



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**ELECTRICITY INTERCONNECTOR
OPERATOR LICENCE**

**Issued to EirGrid Interconnector Limited
Designated Activity Company (“EIDACL”)**

Licence Reference Number: F/5190

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PART I TERMS OF THE LICENCE

1. The Commission for Energy Regulation (hereinafter referred to as "**the Commission**"), in exercise of the powers conferred by Section 14(1)(i) of the Electricity Regulation Act, 1999 (as amended) (hereinafter referred to as "**the Act**"), hereby grants to EirGrid Interconnector ~~Limited Designated Activity Company~~ ("**EIDACL**") (hereinafter referred to as "**the Licensee**") a licence to transport electricity across and maintain the Interconnector identified in Schedule 1 subject:
 - (a) to the Conditions set out in Part II – Section A; and
 - (b) to the Conditions set out in Part II – Section B;together hereinafter referred to as "**the Conditions**".
2. The Conditions are subject to modification or amendment in accordance with their terms or with Sections 14(3), 14(6)(a), 14(6)(b) or 19 of the Act. The licence hereby granted (hereinafter referred to as "**this Licence**") is further subject to the terms as to revocation specified in Schedule 2.
3. This Licence shall come into force on _____ and, unless revoked in accordance with the provisions of Schedule 2, shall continue in full force and effect until determined by not less than 25 years' notice in writing given by the Commission to the Licensee, such notice not to be served earlier than the 25th anniversary of the date on which this Licence comes into force.

Sealed with the common seal of the Commission for Energy Regulation on

Commissioner

Member of staff of the Commission

Part II – Section A: The Standard Conditions

Condition 1 Interpretation and Construction

1. Unless the contrary intention appears:
 - (a) words and expressions used in the Conditions or the Schedule shall be construed as if they were in an enactment and the Interpretation Acts, 1937 to 2005 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 or the Regulations shall, unless otherwise defined herein, have the same meaning when used in the Conditions or in the Schedule.
3. In the Conditions and in the Schedule, unless otherwise specified or the context otherwise requires:

“Act” refers to the Electricity Regulation Act 1999, as amended;

"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 a Holding Company of the Licensee;

“Ancillary Services” has the meaning given in the Grid Code and shall be deemed to also include such other services as directed by the Commission from time to time;

“CACM Regulation” —————means Commission Regulation (EU) 2015/1222 of 24 July 2015, establishing a Guideline on Capacity Allocation and Congestion Management;

“Capacity Market Code” has the meaning given to that term in the Transmission System Operator licence;-

"Confidential Information" means any information relating to the business, affairs and finances of an interconnector user being confidential to that interconnector user whether or not such information is marked confidential, including, without limitation, Commercially Sensitive Information held or obtained by the Licensee in the discharge

of its functions under the Act and this Licence-;

“Commercially Sensitive Information” means any matter the disclosure of which would materially prejudice the interests of any person;

“Companies Acts” mean the Companies Act 2014 (as amended) and every other enactment which is to be read together with that Act;

“Distribution Code” means the code of that name prepared by the Distribution System Operator pursuant to Section 33 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 Operator” means the person licensed to operate the distribution system pursuant to Section 14(1)(g) of the Act;

“Electricity Market

Regulation” means Regulation (EC) 714/2009 of the European Parliament and of the Council of 13 July 2009 on condition for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No. 1228/2003;

“FCA Regulation” —————means Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation;

Harmonised Allocation Rules means the harmonised allocation rules for long term transmission rights on an EU level (prepared in accordance with Article 51 of the FCA Regulation) in force at that time including the approved regional annexes for the Borders Great Britain - Ireland and Great Britain - Northern Ireland;

“Grid Code” means the code of that name prepared by the Transmission System Operator pursuant to Section 33 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;

