

# Energy Efficiency Directive and Implementation of Fuel Switching Agreements Decision Paper

November 2015



# About the Utility Regulator

The Utility Regulator (UR) is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

## Our Mission

Value and sustainability in energy and water.

## Our Vision

We will make a difference for consumers by listening, innovating and leading.

## Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

## Abstract

The Energy Efficiency Directive establishes a common framework of measures for the promotion of energy efficiency within the EU in order to ensure that the EU achieves its overall target of a 20% improvement in energy efficiency by 2020. Whilst the Directive imposes a wide range of requirements on Member States in relation to energy efficiency this paper focuses specifically on its requirements relating to Articles 9-11 and Article 15 of the Directive as these are the Articles which impact directly on gas and electricity licence holders. Other provisions of the Directive such as: the overall target for member states; provisions in relation to heating and cooling; and provisions in relation to the renovation of commercial and residential buildings are not within the scope of this paper and are largely being considered across the relevant parts of the wider public sector in NI.

Fuel Switching Agreements are relevant to those generators that have the capability of switching from one fuel type to another to provide for the recovery of costs that are not recoverable through other mechanisms. They are referred to in the Fuel Security Code and any such agreement will be made between SONI and the relevant generator. The modifications to the SONI transmission licence will ensure that such agreements contain minimum standard terms as approved by the UR.

## Audience

All electricity and gas licence holders. Also, third party stakeholders with an interest in the promotion of energy efficiency and the provision of better information to electricity and gas consumers.

## Consumer impact

Consumer impact from the energy efficiency modifications is likely to include increased protection in the form of better information. There will be some costs associated with implementation but there are also likely to be savings in relation to better energy efficiency.

With regard to fuel switching agreements this will result in enhanced operational security of supply through the setting out of obligations for secondary fuel capabilities, fuel switching testing, fuel stock tests and recovery of costs to meet fuel switching obligations.

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# Executive Summary

## Energy Efficiency Directive

1. The Energy Efficiency Directive (the **Directive**)<sup>1</sup> establishes a common framework of measures for the promotion of energy efficiency within the EU in order to ensure that the EU achieves its overall target of a 20% improvement in energy efficiency by 2020. It lays down rules designed to remove barriers in the energy market and overcome market failures that impede energy efficiency.
2. Whilst the Directive imposes a wide range of requirements on Member States in relation to energy efficiency, it is the requirements set out in Articles 9 - 11 and Article 15 which impact directly on gas and electricity licence holders.
3. Other provisions of the Directive, including for example provisions relating to overall targets for member states, heating and cooling, the renovation of commercial and residential buildings, etc. are not within the scope of this paper and are largely being considered across the relevant parts of the wider public sector in Northern Ireland (**NI**).
4. On 4 July 2014, the Department of Enterprise, Trade and Investment (the **Department**) made the Energy Efficiency Regulations (Northern Ireland) 2014 (the **Regulations**) which implement certain requirements of Articles 9 - 11 and Article 15 of the Directive.
5. In addition the Regulations:
  - Provide<sup>2</sup> for the UR, when granting new electricity and gas licences, to include in a particular category of licence such conditions as it considers requisite or expedient to ensure compliance with certain specified requirements of Articles 9 – 11 and 15 of the Directive.
  - Make provision for a transitory power for the Department, or UR with the consent of the Department, to make such modifications to existing electricity and gas licences as are requisite or expedient for the purposes of implementing the Directive.<sup>3</sup>
6. On 23 January 2015 the UR consulted on modifications that we consider are requisite or expedient to implement those requirements of Articles 9-11 and

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<sup>1</sup> Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC.

<sup>2</sup> By way of amendments made to the Electricity (Northern Ireland) Order 1992 and the Gas (Northern Ireland) Order 1996 respectively.

<sup>3</sup> See Regulations 14 and 15 of the Regulations.

Article 15 which are not already implemented into the statutory and regulatory framework of the energy industry in NI.

7. Having considered all comments and representations received, the UR now confirms that it will modify the conditions of existing energy licences as set out in this decision paper.

#### Fuel Switching Agreements

8. On 16 February 2015, the UR consulted, under and in accordance with Article 14(2) of the Electricity Order, on proposed modifications to Condition 29 of SONI's licence for the purposes of introducing requirements in relation to fuel switching agreements.
9. In responding to that consultation SONI highlighted that the two different sets of modifications (i.e. the Directive modifications and the fuel switching modifications) to Condition 29 of its licence needed to interact and work together.
10. We agree with SONI's point. This decision paper is therefore also a publication under Article 14(8) of the Electricity Order for the purposes of the modifications shown as paragraph 5 to 10 of Condition 29 of SONI's transmission licence (in Appendix E).
11. The UR has determined that the other minor references to fuel switching (essentially to the definition of system support services in Condition 1 of SONI's transmission licence and in Condition 1 of all generation licences) are modifications which are expedient for the purposes of the Directive. Accordingly they are being made pursuant to Regulation 14 of the Regulations.

#### Timings

12. The modifications made pursuant to Regulations 14 and 15 of the Regulations will take effect on or before 24 November 2015.<sup>4</sup>
13. The modifications to Condition 29 of SONI's licence which implement fuel switching agreements will take effect 56 days from the date of this decision paper.

#### Article 62 Notice

14. This decision paper is the notice published in accordance with Article 62(2) of the Energy (Northern Ireland) Order 2003.

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<sup>4</sup> The exact date will be set out by the UR in its notification letter to each licence holder.

# 1. Introduction

## The Directive

- 1.1 The Directive establishes a common framework of measures for the promotion of energy efficiency within the EU in order to ensure that the EU achieves its overall target of a 20% improvement in energy efficiency by 2020.
- 1.2 It lays down rules designed to remove barriers in the energy market and overcome market failures that impede efficiency. Whilst the Directive imposes a wide range of requirements on Member States in relation to energy efficiency this consultation focuses specifically on its requirements relating to Articles 9 - 11 and Article 15 of the Directive.
- 1.3 The Directive sets out provisions with regard to energy efficiency matters which are wide ranging. It includes, for example, obligations relating to the setting of energy efficiency targets; the notification of such targets to the European Commission; the establishment of a long term strategy for investment in the renovation of public and private residential and commercial buildings; the promotion of efficiency in heating and cooling etc.
- 1.4 With regard to the services provided or activities undertaken by persons carrying out licensable activities<sup>5</sup> the Directive in particular sets out obligations with regard to: metering (Article 9 of the Directive), billing information (Article 10), cost of access to metering and billing information (Article 11), consumer information and empowering programme (Article 12), penalties for non-compliance (Article 13) and energy transformation, transmission and distribution (Article 15).
- 1.5 The Department is the lead department for implementing these particular requirements of the Directive. It consulted, on 4 October 2013, on the metering and billing provisions of the Directive and, on 7 March 2014, on matters relating to penalties and transformation, transmission and distribution.<sup>6</sup>

## Implementing Regulations

- 1.6 Following an analysis of the consultation responses the Department made Regulations.

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<sup>5</sup> See Article 6 of the Gas (Northern Ireland) Order 1996 and Article 8 of the Electricity (Northern Ireland) Order 1992.

<sup>6</sup> [http://www.detini.gov.uk/deti-energy-index/energy\\_efficiency.htm](http://www.detini.gov.uk/deti-energy-index/energy_efficiency.htm)

1.7 The Regulations:

- (a) Provide for the UR, when granting new electricity and gas licences, to include in a particular category of licence such conditions as it considers requisite or expedient to ensure compliance with certain specified requirements of Articles 9 - 11 and Article 15 of the Directive.
- (b) Make provision for a transitory power for the Department, or UR with the consent of the Department, to make such modifications to existing electricity and gas licences as are necessary or expedient for the purposes of implementing the Directive.

1.8 The Department has confirmed that the UR should propose and make (having obtained the Department's consent to them) the required licence modifications.

1.9 The modifications that can be made under and in accordance with the Regulations to existing licences are those which are considered necessary to ensure that any activity authorised by the licence is carried out in compliance with the relevant requirements and in line with the prohibitions laid down by the Directive, or otherwise for the purpose of the Directive.

**Fuel Switching Agreements**

1.10 The Utility Regulator has been working closely with DETI and SONI in recent years, both in terms of assisting DETI with their current review of the Fuel Security Code, and working with SONI in relation to drafting Fuel Switching Agreements.

1.11 The outcome of these discussions is that the Department requires that the terms and conditions of the commercial agreements between generators and SONI should be subject to the UR's approval.

1.12 The introduction of such standard Fuel Switching Agreements will enhance the operational security of supply by setting out the rights and obligations of the generator and SONI in relation to fuel switching, fuel switching testing, secondary fuel stock tests and associated cost recovery.

1.13 While Fuel Switching Agreements will assist with the effective management of a potential emergency situation such as a Fuel Security Event, they will also be relevant when generators are required to switch fuels for operational and/or testing purposes.

## **Licence Modifications**

- 1.14 In January 2015, the UR consulted on its proposals for making the required licence modifications in accordance with the provisions of the Regulations (the **Consultation Paper**<sup>7</sup>).
- 1.15 The UR received eight responses to the Consultation Paper and has given due and proper consideration to all of the comments and representations made.
- 1.16 This paper summarises the responses to the Consultation Paper, outlines the UR's response to the issues raised in those responses and sets out the UR's decisions on the licence modifications to be made to existing energy licences.
- 1.17 For the purposes of illustration only:
- (a) all references in this decision paper and in Appendix A to the number of a condition included in existing electricity supply licences use the relevant number of the condition as included in Power NI's electricity supply licence; and
  - (b) all references in this decision paper and in Appendix B to the number of a condition included in existing gas supply licences use the relevant number of the condition as included in SSE Airtricity's gas supply licence.
- 1.18 The relevant and equivalent condition in other existing gas and electricity supply licences may therefore have a different number.
- 1.19 Similarly, and again for illustrative purposes only, all references to the number of a condition included in existing electricity generation licences use the relevant number of the condition as included in the electricity generation licence granted to AES Kilroot Generating Limited. The relevant and equivalent condition in other existing electricity generation licences may have a different number.
- 1.20 Similarly, the UR consulted on the implementation of Fuel Switching Agreements on 16 February 2015 and received two responses to this consultation.
- 1.21 The UR has given due and proper consideration to the responses and this paper summarise the responses and sets out the UR's decisions on

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<sup>7</sup> Energy Efficiency Directive Consultation on Proposed Licence Modifications – January 2015:

[http://www.uregni.gov.uk/publications/energy\\_efficiency\\_directive\\_consultation\\_paper](http://www.uregni.gov.uk/publications/energy_efficiency_directive_consultation_paper)

licence modifications to SONI's transmission licence for the implementation of Fuel Switching Agreements.

### **Equality Considerations**

- 1.22 As a public authority, the UR has a number of obligations arising from section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:
- (a) persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
  - (b) men and women generally;
  - (c) persons with disability and persons without; and
  - (d) persons with dependants and persons without.
- 1.23 The UR must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups.
- 1.24 In the development of its policies the UR also has a statutory duty to have due regard to the needs of vulnerable customers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and individuals residing in rural areas. Some of the above equality categories will therefore overlap with these vulnerable groupings.
- 1.25 In order to assist with equality screening of the proposals contained within the Energy Efficiency Directive consultation paper, the UR requested respondents to provide any information or evidence in relation to the needs, experiences, issues and priorities for different groups which they feel is relevant to the implementation of any of the proposals.
- 1.26 As part of the consultation exercise we asked whether any of the respondents could provide information or evidence which relates to the equality impact of the proposals.
- 1.27 In relation to equality CCNI requested that:
- (a) billing information is offered in alternate formats for consumers such as those with visual or hearing impairments, and
  - (b) suppliers identify those customers who are unable to or who have difficulty reading their meters or who may require their meter to be reallocated.
- 1.28 The UR notes these requirements are essentially already provided for by virtue of the scope of the arrangements that suppliers must make under their Code of Practice on Provision of Services for Persons who are of

Pensionable Age or Disabled or Chronically Sick. UR will continue to work with CCNI as part of the Consumer Protection Strategy in this area.

- 1.29 Based on equality screening undertaken by the UR, the UR considers that the proposals in this paper have the potential to have positive impacts on those on low incomes, older people and those with disabilities. This is because the proposals are aimed at providing clear, easier to understand billing information and more opportunities for customers to find information on energy efficiency. This will help customers to take better control of their energy use, potentially achieving improved comfort levels at the same or lower cost. Being able to achieve better comfort and warmth levels at lower cost has a positive impact fuel poverty and on health and well-being.
- 1.30 Therefore the UR considers that these proposals do not need to be subject to Equality Impact Assessment and the implementation can proceed accordingly.
- 1.31 As part of the Fuel Switching consultation we also asked respondents to provide information on equality considerations. The UR has also carried out equality screening in relation to the fuel switching modifications. The UR considers that there is no impact on equality and therefore an equality impact assessment will not be required.

### **Next Steps**

- 1.32 The Appendices to this decision paper contain, for each category of licence, the modifications that will be made to the condition(s) set out in the relevant appendix (the relevant condition(s)) by the UR in accordance with Regulation 14 (for electricity licences) and Regulation 15 (for gas licences).
- 1.33 The Department has given its consent to the licence modifications for these purposes.
- 1.34 In addition, the UR has decided to make modifications to Condition 29 of SONI's transmission licence pursuant to Article 14 of the Electricity Order.
- 1.35 The modified conditions for each licence or category of licence are set out (in their modified form) in Appendices A to F. The modifications will take effect on or before 24 November 2015.<sup>8</sup>
- 1.36 The UR will send a written notice to each licensee of the modifications made to the energy licence(s) held by it.

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<sup>8</sup> The modifications shown as paragraphs 5 to 10 of Condition 29 of SONI's transmission licence are being made under Article 14 of the Order and will therefore will take effect from a different date.

## **2. Implementation of Articles 9 to 11 (Metering and Billing)**

- 2.1 As outlined in the Consultation Paper, with regard to metering and billing matters, the specific provisions of the Directive which require implementation in NI by way of licence modifications are those set out in Articles 10 and 11 of, and Annex VII to, the Directive.

### **Article 10(1) – Frequency and Availability of Billing and Consumption Information (excluding Smart Meters)**

- 2.2 Article 10(1) of the Directive applies in respect of customers that are not supplied through smart meters.<sup>9</sup>
- 2.3 The requirement set out in this Article is for billing information to be accurate and based on actual consumption in accordance with point 1.1 of Annex VII where this is technically possible and economically justified.
- 2.4 In addition, the second paragraph of Article 10(1) confirms that the obligation can be fulfilled by a system of regular meter readings taken by the customer and communicated to the energy supplier (known as a customer meter readings).

### **Consultation Proposals**

- 2.5 For the purposes of implementing the requirements of Article 10(1), the Consultation Paper proposed modifications to –
- (a) All energy supply licences; and
  - (b) NIE's electricity distribution licence.
- 2.6 The modifications proposed to energy supply licences (Condition 38 - electricity /Condition 2.19 - gas) were for licensees to –
- (a) Send a bill or statement that reflects the actual meter reading (which suppliers are currently required to take) at least once a year.
  - (b) Ensure that each bill or statement that is sent to customers is complete and accurate (while continuing to include the minimum information that

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<sup>9</sup> The Consultation Paper set out the position with regard to the implementation of those requirements that relate to smart meters.

it is required to include in accordance with the existing provisions of the condition).

- (c) Unless the customer is supplied through a prepayment meter, send a bill or statement to each of their customers at least twice a year, unless the customer has requested more frequent billing, or has opted to receive electronic billing in which case the obligation is to send billing information on at least a quarterly basis. Where the customer is supplied through a prepayment meter a statement should be sent at least once per year.
- (d) Ensure that each bill or statement is based on actual or customer meter reading (which the licensee considers to be reasonably accurate) and only on an estimated meter reading where no actual or customer reading is available.

2.7 The modifications proposed to NIE's distribution licence (namely Condition 29 of the licence) were to require NIE to revise the Market Registration Code so that it includes provision on the procedures that will be followed and the standards that will be achieved by NIE in respect of the Market Data Service (which includes services relating to meter readings).

### **Consultation Responses**

2.8 In respect of the particular licence modifications referred to in paragraph 2.5 and 2.6 above SSE -

- (i) sought clarification on the obligation for it to take all reasonable steps to contact the customer for a new meter reading in circumstances where it considers that a meter reading provided by the customer is not reasonably accurate. In particular it sought clarification that where reasonable estimates are used these are considered complete and accurate for the purposes of the licence;
- (ii) considered that the volume of information in bills is becoming so cumbersome that customers may not be able to understand the essential elements related to their bill;
- (iii) took issue with the requirement relating to quarterly billing and suggested that it should be at least quarterly rather than specifically quarterly; and
- (iv) questioned the value of extending to non-domestic customers the requirement for any discount or premium that applies to the customer's tariff to be compared to the supplier's standard evergreen tariff.

