

## **Mutual Energy Response to Electricity Generation Licence Condition 5 Consultation**

### **Response below was received via email to the UR**

Dear [UR]

Thank you for taking the time to talk through this last week. As I mentioned in our discussion, Mutual Energy takes on the role of the NI gas Network Emergency Co-Ordinator (NINEC) as detailed in the [Gas Safety \(Management\) Regulations \(NI\) 1997](#) (GSMR). This role is responsible for co-ordinating responses to natural gas emergencies in Northern Ireland. As a reasonable and prudent gas transmission operator, we also manage our gas transmission system so as to avoid ending up in an emergency situation. Measures which we may take to avoid an emergency - or where these measures have not been successful, manage an emergency - are laid out in section 10 of the [NI Network Gas Transmission Code](#).

Among possible measures that we may take in these rare situations are requests, or if required, instructions to NI power stations to reduce gas demand. This reduction in gas demand may be achieved by the power station switching to secondary fuel. Any measure which facilitates timely demand reduction in these unlikely but extremely serious scenarios would be welcomed, especially if it means requests are more likely to be honoured and avoid the need for instructions. Therefore, we are supportive of the proposed modification to the electricity generation licences. We also note that under GSMR, instructions from NINEC are legally binding, so power stations would in this situation have no option but to reduce gas demand – therefore having an adequate supply of secondary fuel reduces the risk of a gas supply emergency causing ‘contagion’ and creating a coincident emergency on the electricity system.

We are wary that ‘hard coding’ the five-day requirement into licences, however, might create undesirable inflexibility in an emergency situation, given the requirement for consultation and a 56-day standstill period should this number need to change in future. We therefore think the specific five-day requirement might better be referenced in a Direction or other agreement, and the wording in the licence changed to reference this secondary document. This would provide more flexibility should the requirement need to be increased or decreased in future. Alternatively, it might be an option to amend the Fuel Security Code to strengthen incentives to hold 5 days’ worth of fuel and include an enhanced reference to this and subsequent agreements such as the SONI Fuel Switching Agreement in the generator licences to ensure that they are abided by.

Should you have any further questions, I would be happy to discuss further.

[On behalf of Mutual Energy]