"Holding Company"	means a holding company within the meaning of the Companies Acts;
"Interconnector"	means equipment used to link the electricity system of the State to electricity systems outside of the State;
"Interconnector Business"	means the business of the Licensee as authorised by this Licence;
"Interconnector Licence"	means a licence granted under Section 14(1)(i) of the Act;
<u>"Interconnector Revenue"</u>	<u>means all income which the Licensee receives in respect of carrying on the Interconnector Business, including but not limited to all income which the Licensee receives (a) from the allocation of Interconnector capacity (including congestion income as defined in the CACM Regulation), (b) from the proceeds of the sale of Long Term Transmission Rights by the Licensee less the net remuneration paid by the Licensee to holders of Financial Transmission Rights, (c) the provision of Ancillary Services, and (d) under the terms of the Capacity Market Code;</u>
"Licensee"	means EirGrid Interconnector <u>Limited Designated Activity Company ("EIDAC")("EIL")</u> ;
<u>Long Term Transmission Rights</u>	<u>has the meaning given to the terms "Physical Transmission Right" and / or "Financial Transmission Right Option" and / or "Financial Transmission Right Obligation" (as applicable from time to time) in the Harmonised Allocation Rules;</u>
"Market Operator"	means the person licensed to operate the single electricity market pursuant to Section 14(1)(j) of the Act;
<u>"Market Operator Licences"</u>	<u>means together:</u> <u>(a) in the case of EirGrid plc, the licence to undertake the role of single market operator of the SEM issued under Section 14(1)(j) of the Act; and</u>

~~(b) in the case of SONI Limited, the licence to act as SEM operator (within the meaning of Article 8(6) of the Electricity (Northern Ireland) Order 1992 (the "Order")) under Article 10(1)(d) of the Order;~~

"Metering Code"

means the code of that name prepared by the Distribution System Operator and approved by the Commission, as from time to time revised, amended, supplemented or replaced with the approval of or at the instance of the Commission;

"modification"

includes addition, deletion, amendment and substitution; and cognate expressions shall be construed accordingly;

"Network Codes"

means (i) any network codes established under Article 6 of the Electricity Market Regulation, and (ii) guidelines adopted under Article 18 of the Electricity Market Regulation

Nominated Electricity Market

Operator

means any person designated to perform the activities required of a Nominated Electricity Market Operator for performance of day-ahead and intraday market coupling under the CACM Regulation and the corresponding activities in relation to the interim intraday market coupling pending the development of the enduring arrangements under the CACM Regulation;

"Participating Interest"

has the meaning given to that term in Regulation 35 of the European Communities (Companies: Group Accounts) Regulations 1992 (S.I. 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;

"Separate Business"

means the business or businesses of the Licensee, whether carried out directly or by an Affiliate or Related Undertaking of the

Licensee, other than the Interconnector Business;

"Subsidiary" has the meaning given in the Companies Acts;

"SEM Trading and Settlement

Code" means the code of that name developed pursuant to Section 9BA(1) of the Act, as from time to time revised, amended supplemented or replaced with the approval or at the instance of the Commission;

"Terminal Jurisdiction" means the jurisdiction, which is not within the State, to which the Interconnector owned by the Licensee in the State is connected;

"Transmission System" means the system of electric lines comprising wholly or mainly of 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 Interconnector or to final customers, and (in the case of the transmission system in the State shall include any Interconnector owned by the Electricity Supply Board);

"Transmission System

Operator" means the person licensed to operate the Transmission System under Section 14(1)(e) of the Act.

4. Unless otherwise specified:

- (a) any reference to a numbered Condition is a reference to the Condition bearing that number in this Licence;
- (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition or Schedule 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, Condition, Schedule 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.

Condition 2 Separation of Accounts

1. The Licensee shall draw up, submit to audit and publish its annual accounts in accordance with the requirements of the Companies Acts. A copy shall be delivered to the Commission as soon as reasonably practicable, and in any event no later than four months after the end of the period to which the accounts relate.
2. Without prejudice to paragraph 1, the Licensee shall, in its internal accounting, keep or cause to be kept accounts for the Interconnector Business as a whole which when requested from time to time by the Commission, must be delivered to the Commission in the form and at the times specified by the Commission. The accounts shall be in accordance with such regulatory accounting guidelines as may be issued by the Commission from time to time. The accounts shall also be in accordance with any and all directions as are reasonable and appropriate for the purposes of this Condition as the Commission may, from time to time, notify to the Licensee.
3. The regulatory accounting guidelines or directions notified by the Commission to the Licensee under paragraph 2 may, inter alia:
 - (a) specify the form of the accounting statements/records, including but not limited to, profit and loss accounts, balance sheets, recognised gains and losses statements, cash flow statements and statements of the amounts of any revenues, costs, assets, liabilities, reserves or provisions which have been either charged from or to any other business or determined by allocation or apportionment between the consolidated Interconnector Business and any other business.
 - (b) specify the nature and content of the accounting statements/records, including information on specified types of revenue, cost, asset or liability and information on the revenues, costs, assets and liabilities attributable to specified activities.
 - (c) require any reconciliation that may be required with the annual accounts of the Licensee prepared under the Companies Acts.
 - (d) specify the accounting principles (including the basis for the allocation of costs) and the bases of valuation to be used in preparing accounting statements/records.
4. The Licensee shall not, in relation to the accounting statements in respect of a financial year, change the basis of charge, apportionment or allocation from those applied in respect of the previous financial year, unless the Commission shall previously have issued directions for the purposes of this Condition directing the Licensee to change such basis in a manner set out in the directions or the Commission gives its prior written approval to the change in such basis.
5. The Licensee shall comply with any directions issued by the Commission for the purposes of this Condition.