2.9 All other respondents generally approved of or were neutral to the UR's proposals.

- 2.10 Power NI noted that the revised drafting of Condition 38/Condition 2.19 indicated that suppliers were required to provide more detailed information (in respect of complaints procedures) on promotional materials than is presently the case.
- 2.11 It was not the UR's intention to increase the amount of type of information to be provided on promotional materials. This was an error in the structure (and therefore drafting) of the condition and has been rectified for the purpose of making the EED modifications.
- 2.12 With regard to the modifications proposed to Condition 29 of NIE's electricity distribution licence, in its response NIE suggested that the modification make clear that the provision of the Market Data Service is to relevant licensed suppliers.

### **UR's Decision**

- 2.13 In response to SSE's comments –
- (a) we consider that the licence condition is clear as to the circumstances in which estimated reads can be used by suppliers for billing purposes;
  - (b) it is not only necessary (for purposes of compliance with the Directive) but also appropriate for customers to have full and accurate billing information. We note SSE's concerns about the clarity of the essential elements. In this respect the requirement is for the billing information to provide details in a format that meets the requirements of the Billing Code of Practice (**Billing CoP**), (or until then as determined by the supplier in consultation with the UR and the Consumer Council for Northern Ireland (CCNI)). This should assist suppliers to design their bills/statements such that all billing information is presented to the customer in a clear manner;
  - (c) in terms of quarterly billing, the requirement is for the licensee to send bills at least once a quarter (so it can do so more often if it so chooses) where the customer has requested quarterly billing; and
  - (d) the UR has re-considered and revised its proposals for the requirement for tariff discount or premium to be compared against any standard evergreen tariff to apply also in respect of non-domestic customers. The proposals will not be taken forward.
- 2.14 In addition, the revised drafting of Condition 38 has removed the requirement for licensees to provide details on or with the bill/statement of how a customer can read his own meter and register the reading with the licensee. Recent communications with licensees (including pre-consultation bilateral meetings with suppliers) have highlighted that this is an onerous condition which requires substantial space on bills. It has been proposed that suppliers include a website address and a phone

number on their bills in order for a customer to be able to request information on how to read their meter. We agree that sign-posting customers to the relevant information is more effective than requiring the information to be on or with the customer's bill. We will consider this further and provide additional guidance on how to do this in the Billing CoP.

2.15 In response to NIE's comments, we consider that the suggested additional text is not necessary as Condition 28 already makes it clear that the Market Data Service and Market Registration Service is essentially provided to relevant electricity suppliers.

2.16 Accordingly, the UR's decision is to modify –

- (a) all energy supply licences such that Condition 38 (electricity) and Condition 2.19 (gas) are in the form shown in Appendix A (electricity supply) and Appendix B (gas supply); and
- (b) Condition 29 of NIE's electricity distribution licence such that it is in the form shown in Appendix C.

### **Article 10(3) – Other Billing Information**

2.17 In brief, the provisions of Article 10(3) which require implementation through licence conditions are –

- (a) for customers' energy billing and historical consumption information to be provided, on request, to energy services providers;
- (b) for customers to be provided with the option of receiving electronic billing and, on request, a clear and understandable explanation of how their bill was derived;
- (c) for the making available of information providing customers with a comprehensive account of current energy costs, in accordance with Annex VII; and
- (d) for providing, on request, information and estimates for energy costs in a timely manner and in an easily understandable format to enable customer to compare deals on a like-for-like basis.

### **Consultation Proposals**

2.18 The Consultation Paper proposed modifications to all energy supply licences as follows -

- (a) To extend the remit of existing Condition 40D (electricity) and Condition 2.28 (gas) such that it:

- (i) widens the scope of the information to be provided; and
  - (ii) requires the information to be provided also to energy service providers (on request of the customer).
- (b) To include within Condition 38 (electricity) and Condition 2.19 (gas) an obligation on all suppliers to:
- (i) give customers the option of electronic billing both prior to entering into a contract and thereafter on an annual basis; and
  - (ii) give prepayment customers calendar month vending information for the period covered by bill or statement.
- (c) To provide that the arrangements, included in the supplier's code of practice on energy efficiency required under Condition 32 (electricity)/Condition 2.10 (gas), by which suppliers make available information and advice to consumers of the sources from which customers can obtain additional information or assistance about energy efficiency measures, must also provide for information on such external sources to be provided in, or with, all bills and statements sent to the customer.
- (d) To mandate compliance with a Billing CoP as designated by the UR (the content of the Billing CoP will be determined by the UR following consultation and engagement with interested parties).

### **Consultation Responses**

- 2.19 With regard to the extended scope of Condition 40D/Condition 2.28 to encompass requests from energy service providers -
- (a) Power NI requested the UR to consider (i) facilitating the application of a charge for repeat requests, and (ii) extending the time for response to a request from the current 5 working days to 10 working days; and
  - (b) SSE Airtricity stated that (i) it had some concerns around responsibilities for obtaining and retaining customer consent; (ii) the provision of the information should only be free of charge within reason; and (iii) the requirement should apply only to consumption data and not any additional information that was enclosed with or set out in the bill.
- 2.20 In addition, firmus energy commented that suppliers should not be obliged to provide information for a period that is shorter than the period used to calculate the customer's bill.
- 2.21 In respect of the modifications to Condition 38/Condition 2.19, with the exception of SSE Airtricity raising some concerns about the impact on its gas supply business in terms of price controls, no respondent submitted

any specific comments or representations on the requirements relating to electronic billing.

- 2.22 However, Power NI submitted that the requirement for bills/statements for prepayment customers to include vending information for each month is beyond the Directive requirement and that it is not clear it provides any real benefit to the customer. It therefore asked the UR to revisit the proposed licence modification on this aspect.
- 2.23 The licence modifications proposed to Condition 32 (electricity)/Condition 2.10 (gas) (the energy efficiency code of practice condition) were also commented upon by Power NI and SSE Airtricity. In this context –
- (a) Power NI considered it excessive to require information on external sources of advice and information to be given to new customers, to all customers at times of tariff change, and on each bill/statement.
  - (b) SSE Airtricity sought clarification in respect of the level of information that needs to be provided to new customers, at contract variation and on each bill/statement.
  - (c) Both respondents implied that they had interpreted the obligation as a requirement to provide the full Code of Practice to customers at these times.
- 2.24 The proposed introduction of the Billing CoP was generally welcomed by most respondents with Power NI specifically commenting that it should be as light touch as possible.
- 2.25 The CCNI expressed a view that suppliers may not necessarily be fully compliant with the requirement to provide comparisons of current energy consumption for the same period in the previous year – as required by the Electricity and Gas (Billing) Regulations (Northern Ireland) 2009 (the **Billing Regulations**).<sup>10</sup>

### **UR's Decision**

- 2.26 The UR responds as follows to the specific comments and/or representations received to its proposed licence modifications in the areas referred to in paragraphs 2.19 to 2.25 above.
- 2.27 With regard to the provision of information to energy service providers –

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<sup>10</sup> See in particular Regulation 4 (for electricity) and Regulation 5 (gas) which provide that information referred to in Regulation 3(1) is a comparison of the customer's consumption of electricity/gas in the period covered by the bill or statement or account with the same customer's consumption of electricity/gas for the corresponding period in the previous year ("the corresponding period").

- (a) The UR does not propose to facilitate the charging for repeat requests at the present time or to provide that it should only be free of charge within reason.
- (b) Going forward, should suppliers be able to evidence that they are receiving numerous repeat requests from the same supplier or service provider for information that has already been provided to that supplier or service provider or are receiving unreasonable requests, the UR will reconsider the position and, if necessary or appropriate, modify the licence conditions.
- (c) However, the UR acknowledges that, in light of the potential increase in the numbers of requests that suppliers may receive for historical consumption information, it may prove to be difficult for a response to be provided within five working days.
- (d) It has therefore increased the time period for response to ten working days.
- (e) Suppliers are not obliged to provide the information requested by an energy service provider if they do not have the customer's consent to do so. That consent could be a general consent given by the customer to the supplier or specific consent in respect of a specific request (which consent is enclosed with the request). Suppliers are responsible for being able to evidence that the customer has consented to the disclosure of the information to the energy service provider. The position with regard to disclosure to other electricity or gas (as the case may be) suppliers is slightly different in that the onus is on the supplier making the request to ensure that it has consent of the customer to get that information from the other supplier(s). Accordingly the licence modifications, as proposed in the Consultation Paper, will be made.
- (f) The obligation to provide not only consumption data but also any information on energy billing is in line with the requirements of Article 10(3)(a) the Directive. In this context the UR considers that information on energy billing includes any information sent with or set out on a bill but it should be remembered that it applies only to such information which is held or recorded by the supplier. Accordingly the licence modifications, as proposed in the Consultation Paper, will be made.

2.28 In response to representations from firmus energy, it is acknowledged that customers or energy service providers may request billing information which is for a period that is not the same period as a bill or statement but instead for a specific shorter period (albeit one falling within the billing period). It is also acknowledged that suppliers are unlikely to hold or record information which relates only to that shorter period.

2.29 The UR has therefore made changes to Condition 40D/Condition 2.28 to clarify that in these circumstances suppliers are not required to undertake

any work to ascertain the billing information for that specific shorter period but only to provide the information it holds which may be for a period longer than the period for which the information is requested but which encompasses that period.

- 2.30 With regard to the provision of information on PPM vends, the UR's proposals are within the scope of the Directive given the requirements set out in Article 10(3)c). This provides for appropriate information to be made available to customers to provide them with a comprehensive account of current energy costs.
- 2.31 It is our view that information on prepayment vends facilitates customers having a comprehensive account of their energy costs. It also assists customers to better understand their energy consumption by way of providing clarity on energy spending.
- 2.32 That this is the case is evident from the positive feedback received from customers by those suppliers who are already providing such information on their statements. Additionally, including such a requirement has been a subject in respect of which the UR has been liaising with suppliers notwithstanding the Directive provisions.
- 2.33 The UR does not therefore agree with Power NI that the requirement is beyond the Directive requirement or that it is not shown to provide any real benefit to the customer.
- 2.34 With regard to the changes proposed to the energy efficiency code of practice condition, Annex VII of the Directive specifically provides that contact information for organisations and bodies from whom customers can get information on energy efficiency measures is made available in or with bills and contracts.
- 2.35 It is therefore appropriate for the arrangements made by suppliers (as set out in their code of practice on energy efficiency) to stipulate that they will provide this contact information (i.e. set out details of the external organisations from whom customers may get additional information or assistance about energy efficiency matters and measures) in or with contractual information and bills/statements.
- 2.36 The UR has however clarified (by way of amended and additional drafting) that the obligation is to provide contact details (including the web-address) of at least one organisation that provides information and assistance and not the Code of Practice itself.
- 2.37 The UR notes that the proposed addition to electricity condition 32(2)(e)(iv), gas condition 2.10.2(e)(vi), of the requirement to make available information about "the costs and benefits of different types of energy measures" may be considered unnecessary given other drafting in

this licence condition. Therefore we are no longer proposing to add this requirement.

- 2.38 Accordingly, the UR's decision is to modify all energy supply licences such that Conditions 32, 38 and 40D (electricity) and Conditions 2.10, 2.19, 2.28 (gas) are in the form shown in Appendix A (electricity supply) and Appendix B (gas supply).
- 2.39 Finally, the UR notes the CCNI's comment that some suppliers may not necessarily be compliant with the requirements of the Billing Regulations. Accordingly, in order to understand and address the CCNI's concerns, the UR will work with the CCNI to review the available evidence of any non-compliance and if necessary will write to all suppliers to clarify the requirements of the Billing Regulations. In addition the UR will review and monitor suppliers' activities in respect of the provision of comparison information on bill (including through its work on the Billing CoP and also the REMM project).

#### **Article 11(1) – Costs of access to billing and consumption information**

- 2.40 The requirement in this Article 11(1) is for customers to receive bills and billing information free of charge and to have access to their consumption information in an appropriate way and free of charge.

#### **Consultation Proposals**

- 2.41 The UR proposed to amend Condition 38 (electricity) and Condition 2.19 (gas) to include a prohibition on licensed suppliers charging for any billing or consumption data (including any bill or statement) that they are required to provide to consumers.

#### **Consultation Responses**

- 2.42 Two respondents, namely Power NI and SSE Airtricity, commented on this proposal.
- 2.43 Power NI sought clarification that a charge could be made where the customer requests a copy bill. SSE stated that the requirement to provide bills free of charge should be stipulated as within reason.

#### **UR's Decision**

- 2.44 It should be noted that the requirement to provide bills/statements free of charge applies to those bills/statements that suppliers are required to provide under Condition 38/Condition 2.19. The condition does not require suppliers to send copy bills and therefore the free of charge provision does not apply to copy bills. However, in the interests of clarity and transparency the UR has amended the licence condition to clarify the position.

2.45 The UR's decision is to modify all energy supply licences such that Condition 38 (electricity) and Condition 2.19 (gas) are in the form shown in Appendix A (electricity supply) and Appendix B (gas supply).

### **3. Implementation of Article 15 (transformation, transmission and distribution)**

- 3.1 This chapter outlines the UR's decision with regard to modifications required to energy licences to implement the requirements of the Directive which relate to transformation, transmission and distribution.
- 3.2 These are essentially the requirements set out in Article 15 of, and Annexes XI and XII to, the Directive.

#### **Gas Licences**

- 3.3 The Consultation Paper noted that it was the UR's initial view that in respect of the gas sector the relevant requirements of Article 15 are met by virtue of existing legislative provisions (including for example in the Gas Order and the Energy (Northern Ireland) Order 2003) and the existing conditions of gas conveyance licences.
- 3.4 Nonetheless, respondents' views were sought on whether it was requisite or expedient for the UR to make any particular licence modifications to gas conveyance licence for the purposes of meeting the requirements of Article 15.
- 3.5 Those respondents that expressed a view all agreed with the UR's initial view. Having considered the matter further the UR remains of that view and does not therefore make any modifications to gas licences for the purposes of the Directive.

#### **Electricity Licences**

- 3.6 Article 15 has greater relevance to the activities of electricity transmission and distribution operators and accordingly the UR proposed modifications to electricity generation, distribution and transmission licences to implement the provisions of Articles 15(1), 15(5), and 15(6) and Annexes XI and XII of the Directive.

#### **Article 15(1) (including Annex XI)**

- 3.7 The fourth paragraph of Article 15(1) requires member states to ensure that network regulation and network tariffs fulfil the criteria in Annex XI.
- 3.8 In brief, the criteria in Annex XI is that:
- (a) Network tariffs shall be cost-reflective of costs savings achieved from demand-side and demand-response measures and distributed generation.

- (b) Network regulation and tariffs shall not prevent network operators or energy retailers making available system services for demand response measures, demand management and distributed generation on organised electricity markets.
- (c) Network or retail tariffs may support dynamic pricing for demand response measures by final customers.

### **Consultation Proposals**

- 3.9 In order to ensure full and complete implementation of Article 15(1) of the Directive and more particularly the criteria of Annex XI, the UR proposed to make modifications to SONI's transmission licence (Condition 30) and NIE's distribution licence (Condition 32) to place an obligation on the respective licensee to ensure that its charges do not prevent or have the effect of preventing the operation of organised electricity markets.

### **Consultation Responses**

- 3.10 In its response to the consultation SONI considered that this should not be an absolute obligation but should instead be limited to an 'endeavours' obligation.
- 3.11 In contending this position SONI stated that while it may be able to influence the allocation of costs and charges, it does not have direct control over them as it is subject to price controls (the mechanisms for which are determined by the UR) and also subject to costs being allocated by NIE in respect of certain charges.

### **Decision**

- 3.12 The UR remains of the view that the obligation is to be an absolute obligation and not subject to a "use [all] reasonable/best endeavours" type limitation.
- 3.13 In response to SONI's comments, the UR notes that in setting the price controls the UR takes all relevant factors into consideration and the effect or otherwise of price controls on the operation of organised electricity markets is one such relevant factor. However, being subject to a price control does not mean that SONI has no independent decisions to make with regard to the way in which its charges (or any particular category of charges) are calculated. Price controls do not mandate the design or calculation of charges (and/or the methodologies used to calculate them).
- 3.14 The UR does however acknowledge that certain elements of SONI's charges are derived from charges which are set by NIE (as the transmission owner). Accordingly, corresponding and equivalent modifications are to be made to NIE's transmission licence (Condition 22).

