

2 March 2017

Mr David Stevens
By email only

Dear Mr. Stevens

Arrangements concerning more than one Nominate Electricity Market Operator (NEMO) in one bidding zone

The regulation establishing a guideline on Capacity Allocation and Congestion Management (CACM)¹, which came into force on 14 August 2015, aims to maximise the efficient use of interconnection and facilitate greater cross-border electricity trade through day-ahead and intraday market coupling.

Articles 45 and 57 of CACM require Transmission System Operators (TSO) in bidding zones where more than one NEMO is designated and/or offers trading services to develop a proposal for cross-zonal capacity allocation and other necessary arrangements for such bidding zones. The TSOs are required to submit a proposal to the relevant national regulatory authorities for approval within four months.

The regulatory authorities designated SONI as a NEMOs in October 2015. The Utility Regulator has subsequently received a notification on 17 January pursuant to Article 4(5) from Nord Pool expressing its intentions to offer day-ahead and intraday services given its NEMO designation in several European Countries.

On 2 March 2017 the Utility Regulator informed Nord Pool that they would be allowed to offer trading services on the island of Ireland.

In line with the requirements of the CACM regulation and the Utility Regulator's statutory duties and obligations, the Utility Regulator hereby requests SONI, in its role as TSO for Northern Ireland, to submit a proposal in line with CACM Articles 45 and 57 by 2 July 2017.

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1222&from=en>

If you have any queries on the matters referred to in this letter please contact Tony Doherty (Tony.Doherty@uregni.gov.uk) in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jo Aston', with a stylized 'J' and 'A'.

Jo Aston

Director of Wholesale Markets