Condition 3 Provision of Information to the Commission

1. The Licensee shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and shall procure and furnish to it such reports as the Commission may consider necessary in the light of the Conditions or as it may require for the purpose of performing the functions assigned or transferred to it by or under the Act.
2. Without prejudice to the generality of paragraph 1, the Commission may call for the furnishing of accounting information which is more extensive than or differs from that required to be prepared and supplied to the Commission under Condition 2.
3. The power of the Commission to call for information under paragraph 1 is without prejudice to the power of the Commission to call for information under or pursuant to any other Condition of this Licence or under or pursuant to the Act or any other enactment.
4. In this Condition, "**information**" shall include any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

Condition 4 Compliance with Laws and Directions

1. The Licensee shall comply with the Act, Statutory Instrument Numbers 445 of 2000 and 60 of 2005, the Conditions of this Licence and all relevant EU and Irish laws and the relevant statutory consents to operate an interconnector business in the Terminal Jurisdiction.
2. The Licensee shall comply with any directions or determinations made by the Commission pursuant to Sections 23, 24, and 25 of the Act and with any court orders made pursuant to Section 26 of the Act.
3. Any costs associated with compliance with such directions, determinations and court orders shall be the responsibility of the Licensee.
4. Upon request the Licensee shall report to the Commission on compliance or other matters the Commission may specify in relation to Paragraphs 1 and 2 in this Condition.
5. The Licensee shall on an annual basis report as to how it complies with the Conditions of this Licence.

Condition 5 Payment of Levy

1. The Licensee shall pay to the Commission any amounts specified in, or determined under, a Levy Order, in accordance with the provisions of such Levy Order.
2. In this Condition:

"Levy Order" means an Order made by the Commission under paragraph 16 of the Schedule 1 to the Act.

Condition 6 Compliance with Codes

1. The Licensee shall at all times comply with the provisions of the Grid Code, Distribution Code and Metering Code, from time to time in force, insofar as applicable to it.
2. The Licensee shall be party to, and shall comply with the SEM Trading and Settlement Code insofar as applicable to it.
- ~~3.~~ The Licensee shall be party to, and shall comply with the Capacity Market Code insofar as applicable to it.
- ~~4.~~ 3. The Licensee shall report to the Commission on its compliance with the Grid Code, Distribution Code, Metering Code, the Capacity Market Code and the SEM Trading and Settlement Code as required by the Commission.

Transition

- ~~5.~~ 5. The provisions of this Condition inserted by virtue of the decision of the Commission dated 23 March 2018 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.

Condition 7 Public Service Obligation

1. The Licensee shall comply with any public service obligation imposed on it by the Commission pursuant to Section 39 (Public Service Obligations) of the Act.

Condition 8 Security Arrangements

1. Where requested by the Commission, the Licensee shall co-operate with the Commission and the Transmission System Operator in strategic contingency planning during periods when the Commission deems necessary for reasons of security of supply.
2. The Licensee shall co-operate with the Transmission System Operator with the aim of facilitating the Transmission System Operator in the fulfilment of its obligations under Condition 9 of its licence .

Condition 9 Provision of Information to the Transmission System Operator, Distribution System Operator, Market Operator, Nominated Electricity Market Operators, and other entities

1. The Licensee shall furnish to the Transmission System Operator, the Distribution System Operator, any relevant Nominated Electricity Market Operator, any person licensed as a transmission system operator in the EU or the Market Operator, information concerning the operation, capacity, constraints and technical specifications of the Licensee's Interconnector in such manner and at such times as may reasonably:
 - (a) be required for the Transmission System Operator, the Distribution System Operator, a Nominated Electricity Market Operator or the Market Operator to enable them to comply with obligations under their own licence or applicable industry codes; or
 - (b) be specified in directions issued from time to time by the Commission to the Licensee for the purpose of sub-paragraph (a) above, having taken into consideration any representations made to the Commission by the Licensee and the Transmission System Operator or a Nominated Electricity Market Operator, the Distribution System Operator or the Market Operator, and in accordance with any conditions contained in such directions.
2. The Licensee shall be entitled to refuse to provide an item of information on the grounds that its disclosure would seriously and prejudicially affect the commercial interests of the Licensee unless and until the Commission, by notice in writing given to the Licensee, directs it to provide that item of information on the grounds that provision thereof is necessary or expedient for the purpose mentioned in subparagraph 1(a).
3. This Condition shall not require the Licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before the court.