- 3.15 The proposed modifications are shown in Appendices C and D (for NIE's distribution and transmission licences respectively) and Appendix E (for SONI).

#### **Article 15(5) (including Annex XII)**

- 3.16 With regard to the requirements of the third paragraph of Article 15(5) and in brief, Annex XII requires that transmission and distribution system operators shall:
- (a) Set up and publish standard rules relating to cost recovery of technical adaptations (e.g. connections, reinforcements etc.) which are necessary to provide for access etc. to high-efficiency cogeneration.
  - (b) Provide high-efficiency cogeneration with comprehensive information relating to connections, including an indicative timetable for connection.
- 3.17 With regard to the overall connection process (for high-efficiency cogeneration) Annex XII provides that it should be no longer than 24 months, taking into account what is reasonably practicable and non-discriminatory.

#### **Consultation Proposals**

- 3.18 The UR proposed licence modifications to SONI's transmission licence and NIE's distribution licence to implement the requirement for the overall process to become connected to the network within 24 months (taking into account what is reasonably practicable).

#### **Consultation Responses**

- 3.19 Both SONI and NIE agreed with the proposed modification and no other respondent commented.

#### **UR Decision**

- 3.20 The UR will therefore amend Condition 25 of SONI's transmission licence and Condition 30 of NIE's distribution licence to provide that where the relevant licensee makes (in accordance with its relevant obligations) an offer to connect a high efficiency cogeneration installation or plant to the relevant electricity transmission/distribution network and that offer is accepted, the licensee shall make the connection within 24 months.
- 3.21 The modifications are shown in Appendix C (for NIE) and Appendix E (for SONI).

#### **Article 15(6)**

- 3.22 The particular requirements of Article 15(6) of the Directive are for high-efficiency cogeneration operators to be able to offer balancing and other operational services (at both transmission and distribution levels) and for transmission and distribution network operators to ensure that these services (i.e. as offered by high-efficiency cogeneration operators) are part of a transparent and non-discriminatory bidding process.
- 3.23 Furthermore, other provisions of Article 15 (namely 15(4) and 15(8)) of the Directive provide that transmission and distribution system operators should enable demand response providers to participate in their procurement of balancing and ancillary services.

### **Consultation Proposals**

- 3.24 In its consultation the UR proposed modifications to SONI's transmission licence and NIE's transmissions to:
- (a) Extend the scope of system support services (as presently defined in licences) such that they encompass demand side response services.
  - (b) Oblige SONI to establish the criteria on which it will base its procurement procedures and to ensure that its procurement procedures are transparent and non-discriminatory.
  - (c) Provide that where NIE purchases system support services for the purposes of discharging its statutory and regulatory obligations, it shall do so economically and in accordance with published, transparent and non-discriminatory processes and procedures.

### **Consultation Responses**

- 3.25 NIE had no particular comments in respect of the proposed modifications.
- 3.26 SONI had a number of concerns which centred primarily on the interaction and consistency between the EED modifications proposed to Condition 29 of its licence and other modifications being proposed to Condition 29 outside of EED, namely in relation to fuel switching services.<sup>11</sup>
- 3.27 In light of SONI's comments and given that fuel switching services fall within the concept of system support services, the UR will make both sets of modifications to SONI's licence at the same time.
- 3.28 But it is right to note that the modifications relating to fuel switching services will be made under and in accordance with Article 14 of the

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<sup>11</sup> [http://www.uregni.gov.uk/publications/proposed\\_licence\\_modification\\_-\\_implementation\\_of\\_fuel\\_switching\\_agreements](http://www.uregni.gov.uk/publications/proposed_licence_modification_-_implementation_of_fuel_switching_agreements)

Electricity Order and the remaining modifications will be made under and in accordance with regulation 14 of the Regulations.

- 3.29 In making both sets of modifications at the same time the UR has refined and amending the relevant provisions to remove any inconsistencies that may have been inherent by virtue of running two separate consultations on the same condition at the same time.
- 3.30 In addition to the interaction with the proposed fuel switching provisions, SONI's other comments were as follows –
- (a) The existing provision providing that Condition 29 does not limit the manner or circumstances in which SONI calls for the delivery of system support services (i.e. once it has procured and contracted for such services to be provided to it) needs to be retained.
  - (b) Condition 15 of the TSO licence prohibits SONI from unduly discriminating between persons (etc.) and therefore including this obligation also in Condition 29 was unnecessary duplication.
  - (c) Given the work being undertaken under the DS3 project for competitive procurement of system support services, a run-off period of two years should be allowed for the establishment of procurement principles and procedures.
  - (d) The definition of system support services to explicitly include DSUs was not required.

### **UR's Decision**

- 3.31 With regard to the above, the UR -
- (a) Agrees to the reinsertion, with some minor amendments, of the provision confirming that the condition does not extend to the manner and circumstances in which SONI calls for the delivery of contracted system support services.
  - (b) Accepts that the provision relating to undue discrimination is unnecessary duplication and will not therefore be included.
  - (c) Does not accept that a run-off period of two years should be allowed for the establishment of procurement principles and procedures, but acknowledges that immediate compliance would be difficult. The requirement will therefore apply from a date specified by the UR in a direction.
  - (d) Does not accept that the definition of system support services should not or does not need to include DSUs.

- 3.32 Accordingly modifications will be made to Conditions 1 and 29 of SONI's transmission licence and to Condition 19 of NIE's distribution licence to reflect the UR's decision.
- 3.33 The relevant licence modifications are shown in Appendix C (for NIE) and Appendix E (for SONI).

### **Electricity Generation Licences**

#### **Consultation Proposals**

- 3.34 Given the licence modifications proposed to the two network licences noted above, the consultation proposed changes to electricity generation licences to –
- (a) Modify the definition of 'System Support Services' in all generation licences so that it reflects the changes being made to SONI's transmission licence and NIE's distribution licence and is consistent with these changes (and to introduce new definitions required as a consequence of such modification).
  - (b) Modify the condition relating to System Support Services (which is numbered Condition 7 in AES Kilroot Generating Limited's generation licence and used for illustrative purposes for this consultation) in all generation licences to reflect the possibility that a generator may be requested by NIE, in its capacity as distribution system operator, to provide system support services.

#### **Consultation Responses and Decision**

- 3.35 The UR did not receive any comments on the modifications proposed to electricity generation licence.
- 3.36 The modifications shown in Appendix F will be made to all electricity generation licences accordingly.

#### **Additional Matters re Article 15**

- 3.37 CCNI would like more information on the energy efficiency assessment of networks, in particular the timescales of the assessment and the cost of carrying out the assessment. They would also like more information and more information on how the UR intends to ensure that “Member States shall ensure the removal of those incentives in transmission and distribution tariffs that are detrimental to the overall efficiency (including energy efficiency) of the generation, transmission, distribution and supply of electricity or those that might hamper participation of demand response, in balancing markets and ancillary service procurement” as is required by Article 15.

- 3.38 The UR does not consider that licence modifications are necessary in relation to the energy efficiency assessment of the networks as the requirement is already fully covered by Regulation 5 of the Department's Regulations, which amend Article 14 of the Energy Order. The UR considers that the cost of carrying out the assessment is covered within existing and future price controls and the UR intends to deliver the assessment to the Department, before 30 June 2015 as is required by the amended Energy Order.
- 3.39 Investments in electricity infrastructure are also regulated through our licensing regime and price control framework. In April 2015 the Utility Regulator published a summary of the existing regulatory arrangements to evaluate investments in gas and electricity transmission infrastructure in accordance with Article 13(6) of the Trans-European Energy Infrastructure Regulation (TEN-E Regulation)<sup>12</sup>.
- 3.40 The UR considers that existing provisions within price control processes and market processes ensure that there are no incentives of the type that are prohibited by Article 15.

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<sup>12</sup> [http://www.uregni.gov.uk/uploads/publications/2015-04-21\\_TEN-E\\_Regulation\\_Article\\_136\\_Compliance.pdf](http://www.uregni.gov.uk/uploads/publications/2015-04-21_TEN-E_Regulation_Article_136_Compliance.pdf)

## 4. Fuel Switching Agreements

- 4.1 On 16 February 2015 the UR consulted, under and in accordance with Article 14(2) of the Electricity Order, on the implementation of Fuel Switching Agreements.<sup>13</sup>
- 4.2 The consultation related to proposed modifications to SONI's electricity transmission licence and all electricity generation licences in relation to implementing a framework for the introduction of Fuel Switching Agreements. Fuel Switching Agreements are referred to within the Fuel Security Code published by the Department.
- 4.3 The consultation proposed modifications to SONI's transmission licence to extend the application of Condition 29 relating to the economic purchasing of system support services to include the process specific to Fuel Switching Agreements and make associated changes to the definition of 'system support services' by explicitly referencing fuel switching services. Similar modifications were proposed to the definition of 'system support services' in all electricity generation licences.
- 4.4 The UR received two responses to the consultation – from SONI and Power NI Energy Ltd (namely from its Power Procurement Business (PPB)).
- 4.5 The UR has taken account of these responses and representations made in them, which essentially included representations to extend the parties who may enter into a Fuel Switching Agreement and to give further consideration to the interaction and consistency with the modifications proposed for the purposes of the Directive.
- 4.6 Accordingly the UR has determined that modifications to the definition of system support services are expedient for the purposes of the Directive and will therefore be encompassed within the modifications made for that purpose.
- 4.7 The remaining modifications are to Condition 29 of SONI's transmission licence (essentially paragraphs 5-10 of that condition in Appendix E).
- 4.8 The differences between the modifications consulted upon and the modifications decided upon are as follows –
  - (a) References to 'generator' have been replaced with the new term 'service provider' (to reflect that it is any authorised electricity operator

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<sup>13</sup> [http://www.uregni.gov.uk/news/view/soni\\_licence\\_modifications\\_-\\_fuel\\_switching\\_agreements/](http://www.uregni.gov.uk/news/view/soni_licence_modifications_-_fuel_switching_agreements/)

that can deliver fuel switching services in association with a relevant generation set).

- (b) There is clarification to recognise that there are effectively fuel switches to use of secondary fuel and back to use of primary fuel and agreement is for the recovery of costs associated with these fuel switches.
- (c) There is a requirement on SONI to send, upon request, a copy of the Fuel Switching Agreement free of charge.
- (d) A definition of 'Fuel Switching Services' has been introduced for clarification.
- (e) The paragraph numbering has changed to reflect the modifications made for the purposes of the Directive.

4.9 The reasons for these changes are to take account of respondents' comments and to ensure that the licence condition reflects not only the UR's policy but also the existing processes and procedures that apply to fuel switching.

## 5. Costs and Benefits

### **Energy Efficiency Directive**

- 5.1 The UR acknowledges that compliance with regulatory obligations imposes certain and particular costs on licensees and that costs may increase in light of the introduction of the new licence obligations. It is however a legal requirement for the Directive to be fully and adequately implemented within Northern Ireland and enhanced or new licence obligations are required for that purpose.
- 5.2 It must also be remembered that full and proper implementation of EU law is in itself cost effective as it negates the risk of infraction proceedings (which incur costs but could also lead to monetary fines and penalties) from the Commission.
- 5.3 Notwithstanding this the UR is mindful of the need to ensure that any additional costs that might arise from implementation of the Directive is kept to a minimum, while at the same time ensuring the maximum benefit to customers. As part of our consultation process we acknowledged that suppliers may incur additional costs in relation to, for example the cost of changes to billing systems in order to provide the billing information required by the Directive. The consultation asked respondents, in particular electricity and gas licence holders to provide information on costs.
- 5.4 A number of respondents made general comments in relation to costs. For example, firmus energy said it would be impossible to quantify costs and timescales at this stage and SSE Airtricity made a number of points about the volume of information required on bills and billing frequency.
- 5.5 Power NI gave a number of specific estimates of individual costs which UR will continue to engage on. CCNI noted that in 2014 and 2015, 25% of complaints received by CCNI were related directly to billing and just under half of those being in relation to a disputed bill amount. CCNI said that increased uniformity in billing and the proposed Billing CoP has the potential to show real benefits for customers and a reduction in complaint numbers for suppliers and distributors in both gas and electricity markets. The UR will continue to work with suppliers and CCNI to minimise the cost of complying with billing requirements, giving reasonable notice of the timing of any changes to systems and attempting to ensure that all of the changes can be done at the same time, thus avoiding multiple system changes. UR agrees with CCNI that there is a potential for the proposed modifications to reduce costs associated with billing complaints and disputes and to improve the customer experience in relation to billing.

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- 5.6 Other potential cost savings in relation to the provisions of the Directive relate to savings from the implementation of energy efficiency measures and from consumer empowerment generally. Energy efficiency enables customers to obtain the same level of thermal comfort, light or other outputs for less energy used. This in turn reduces overall energy bills, as customers consume less energy. By using less energy we can also reduce pressures on the grid, reduce the amount of input fuel used (and therefore the amount imported) and improve overall security of supply. Greater energy efficiency also reduces the instance of, and the impact of, fuel poverty - thus benefiting vulnerable customers.
- 5.7 Accurate and transparent billing and metering empowers customers to take control of their energy use and encourages them to engage with their energy supplier. Therefore, it helps customers to avoid problems such as falling into debt following an inaccurate meter read or a misunderstood bill. This in turn can benefit the supplier by saving on costs such as bad debts and costs associated with pursuing debts.
- 5.8 Similarly, accurate and transparent billing and provision of comparison information helps the customer to take informed decisions in relation to choosing a supplier and actively participating in the market.
- 5.9 Therefore the benefits associated with the proposed licence modifications for the gas and electricity supply licences can be summarised as follows:
- (a) costs avoided through energy saved;
  - (b) better customer engagement and empowerment through the provision of more (and better quality) information;
  - (c) better information for suppliers;
  - (d) avoiding the costs associated with dealing with billing complaints and disputes;
  - (e) improved security of supply; and
  - (f) helping customers avoid problems such as falling into debt.
- 5.10 With regard to the licence modifications proposed for electricity network licences, the UR considers any additional costs resulting from such modifications are minimal in relative terms.
- 5.11 In terms of connection processes, network licensees should in any event be progressing connections as quickly as is reasonably practicable. The proposed licence modifications merely serve to underpin that and to confirm that, where it is reasonably practicable, the process from entering into a connection agreement to the making of the connection should not

## Appendix A –Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

be more than 24 months in respect of high efficiency cogeneration installations/plants.

- 5.12 Similarly, the requirement for network operators that purchase system support services to have clear, transparent and published process for the procurement of those services reflects what is, or should, be good practice.
- 5.13 The expansion of system support services to include demand side responses and measures does not in itself impose any additional costs but will allow the demand side response to be rewarded for providing system support services to the licensee. The licensee should benefit by having additional sources of system support available and thereby enabling it to operate a more efficient and demand responsive system.

### **Fuel Switching**

- 5.14 The main benefit of the fuel switching modifications is enhanced security of supply for Northern Ireland in the event of primary fuel disruptions. In such an event the modifications will help to ensure that electricity can continue to be delivered. The introduction of a standard Fuel Switching Agreement will enhance the operational security of supply by setting out the rights and obligations of the relevant generation sets and SONI Ltd in relation to fuel switching, fuel switching testing, secondary fuel stock tests and associated cost recovery.
- 5.15 While Fuel Switching Agreements will assist the effective management of a potential emergency situation such as a Fuel Security Event, they will also be relevant when relevant generation sets are required to switch fuels for operational and/or testing.
- 5.16 The introduction of Fuel Switching Agreements will have limited effect on overall costs; to the extent these costs are not recoverable from the market. Costs will be incurred for successful secondary fuel tests and any exceptional costs incurred as a result of a relevant generator set being instructed by SONI to switch fuels for operational purposes or in response to a Fuel Security Event declared by the Department.

## Appendix A –Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

### Condition 32: Code of Practice on the efficient use of electricity

- 1 The Licensee shall, no later than three months after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice setting out the ways in which the Licensee will make available to Customers information and guidance on the efficient use of electricity (the **Code of Practice**).
  
