

## APPENDIX 2: RAS' INTERPRETATION OF NEMO DESIGNATION CRITERIA

Criterion	CACM Article 6 Designation Criteria	Application of the Criteria in Ireland and Northern Ireland	Confirmation that information has been submitted: Y/N
6.1.(a) <b>Adequate Resources</b>	it has contracted or contracts adequate resources for common, coordinated and compliant operation of single day-ahead coupling and/or single intraday coupling, including the resources necessary to fulfil the NEMO functions, financial resources, the necessary information technology, technical infrastructure and operational procedures or it shall provide proof that it is able to make these resources available within a reasonable preparatory period before taking up its tasks in accordance with Article 7.	<p>Applications must provide evidence of capability to deploy necessary resources for NEMO functions including financial resources, the necessary information technology, technical infrastructure and operational procedures sufficiently in advance of the Q4 2017 when the operational aspects of day ahead and intraday market coupling shall apply in Ireland and Northern Ireland and the I-SEM is due to go live.</p> <p>Applications should provide evidence of how it intends to operate single day ahead and intra day coupling and in particular whether functions will be delivered internally or outsourced.</p> <p>Furthermore, evidence must be provided of the applicant's ability to provide resources for the development of the terms and conditions or methodologies by</p>	<p>Confirmation of where the relevant information is provided in main or supporting annex documents.</p> <p>Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential.</p> <p><b>[please complete]</b></p>

		NEMOs set out in Article 7 and other preparatory arrangements required in Ireland and Northern Ireland prior to Q4 2017.	
6.1(b) <b>Access to information</b>	it shall be able to ensure that market participants have open access to information regarding the NEMO tasks in accordance with Article 7.	Applications must provide evidence that they have the capability to publish and make available to market participants in Ireland and Northern Ireland all relevant information for the day ahead intraday market set out in CACM Article 7. Access to such information should be available to all market participants on an equal and non-discriminatory basis.	Confirmation of where the relevant information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
6.1(c) <b>Cost Effective</b>	it shall be cost-efficient with respect to single day-ahead and / or intraday coupling and shall in their internal accounting keep separate accounts for MCO functions and other activities in order to prevent cross-subsidisation.	Applications will be expected to provide evidence that they can ensure the implementation of the most cost effective solutions for performing the day ahead and intraday market operation functions in the I-SEM. Given the economies of scope arising from performing market operator tasks across a number of markets, we expect that applicants should outsource the MCO functions to third parties if they are not already carrying out	Confirmation of where the relevant information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>

		<p>such functions and if it is cost effective to do so.</p> <p>Applications must also demonstrate that they will be able to provide a breakdown between the MCO activities and other NEMO or market operator costs.</p>	
<b>6.1(d) Adequate Business Separation</b>	it shall have an adequate level of business separation from other market participants.	<p>Applications should state clearly the legal entity applying for designation and provide detail of its corporate structure.</p> <p>Applications shall be required to provide evidence of an adequate level of business separation between the NEMO functions and TSO functions or provide detail of plans to put this in place in reasonable time before taking up their operational activities for day ahead and intraday coupling in Q4 2017.</p> <p>The RAs shall monitor the level of business separation between NEMO functions and TSO functions in accordance with their duties under Article 4 and 5 of CACM taking into account synergies and conflicts of interest between the market operator and TSO roles in the I-SEM.</p>	<p>Confirmation of where the relevant information is provided in main or supporting annex documents.</p> <p>Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential.</p> <p><b>[please complete]</b></p>
<b>6.1(e) No cross</b>	if designated as a national legal	Where applicable, applications must	Confirmation of where the relevant

<b>subsidisation for national monopolies</b>	monopoly for day-ahead and intraday trading services in a Member State, it shall not use the fees in Article 5(1) to finance its day-ahead or intraday activities in a Member State other than the one where these fees are collected.	include evidence that they have separate accounts for any services provided as a national legal monopoly for day ahead and intraday to prevent cross-subsidisation.	information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
<b>6.1(f) Non-discriminatory treatment of market participants</b>	it shall be able to treat all market participants in a non-discriminatory way.	Applications shall provide evidence of its ability to treat all market participants in a non-discriminatory way; and that market participants in the I-SEM shall be sufficiently informed and consulted on the day to day management and development of the single day ahead and intraday coupling.	Confirmation of where the relevant information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
<b>6.1(g) Market Surveillance</b>	it shall have appropriate market surveillance arrangements in place.	Applications must include evidence of training and monitoring procedures or capability to put such procedures in place to identify and report on any potential market abuse consistent with Regulation (EC) 1227(2011) on REMIT.	Confirmation of where the relevant information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
<b>6.1(h) Transparency and Confidentiality</b>	it shall have in place appropriate transparency and confidentiality	Applications shall provide evidence of appropriate transparency and	Confirmation of where the relevant information is provided in main or

	agreements with market participants and the TSOs.	confidentiality agreements / proposed transparency and confidentiality agreements with the applicant intends to implement related to market information with market participants and TSOs.	supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
6.1(i) <b>Clearing and Settlement Services</b>	it shall be able to provide the necessary clearing and settlement services.	Applications must include evidence that they have, or can contract an entity which is able to provide: - adequate capitalisation and financial security, together with procedures in place to ensure satisfactory guarantees for settlements, necessary to clear and settle exchange of energy resulting from single day ahead and/or intraday coupling. - the technical, operational and contractual arrangements to clear and settle exchange of energy resulting from single day ahead and/or intraday coupling.	Confirmation of where the relevant information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
6.1(j) <b>Communication systems with TSOs</b>	it shall be able to put in place the necessary communication systems and routines for coordinating with the TSOs of the	Applications must provide evidence that they are capable of putting in place the necessary communication and	Confirmation of where the relevant information is provided in main or supporting annex documents.

	Member State;	technical systems and agreements for coordinating with the TSOs in Ireland and Northern Ireland including the Moyle and East West interconnectors and contingency plans for communicating with the TSOs.	Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>
2. <b>Fair and non-discriminatory application of criteria</b>	The designation criteria shall be applied in such a way that competition between NEMOs is organised in a fair and non-discriminatory manner.	The RAs intend to consider each application for designation based on whether they meet the designation criteria. While the CER and UR are responsible for NEMO designation in Ireland and Northern Ireland respectively, we intend to make a coordinated and simultaneous decision on NEMO designation. In considering this, the RAs will also take into account how the long and short term interests of consumers in Ireland and in Northern Ireland can be best served by applications for the NEMO role and the synergies and conflicts of interest that may arise in relation to other market operator and TSO roles in the I-SEM.	Confirmation of where the relevant information is provided in main or supporting annex documents. Confirmation of whether all or part of the information is confidential together with an explanation of why this information is confidential. <b>[please complete]</b>