Transition

4. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 10 ~~Central Dispatch~~ Scheduling and Dispatch and Interconnector Transfers

1. The Licensee shall ensure that arrangements are put in place such that all interconnector transfers for scheduling and dispatch are submitted in accordance with the SEM Trading and Settlement Code where scheduling and dispatch is required by the Grid Code.
2. The Licensee shall at such times and in such manner as may be provided under the Grid Code provide the Transmission System Operator with all information reasonably required by it to enable it to operate the system of scheduling and dispatch.

Transition

3. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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.
34. In this Condition:

"scheduling and dispatch" means the process of scheduling and issuing direct instructions for dispatch of available generation units and interconnector transfers by the Transmission System Operator; and

"interconnector transfer" means the flow of electricity across the Licensee's Interconnector.

Condition 11 Ancillary Services

1. The Licensee shall from time to time, if requested by the Transmission System Operator and in accordance with the provisions of the Grid Code, or as directed by the Commission from time to time, facilitate the provision of Ancillary Services from any Interconnector of the Licensee or from any interconnector user which the Interconnector unit is capable of providing.
2. Upon the application of the Transmission System Operator wishing to question the terms offered by the Licensee pursuant to paragraph 1, the Commission shall settle any terms of the agreement in dispute between the Transmission System Operator and the Licensee in such manner as appears to the Commission to be reasonable.
3. If the Transmission System Operator wishes to proceed on the basis of the terms as settled by the Commission, the Licensee shall forthwith enter into and implement such agreement in accordance with its terms.
4. The Licensee shall from time to time, if requested by an interconnector user and to the extent required in accordance with the provisions of the Grid Code, facilitate the provision of Ancillary Services which the Interconnector unit is capable of providing.
5. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 12 Environment

1. The Licensee shall comply with all applicable European Union and Irish Environmental Laws whether in force at the date hereof or in the future.
2. The Licensee shall, not later than such date as the Commission may specify and in consultation with the Commission, prepare and from time to time modify a written policy setting out the manner in which the Licensee proposes to comply with its duties and obligations under all applicable European Union and Irish Environmental Laws.
3. The Licensee shall report annually to the Commission on its environmental performance in such form and at such times as the Commission may specify.
4. The Commission may at any time modify or vary the terms or conditions contained in this Licence in order to reflect obligations imposed by any International, national or European Union Environmental Laws.
5. For the purposes of this Licence, "**Environmental Laws**" means those laws which are from time to time in force whose purpose is the protection of the environment including the protection of human health, flora, fauna and the eco-systems on which they depend, and for the avoidance of doubt shall include but shall not be limited to the Environment Protection Agency Acts 1992 and 2003, the Waste Management Act 1996 and all relevant legislation relating to the assessment of environmental impacts, and the protection of air, land, the environment and water.

Condition 13 Assignment of Licence and Transfer of Interconnector Business

1. The Licensee shall not, without the prior written consent of the Commission, assign this Licence.
2. The Licensee shall not, without the prior written consent of the Commission, transfer to another person (the "**transferee**") all or any part of the Interconnector Business carried out under this Licence.
3. Any consent of the Commission to any assignment of this Licence or transfer of the Interconnector Business of the Licensee shall be subject to the Commission being satisfied that the assignee or transferee, as the case may be, will have the technical and financial capability to comply with the Conditions of this Licence and, in the case of a transfer only, the transferee being granted an Interconnector Licence, and may be subject to compliance by the assignee or transferee, as the case may be, with any other matters determined by the Commission to be necessary, including the modification of this Licence where deemed necessary by the Commission.
4. Nothing in this Condition shall prevent the Licensee transferring its Interconnector Business to an assignee where the Commission has consented to such assignment provided that such transfer is effected as soon as practicable after such consent has been given.

Condition 14 Change in Control of the Licensee

1. The Licensee shall notify the Commission of a change in control of the Licensee as soon as is practicable after such a change in control occurs.