- 2 The Code of Practice shall include arrangements by which the Licensee will make available information and advice about:
  - (a) the efficient use of electricity as will enable Customers to make informed judgments about measures to improve the efficiency with which they use the electricity supplied to them;
  
  - (b) the availability of heating systems and controls which are best calculated to make efficient use of electricity, and the selection and operation of such systems and controls;
  
  - (c) the financial costs and benefits of energy efficient electricity appliances;
  
  - (d) sources, including the availability of a telephone information service, within the Licensee's organisation from which Customers may obtain further information about the efficient use of electricity supplied to them; and
  
  - (e) organisations (to the extent that the Licensee is aware of them) outside the Licensee's business from which Customers may obtain additional information or assistance about:
    - (i) measures to improve the efficiency with which they use the electricity supplied to them;
  
    - (ii) the availability of financial assistance from Central or Local Government in respect of the costs of any such measures; and
  
    - (iii) bodies in receipt of financial support from Government in connection with measures to promote the efficiency of energy use;
  
- 3 The arrangements included in the Code of Practice pursuant to paragraph 2(e) shall provide for contact details (including website addresses) of at least one organisation that provides information or assistance in respect of paragraph 2(e)(i) to be made available to Customers:
  - (a) on each occasion the Licensee:
    - (i) enters into a Contract with the Customer; or

**Appendix A –Modifications to Electricity Supply Licences  
(based on Power NI's Electricity Supply Licence as a template)**

- (ii) makes a variation to the Contract entered into with a Customer;
  - (b) with each bill or statement sent to the Customer; and
  - (c) on the Licensee's website.
- 4 This Condition is subject to Condition 35: Preparation, Revision Of and Compliance with Codes of Practice.

## Appendix A – Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

### **Condition 38: Provision of Information to Customers**

#### Consumer Checklist

- 1 The Licensee shall:
  - (a) make readily accessible from its website an up to date copy of the Energy Consumer Checklist:
    - (i) as published by the Authority; and
    - (ii) in each alternative form or language as the Licensee has, in accordance with paragraph 1(b)(ii), sent to a Domestic Customer;
  - (b) on request, send to a Domestic Customer a copy of the Energy Consumer Checklist:
    - (i) in the form or language that is available on its website and is requested by the Domestic Customer; or
    - (ii) where practicable, in such alternative form or language as is reasonably requested by the Domestic Customer.

#### Billing Code

- 2 The Licensee shall comply with the Billing Code of Practice.

#### Billing Options

- 3 The Licensee shall:
  - (a) before entering into or concluding a contract with a Customer; and
  - (b) on at least an annual basis thereafter,  
inform the Customer:
    - (c) that the Customer may request for bills and statements to be sent to him by electronic communication; and
    - (d) of the different types of electronic communications used by Licensee which can be made available to the Customer.
- 4 The Licensee shall, where the Customer requests for bills and statement to be sent to him by electronic communication and the type of electronic communication requested by the

## Appendix A – Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

Customer is used by the Licensee, send bills and statements to the Customer by electronic communication as requested by the Customer.

### Frequency of Bills and Statements

- 5 The Licensee shall send a bill or statement:
- (a) at least once a quarter:
    - (i) to any Customer that the Licensee is required, pursuant to the provisions of paragraph 4, to send bills or statements by electronic communication;
    - (ii) to any Customer that has requested the Licensee to send bills or statements on a quarterly basis;
  - (b) at least once every six months to any Customer taking a supply of electricity at premises at which the installed meter is not a Prepayment Meter; and
  - (c) at least once every twelve months to any Customer taking a supply of electricity at premises at which the installed meter is a Prepayment Meter.
- 6 The Licensee shall ensure that each bill or statement sent to a Customer is:
- (a) complete and accurate; and
  - (b) sent by way of a paper hard copy or such other form as agreed by the Customer.

### Information on Bills and Statements

- 7 The Licensee shall ensure that each bill or statement sent to a Customer includes:
- (a) the name and address of the Licensee;
  - (b) the relevant Meter Point Registration Number;
  - (c) details of the Customer's applicable tariff including:
    - (i) the full name of the tariff;
    - (ii) the unit rate, expressed where applicable in "pence per kWh", of the tariff; and

## Appendix A – Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

- (iii) where the Customer is a Domestic Customer, any discount or premium that applies to the tariff (and the period for which it applies) when compared with the Licensee's standard evergreen tariff for Domestic Customers.
- (d) the total charges, setting out separately any applicable standing charge and showing the charges both inclusive and exclusive of any value added tax, for the period of the bill or statement;
- (e) the amount of electricity which the Licensee's records show has been consumed by the Customer since the last bill or statement sent to that Customer;
- (f) where the bill or statement relates to any period during which the Customer was supplied with electricity through a Prepayment Meter (the 'relevant period'), the number and total value of pre-payments made by the Customer in each calendar month falling (whether in whole or in part) in the relevant period;
- (g) where the Licensee has provided a supply of electricity to the Customer at the same premises continuously for:
  - (i) 12 months or more, the amount of electricity which the Licensee's records show has been consumed by the Customer at those premises in the previous 12 months;
  - (ii) less than 12 months, the amount of electricity which the Licensee's records show has been consumed by the Customer at those premises since the date the Licensee started to provide the supply of electricity;
- (h) a statement to the effect that the Customer may change his electricity supplier and details of where the Customer can obtain impartial advice and information about changing electricity supplier;
- (i) where the customer is a Domestic Customer, a statement to the effect that the Licensee has a Code of Practice which sets out the services, advice and assistance it provides to Domestic Customers who may be having difficulty in paying for the supply of electricity; and
- (j) the Fuel Mix Information.

### Bills and Statements Based on Meter Readings

- 8 For the purposes of paragraph 7(e), the amount of electricity calculated as having been consumed by the Customer shall be determined by reference to:

## Appendix A – Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

- (a) an actual meter reading;
  - (b) a meter reading taken by the Customer that the Licensee considers to be reasonably accurate (a 'customer meter reading'); or
  - (c) where no actual or customer meter reading is available, the estimate of the Licensee (an 'estimated meter reading').
- 9 Where the Licensee considers that a meter reading taken by the Customer is not reasonably accurate it must take all reasonable steps to contact the Customer and request a new meter reading.
- 10 Where the Customer receives a bill from the Licensee showing an estimated meter reading and following receipt of that bill provides a customer meter reading to the Licensee, the Licensee shall, where requested by the Customer, send an updated bill to the Customer reflecting the customer meter reading.
- 11 The Licensee shall:
- (a) use all reasonable endeavours to take an actual meter reading in respect of each of its Customers (save insofar as he receives an unmetered supply) on at least an annual basis;
  - (b) send a bill or statement to the Customer which reflects the actual meter reading taken in accordance with paragraph (a); and
  - (c) maintain, for a period of at least three years, and provide to the Authority on request, evidence of the reasonable endeavours it has used to obtain such an actual meter reading for each of its Customers.

### Consumption Information

- 12 The Licensee shall, on request, provide to a Customer information on the quantity of electricity which the Licensee's records show as consumed by that Customer:
- (a) where the Licensee has provided a supply of electricity to the Customer at the same premises continuously for 12 months or more, in the 12 months preceding the date of the request; or
  - (b) where the Licensee has provided a supply of electricity to the Customer for less than 12 months, in the period from the date the Licensee started to provide the supply of electricity to the date of the request.

## Appendix A –Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

### Final Bill or Statement

- 13 Where a Domestic Customer terminates the Contract in accordance with its provisions and exercises his right to receive a supply of electricity at the Domestic Premises from another Electricity Supplier, the Licensee shall send a final bill to the Domestic Customer within six weeks of the Licensee ceasing to provide a supply of electricity to the Domestic Customer.

### Complaints Handling Information

- 14 The Licensee shall keep each of its Customers informed:
- (a) of the Customer's rights to initiate the Licensee's complaints handling procedure (as established in accordance with the requirements of Condition 33);
  - (b) that the General Consumer Council can assist in resolving complaints which the Licensee has not resolved to the Customer's satisfaction;
  - (c) that the Customer has the right to refer complaints which relate to billing matters to the Authority where the General Consumer Council has not been able to resolve the complaint to the Customer's satisfaction;
  - (d) that the Energy Consumer Checklist can be accessed from the Licensee's website and that the Licensee will, on request, send a copy to the Customer free of charge; and
  - (e) of the contact address and telephone number of:
    - (i) the Licensee's complaints handling department; and
    - (ii) the General Consumer Council.
- 15 The Licensee shall discharge its obligations under paragraph 14 by providing the information:
- (a) referred to in paragraphs 14(a) to (d) on or with each bill or statement sent to the Customer;
  - (b) referred to in paragraph 14(e):
    - (i) on or with each bill or statement sent to the Customer; and
    - (ii) on all of its Promotional Materials.

## Appendix A –Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

### Format of Bills and Statements

- 16 The Licensee shall provide the information required under this condition on or with each bill or statement in such detail and in such format as:
- (a) where the Authority has published the Billing Code of Practice, meets the requirements of the Billing Code of Practice; and
  - (b) where the Authority has not published the Billing Code of Practice, has been determined by the Licensee in consultation with the Authority and the General Consumer Council.
- 17 The Licensee shall not charge the Customer for any information, including any bill or statement, which it is required to provide in accordance with or pursuant to this Condition 38. This paragraph does not apply in respect of providing additional copies of a bill or statement to the Customer.

### Definitions

- 18 In this Condition:

<b>"Billing Code of Practice"</b>	means the document of that name, prepared and published from time to time by the Authority, following consultation with the Licensee, other electricity suppliers and such other persons as the Authority deems appropriate (which consultation may take place before paragraph 2 comes into effect), in relation to customer billing matters.
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## Appendix A –Modifications to Electricity Supply Licences (based on Power NI's Electricity Supply Licence as a template)

### **Condition 40D: Provision of Information to Electricity Suppliers and energy service providers**

- 1 Where paragraph 2 applies, the Licensee shall, within ten working days of receiving a Customer Information Request from any Electricity Supplier or Energy Services Provider, provide, free of charge, to the Electricity Supplier or the Energy Services Provider (as the case may be) the Billing Information specified in the Customer Information Request and held or recorded by the Licensee.
- 2 This paragraph applies where the Licensee is supplying electricity, or has at any time in the 12 months prior to the date of the customer information request supplied electricity, to the premises identified in the request and where the Customer identified in the request is or was (as the case may be), a Customer of the Licensee.
- 3 Where, in respect of any Customer Information Request, the specified Billing Information is not held or recorded by the Licensee in a form that can be determined or ascertained for the Specified Period, the Licensee shall:
  - (a) give notice to the Electricity Supplier or the Energy Services Provider (as the case may be) that the Billing Information cannot be provided for only the Specified Period; and
  - (b) provide the requested Billing Information held or recorded by the Licensee in respect of any period that includes the Specified Period.
- 4 The Licensee shall not submit a customer information request to another Electricity Supplier unless it has, and retains evidence of, the consent of the Customer for it to obtain the information which is specified in the request to the other Electricity Supplier.
- 5 The Licensee shall not charge the Customer for any services provided to the Customer or to any Electricity Supplier or Energy Services Provider pursuant to this Condition.
- 6 The Licensee is not required to comply with paragraph 1 in respect of any customer information request received from an Energy Services Provider where:
  - (a) the Licensee does not have the consent of the Customer to provide Billing Information to the Energy Services Provider; and
  - (b) the Energy Service Provider does not submit, with the customer information request, written evidence of the consent of the Customer for the Energy Services Provider to obtain from the Licensee such Billing Information as is specified in the customer information request.

**Appendix A –Modifications to Electricity Supply Licences**  
**(based on Power NI's Electricity Supply Licence as a template)**

7 In this Condition:

**Billing Information**

means:

- (a) any information relating to the consumption of electricity by the Customer at the premises identified, in the request; and
- (b) any information enclosed with, or set out in, any bill or statement previously sent by the Licensee to the Customer at such premises.

**Customer Information Request**

means a request for Billing Information in respect of the Customer at the premises identified, and for the period specified in, the request.

**Energy Services Provider**

means any person, other than an Electricity Supplier, that provides goods or services to Customers at their premises for the purposes of enabling the Customer to reduce their electricity consumption or to make efficient use of electricity.

**Specified Period**

means the period specified in the Customer Information Request.

## Appendix B – Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

### Condition 2.10: Code of Practice on the efficient use of gas

- 2.10.1 The Licensee shall, no later than three months after this Condition takes effect or such later date as the Authority directs, prepare, submit to and have approved by the Authority a code of practice setting out the ways in which the Licensee will make available to consumers information and guidance on the efficient use of gas (the **Code of Practice**).
- 2.10.2 The Code of Practice shall include arrangements by which the Licensee will make available information and advice about:
- (a) the efficient use of gas as will enable consumers to make informed judgments about measures to improve the efficiency with which they use the gas supplied to them;
  - (b) the availability of heating systems and controls which are best calculated to make efficient use of gas and the selection and operation of such systems and controls;
  - (c) the financial costs and benefits of energy efficient gas appliances;
  - (d) sources, including the availability of a telephone information service, within the Licensee's organisation from which consumers may obtain further information about the efficient use of gas supplied to them; and
  - (e) organisations (to the extent that the Licensee is aware of them) outside the Licensee's business from which consumers may obtain additional information or assistance about:
    - (i) measures to improve the efficiency with which they use the gas supplied to them;
    - (ii) the availability of financial assistance from Central or Local Government in respect of the costs of any such measures; and
    - (iii) bodies in receipt of financial support from Government in connection with measures to promote the efficiency of energy use;
- 2.10.3 The arrangements included in the Code of Practice pursuant to paragraph 2.10.2(e) shall provide for the contact details (including website addresses) of at least one organisation that provides information or assistance in respect of paragraph 2(e)(i) to be made available to consumers:
- (a) on each occasion the Licensee:
    - (i) enters into a Contract with the consumer; or

**Appendix B –Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)**

(ii) makes a variation to the Contract entered into with a consumer;

(b) with each bill or statement sent to the consumer; and

(c) on the Licensee's website.

2.10.4 This Condition is subject to Condition 2.13: Preparation, Revision Of and Compliance with Codes of Practice.

## Appendix B –Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

### Condition 2.19: Provision of Information to Consumers

#### Consumer Checklist

2.19.1 The Licensee shall:

- (a) make readily accessible from its website an up-to-date copy of the Energy Consumer Checklist:
  - (i) as published by the Authority; and
  - (ii) in each alternative form or language as the Licensee has, in accordance with paragraph 2.19.1(b)(ii), sent to a domestic consumer; and
- (b) on request, send to a domestic consumer a copy of the Energy Consumer Checklist:
  - (i) in the form or language that is available on its website and is requested by the domestic consumer; or
  - (ii) where practicable, in such alternative form or language as is reasonably requested by the domestic consumer.

#### Billing Code

2.19.2 The Licensee shall comply with the Billing Code of Practice.

#### Billing Options

2.19.3 The Licensee shall:

- (a) before entering into or concluding a contract with a consumer; and
- (b) on at least an annual basis thereafter,

inform the consumer:

- (c) that the consumer may request for bills and statements to be sent to him by electronic communication; and
- (d) of the different types of electronic communications used by the Licensee which can be made available to the consumer.

2.19.4 The Licensee shall, where the consumer requests for bills and statements to be sent to him by electronic communication and the type of electronic communication requested by the consumer is used by the Licensee, send bills and statements to the consumer by

## Appendix B – Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

electronic communication as requested by the consumer.

### Frequency of Bills and Statements

2.19.5 The Licensee shall send a bill or statement :

- (a) at least once a quarter:
  - (i) to any consumer that the Licensee is required, pursuant to the provisions of paragraph 2.19.4, to send bills or statements by electronic communication; or
  - (ii) to any consumer that has requested the Licensee to send bills or statements on a quarterly basis;
- (b) at least once every six months to any consumer taking a supply of gas at premises at which the installed meter is not a Prepayment Meter; and
- (c) at least once every twelve months to any consumer taking a supply of gas at premises at which the installed meter is a Prepayment Meter.

2.19.6 The Licensee shall ensure that each bill or statement sent to a consumer is:

- (a) complete and accurate; and
- (b) sent by way of a paper hard copy or such other form as agreed by the consumer.

### Information on Bills and Statements

2.19.7 The Licensee shall ensure that each bill or statement sent to a consumer includes:

- (a) the name and address of the Licensee;
- (b) the relevant Supply Meter Point Number;
- (c) details of the consumer's applicable tariff including:
  - (i) the full name of the tariff;
  - (ii) the unit rate, expressed where applicable in "pence per kWh", of the tariff; and
  - (iii) where the consumer is a domestic consumer, any discount or premium that applies to the tariff (and the period for which it applies) when compared with the Licensee's standard evergreen tariff for domestic consumers;

## Appendix B –Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

- (d) the total charges, setting out separately any applicable standing charge and showing the charges both inclusive and exclusive of any value added tax, for the period of the bill or statement;
- (e) the amount of gas which the Licensee's records show has been consumed by the consumer since the last bill or statement sent to that consumer;
- (f) where the bill or statement relates to any period during which the consumer was supplied with gas through a Prepayment Meter (the 'relevant period') the number and total value of pre-payments made by the consumer in each calendar month falling (whether in whole or in part) in the relevant period;
- (g) where the Licensee has provided a supply of gas to the consumer at the same premises continuously for:
  - (i) 12 months or more, the amount of gas which the Licensee's records show has been consumed by the consumer at those premises in the previous 12 months;
  - (ii) less than 12 months, the amount of gas which the Licensee's records show has been consumed by the consumer at those premises since the date the Licensee started to provide the supply of gas;
- (h) where the consumer is eligible to take a supply of gas from another gas supplier, a statement to the effect that the consumer may change his gas supplier and details of where the consumer can obtain impartial advice and information about changing gas supplier; and
- (i) where the consumer is a domestic consumer, a statement to the effect that the Licensee has a Code of Practice which sets out the services, advice and assistance it provides to domestic consumers who may be having difficulty in paying for the supply of gas.

