

Article 14 Licence Modification Notice of Decision

The Northern Ireland Authority for Utility Regulation

DECISION UNDER ARTICLE 14(8) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992

MODIFICATION OF SONI LTD'S LICENCE TO ACT AS SEM OPERATOR

In accordance with Article 14(2) of the Electricity (Northern Ireland) Order 1992 ("the Order") the Northern Ireland Authority for Utility Regulation ("the Authority") published a notice of its intention to modify the conditions of the licence.

In accordance with Article 14(5) of the Order the Authority has considered representations duly made to it.

The Authority has decided to proceed with the making of modifications of the conditions of the licence in exercise of its powers under Article 14(1) of the Order.


In accordance with Article 14(8) of the Order the Authority gives notice as follows:

- 1) The Authority will modify the Market Operator licence (the "Licence") held by SONI Ltd ("the Licensee")
- 2) The licence will be amended as set out in the attached Annex.
- 3) The modifications to the SONI Ltd licence are set out in the Authority's decision paper entitled "Decision on modifications to the SONI Market Operator Licence and SONI Transmission System Operator licence, necessitate to implement the Integrated Single Electricity Market (I-SEM)" published 1 July 2016.
- 4) The Authority considers that the modifications to the licence are an appropriate course of action in order to allow for implementation of the I-SEM.
- 5) On 20 April 2016, the Authority published a notice¹ stating that it intended to modify the licence and giving the reasons and effect of the modifications. The purpose of this notice was to bring the proposed modifications to the attention of persons likely to be affected by them, and to invite representations or objections in connection thereto. We have taken into account representations related to these modifications, made any necessary adjustments and explained the reasons for any changes to our proposals.
- 6) Each of the modifications detailed in the attached annex will take effect from 1 September 2016.
- 7) The Authority has, pursuant to Article 14(8) of the Order, published this notice on its website and sent a copy of this notice to the licensee. In addition, the Authority has provided a copy of this notice to the Department for the Economy and the Consumer Council.

¹ http://www.uregni.gov.uk/publications/statutory_consultation_on_iseem_licence_modifications

8) A copy of the modification can be obtained in hard copy from Barbara Stevenson at: Utility Regulator, Queens House, 14 Queen Street, Belfast, BT1 6ED. Email barbara.stevenson@uregni.gov.uk

Dated this 01 July 2016



Jenny Pyper
Chief Executive

For and on behalf of the Northern Ireland Authority for Utility Regulation

ANNEX: Licence modifications to SONI Ltd Market Operator Licence, to take effect on 1 September 2016

SONI Market Operator Licence, TRANSITION

NEW CONDITION

General Requirement

1. The Licensee shall take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to give full and timely effect to the revised SEM arrangements, so that the Licensee is able to comply with them from the time at which they are effective (or intended to be effective).

Requirement to Co-operate

2. Without prejudice to paragraphs 1 and 3, the Licensee shall cooperate with authorised electricity operators and Republic of Ireland electricity operators (and with the Department, the Authority and such other persons as the Authority may direct) and shall take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to enable:
 - (a) authorised electricity operators to comply with their statutory or licence obligations to give full and timely effect to the revised SEM arrangements, so that such authorised electricity operators are able to comply with them from the time at which they are effective (or intended to be effective);
 - (b) authorised electricity operators to comply with any directions by the Authority under a provision of their licences equivalent to paragraph 4; and
 - (c) Republic of Ireland electricity operators to comply with their statutory or

licence obligations to prepare for the coming into effect of the revised SEM arrangements,

and in the event of any dispute between the Licensee and such other person as to whether a particular step, or thing, is reasonable, the Licensee or such other person may refer the matter to the Authority for determination (which determination shall be final for the purposes of this paragraph).

Requirements to Comply with Directions

3. Without prejudice to paragraphs 1 and 2, the Licensee shall take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to comply with any direction made from time to time by the Authority in accordance with paragraph 4 (and shall by so doing be taken to have complied with such direction).
4. The Authority may issue directions to the Licensee setting out the steps (including without limitation those referred to in paragraph 5) to be taken (or procured) by the Licensee which are, in the Authority's reasonable opinion, appropriate in order to give full and timely effect to the revised SEM arrangements, so that the Licensee is able to comply with them from the time at which they are effective (or intended to be effective).
5. The directions made by the Authority under paragraph 4 (with which the Licensee is, in accordance with paragraph 3, required to take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to comply) may include requirements regarding the following steps:
 - (a) to secure or facilitate the amendment or establishment of any of the core industry documents; and
 - (b) to effect the novation of (or other transfer of rights and obligations

under) any of the core industry documents from the Licensee or an authorised electricity operator to the Licensee or an authorised electricity operator.