Condition 15 Capacity Utilisation ~~**and Long Term Transmission Rights**~~

1. The Licensee shall make available the maximum capacity of the Licensee's Interconnector, in compliance with safety standards of secure network operation, and as set out in any of the Network Codes, and the Electricity Market Regulation.
- ~~23.~~ The Licensee shall make available (or shall procure that there are made available) arrangements for the auctioning of Long Term Transmission Rights on the Licensee's Interconnector, in compliance with applicable EU and Irish laws (including, Electricity Market Regulation, the Network Codes and their subsidiary methodologies).

Transition

- ~~3.~~ The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 16 Dispute Resolution

1. Subject to Condition 16(2), upon the application of any person who is, or claims to be, a person to whom the Licensee is obliged to make an offer as set out in Condition 20 of this licence and who wishes to dispute the making of an offer, the terms offered, the proposed charge or otherwise, including tariffs or non-price terms and conditions of the offer to that person (including a refusal by the Licensee to make such an offer, the Commission may, pursuant to Section 34A(5) of the Act, settle any terms of the agreement in dispute between the Licensee and that person or persons (as the case may be) in such manner as it appears to the Commission to be reasonable and the Licensee shall comply with and be bound by any such determination.

2. The right of:

(a) any person who is, or claims to be, a person to whom the Licensee is obliged to make an offer as set out in Condition 20 of this licence and who wishes to dispute any of the matters referred to in Condition 16(1); and

(b) the Commission to settle the terms of the agreement in dispute between the Licensee and that person or persons as the case may be,

shall be subject to any requirement under the Harmonised Allocation Rules prescribed under the FCA Regulation that any such dispute be settled in accordance with a dispute resolution procedure under the Harmonised Allocation Rules

Transition

3. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 17 Prohibited Activities

1. The Licensee shall not, and shall procure that any Affiliate or Related Undertaking of the Licensee shall not, on behalf of the Licensee, engage in the generation, trading or supply of electricity on the Island of Ireland, save where explicitly permitted through the written consent of the Commission.
2. The Licensee shall notify the Commission of any interests the Licensee has in any other electricity undertaking forthwith, outside of the State, directly or indirectly acquired. The Licensee shall provide not less than two months prior written notification to the Commission of an interest in any other electricity undertakings that the Licensee intends to, directly or indirectly, acquire.
3. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 18 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 interconnector licensee in accordance with the [Electricity Market Regulation](#), [the Network Codes](#), the SEM Trading and Settlement Code, [the Capacity Market Code](#), the Act and this Licence.
2. The Licensee shall implement such measures and procedures and take all such other steps as shall be specified in directions issued by the Commission from time to time for the purposes of this Condition to be in its opinion reasonably necessary for the purpose of securing compliance by the Licensee with its obligations under paragraph 1.
3. The Licensee shall ensure that Confidential Information is only disclosed to authorised recipients, classes of authorised recipients or authorised advisors.
4. Paragraphs 1 and 3 shall not apply to:
 - (a) any Confidential Information which, before or after it is furnished to the Licensee's employees, authorised recipients or authorised advisors, 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, the [Electricity Market Regulation](#), [the Network Codes](#) 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, the [Electricity Market Regulation](#), [the Network Codes](#) 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, [the Capacity Market Code](#) and the SEM Trading and Settlement Code) with the relevant person to whose affairs such Confidential Information relates.
5. 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.

6. 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 Interconnector Business, from disclosing Confidential Information.
7. The Licensee shall take all reasonable steps to ensure that every authorised recipient or authorised adviser 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.
8. This Condition is without prejudice to the duties at law of the Licensee towards third parties.

~~8.9.~~ In this Condition:

"**authorised adviser**" means such professional advisers of the Licensee as require access to any Confidential Information;

"**authorised recipient**" means, in relation to any Confidential Information, any employee of the Licensee who, before the Confidential Information had been divulged to them 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 their duties as an employee in the course of permitted activities.

10. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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.