### Bills and Statements Based on Meter Readings

- 2.19.8 For the purposes of paragraph 2.19.7(e), the amount of gas calculated as having been consumed by the consumer shall be determined by reference to:
- (a) an actual meter reading;
  - (b) a meter reading taken by the consumer that the Licensee considers to be reasonably accurate (a 'consumer meter reading'); or
  - (c) where no actual or customer meter reading is available, the estimate of the

## Appendix B – Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

Licensee (an 'estimated meter reading').

- 2.19.9 Where the Licensee considers that a meter reading taken by the consumer is not reasonably accurate it must take all reasonable steps to contact the consumer and request a new meter reading.
- 2.19.10 Where the consumer receives a bill from the Licensee showing an estimated meter reading and following receipt of that bill provides a consumer meter reading to the Licensee, the Licensee shall, where requested by the consumer, send an updated bill to the consumer reflecting the consumer meter reading.
- 2.19.11 The Licensee shall:
- (a) use all reasonable endeavours to take an actual meter reading in respect of each of its consumer (save insofar as he receives an unmetered supply) on at least an annual basis;
  - (b) send a bill or statement to the consumer which reflects the actual meter reading taken in accordance with paragraph (a); and
  - (c) maintain, for a period of at least three years, and provide to the Authority on request, evidence of the reasonable endeavours it has used to obtain such an actual meter reading for each of its consumers.

### Consumption Information

- 2.19.12 The Licensee shall, on request, provide to a consumer information on the quantity of gas which the Licensee's records show as consumed by that consumer:
- (a) where the Licensee has provided a supply of gas to the consumer at the same premises continuously for 12 months or more, in the 12 months preceding the date of the request; or
  - (b) where the Licensee has provided a supply of gas to the consumer for less than 12 months, in the period from the date the Licensee started to provide the supply of gas to the date of the request.

### Final Bill or Statement

- 2.19.13 Where a domestic consumer terminates the Contract in accordance with its provisions and exercises his right to receive a supply of gas at the Domestic Premises from another gas supplier, the Licensee shall send a final bill to the domestic consumer within six weeks of the Licensee ceasing to provide a supply of gas to the domestic consumer.

## Appendix B –Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

### Complaints Handling Information

2.19.14 The Licensee shall keep each of its consumers informed:

- (a) of the consumer's rights to initiate the Licensee's complaints handling procedure (as established in accordance with the requirements of Condition 2.8);
- (b) that the General Consumer Council can assist in resolving complaints which the Licensee has not resolved to the consumer's satisfaction;
- (c) that the consumer has the right to refer complaints which relate to billing matters to the Authority where the General Consumer Council has not been able to resolve the complaint to the consumer's satisfaction;
- (d) that the Energy Consumer Checklist can be accessed from the Licensee's website and that the Licensee will, on request, send a copy to the consumer free of charge; and
- (e) of the contact address and telephone number of:
  - (i) the Licensee's complaints handling department; and
  - (ii) the General Consumer Council

2.19.15 . The Licensee shall discharge its obligations under paragraph 2.19.14 by providing the information:

- (a) referred to in paragraphs 2.19.14(a) to (d) on or with each bill or statement sent to the consumer;
- (b) referred to in paragraph 2.19.14(e):
  - (i) on or with each bill or statement sent to the consumer; and
  - (ii) on all of its Promotional Materials.

### Format of Bills and Statements

2.19.16 The Licensee shall provide the information required under this Condition 2.19 on or with each bill or statement in such detail and in such format as:

- (a) where the Authority has published the Billing Code of Practice, meets the requirements of the Billing Code of Practice; and
- (b) where the Authority has not published the Billing Code of Practice, has been

**Appendix B –Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)**

determined by the Licensee in consultation with the Authority and the General Consumer Council.

2.19.17 The Licensee shall not charge the consumer for any information, including any bill or statement, which it is required to provide in accordance with or pursuant to this Condition 2.19. This paragraph does not apply in respect of providing additional copies of a bill or statement to the consumer.

Definitions

2.19.18 In this Condition:

<b>Billing Code of Practice</b>	means the document of that name, prepared and published from time to time by the Authority, following consultation with the Licensee, other gas suppliers and such other persons as the Authority deems appropriate (which consultation may take place before paragraph 2 comes into effect), in relation to customer billing matters.
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## Appendix B –Modifications to Gas Supply Licences (based on SSE Airtricity Gas Supply Licence as a template)

### **Condition 2.28: Provision of Information to gas suppliers and energy service providers**

- 2.28.1 Where paragraph 2.28.2 applies, the Licensee shall within ten working days of receiving a Consumer Information Request from any gas supplier or Energy Services Provider, provide, free of charge, to the gas supplier or the Energy Services Provider (as the case may be) the Billing Information specified in the Consumer Information Request and held or recorded by the Licensee.
- 2.28.2 This paragraph applies where the Licensee is supplying gas, or has at any time in the 12 months prior to the date of the consumer information request supplied gas, to the premises identified in the request and where the consumer identified in the request is, or was (as the case may be) a consumer of the Licensee.
- 2.28.3 Where in respect of a Consumer Information Request, the specified Billing Information is not held or recorded by the Licensee in a form that can be determined or ascertained for the Specified Period only, the Licensee shall:
- (a) give notice to the gas supplier or the Energy Services Provider (as the case may be) that the requested Billing Information cannot be provided for the Specified Period only; and
  - (b) provide the requested Billing Information held or recorded by the Licensee in respect of any period that includes the Specified Period.
- 2.28.4 The Licensee shall not submit a consumer information request to another gas supplier unless it has, and retains evidence of, the consent of the consumer for it to obtain the information which is specified in the request to the other gas supplier.
- 2.28.5 The Licensee shall not charge the consumer for any services provided to the consumer or to any gas supplier or Energy Services Provider pursuant to this Condition.
- 2.28.6 The Licensee is not required to comply with paragraph 2.28.1 in respect of any customer information request received from an Energy Services Provider where:
- (a) the Licensee does not have the consent of the Customer to provide Billing Information to the Energy Services Provider; and
  - (b) the Energy Service Provider does not submit with the customer information request written evidence of the consent of the Customer for the Energy Services Provider to obtain from the Licensee such Billing Information as is specified in the customer information request.

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SSE Airtricity Gas Supply Licence as a template)**

2.28.7 In this Condition:

**Billing Information**

means:

- (a) any information relating to the consumption of gas by the consumer at the premises identified in the request; and
- (b) any information enclosed with or set out in any bill or statement previously sent by the Licensee to the consumer at such premises.

**Consumer Information  
Request**

means a request for Billing Information in respect of the consumer at the premises identified, and for the period specified, in the request.

**Energy Services Provider**

means any person, other than a gas supplier, that provides goods or services to Customers at their premises for the purposes of enabling the Customer to reduce their energy consumption or to make efficient use of energy.

**Specified Period**

means the period specified in the Consumer Information Request

## Appendix C – Modifications to NIE's Electricity Distribution Licence

### Condition 19. Distribution System Security and Planning Standards and Operation of the Distribution System

#### System Security and Planning

- 1 The Licensee shall plan, develop and maintain and operate (including, without limitation and where necessary, coordinating the flow of electricity over) the Distribution System in accordance with:
  - (a) the Distribution System Security and Planning Standards; and/or
  - (b) such other standard of planning and operation as is adopted, from time to time, by the Licensee (with the approval of the Authority and following consultation with those electricity undertakings liable to be materially affected thereby),

in each case as appropriate to the purpose under consideration.

- 2 Where, in planning the development of the Distribution System, the Licensee considers it might be necessary to upgrade or replace the present and/or future capacity of the Distribution System, it shall before deciding to proceed with any such upgrade or replacement consider whether, in the circumstances of the case, energy efficiency, demand-side management or distributed generation measures may (whether in whole or in part) be more appropriate than the proposed upgrade or replacement of the present or future capacity.

#### Maintenance of the Distribution System

- 3 The Licensee shall, not later than such date as the Authority may specify and in consultation with the Authority, prepare and from time to time modify a written policy setting out the manner in which the Licensee proposes to comply, in connection with the maintenance of an efficient, economical and co-ordinated Distribution System, with all applicable European Union and United Kingdom environmental laws. Such written policy may be prepared as a constituent part of the statement which the Licensee is required to prepare by paragraph 2(1) of schedule 9 of the Order.

#### System Balancing

- 4 The Licensee shall, where it is responsible for the balancing of the Distribution System, ensure that it carries out any such activity on the basis of, and in accordance with, rules it adopts for such purpose which rules:
  - (a) are objective and transparent;
  - (b) do not unduly discriminate between any persons; and

## Appendix C – Modifications to NIE's Electricity Distribution Licence

(c) are approved by the Authority,

(the **System Balancing Rules**).

5 Where paragraph 4 applies, the Licensee shall:

(a) ensure that the System Balancing Rules are published on and readily accessible from the Licensee's website; and

(b) send a copy of the System Balancing Rules to any person requesting as soon as reasonably practicable following the request.

### **System Support Services**

6 Where the Licensee purchases or otherwise acquires System Support Services from any person (as necessary or appropriate to enable it to discharge its obligations under the Order, the Energy Order, the SEM Order and the Licence), it shall do so:

(a) from the most economical sources available to it, having regard to:

(i) the quantity and nature of the System Support Services that are required by it to enable the discharge of its obligations under the Order, the Energy Order, the SEM Order and the Licence;

(ii) the diversity, number and reliability of such System Support Services that are at that time available for purchase or acquisition;

(iii) its obligations under the Distribution Interface Arrangements;

(iv) the quantity and nature of services that are purchased or acquired by the Transmissions System Operator in accordance with Condition 29 of the Transmission System Operator Licence; and

(b) in a manner which does not:

(i) show any undue preference to, or unduly discriminate between, any person or class or classes of persons;

(ii) prevent, restrict or distort competition in the availability of, or in any of the markets for, System Support Services to the detriment of electricity consumers.

## Appendix C – Modifications to NIE's Electricity Distribution Licence

- 7 The licensee shall:
- (a) following consultation with persons from whom it may purchase or acquire System Support Services and with the Transmission System Operator, prepare and submit to the Authority for its approval, a document that sets out the principles and criterion the licensee will follow in establishing procurement processes and procedures that meet the requirements of paragraph 6 (the **Procurement Principles**);
  - (b) establish and at all times have in force, implement and comply with such procurement processes and procedures as will facilitate the licensee's compliance with the requirements of paragraph 6 (the **Procurement Procedures**); and
  - (c) publish on its website, and send free of charge to any person requesting, an up to date copy of the Procurement Principles and the Procurement Procedures.

### Revision of Arrangements

- 8 The Licensee shall, in conjunction with all other Electricity Distributors and in consultation with electricity undertakings to the extent such persons are liable to be materially affected thereby, periodically (and at any time when requested to do so by the Authority) review the Distribution System Security and Planning Standards and their implementation.
- 9 Following any such review, the Licensee shall send to the Authority:
- (a) a report on the outcome of that review;
  - (b) any revision which the Licensee proposes to make to the Distribution System Security and Planning Standards from time to time (having regard to the outcome of that review); and
  - (c) any written representations or objections from electricity undertakings (including any proposals for revisions to the documents that were not accepted in the course of the review) arising during the consultation process and subsequently maintained.
- 10 Revisions to the Distribution System Security and Planning Standards proposed by the Licensee and sent to the Authority pursuant to paragraph 9 shall require the Authority's approval before they may be made.
- 11 Having regard to any written representations or objections referred to in sub-paragraph 9(c), and following such further consultation (if any) as the Authority may consider appropriate, the Authority may issue directions requiring the Licensee to revise the Distribution System Security and Planning Standards in such manner as may be specified in the directions, and the Licensee shall comply with any such directions forthwith.

## Appendix C – Modifications to NIE's Electricity Distribution Licence

### Performance Standards

- 12 The Licensee shall, whenever requested to do so by the Authority, draw up and submit to the Authority for its approval a statement setting out criteria by which performance of the Licensee in maintaining Distribution System security, availability and quality of service may be measured.
- 13 The Licensee shall within 2 months after the end of each financial year submit to the Authority a report providing details of the performance of the Licensee during the previous financial year against the criteria referred to in paragraph 12.

### Derogation

- 14 The Authority may from time to time (following consultation with the Licensee, (to the extent liable to be materially affected thereby) any electricity undertaking and such (if any) other licence holders as the Authority shall consider appropriate) issue directions relieving the Licensee of its obligations under paragraph 1 in respect of such parts of the Distribution System and to such extent as may be specified in the directions.

### Publication

- 15 The Licensee shall give or send a copy of the Distribution System Security and Planning Standards, and of any revision thereto, to the Authority. The Licensee shall also publish a copy of the document on its website.
- 16 The Licensee shall, subject to paragraph 17, give or send a copy of any of the Distribution System Security and Planning Standards to any person requesting it.
- 17 The Licensee may make a charge for any copy given or sent pursuant to paragraph 16 of an amount reflecting the Licensee's reasonable costs of the document which will not exceed any amount specified for the time being for the purposes of this Condition in directions issued from time to time by the Authority.

### Definitions

- 18 In this Condition:

<b>System Support Services</b>	means:  (a) spinning reserve, fast start, reactive power, frequency control and such other services as any authorised electricity operator may be required to have available as system
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## Appendix C – Modifications to NIE's Electricity Distribution Licence

	<p>support services in association with any generation set pursuant to the Distribution Code or the Grid Code, including outage planning incentive arrangements;</p> <p>(b) any services relating to a reduction of demand or to other demand side measures that can be taken by a final consumer (or any persons acting on behalf, and with the authority, of a final consumer); and</p> <p>(c) any services that an electricity undertaking may have agreed to have available as system support services in its capacity as an electricity undertaking pursuant to an agreement made with the Licensee,</p> <p>and which may be required by, or are available or offered (whether by way of sale or otherwise) to, the Licensee for the purpose of securing stability of operation on the Distribution System and/or the systems linked to the Distribution System.</p>
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## Appendix C – Modifications to NIE's Electricity Distribution Licence

### Condition 29. Market Registration Arrangements

- 1 The Licensee shall establish market registration arrangements calculated to facilitate the achievement of the “**relevant objective**”. For the purposes of this Condition 29, the relevant objective is to provide for the terms on which relevant licensed suppliers are provided with and participate in the Market Registration Service and the Market Data Service and to facilitate the fulfilment by the Licensee of its obligations as an appointed Meter Data Provider under the Single Electricity Market Trading and Settlement Code.
- 2 The Licensee shall, in connection with the establishment of the arrangements referred to in paragraph 1, prepare a Market Registration Code and a Market Registration Framework Agreement, each of which shall be furnished to the Authority for its approval.
- 3 The Market Registration Code shall include provisions for the:
  - (a) testing and review of the systems and processes of relevant licensed suppliers with a view to certifying, re-certifying and withdrawing certification of eligibility to participate in the market registration arrangements;
  - (b) grant and withdrawal of dispensations from one or more of the requirements relating to systems and processes referred to in paragraph (a) above;
  - (c) terms for the provision of the Market Registration Service and the Market Data Service in compliance with paragraph 6 of Condition 28;
  - (d) procedures and practices to be followed, and performance standards to be achieved, by the Licensee in the provision of the Market Data Service in relation to the functions referred to paragraph 3 of Condition 28;
  - (e) procedures and practices to be followed by relevant licensed suppliers in relation to the matters referred to in paragraphs (a) and (b) above, the Market Registration Service and the Market Data Service;
  - (f) calculation and payment of charges for participation in the market registration arrangements;
  - (g) arrangements for the variation of specified parts of the Market Registration Code following consultation with the Licensee and all relevant licensed suppliers and in compliance with paragraphs 8 to 11 (inclusive);
  - (h) referral to the Authority for determination of such matters arising under the market registration arrangements as may be specified therein.
- 4 The Market Registration Framework Agreement shall:

