

ANNEX 2: Proposed drafting of modifications to the NI electricity supply licences (all, including DSUs)

NEW Condition 25a: Balancing Market Principles Code of Practice

1. This Condition applies to the Licensee only where the Licensee operates in the Single Electricity Market as a Demand Side Unit. The Licensee shall ensure that, in formulating and submitting Commercial Offer Data to the Single Market Operation Business in the Balancing Market under the Single Electricity Market Trading and Settlement Code (whether by the Licensee itself or by any person acting on its behalf in relation to a Demand Side Unit for which the Licensee is the licensed supplier), it acts so as to ensure its compliance with the Balancing Market Principles Code of Practice.
2. The Authority shall publish and, following consultation with Electricity Suppliers and such other persons as the Authority considers appropriate, from time to time by direction amend, a document to be known as the Balancing Market Principles Code of Practice, which:
 - (a) shall apply to such categories of Commercial Offer Data submitted into the Balancing Market as may be specified in the Code of Practice from time to time;
 - (b) shall make such provision as appears requisite to the Authority for the purpose of securing that such Commercial Offer Data are cost-reflective;and the Authority may elect to perform the functions conferred by this paragraph jointly with the Commission for Energy Regulation.
3. The Authority may issue directions to the Licensee for the purposes of securing that the Licensee, in carrying out the activity to which paragraph 1 refers, complies with this Condition and with the Code of Practice, and the Licensee shall comply with such directions.
4. The Licensee shall retain records of each set of Relevant Commercial Offer Data, and all of its supporting data relevant to the calculation of the components of such Relevant Commercial Offer Data, for a period of at least

four years commencing on the date on which the Relevant Commercial Offer Data are submitted to the Single Market Operation Business.

5. The Licensee shall, if requested to do so by the Authority, provide the Authority with:
 - (a) a reasoned explanation of its calculations in relation to any Relevant Commercial Data; and
 - (b) supporting evidence sufficient to establish the consistency of those Relevant Commercial Offer Data with the obligations of the Licensee under this Condition and the Code of Practice.
6. In any case in which Relevant Commercial Offer Data are submitted to the Single Market Operation Business which are not consistent with the Licensee's obligation under paragraph 1 of this Condition, the Licensee shall immediately inform the Authority and provide to the Authority a statement of its reasons for the Relevant Commercial Offer Data submitted.
7. The Licensee shall by 1 June in each year submit to the Authority a certificate, signed by at least one director on behalf of the board of directors of the Licensee, to confirm that during the period of twelve months ending on the preceding 31 March:
 - (a) it has acted independently in relation to all submissions of Relevant Commercial Offer Data that have been submitted, by it or on its behalf, under the Single Electricity Market Trading and Settlement Code; and
 - (b) no such submissions made by it or on its behalf have been coordinated with any other submissions made by or on behalf of another party to the Single Electricity Market Trading and Settlement Code.
8. The provisions of this Condition (other than those of this paragraph and paragraph 9 below 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.

9. In this Condition:

“Balancing Market”	has the meaning given to it in Part B of the Single Electricity Market Trading and Settlement Code , Part B;
“Balancing Market Principles Code of Practice” or “Code of Practice”	means the document of that title published by the Authority in accordance with paragraph 2, as it may be amended from time to time in accordance with the provisions of that paragraph;
“Commercial Offer Data”	has the meaning given to it in the Single Electricity Market Trading and Settlement Code as it may be amended form time to time;
“Demand Side Unit”	has the meaning given to it in the Single Electricity Market Trading and Settlement Code as it may be amended from time to time;
“Relevant Commercial Offer Data”	means Commercial Offer Data falling within the category specified in the Code of Practice;
“Single Market Operation Business”	has the meaning given to it in Northern Ireland Market Operator Licence; and

NEW Condition 25b: Capacity Market Code

- 1 The Licensee shall be party to, and shall comply with the Capacity Market Code insofar as applicable to it.
- 2 The provisions of this Condition (other than those of this paragraph and paragraph 3 below 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.
- 3 In this Condition:

“Capacity Market Code”	has the meaning given to that term in the Transmission System Operator licence.
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