Part II – Section B: Revenue and Third Party Access

Condition 19 Use of Revenues

1. The Licensee shall use any Interconnector Revenue only for one or more of the purposes listed in subparagraphs 2(a), 2(b) and 2(c) below.
2. The Licensee shall prepare and submit to the Commission for approval an annual revenue statement ('use of revenues statement'), in such form as the Commission may from time to time direct. This use of revenues statement must set out how Interconnector Revenue been used for one or more of the following purposes:
 - (a) guaranteeing the actual availability of the allocated capacity;
 - (b) investment in maintaining or increasing interconnection capacities; and/or.;
 - (c) such other purposes as may be directed by the Commission from time to time.
3. For the avoidance of doubt, the allocation of revenues used for the purpose set out in 2(b) may relate to interconnection capacity other than that owned by the Licensee. The Commission may direct the Licensee to allocate a portion or all revenues it receives from the allocation of Interconnector capacity to an Interconnector other than that owned by the Licensee.
4. If the revenues cannot be efficiently used for the purposes set out in 2(a) and/or 2(b), they may be used, subject to the approval of the Commission, up to a maximum amount to be decided by the Commission, as income to be taken into account by the Commission when approving the methodology for calculating network tariffs, and/or in assessing whether tariffs should be modified.
5. The use of revenues statement submitted under this Licence Condition shall be submitted no later than ~~1~~14 July each year. The use of revenues statement shall cover the 12 month period up to 30 June of the same year. The first use of revenues statement shall be submitted by 1 July after the interconnector comes into operation.
6. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 20 Access to the Licensee's Interconnector

1. The Licensee shall make the capacity of the Interconnector available in accordance with [arrangements made under the CACM Regulation], FCA Regulation and their subsidiary methodologies on a non-discriminatory, objective and transparent basis in accordance with Section 34A of the Act.
2. The Licensee shall comply with any directions given to it by the Commission, from time to time, pursuant to Section 34A of the Act.
- ~~3. Non price terms and conditions of access shall be transparent, objective and non-discriminatory.~~
- ~~4. The Licensee shall submit a charging methodology and any subsequent modification to the charging methodology to the Commission for approval at a time to be determined by the Commission after consultation with the licensee.~~
- ~~5. Prior to submitting the charging methodology to the Commission for approval the Licensee shall:
 - ~~(a) take all reasonable steps to ensure that all persons who may have a direct interest in the access arrangement are consulted and allow them a period of not less than 28 days within which to make written representations; and~~
 - ~~(b) furnish to the Commission a report setting out:
 - ~~(i) the terms originally proposed in the charging methodology;~~
 - ~~(ii) the representations, if any, made by interested persons; and~~
 - ~~(iii) any change in the charging methodology intended as a consequence of such representations.~~
 - ~~(iv) how the proposed charging methodology meets the congestion management guidelines set out in the Regulation (EC) 714/2009 of the European Parliament and the Council on the conditions for access to the network for cross border exchanges in electricity, or any re-enactment thereof.~~~~~~
- ~~6. The Licensee shall publish and make available on the Licensee's website the charging methodology.~~
- ~~7. The Licensee shall review its charging methodology periodically or upon request of the Commission and propose such modifications to the charging methodology as may be requisite for the purpose of ensuring that the charging methodology better achieves the goals of non-discrimination, objectivity and transparency.~~

~~8. Prior to submitting any modified charging methodology to the Commission for approval the Licensee shall:~~

~~(a) take all reasonable steps to ensure that all persons who may have a direct interest in the charging methodology are consulted and allow them a period of not less than 28 days within which to make written representations; and~~

~~(b) furnish to the Commission a report setting out:~~

~~(i) the original modification proposals;~~

~~(ii) the representations, if any, made by interested persons;~~

~~(iii) any change in the modification proposals intended as a consequence of such representations;~~

~~(iv) how the intended modification better achieves the goals of non-discrimination, objectivity and transparency; and~~

~~(v) confirmation that the proposed modification meets the congestion management guidelines set out in Regulation (EC) 714/2009 of the European Parliament and the Council on the conditions for access to the network for cross border exchanges in electricity, or any re-enactment thereof; and~~

~~(v) a timetable for the implementation of the modification and the date with effect from which the modification (if made) is to take effect.~~

~~9. Where the Licensee's Interconnector either:~~

~~(a) forms part of an integrated transmission system and the tariffs and/or the tariff or charging methodology that applies to access to the Licensee's Interconnector have been established or approved by a regulatory authority and those tariffs and/or the tariff or charging methodology meets the goals of non-discrimination, objectivity and transparency and meets the congestion management guidelines set out in Regulation (EC) 714/2009 of the European Parliament and the Council on the conditions for access to the network for cross border exchanges in electricity, or any re-enactment thereof; or~~