## Appendix C – Modifications to NIE's Electricity Distribution Licence

- (a) require compliance with the Market Registration Code; and
  - (b) provide for the accession of new parties to the Market Registration Framework Agreement from time to time, and the means by which those parties can subsequently withdraw from the Market Registration Framework Agreement.
- 5 On application made by any relevant licensed supplier, or any person that has applied for a supply licence under Article 10 of the Order, the Licensee shall, as soon as practicable and (save where the Authority consents to a longer period) in any event not later than 14 days after receipt by the Licensee of the duly completed application, offer to enter into an agreement by which the applicant accedes to the Market Registration Framework Agreement in the form then approved by the Authority.
- 6 The Licensee shall not be obliged pursuant to this Condition to offer to enter or to enter into any agreement:
  - (a) if to do so would involve the Licensee:
    - (i) in breach of its duties under Article 12 of the Order; or
    - (ii) in breach of any regulations made under Article 32 of the Order, or any other enactment relating to safety or standards applicable in respect of the Distribution Business; or
    - (iii) in breach of the Conditions of this Licence; or
    - (iv) in breach of the Distribution Code; or
  - (b) if the person making the application does not undertake to be bound by such parts of the Distribution Code and of the Grid Code as the Authority shall from time to time specify in directions issued to the Licensee for the purposes of this Condition.
- 7 The Licensee shall not enter into any agreements or arrangements for the purposes of the relevant objective, except in conformity with the approved Market Registration Code and Market Registration Framework Agreement.
- 8 The Licensee shall, in consultation with any relevant licensed supplier liable to be materially affected thereby and such other persons as the Authority shall consider appropriate, review the Market Registration Code and its implementation:
  - (a) as the Licensee considers appropriate;
  - (b) upon receipt of a request for such a review made in accordance with the Market Registration Code; or

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- (c) at the request of the Authority.
- 9 Following such review, the Licensee shall send to the Authority:
  - (a) a report on the outcome of the review;
  - (b) any revisions which it is proposed to make to the Market Registration Code (having regard to the outcome of the review); and
  - (c) any written representations or objections from relevant licensed suppliers (including any proposals by such operators for revisions to the Market Registration Code not accepted by the Licensee in the course of the review) arising during the consultation process and subsequently maintained.
- 10 Revisions to the Market Registration Code:
  - (a) proposed by the Licensee and sent to the Authority pursuant to paragraph 9; or
  - (b) proposed under any arrangements for the variation of specified parts of the Market Registration Code contained in the Market Registration Code,

shall in each case not take effect unless they have been approved by the Authority.
- 11 The Authority may, following such further consultation (if any) as the Authority may consider appropriate and having regard to any written representation or objection referred to in paragraph 9(c), issue directions requiring the Licensee to revise the Market Registration Code as may be specified in the directions and the Licensee shall forthwith comply with any such directions.
- 12 Where it appears to the Licensee that there has been or there is going to be a revision of the Market Registration Code under paragraph 11 which has had or is likely to have a material effect on the financial position of the Licensee, the Licensee may require the Authority to determine whether the revision to the Market Registration Code has had or is likely to have such an effect and if so what charge, if any, the Licensee can make under the Market Registration Code to ensure that the financial position and performance of the Licensee is likely, so far as reasonably practicable, to be the same as if the relevant revision had not taken place.
- 13 Where there is a conflict or inconsistency between the terms of the Market Registration Code and the terms of the Single Electricity Market Trading and Settlement Code with the effect that the Licensee is unable to fulfil its obligations as an appointed Meter Data Provider under the Single Electricity Market Trading and Settlement Code, the Licensee shall:
  - (a) propose modifications to the Market Registration Code and/or the Single Electricity

## Appendix C – Modifications to NIE's Electricity Distribution Licence

Market Trading and Settlement Code (as it considers appropriate, or as directed by the Authority) in order to resolve the conflict or inconsistency; and

(b) provided it complies with sub-paragraph (a), be relieved of its obligations under Condition 16 to comply with the Single Electricity Market Trading and Settlement Code to the extent of such conflict or inconsistency until such time as such effect is overcome.

14 The Licensee will also (subject to paragraph 15) give or send a copy of the Market Registration Framework Agreement and the Market Registration Code to any person requesting the same.

15 The Licensee may make a charge for any copy given or sent pursuant to paragraph 14 of any amount reflecting the Licensee's reasonable costs of the documents which will not exceed any amount specified for the time being for the purposes of this Condition in directions issued from time to time by the Authority.

16 In this Condition:

**"Meter Data Provider"** has the meaning given to it in the Single Electricity Market Trading and Settlement Code.

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### Condition 30: Requirement to Offer Terms for Connection to and Use of Distribution System

#### Offer of terms for use of Distribution System

- 1 On application made by any person, the Licensee shall (subject to paragraph 5) offer to enter into an agreement for use of system:
  - (a) to accept into the Distribution System at such entry point or points and in such quantities as may be specified in the application, electricity to be provided by or on behalf of such person; and
  - (b) to deliver such quantities of electricity as are referred to in sub-paragraph (a) above (less any distribution losses) to such exit point or points on the Distribution System and to such person or persons as may be specified in the application;
  - (c) specifying the use of system charges to be paid by the person seeking use of system, such charges (unless manifestly inappropriate) to be referable to the statement prepared in accordance with paragraph 1 (or, as the case may be, paragraph 8) of Condition 32 or any revision thereof and to be in conformity with the requirements of paragraph 4 of that Condition; and
  - (d) containing such further terms as are or may be appropriate for the purposes of the agreement.

In this paragraph references to “**any person**” shall be construed as references to any authorised electricity operator or person who shall have applied for a licence under Article 10 of the Order and whose application has not been withdrawn or rejected.

#### Offer of terms for connection to the Distribution System

- 2 On application made by any person the Licensee shall (subject to paragraph 5) offer to enter into an agreement for connection to the Distribution System or for modification to an existing connection, and such offer shall make detailed provision regarding:
  - (a) the carrying out of works (if any) required to connect the Distribution System to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purposes;
  - (b) the carrying out of works (if any) in connection with the extension or reinforcement of the Distribution System rendered necessary or appropriate by reason of making the connection or modification to an existing connection and for the obtaining of any consents necessary for such purposes;
  - (c) the installation of appropriate meters (if any) required to enable the Licensee to

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measure electricity being accepted into the Distribution System at the specified entry point or points or leaving such system at the specified exit point or points;

- (d) the installation of such switchgear or other apparatus (if any) as may be required for the interruption of supply;
- (e) the date by which any works required so as to permit access to the Distribution System (including for this purpose any works to reinforce or extend the Distribution System) shall be completed and so that
  - (i) where the application is for a Relevant Generation Connection, the date is within 24 months of the date the agreement is entered into (the 'relevant period'), unless it is not reasonably practicable for the works to be completed within the relevant period (in which case the licensee shall provide the applicant with the reasons why it is not reasonably practicable for the works to be completed within the relevant period); and
  - (ii) unless otherwise agreed by the person making the application, a failure to complete such works by such date shall be a material breach of the agreement entitling the person to rescind the agreement;
- (f) the connection charges to be paid to the Licensee, such charges (unless manifestly inappropriate):
  - (i) to be presented in such a way as to be referable to the statements prepared in accordance with paragraph 1 (or, as the case may be, paragraph 8) of Condition 32 or any revision thereof; and
  - (ii) to be set in conformity with the requirements of paragraph 5 of Condition 32 and (where relevant) of paragraph 4;
- (g) the installation of special metering, telemetry or data processing equipment (if any) for the purpose of enabling any person who is bound to comply with the Distribution Code to comply with its obligations in respect to metering thereunder or the performance by the Licensee of any service in relation to such metering thereunder; and
- (h) such further matters as are or may be appropriate for the purposes of the agreement.

- 3 For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works (or in relation to any of the other matters referred to in subparagraph (a) of paragraph 5 of Condition 32) under an agreement for making a connection or modification to an existing connection the Licensee shall have regard to:

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- (a) the benefit (if any) to be obtained or likely in the future to be obtained by the Licensee or any other person as a result of the carrying out of such works (or of such other matters) whether by reason of the reinforcement or extension of the Distribution System or the provision of additional entry or exit points on such system or otherwise; and
- (b) the ability or likely future ability of the Licensee to recoup a proportion of such costs from third parties.

### Offer of terms - general

- 4 The Licensee shall offer terms for agreements in accordance with paragraphs 1 and 2 as soon as practicable and (save where the Authority consents to a longer period) in any event not more than the period specified in paragraph 6 after receipt by the Licensee of an application containing all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer.
- 5 The Licensee shall not be obliged pursuant to this Condition to offer to enter or to enter into any agreement:
  - (a) if to do so would involve the Licensee:
    - (i) in breach of its duties under Article 12 of the Order; or
    - (ii) in breach of any regulations made under Article 32 of the Order or of any other enactment relating to safety or standards applicable in respect of the Distribution Business; or
    - (iii) in breach of the Distribution Code; or
  - (b) if the person making the application does not undertake to be bound by such parts of the Distribution Code and to such extent as the Authority shall from time to time specify in directions issued to the Licensee for the purposes of this Condition.
- 6 For the purpose of paragraph 4, the period specified shall be:
  - (a) in the case of persons seeking use of system only, 28 days; and
  - (b) in the case of persons seeking connection or modification to an existing connection or seeking use of system in conjunction with connection, 3 months.

### Works on the transmission system

- 7 Where, in response to such applications as are referred to in paragraph 2, the Licensee is, following consultation, advised by the Transmission System Operator that works are also

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required on the transmission system, the references in paragraph 2 to works on the Distribution System shall apply equally to works on the transmission system.

- 8 The Licensee shall not offer to enter into, or enter into, any agreement which includes terms relating to works on the transmission system pursuant to this Condition, if to do so would involve the Transmission System Operator in breach of the Grid Code.

### Definitions

- 9 In this Condition:

**high efficiency cogeneration** has the meaning given to it in Directive 2012/72/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency.

**Relevant Connection** **Generation** means a connection between the Distribution System and a high efficiency cogeneration generating installation (the 'relevant premises') the purpose of which is to enable the Distribution System to receive a supply of electricity from the relevant premises.

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### Condition 32. Basis of Charges for Use of and Connection to the Distribution System

#### Preparation of statements on basis of charging

- 1 The Licensee shall, as soon as practicable after this Condition comes into effect (and, in any event, not later than such date as the Authority shall specify in directions issued to the Licensee for the purposes of this Condition), prepare a statement approved by the Authority setting out the basis upon which charges will be made, as part of the Distribution Business, for:
  - (a) use of the Distribution System;
  - (b) connection to the Distribution System; and
  - (c) any other matters for which the Licensee (with the approval of the Authority) levies charges.
- 2 The Licensee shall, where it is responsible for the balancing of the Distribution System and provides and levies charges for the provision of balancing services, prepare a statement approved by the Authority setting out the basis upon which charges will be made for such balancing services and/or for energy imbalances.
- 3 The Licensee shall ensure that the charges provided for in, or calculated in accordance with, the statements referred to in paragraphs 1 and 2 are neither designed to prevent nor have the effect of preventing the operation of an organised electricity market in any of the services referred to in paragraph 2 of Annex XI of Directive 2012/72/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency.
- 4 The statements referred to in paragraphs 1 and 2 shall be in such form and to contain such detail as shall be necessary to enable any person to make a reasonable estimate of the charges to which it would become liable for the provision of such services, and (without prejudice to the foregoing) including such of the information set out in paragraphs 5 and 6 as is required by such paragraphs to be included in the statement.

#### Use of the Distribution System

- 5 Except to the extent that the Authority shall otherwise specify, the statement referred to in paragraph 1 shall in respect of use of system include:
  - (a) a schedule of charges for transport of electricity under use of system;
  - (b) a schedule of adjustment factors to be made (where appropriate) in respect of distribution losses;

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- (c) the methods by which and the principles on which charges (if any) for availability of distribution capacity on the Distribution System will be made;
- (d) a schedule of charges in respect of meter reading, accounting and administrative charges;
- (e) a schedule of the charges (if any) which may be made for the provision and installation of any meters or electrical plant at entry or exit points, the provision and installation of which is ancillary to the grant of use of system, and for the maintenance of meters or electrical plant; and
- (f) such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this Condition.

### Connection to the Distribution System

- 6 The statements referred to in paragraph 1 shall in respect of connections to the Distribution System include:
- (a) a schedule listing those items (including the carrying out of works and the provision and installation of electric lines or electrical plant or meters) of significant cost liable to be required for the purpose of connection (at entry or exit points) to the Distribution System for which connection charges may be made or levied and including (where practicable) indicative charges for each such item and (in other cases) an explanation of the methods by which and the principles on which such charges will be calculated;
  - (b) the methods by which and the principles on which any charges will be made in respect of extension or reinforcement of the Distribution System rendered necessary or appropriate by virtue of providing connection to or use of system to any person seeking connection;
  - (c) the methods by which and the principles on which connection charges will be made in circumstances where the electric lines or electrical plant to be installed are of greater size or capacity than that required for use of the Distribution System by the person seeking connection;
  - (d) the methods by which and the principles on which any charges (including any capitalised charge) will be made for maintenance and repair required of electric lines, electrical plant or meters provided and installed for making a connection to the Distribution System;
  - (e) the methods by which and the principles on which any charges will be made for the provision of special metering or telemetry or data processing equipment by the

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Licensee for the purposes of enabling any person which is bound to comply with the Distribution Code to comply with its obligations in respect of metering thereunder, or for the performance by the Licensee of any service in relation thereto;

- (f) the methods by which and principles on which any charges will be made for disconnection from the Distribution System and the removal of electrical plant, electric lines and ancillary meters following disconnection; and
- (g) such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this Condition.

7 Connection charges for those items referred to in paragraph 6 shall be set at a level which will enable the Licensee to recover:

- (a) the appropriate proportion of the costs directly or indirectly incurred in carrying out any works, the extension or reinforcement of the Distribution System and the provision and installation, maintenance and repair and, following disconnection, removal of any electric lines, electrical plant, meters, special metering, telemetry, data processing equipment or other items; and
- (b) a reasonable rate of return on the capital represented by such costs.

### Preparation of statement on distribution system capacity

8 If so requested and subject to paragraphs 9 and 15, the Licensee shall, as soon as practicable and in any event within 28 days (or where the Authority so approves such longer period as the Licensee may reasonably require having regard to the nature and complexity of the request) after the date referred to in paragraph 16, give or send to any person making such request a statement showing present and future circuit capacity, forecast power flows and loading on the part or parts of the Distribution System specified in the request and fault levels for each distribution node covered by the request and containing:

- (a) such further information as shall be reasonably necessary to enable such person to identify and evaluate the opportunities available when connecting to and making use of the part or parts of the Distribution System specified in the request; and
- (b) if so requested, a commentary prepared by the Licensee indicating its view as to the suitability of the part or parts of the Distribution System specified in the request for new connections and transport of further quantities of electricity;

provided that the Authority may, upon application of the Licensee, relieve the Licensee from the obligation to prepare any such statement in respect of any period and any part or parts of the Distribution System specified in directions issued to the Licensee by the Authority from

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time to time for the purposes of this Condition.

- 9 Except as provided in sub-paragraphs (a) and (b) below, the Licensee shall include in every statement prepared or (as the case may be) given or sent under paragraph 8 the information required by such paragraph:
- (a) the Licensee may with the prior consent of the Authority omit from any such statement any details as to circuit capacity, power flows, loading or other information, disclosure of which would, in the view of the Authority, seriously and prejudicially affect the commercial interests of the Licensee or any third party.
  - (b) the Licensee may omit from any statement given or sent under paragraph 8 any information the disclosure of which would place the Licensee in breach of Condition 10.

### Preparation of new statements, circulation and charging

- 10 In addition to, and without prejudice to, the Licensee's obligations under paragraphs 1 and 2, the Licensee shall, upon being directed to do so in directions issued by the Authority from time to time for the purposes of this Condition and within such period as shall be specified in the directions, prepare a statement or statements approved by the Authority providing that charges for use of the Distribution System, for connection to the Distribution System and/or for the provision of any balancing services provided by the Licensee, will be made on such basis as shall be specified in the directions and such statement or statements shall be in such form and contain such detail as shall be necessary to enable any person to make a reasonable estimate of the charges to which it would become liable for the provision of such services and (without prejudice to the foregoing) including such information as shall be specified in the directions. Each statement prepared in accordance with this paragraph shall, with effect from the date on which it is approved by the Authority or such later date as the Authority shall specify, replace the corresponding statement prepared by the Licensee in accordance with paragraph 1 and 2 or, as the case may be, this paragraph (as from time to time revised in accordance with paragraph 11) which is in force at such date and the Licensee shall, with effect from such date make charges in accordance with the statement (as from time to time revised in accordance with paragraph 11) which has replaced such corresponding statement.
- 11 The Licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statements prepared in accordance with paragraphs 1, 2 and 10 and shall, at least once in every year this Licence is in force, revise such statements in order that the information set out in the statements shall continue to be accurate in all material respects.

