed modifications are as follows:

1. The Public Electricity Supply Licence will be modified as arises in Section C thereof by the insertion of the following new conditions:
 - a. Condition 25a Balancing Market Principles Code of Practice;
 - b. Condition 28 Capacity Market Code;
2. The Public Electricity Supply Licence will be modified as it arises in Section C thereof by amendments to the following existing conditions:
 - c. Condition 1 Interpretation and Construction;
 - d. Condition 19 Intermediaries; and
 - e. **CONDITION 25 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 proposed modifications of the Public Electricity Supply Licence 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 proposed modifications referred at point 1 and point 2 above can be found in Annex 1 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 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made or such representations or objections as are made in that period specified in paragraph 6 above are subsequently withdrawn the modifications of the Public Electricity Licence shall have effect accordingly.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 modification, 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.

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 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
New Condition Condition 25a (Balancing Market Principles Code of Practice)	Introduce a new condition requiring the licence holder (where it is operating as a Demand Side Unit) to comply with the Balancing Market Principles Code of Practice in formulating and submitting Commercial Offer Data to the Single Market Operation Business. The Commission will publish the BMPCOP 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 the licensee. 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 decisions on suppliers, operating as Demand Side Units, in relation to the Balancing Market Principles Code of Practice (BMPCOP).
New Condition Condition 28 (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.	Insofar as the licence holder has obligations under the Capacity Market Code e.g. offering demand side response, it is important that it is subject to a licence condition to comply with the terms of code.
Existing Condition Section C Conditions to Apply from SEM Go Live Condition 1 (Interpretation and Construction)	Trading and Settlement Code Delete the definition of the term "Trading and Settlement Code".	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 Section C Conditions to Apply from SEM Go Live Condition 19 (Intermediaries)	Amend paragraph 1(a) and the definition of Intermediary to include reference to the Capacity Market Code. Include a new paragraph to provide for the coming into effect of the amendments to this condition.	In I-SEM, it will be possible for the licence holder to act as an Intermediary (in respect of generation units) under both the Capacity Market Code and the Single Electricity Market Trading and Settlement Code. As such, it is necessary to expand the scope of the condition to oblige the licence holder to comply with the Capacity Market Code (as well as the TSC) in its capacity as Intermediary.
Existing Condition Condition 25 (Cost Reflective Bidding in the Single Electricity Market)	Introduce a new provision to allow the Commission to "turn off" this condition from a date determined by it (being the same date on which the new proposed BMPCOP condition will take effect).	The proposed modification is required to enable the Commission to turn off this condition at the relevant point in time when the new proposed condition, Condition 25a (Balancing Market Principles Code of Practice) is to take effect.