~~(b) does not form part of an integrated Transmission System and the tariffs and/or the tariff or charging methodology that applies to access to the Licensee's Interconnector have been established or approved by a regulatory authority and those tariffs and/or the tariff or charging methodology meets the goals of non-discrimination, objectivity and transparency meets the congestion management guidelines set out in Regulation (EC) 714/2009 of the European Parliament and the Council on the conditions for access to the network for cross border exchanges in electricity, or any re-enactment thereof;~~

~~the Commission may issue a notice to the Licensee that the establishment or approval by that regulatory authority meets the requirements of this~~

~~Licence Condition. Such notice will constitute approval of charging methodology for the purposes of this Licence Condition.~~

- ~~10. A notice issued under paragraph 9 will expire on the earlier of:
 - ~~(a) the date, if any, provided for expiry in the notice, or~~
 - ~~(b) the withdrawal of the notice by the Commission, such withdrawal being effective from the date specified by the Commission, such date being not less than four months after the Commission has informed the Licensee that the notice will be withdrawn.~~~~
- ~~11. Where the Commission has issued a notice to the Licensee under paragraph 9 and the tariffs, and/or tariff or charging methodology that have or has been established or approved by the regulatory authority have or has been modified, or is or are to be modified, the Licensee shall furnish the Commission with a report setting out:
 - ~~(a) the terms originally proposed for the modification;~~
 - ~~(b) the representations, if any, made by any interested person to the Licensee;~~
 - ~~(c) any change in the terms of the modification intended in consequence of the representations;~~
 - ~~(d) how the intended modification better achieves the relevant charging methodology objectives; and~~
 - ~~(e) a timetable for the implementation of the modification and the date with effect from which the modification (if made) is to take effect.~~~~
- ~~12. Where the Commission has issued a notice to the Licensee under paragraph 9, until that notice expires or is withdrawn by the Commission, paragraphs 4, 5, 7 and 8 of this Condition do not apply to the Licensee.~~
- ~~13. The Licensee shall not be in breach of this Condition where there is a lack of capacity in respect of which to grant access to the Licensee's Interconnector.~~
- ~~14. Where the Licensee refuses access on the grounds that it lacks the necessary capacity, duly substantiated reasons for such refusal, demonstrating that it is either not economic or not technically feasible to provide the capacity, must be given to both the person seeking access and to the Commission within 28 days of a refusal.~~
- ~~15. Where the Licensee refuses access on the grounds that it lacks the necessary capacity and the person seeking access so requests, the Licensee shall provide relevant information on measures that would be required to provide that capacity. The Licensee may impose a reasonable charge upon a person who requests such information. Such charge should be equivalent to the Licensee's reasonable costs of meeting the request but shall not exceed the maximum amount~~

~~specified in any direction issued by the Commission for the purposes of this Condition.~~

- ~~16. Where the Licensee considers that for reasons of confidentiality the Licensee should not have to provide particular items of information to the person seeking access under paragraphs 14 or 15, the Licensee may seek the consent of the Commission to limit the provision of information to that person.~~
- ~~17. A dispute arising from refusal of access on the grounds of lack of necessary capacity will be resolved in accordance with Condition 16.~~
- ~~18. The Licensee shall keep and maintain records for at least seven years, or the length of any concluded contract plus seven years (whichever is the longer in each case), detailing all access terms and conditions offered to any person (whether or not access is in fact granted or utilised) including details of the charges or tariffs and non-price terms and conditions of access offered.~~
- ~~19. In this Condition:~~
 - ~~“**charging methodology**” means the methodology for applying for, determining access to and charging for the reservation and use of capacity on the Interconnector.~~

Transition

3. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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 21 Application of Licence Conditions 19 and 20

1. In accordance with this Licence Condition, Licence Conditions 19 and 20 ('the relevant Conditions') may:
 - (a) not have effect in this Licence;
 - (b) be suspended from operation in this Licence;
 - (c) be brought into operation, (where the Licence Condition did not have effect) or back into operation (where the Licence Condition was suspended from operation), in this Licence.
2. On the application of the Licensee the Commission may grant the Licensee an exemption from Conditions 19 and 20 to such an extent as determined by the Commission in granting an exemption as provided by Article 17 of the [Electricity Market](#) Regulation. Such an exemption order issued under this paragraph may be amended or revoked by the Commission in accordance with its provisions for the purposes of securing compliance with EU law and done following consultation with any person likely to have an interest in any such amendment or revocation.

Application of Licence Conditions

3. In accordance with this Licence Condition, any Licence Condition may be suspended from operation in this Licence with due cause as may be determined by the Commission following consultation with the Licensee and any other party that the Commission considers may be affected by such suspension.