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- 12 The Licensee shall send a copy of the statements prepared in accordance with paragraphs 1, 2 and 10 and of each revision of such statements in accordance with paragraph 11 to the Authority. Each such revision shall require to be approved by the Authority and shall not become effective until approved by the Authority.
- 13 The Licensee shall give or send a copy of the statements prepared in accordance with paragraphs 1, 2 and 10 or (as the case may be) of the latest revision of such statements in accordance with paragraph 11 approved by the Authority pursuant to such paragraph to any person who requests a copy of such statement or statements.
- 14 The Licensee may make a charge for any statement given or sent pursuant to paragraph 13 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Authority from time to time for the purposes of this Condition.
- 15 The Licensee may within 10 days after receipt of the request provide an estimate of its reasonable costs in the preparation of any statement referred to in paragraph 8, and its obligation to provide such statement shall be conditional on the person requesting such statement agreeing to pay the amount estimated or such other amount as the Authority may, upon the application of the Licensee or the person requesting such statement, direct.
- 16 For the purposes of paragraph 8, the date referred to shall be the later of:
- (a) the date of receipt of the request referred to in paragraph 8; or
  - (b) the date on which the Licensee receives agreement from the person making the request to pay the amount estimated or on which an amount is determined by the Authority (as the case may be) under paragraph 15.

### Non-discrimination

- 17 The Licensee shall make charges to all relevant suppliers for the provision of use of the Distribution System which are such as to secure that the element for use of the Distribution System in the amounts payable for supplies of electricity by customers of relevant electricity undertakings whose maximum monthly demand in the 3 months of the highest maximum demand on the Distribution System in each period of 12 consecutive months does not exceed 1 MW, shall be the same in that period, irrespective of where such customers are located or reside.
- 18 The Licensee shall not, in setting its charges for use of system or connection, restrict, distort or prevent competition in the generation, transmission, distribution or supply of electricity.

## Appendix D – Modifications to NIE's Electricity Transmission Licence

### Condition 22. Transmission Charging Statement

#### Statement of Charges

- 1 The Licensee shall, as soon as practicable after this Condition comes into effect (and, in any event, not later than such date as the Authority may direct) prepare (and obtain the Authority's approval to) a statement (or statements) setting out the basis upon which charges will be made to the Transmission System Operator:
  - (a) for the transmission services; and
  - (b) in relation to the works referred to in Condition 20.
- 2 The Licensee shall ensure that the charges provided for in, or calculated in accordance with, the statements referred to in paragraph 1 are neither designed to prevent nor have the effect of preventing the operation of an organized electricity market in any of the services referred to in paragraph 2 of Annex XI of Directive 2012/72/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency.
- 3 A statement prepared under paragraph 1 shall be in such form and contain such detail as shall be necessary to enable the Transmission System Operator to make a reasonable estimate of the charges to which it would become liable for the provision of such services, including such of the information set out in paragraph 4 as is required by such paragraph to be included.

#### Connections

- 4 Except to the extent that the Authority may otherwise direct, the statement referred to in paragraph 1(b) shall include:
  - (a) a schedule listing those items (including the carrying out of works and the provision and installation of electric lines or electrical plant or meters) of significant cost liable to be required for the purpose of connection (at entry or exit points) to the transmission system for which site specific charges may be made or levied and including (where practicable) indicative charges for each such item and (in other cases) an explanation of the methods by which and the principles on which such charges will be calculated;
  - (b) the methods by which and the principles on which connection charges will be made in circumstances where the electric lines or electrical plant to be installed are (at the Licensee's discretion) of greater size or capacity than that required for use of system by the person seeking connection;
  - (c) the methods by which and the principles on which any charges (including any capitalised charge) will be made for maintenance and repair required of electric lines,

## Appendix D – Modifications to NIE's Electricity Transmission Licence

electrical plant or meters provided and installed for making a connection to the transmission system;

- (d) the methods by which and the principles on which any charges will be made for the provision of special metering or telemetry or data processing equipment by the Licensee for the purposes of enabling any person which is bound to comply with the Grid Code to comply with its obligations in respect of metering thereunder, or for the performance by the Licensee of any service in relation thereto;
- (e) the methods by which and principles on which any charges will be made for disconnection from the transmission system and the removal of electrical plant, electric lines and ancillary matters following disconnection; and
- (f) such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this Condition.

5 Site specific charges for those items referred to in paragraph 4 shall be set at a level which will enable the Licensee to recover:

- (a) the appropriate proportion of the costs directly or indirectly incurred (or to be incurred) in carrying out the works, extension or reinforcement in question and in providing, installing, maintaining and repairing (and, following disconnection, removing) the electrical lines, electrical plant, meters, special metering, telemetry, data processing equipment or other items in question; and
- (b) a reasonable rate of return on the capital represented by such costs.

### Alternative Statement

6 In addition to, and without prejudice to, the Licensee's obligations under paragraph 1, the Licensee shall, upon being required to do so in directions issued by the Authority (and within such period as the Authority may specify), prepare a statement or statements approved by the Authority providing that charges for the matters set out in paragraph 1 will be made on such basis as shall be specified in the directions. Such statement or statements shall be in such form and contain such detail as shall be necessary to enable the Transmission System Operator to make a reasonable estimate of the charges to which it would become liable for the provision of such services and (without prejudice to the foregoing) including such information as shall be specified in the directions. Each statement prepared in accordance with this paragraph shall, with effect from the date on which it is approved by the Authority or such later date as the Authority shall specify, replace the corresponding statement prepared by the Licensee in accordance with paragraph 1 or, as the case may be, this paragraph (as from time to time revised in accordance with paragraph 7) which is in force at such date and the Licensee shall, with effect from such date make charges in accordance with the statement

## Appendix D – Modifications to NIE's Electricity Transmission Licence

(as from time to time revised in accordance with paragraph 7) which has replaced such corresponding statement.

### Revision of Statements

- 7 The Licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statements prepared in accordance with paragraph 1 or 6 and shall, at least once in every year this Licence is in force, revise such statements in order that the information set out in the statements shall continue to be accurate in all material respects. Each such revision shall require to be approved by the Authority and shall not become effective until approved by the Authority.
- 8 The Licensee shall give or send a copy of the statements prepared in accordance with paragraphs 1 and 6 or (as the case may be) of the latest version of such statements in accordance with paragraph 7 approved by the Authority pursuant to such paragraph to any persons who requests a copy of such statement or statements.
- 9 The Licensee may make a charge for any statement given or sent pursuant to paragraph 8 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Authority from time to time for the purposes of this Condition.

## Appendix E– Modifications to SONI's Transmission Licence

### Condition 1

Amendment of the definition of System Support Services so that it reads as follows –

“System Support Services”

means:

- (a) spinning reserve, fast start, black start, reactive power, frequency control and such other services as any authorised electricity operator may be required to have available in association with any generation set pursuant to the Grid Code, including without limitation fuel switching services and outage planning incentive arrangements either directly with a generator or which the Power Procurement Business makes available to the Licensee;
- (b) any services relating to a reduction of demand or to other demand side measures that can be taken by a final consumer (or any persons acting on behalf, and with the authority, of a final consumer); and
- (c) any services that an electricity undertaking may have agreed to have available as being system support services in its capacity as an electricity undertaking pursuant to an agreement made with the Licensee,

and which may be required by, or are available or offered (whether by way of sale or otherwise) to, the Licensee for the purpose of securing stability of operation on the transmission system and/or the systems linked to the transmission system.

## Appendix E– Modifications to SONI's Transmission Licence

### **Condition 25: Requirement to Offer Terms – Users and Connectees**

#### Offer of terms for use of the All-Island Transmission Networks

- 1 On application by any eligible person, the Licensee shall (subject to paragraph 6) offer to enter into a Use of System Agreement:
  - (a) to accept into the All-Island Transmission Networks at such entry point or points on the transmission system, and in such quantities, as may be specified in the application, electricity to be provided by or on behalf of such person; and
  - (b) to deliver such quantities of electricity as are referred to in sub-paragraph (a) above (less any transmission losses on the All-Island Transmission Networks) to such exit point or points on the transmission system and to such person or persons as may be specified in the application; and
  - (c) specifying the use of system charges to be paid by the person seeking use of the All-Island Transmission Networks in respect of generation or supply in Northern Ireland, such charges (unless manifestly inappropriate) to be referable to the statement prepared in accordance with paragraph 1 (or, as the case may be, paragraph 7) of Condition 30 or any revision of such statement; and
  - (d) containing such further terms as are or may be appropriate for the purposes of the agreement.

In this paragraph references to "eligible person" shall be construed as references to persons licensed under Article 10 of the Order (or exempt from the requirement to be so licensed under Article 9 of the Order) or who have applied for a licence under Article 10 and whose application has not been withdrawn or rejected (including, for the avoidance of doubt, the Power Procurement Business in its capacity as such).

#### Offer of terms for connection to the All-Island Transmission Networks

- 2 On application by any person, the Licensee shall (subject to paragraph 6) offer to enter into a Connection Agreement (or amend an existing Connection Agreement) for connection (or modification of an existing connection) to the All Island Transmission Networks at entry or exit points on the transmission system, and such offer shall make detailed provision regarding:
  - (a) the carrying out of works (if any) required to connect the transmission system to any other system for the transmission of electricity and for the obtaining of any consents necessary for such purposes;
  - (b) the carrying out of works (if any) in connection with the extension or reinforcement of the All-Island Networks rendered necessary or appropriate by reason of making the

## Appendix E– Modifications to SONI's Transmission Licence

connection or modification to an existing connection and for the obtaining of any consents necessary for such purposes;

- (c) the installation of appropriate meters (if any) required to enable the Licensee to measure electricity being accepted into the All-Island Transmission Networks at the specified entry point or points or leaving such system at the specified exit point or points;
- (d) the carrying out of works (if any) in relation to the installation of such switchgear or other apparatus (if any) as may be required for the interruption of supply;
- (e) the date by which any works required so as to permit access to the All-Island Transmission Networks (including for this purpose any works to reinforce or extend any of the All-Island Networks) shall be completed and so that:
  - (i) where the application is for a Relevant Generation Connection, that date is within 24 months of the date the agreement is entered into (the 'relevant period'), unless it is not reasonably practicable for the works to be completed within the relevant period (in which case the licensee shall provide the applicant with the reasons why it is not reasonably practicable to complete the works within the relevant period); and
  - (ii) unless otherwise agreed by the person making the application, a failure to complete such works by such date shall be a material breach of the agreement entitling the person to rescind the agreement;
- (f) the installation of special metering, telemetry or data processing equipment (if any) for the purpose of enabling any person who is bound to comply with the Grid Code to comply with its obligations in respect to metering thereunder or the performance by the Licensee of any service in relation to such metering thereunder;
- (g) the connection charges to be paid to the Licensee, such charges:
  - (i) to be presented in such a way as to be referable to the statements prepared in accordance with paragraph 1 (or, as the case may be, paragraph 7) of Condition 30 or any revision of such statements; and
  - (ii) to be set in conformity with the requirements of paragraph 5 of Condition 30 and (where relevant) of paragraph 3; and
- (h) such further matters as are or may be appropriate for the purposes of the agreement.

3 For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works (or in relation to any of the other matters referred to in

## Appendix E– Modifications to SONI's Transmission Licence

paragraph 5 of Condition 30) under an agreement for making a connection or modification to an existing connection the Licensee shall have regard to:

- (a) the benefit (if any) to be obtained or likely in the future to be obtained by the Licensee or any other person as a result of the carrying out of such works (or of such other matters) whether by reason of the reinforcement or extension of any part of the All-Island Networks or the provision of additional entry or exit points on such networks or otherwise; and
- (b) the ability or likely future ability of the Licensee to recoup a proportion of such costs from third parties.

### Offer of terms – general

- 4 The Licensee shall, as soon as practicable after it receives an application in accordance with paragraph 1 or 2, request (to the extent necessary) an offer from the Transmission Owner and/or the Republic of Ireland System Operator (in accordance with the Transmission Interface Arrangements and/or the System Operator Agreement as appropriate) in respect of that application and the works (if any) necessitated by that application.
- 5 The Licensee shall offer terms for agreements in accordance with paragraphs 1 and 2 as soon as practicable and (save where the Authority consents to a longer period) in any event not more than the period specified in paragraph 7 after receipt by the Licensee of an application containing all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer. A form of standard terms for agreements in paragraphs 1 and 2 shall be published on the Licensee's website, together with any subsequent revisions thereof.
- 6 The Licensee shall not be obliged pursuant to this Condition to offer to enter or to enter into any Connection Agreement or any Use of System Agreement:
  - (a)** if to do so would involve the Licensee:
    - (i) in breach of its duties under Article 12 of the Order; or
    - (ii) in breach of any regulations made under Article 32 of the Order or of any other enactment relating to safety or standards applicable in respect of the transmission system; or
    - (iii) in breach of the Conditions of the Licence;
    - (iv)** in breach of the Grid Code; or

## Appendix E– Modifications to SONI's Transmission Licence

- (b) if the person making the application does not undertake to be bound by such parts of the Grid Code and to such extent as the Authority shall from time to time specify in directions issued to the Licensee for the purposes of this Condition; or
  - (c) if, when requested to do so by the Licensee, the Transmission Owner and/or the Republic of Ireland System Operator does not offer to enter into an agreement for connection/extension works in respect of the Connection Agreement or Use of System Agreement in question.
- 7 For the purpose of paragraph 5, the period specified shall be:
- (a) in the case of persons seeking use of system, 28 days; and
  - (b) in the case of persons seeking connection (or modification to an existing connection) or seeking use of system in conjunction with connection, 3 months.
- 8 The Licensee shall, within 28 days following receipt of a request from any person, give or send to such person such information in the possession of the Licensee as may be reasonably required by such person for the purpose of completing the information required by that person in relation to its application for a licence under Article 10 of the Order.

### Definitions

- 9 In this Condition:

**"high efficiency cogeneration"** has the meaning given to it in Directive 2012/72/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency.

**"Relevant Connection"** **Generation** means a connection between the All Island Transmission Networks and a high efficiency cogeneration generating installation (the 'relevant premises') the purpose of which is to enable the All Island Transmission Networks to receive a supply of electricity from the relevant premises.

## Appendix E– Modifications to SONI's Transmission Licence

### Condition 29: Procurement of System Support Services

- 1 The Licensee shall contract for the provision of such quantities and types of System Support Services at any time available as may be appropriate to enable it to discharge its obligations under the Order, the Energy Order, the SEM Order and the Licence (including Conditions 20 and 21). Where appropriate, taking into account the quantity, nature and cost of the System Support Services in question, the Licensee shall make arrangements for such contracting in co-operation with the Republic of Ireland System Operator.
- 2 In contracting for the provision of System Support Services pursuant to paragraph 1, the Licensee shall purchase or otherwise acquire System Support Services:
  - (a) from the most economical sources available to it, or available to the Republic of Ireland System Operator, having regard to:
    - (i) the quantity and nature of the System Support Services required to enable discharge of its obligations under the Order, the Energy Order, the SEM Order and the Licence (including Conditions 20 and 21); and
    - (ii) the diversity, number and reliability of such System Support Services at that time available for purchase or other acquisition;
  - (b) in a manner which does not prevent, restrict, or distort competition in the availability of, or in any of the markets for, System Support Services, to the detriment of electricity consumers; and
  - (c) in accordance with the Procurement Principles and Procurement Procedures established and published pursuant to paragraph 4.
- 3 This Condition shall not extend to prescribing the manner or circumstances in which the Licensee shall at any time call for the delivery of System Support Services under any contract entered into pursuant to paragraph 1.
- 4 The Licensee shall, no later than the date specified in a direction issued by the Authority for the purposes of this paragraph 4:
  - (a) following consultation with persons from whom it may purchase System Support Services, prepare, submit to the Authority for approval and have approved by the Authority, a document that sets out the principles and criterion the licensee will follow in establishing procurement processes and procedures for the purchase or acquisition of all System Support Services, excluding Fuel Switching Services, that meet the requirements of paragraphs 2(a) and (b) (the **Procurement Principles**);

## Appendix E– Modifications to SONI's Transmission Licence

- (b) establish and at all times have in force, implement and comply with such procurement processes and procedures as will facilitate the licensee's compliance with the requirements of paragraph 2(a) and (b) for the purchase or acquisition of all System Support Services, excluding Fuel Switching Services, (the **Procurement Procedures**); and
- (c) publish on its website, and send free of charge to any person requesting, an up to date copy of the Procurement Principles and the Procurement Procedures.