6. The Authority may, at any time, by a further direction in accordance with paragraph 4 (in order to give (or continue to give) full and timely effect to the revised SEM arrangements amend or cancel any direction (or part thereof) previously made under paragraph 4.
7. The Authority may not make a direction under paragraph 4 until it has undertaken such period of prior consultation with the Licensee (and such other persons as the Authority deems appropriate) as is reasonable in the circumstances. No direction made under paragraph 4 shall be effective until a copy is served on the Licensee.

Requirement not to Frustrate

8. Without prejudice to any public or administrative law right, or statutory right, that the Licensee may have to bring any claim against any public body or person, the Licensee shall not take any step, or exercise any right, which is intended to hinder or frustrate the giving of full and timely effect to the revised SEM arrangements.

Potential Conflict

9. If the Licensee is aware of any conflict between its compliance with the provisions of this Condition or any direction under paragraph 4 and its compliance with any other Condition of the Licence, the Licensee shall promptly inform the Authority of such conflict.
10. Provided the Licensee complies with paragraph 9, the other Conditions of the Licence shall prevail over this Condition in the event of conflict. If there is any conflict between a direction made under paragraph 4 and another requirement of the Licence, the provisions of the direction shall prevail.

Information

11. The Licensee shall provide to the Authority, in such manner and at such times as the Authority may reasonably require, such information and shall procure and furnish to it such reports as the Authority may reasonably require or deem necessary or appropriate to enable the Authority to monitor the Licensee's compliance with the requirements of this Condition, including (without limitation):
 - (a) information as to the Licensee's readiness concerning the revised SEM arrangements; and
 - (b) status reports concerning those matters referred to in sub-paragraph (d) of the definition of the revised SEM arrangements, and drafts of any legal documents by which such matters are to be achieved.
12. If the Licensee is aware (or should reasonably be aware) of any matter or circumstance which it considers will (or which the Licensee should reasonably consider likely to) hinder or frustrate the giving of full and timely effect to the revised SEM arrangements, the Licensee shall promptly inform the Authority of such matter or circumstance.

Further requirements

13. Without prejudice to the generality of the foregoing provisions, the Licensee shall:
 - (a) take all reasonable steps, and do all such reasonable things, as are (in each case) within its power and necessary or expedient in order to secure the co-ordinated and effective commencement and implementation of, and operations under the Single Electricity Market Trading and Settlement Code in light of its modification or amendment (or intended modification or amendment) under or by virtue of the revised SEM arrangements (including the development, testing, trialling

and start-up of the systems, processes and procedures employed in such implementation and employed by authorised electricity operators and others in connection with such operations); and

- (b) carry out a review of the regulatory documents in order to identify any changes which may in the Licensee's opinion be necessary or expedient in light of the revised SEM arrangements (the "identified changes") and provide a report (by such date as the Authority may direct) on the outcome of that review and on the action which the Licensee proposes to give effect to the identified changes.

Coming into Effect and Cessation of Effect

- 14. The provisions of this Condition (other than those of this paragraph and of paragraphs 15 and 16 which shall come into immediate effect) shall come into effect on such day, and subject to such transitional arrangements, as the Authority may by direction appoint. Different days may be so appointed for different provisions and for different purposes.
- 15. This Condition shall cease to have effect on 30 June 2018, without prejudice to the continuing enforceability of any right or obligation (including any requirement to comply with a direction of the Authority issued prior to that date) which may have accrued or otherwise fallen due for performance prior to that date.

Definitions

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

"core industry documents" means those documents relating to the revised SEM arrangements which may from time to time be designated, by direction of the Authority, as such for the purposes of

this Condition;

“regulatory documents”

means those codes, agreements and other documents which the Licensee is required to prepare, be party to or have in effect (or with which the Licensee is required to comply) under or by virtue of this Licence or the Order, including without prejudice to the generality, the Market Operator Agreement; and

“revised SEM arrangements”

means:

- (a) any modifications made (or which the Authority has formally indicated are likely to be made) to the Licence, or to the licences of any authorised electricity operator, for the purpose (in each case) of implementing the high level design set out in the document entitled, “Integrated Single Electricity Market (I-SEM): SEM Committee Decision on High Level Design”, with reference SEM-14-085a and published on 17 September 2014;
- (b) the conditions of the Northern Ireland Market Operator Licence and the Licence;
- (c) the terms imposed in any exemption granted pursuant to Article 9 of the

Order that reflect a modification referred to in sub-paragraph (a); and

- (d) the matters that the Licensee knows (or should reasonably know) are envisaged by the modifications and conditions referred to in sub-paragraphs (a) and (b) (including, without limitation, the establishment, amendment or termination of, or the transfer of rights and obligations under, core industry documents);

including, without prejudice to the generality, any of the provisions or matters described above by which the Licensee is bound (or intended to be bound).