Transition

4. The provisions of this Condition inserted (or, as the case may be, removed) by virtue of the decision of the Commission dated 23 March 2018 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.

SCHEDULE 1 Interconnectors to which this Licence Applies

This Licence applies to the transportation of electricity across and maintenance of the following Interconnectors: -

Interconnector	Address	Authorisation Ref No.
1. East West Interconnector (“EWIC”)	Woodland 400kV Substation	Auth 2008/09-01

SCHEDULE 2

Right of the Commission to Revoke this Licence

1. The Commission may at any time revoke this Licence by not less than 30 days' notice in writing to the Licensee:
 - (a) if the Licensee agrees in writing with the Commission that this Licence should be revoked;
 - (b) if any amount payable under a Levy Order is unpaid 30 days after it has become due and remains unpaid for a period of 14 days after the Commission has given the Licensee notice in writing that the payment is overdue. Provided that no such notice shall be given earlier than the 16th day after the day on which the amount payable became due;
 - (c) if the Licensee fails to comply with a direction under Section 24 of the Act, a determination under Section 25 of the Act or an order under Section 26 of the Act and which (in respect of any of these cases) has been made in respect of a contravention or apprehended contravention of any of the Conditions of this Licence and (in respect of any of these cases) such failure is not rectified to the satisfaction of the Commission within three months, or such other period as the Commission may determine, after the Commission has given notice of such failure to the Licensee. Provided that in respect of a direction under Section 24 of the Act, no such notice shall be given by the Commission before the expiration of the period within which representations or objections under Section 24 of the Act could be made questioning a direction under Section 24 of the Act or before the proceedings relating to any such representations or objections are finally determined;
 - (d) if the Licensee fails to comply with any order made by the Minister under Sections 39 or 40 of the Act;
 - (e) if the Licensee:
 - (i) is unable to pay its debts (within the meaning of Section ~~214~~570 of the Companies Act, ~~1963~~2014) or if it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Commission); or
 - (ii) has a receiver or an examiner within the meaning of Section ~~1508(1)~~ of the Companies ~~(Amendment)~~-Act, ~~2014~~1990, of the whole or any material part of its assets or undertaking appointed; or
 - (iii) passes any resolution for winding up other than a resolution previously approved in writing by the Commission; or

- (iv) becomes subject to an order for winding up by a court of a competent jurisdiction; or
 - (v) is dissolved, declared bankrupt or being of unsound mind;
- (f) if:
- (i) there is a change in the control of the Licensee; and
 - (ii) the Commission is satisfied that the new shareholder (together with the other companies in its group), does not have adequate technical, financial or managerial strength, taking into account the size of its shareholding in the Licensee; and
 - (iii) the Commission serves notice on the Licensee stating that the Commission proposes to revoke this Licence in pursuance of this paragraph unless such further change in control of the Licensee as is specified in the notice takes place within the period of three months beginning with the date of service of the notice; and
 - (iv) that further change does not take place within that period;
- (g) if the Licensee fails to notify the Commission as soon as practicable thereafter that a change in the control of the Licensee shall have occurred;
- (h) if the Licensee ceases to carry on the Interconnector Business for a period of 6 months except where the Commission is satisfied that this has occurred as a result of events beyond the reasonable control of the Licensee in which case the Commission shall substitute such longer period as it, in its sole discretion, considers reasonable in all the circumstances;
- (i) if the Licensee has not commenced carrying on the Interconnector Business within 6 months of the date this Licence comes into force or the date when the Interconnector successfully comes into commercial operation, whichever is the later, except where the Commission is satisfied that this has occurred as a result of events beyond the reasonable control of the Licensee in which case the Commission shall substitute such longer period as it, in its sole discretion, considers reasonable in all the circumstances; or
- (j) if the Licensee has its relevant statutory consents to operate an interconnector business in the Terminal Jurisdiction revoked.
2. (a) For the purposes of paragraph 1(e)(i) of this Schedule, Section 214570(a) and (b) of the Companies Act, ~~1963-2014~~ shall have effect as if for “~~£~~10,000” (in the case of Section 570(a)) and as

| if for €20,000 (in the case of Section 570(b)), there was substituted “€50,000” or such higher figure as the Commission may from time to time determine by notice in writing to the Licensee.

- (b) There is a change in the control of the Licensee for the purposes of paragraphs 1(f) and (g) of this Schedule whenever a person has control of the Licensee who did not have control of the Licensee when this Licence was granted.