### Fuel Switching Services

- 5 Without prejudice to paragraphs 1 and 2, the Licensee shall no later than 3 months from the date that this paragraph 5 takes effect in the Licence, prepare, submit to the Authority for approval and have approved by the Authority, the terms and conditions of an agreement (the **Fuel Switching Agreement**) the Licensee will, on request, enter into with any authorised electricity operator from whom it may, pursuant to the provisions of the Grid Code or the agreement referred to in Condition 19 of the Licence (the PSIA), call for the delivery of Fuel Switching Services in association with a Relevant Generation Set (the **Service Provider**).
- 6 The Fuel Switching Agreement shall:
  - (a) as a minimum, include terms and conditions which provide for the matters specified in paragraph 7; and
  - (b) where it is entered into by a Service Provider, apply where the Licensee calls for the delivery of Fuel Switching Services from that Service Provider in respect of the Relevant Generation Set in accordance with the Grid Code or the PSIA (as the case may be).
- 7 The matters referred to in paragraph 6(a) are:
  - (a) the recovery of costs, including the mechanism for recovery of such costs, that are incurred by the Service Provider, and are not otherwise recoverable by the Service Provider under or pursuant to the Single Electricity Market Trading and Settlement Code, in:
    - (i) complying with instructions given to it by the Licensee under or pursuant to the Grid Code to:
      - (A) switch the Relevant Generation Set from operating a on the basis of using one fuel source (the 'primary fuel') to operating on the basis of using another fuel source (the 'secondary fuel') (the **First Switch**);

## Appendix E– Modifications to SONI's Transmission Licence

- (B) switch the Relevant Generation Set from operating on the basis of using the secondary fuel to operating on the basis of using the primary fuel (the **Second Switch**); and
- (ii) operating the Relevant Generation Set on the basis of using the secondary fuel on the date of the First Switch and operating it on the basis of using the primary fuel on the date of the Second Switch;
- (b) the giving of instructions by the Licensee to the Service Provider for monitoring the levels, or stock, of the secondary fuel in respect of the Relevant Generation Set;
- (c) the rights and obligations of the Licensee in relation to the steps that may be taken by it in giving, or having given, the instructions referred to in paragraphs 7(a) and 7(b); and
- (d) the rights and obligations of the Service Provider in relation to the steps that may be taken by it following receipt of the instructions referred to in paragraphs 7(a) and 7(b).
- 8 The Licensee shall, on request, enter into the Fuel Switching Agreement with any Service Provider.
- 9 The Licensee shall not:
- (a) enter into any other agreement, except for the Fuel Switching Agreement, which provides for the matters referred to in paragraph 7; and
- (b) vary the terms and conditions of the Fuel Switching Agreement (whether or not entered into by any Service Provider) without the consent of the Authority.
- 10 The Licensee shall publish on its website, and send free of charge to any person requesting a copy of the Fuel Switching Agreement.
- 11 In this Condition:

**Fuel Switching Services** means, in respect of any Relevant Generation Set, services relating to switching that generation set from operating on the basis of using one fuel source (the primary fuel) to operating on the basis of using another fuel source (the secondary fuel).

**Relevant Generation Set** means a generation set that is capable of switching from operating on the basis of using one fuel source (the primary fuel) to operating on the basis of using another fuel source

## **Appendix E– Modifications to SONI's Transmission Licence**

(the secondary fuel).

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### Condition 30: Charging Statements

#### Statements of Charges

- 1 The Licensee shall, in co-operation with the Republic of Ireland System Operator, as soon as practicable after the date on which this Condition becomes effective (and, in any event, not later than such date as the Authority may direct) prepare (and obtain the Authority's approval to) statements setting out:
  - (a) the basis upon which persons licensed under Article 10 of the Order (or exempt from the requirement to be so licensed under Article 9 of the Order) will be charged for use of the All-Island Transmission Networks in respect of generation or supply in Northern Ireland;
  - (b) the basis upon which charges will be made for connection to the All-Island Transmission Networks at entry or exit points on the transmission system;
  - (c) any charges for System Support Services;
  - (d) any Other System Charges or the basis upon which such charges will be made; and
  - (e) payments and charges for Ancillary Services
- 2 The Licensee shall ensure that the charges provided for in, or calculated in accordance with, the statements referred to in paragraph 1 are neither designed to prevent nor have the effect of preventing the operation of an organised electricity market in any of the services referred to in paragraph 2 of Annex XI of Directive 2012/72/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency.
- 3 The statements prepared under paragraph 1 shall be in such form and contain such detail as shall be necessary to enable any person to make a reasonable estimate of the charges to which it would become liable (or payments to which it would become entitled, as the context requires) for the provision of such services, including such of the information set out in paragraphs 4, 5, 6, 7 and 8 as is required by such paragraphs to be included in the relevant statement.

#### Use of System

- 4 Except to the extent that the Authority may otherwise direct, the statement referred to in paragraph 1(a) shall include:
  - (a) a schedule of charges for transport of electricity under use of the All-Island Transmission Networks in respect of generation or supply in Northern Ireland;

## Appendix E– Modifications to SONI's Transmission Licence

- (b) the methods by which and the principles on which charges (if any) for availability of transmission capacity on the All-Island Transmission Networks will be made;
- (c) a schedule of the charges (if any) which may be made for the provision and installation of any meters or electrical plant at entry or exit points on the transmission system, the provision and installation of which is ancillary to the grant of use of the All-Island Transmission Networks in respect of generation or supply in Northern Ireland, and for the maintenance of meters or electrical plant;
- (d) the methods by which and the principles on which entry and exit charges for connections in operation before the date on which this Condition became effective will be calculated; and
- (e) such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this Condition.

### Connection

- 5 Except to the extent that the Authority may otherwise direct, the statement referred to in paragraph 1(b) shall include:
- (a) a schedule listing those items (including the carrying out of works and the provision and installation of electric lines or electrical plant or meters) of significant cost liable to be required for the purpose of connection (at entry or exit points on the transmission system) to the All-Island Transmission Networks for which connection charges may be made or levied and including (where practicable) indicative charges for each such item and (in other cases) an explanation of the methods by which and the principles on which such charges will be calculated;
  - (b) the methods by which and the principles on which any charges will be made in respect of extension or reinforcement of the All-Island Transmission Networks rendered necessary or appropriate by virtue of providing such connection to the All-Island Transmission Networks (at entry or exit points on the transmission system) or associated use of the All-Island Transmission Networks in respect of supply or generation in Northern Ireland;
  - (c) the methods by which and the principles on which connection charges will be made in circumstances where the electric lines or electrical plant to be installed are of greater size or capacity than that required for use of system by the person seeking connection;
  - (d) the methods by which and the principles on which any charges (including any capitalised charge) will be made for maintenance and repair required of electric lines,

## Appendix E– Modifications to SONI's Transmission Licence

electrical plant or meters provided and installed for making a connection to the All Island Transmission Networks at entry or exit points on the transmission system;

- (e) the methods by which and the principles on which any charges will be made for the provision of special metering or telemetry or data processing equipment by the Licensee for the purposes of enabling any person which is bound to comply with the Grid Code to comply with its obligations in respect of metering thereunder, or for the performance by the Licensee of any service in relation thereto;
- (f) the methods by which and principles on which any charges will be made for disconnection from the transmission system and the removal of electrical plant, electric lines and ancillary matters following disconnection; and
- (g) such other matters as shall be specified in directions issued by the Authority from time to time for the purposes of this Condition.

6 Connection charges for those items referred to in paragraph 5 shall be set at a level which will enable the recovery of:

- (a) the appropriate proportion of the costs directly or indirectly incurred (or to be incurred) in carrying out the works, extension or reinforcement in question and in providing, installing, maintaining and repairing (and, following disconnection, removing) the electrical lines, electrical plant, meters, special metering, telemetry, data processing equipment or other items in question; and
- (b) a reasonable rate of return on the capital represented by such costs.

### System Support Service Charges

7 The statement referred to in paragraph 1(c) shall identify any charges levied in respect of System Support Services.

### Other System Charges

8 The statement referred to in paragraph 1(d) shall identify any Other System Charges and the rates and parameters to be used for the calculation of such charges. The statement shall either contain or refer to a separate statement (which separate statement shall be treated as forming part of the statement referred to in paragraph 1(d)) to be published on the Licensee's website setting out the basis for the calculation of such charges.

9 The Licensee shall at least once in every year that this Licence is in force revise the statement referred to in paragraph 1(d) but any such revision shall only take effect provided that:

## Appendix E– Modifications to SONI's Transmission Licence

- (a) the Licensee has (in consultation with authorised electricity undertakings and the Republic of Ireland System Operator, to the extent that such persons are liable to be materially affected thereby), reviewed the Other System Charges and their effect;
- (b) following any such review, the Licensee has sent to the Authority:
  - (i) a report on the outcome of such consultation;
  - (ii) any proposed revisions (having regard to the outcome of the consultation) as the Licensee reasonably thinks fit; and
  - (iii) any written representations or objections from any electricity undertaking (including any suggested changes to the proposed revisions not accepted by the Licensee in the course of the consultation) arising during the consultation and subsequently maintained; and
- (c) the Authority has approved the revision to the statement, subject to (where there were written representations or objections and the Authority considers it appropriate) any direction by the Authority requiring a change as set out in that direction.

- 10 The Licensee shall publish (prior to its entry into force) a copy of the statement prepared in accordance with paragraph 1(d) (and of each revision of such statement in accordance with paragraph 9) on its website and shall send a copy to the Authority and the Republic of Ireland System Operator

### Alternative Statement

- 11 In addition to, and without prejudice to, the Licensee's obligations under paragraph 1, the Licensee shall, upon being required to do so in directions issued by the Authority (and within such period as the Authority may specify), prepare a statement or statements approved by the Authority providing that charges for use of (in respect of generation or supply in Northern Ireland), and/or connection to (at entry or exit points on the transmission system), the All-Island Transmission Networks will be made on such basis as shall be specified in the directions. Such statement or statements shall be in such form and contain such detail as shall be necessary to enable any person to make a reasonable estimate of the charges to which it would become liable for the provision of such services and (without prejudice to the foregoing) including such information as shall be specified in the directions. Each statement prepared in accordance with this paragraph shall, with effect from the date on which it is approved by the Authority or such later date as the Authority shall specify, replace the corresponding statement prepared by the Licensee in accordance with paragraph 1 or, as the case may be, this paragraph (as from time to time revised in accordance with paragraph 12) which is in force at such date and the Licensee shall, with effect from such date make charges

## Appendix E– Modifications to SONI's Transmission Licence

in accordance with the statement (as from time to time revised in accordance with paragraph 12) which has replaced such corresponding statement.

### Revision and Publication of Statements

- 12 The Licensee may, in co-operation with the Republic of Ireland System Operator, periodically revise the information set out in and, with the approval of the Authority, alter the form of the statements prepared in accordance with paragraph 1(a), 1(b), 1(c) or 11 and shall, at least once in every year the Licence is in force, revise such statements, in co-operation with the Republic of Ireland System Operator, in order that the information set out in the statements shall continue to be accurate in all material respects.
- 13 The Licensee shall publish (prior to its entry into force) a copy of the statements prepared in accordance with paragraph 1(a), 1(b), 1(c) or 11 (and of each revision of such statements in accordance with paragraph 12) on its website and shall send a copy to the Authority and the Republic of Ireland System Operator. Each such revision shall require to be approved by the Authority and shall not become effective until approved by the Authority.
- 14 The Licensee shall give or send a copy of the statements prepared in accordance with paragraphs 1(a), 1(b), 1(c) or 11, or (as the case may be) of the latest version of such statements in accordance with paragraph 12, approved by the Authority pursuant to such paragraph to any persons who requests a copy of such statement or statements.
- 15 The Licensee may make a charge for any statement given or sent pursuant to paragraph 15 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Authority from time to time for the purposes of this Condition.

### Definitions

- 16 In this Condition, unless the context otherwise requires:

<b>“Ancillary Services”</b>	has the meaning given to that term in the Grid Code
<b>“Generator Performance Incentive Charges”</b>	means charges levied by the Licensee on the operators of generation sets for certain redeclarations of the technical capabilities of such generation sets under the Grid Code.
<b>“Other System Charges”</b>	means any charges, other than as referred to in paragraphs 1(a), (b) and (c), levied from time to time

## Appendix E– Modifications to SONI's Transmission Licence

(with the approval of the Authority) by the Licensee in carrying on the Transmission System Operator Business, for the avoidance of doubt including Generator Performance Incentive Charges, Trip Charges and SND Charges.

### **“SND Charges”**

means charges levied by the Licensee on the operators of generation sets for certain redeclarations of available capacity of such generation sets under the Grid Code.

### **“Trip Charges”**

means charges levied by the Licensee on the operators of generation sets for unplanned outages of such generation sets.

**Appendix F –Modifications to Electricity Generation Licences  
(based on AES Kilroot Generating Ltd Electricity Generation  
Licence as a template)**

**Condition 1 - Amendments Proposed to Definition of System Support Services**

<b>System Support Services</b>	<p>means</p> <p>(a) spinning reserve, fast start, black start, reactive power, frequency control and such other services as the Licensee may be required to have available as system support services in association with any generation set pursuant to the Grid Code or the Distribution Code, including without limitation fuel switching services and outage planning incentive arrangements;</p> <p>(b) any services relating to a reduction of demand or to other demand side measures that can be taken by a final consumer (or any person acting on behalf and with the authority of a final consumer);</p> <p>(c) any services that the Licensee may have agreed to have available as being system support services in association with any generation set pursuant to an agreement made with the Transmission System Operator or the Distribution System Operator,</p> <p>and which may be required by or offered (whether by way of sale or otherwise) to the Transmission System Operator or, as the case may be, the Distribution System Operator for the purpose of securing stability of operation on the transmission system or the distribution system and/or on any other system linked to the transmission system or the distribution system by an interconnector.</p>
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**Condition 1 – New Definitions of Distribution System Operator and successor distribution licence**

<b>Distribution System Operator</b>	means the person authorised, from time to time, to distribute electricity under the successor distribution licence.
<b>successor distribution licence</b>	means the licence, held by Northern Ireland Electricity Limited, which has effect under Article 10(1)(bb) of the Order (to distribute electricity) pursuant to Regulation 90(1)(b) of the Gas and

**Appendix F –Modifications to Electricity Generation Licences  
(based on AES Kilroot Generating Ltd Electricity Generation  
Licence as a template)**

	Electricity (Internal Markets) Regulations (Northern Ireland) 2011 [SR2011/155].
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**Appendix F –Modifications to Electricity Generation Licences  
(based on AES Kilroot Generating Ltd Electricity Generation  
Licence as a template)**

**Condition 7: System Support Services**

- 1 The Licensee shall from time to time upon request by the Transmission System Operator or the Distribution System Operator offer terms for the provision by the Licensee of System Support Services from any generation set of the Licensee which is capable of operating.
- 2 The Licensee shall from time to time upon request of the Authority provide to the Authority a report containing details of:
  - (a) prices offered pursuant to paragraph 1 for the provision of System Support Services from each generation set of the Licensee; and
  - (b) an explanation of the factors justifying the prices offered including (without limitation) details of the Licensee's costs associated with making available such System Support Services in conformity with the Grid Code and/or the Distribution Code and of providing the same to the Transmission System Operator or the Distribution System Operator.
- 3 Paragraphs 1 and 2 shall only have effect from such date as the Authority shall specify in directions issued to the Licensee for the purpose of this Condition and in relation to the provision by the Licensee of System Support Services other than those for which, at the date so specified, it shall already have contracted.
- 4 Upon the application of the Transmission System Operator or the Distribution System Operator wishing to question the terms offered pursuant to paragraph 1, the Authority may pursuant to Article 11(3)(c) of the Order, settle any terms of the agreement in dispute between the Transmission System Operator or the Distribution System Operator (as the case may be) and the Licensee in such manner as appears to the Authority to be reasonable.
- 5 Insofar as the Transmission System Operator or the Distribution System Operator (as the case may be) wishes to proceed on the basis of the terms as settled by the Authority, the Licensee shall forthwith enter into and implement such agreement in accordance with its terms.