

NORTHERN IRELAND ELECTRICITY plc

Single Electricity Market

**Proposed Conditions of the
Moyle Licence to Participate
In Transmission**

**NIE's Response to Consultation
AIP-SEM-07-48**

6 April 2007.



Introduction

NIE welcomes this opportunity to comment on the proposed conditions of the Moyle Licence to participate in transmission. We note that the proposed conditions are based substantially on Moyle's existing transmission licence. The proposed licence conditions do not deal with the issue of transition and we note from the recent consultation paper on transition (AIP-SEM-07-53) that it is intended for there to be a Transition Agreement which will be consulted on in April 2007. We therefore look forward to the consultation on transition, which should provide a better understanding of how transition will work generally.

Comments

1. Condition 1: Interpretation and Construction

"authorised electricity operator" – this definition would not capture the market operator and consideration needs to be given to whether the MO should be involved, for example, in consultations in relation to the review of access arrangements for the Moyle Interconnector.

"Authority" – we understand that references to "Northern Ireland Authority for Energy Regulation" will need to change to "Northern Ireland Authority for Utility Regulation". This is required for all documents.

"Single Electricity Market Trading and Settlement Code" – this is defined by reference to the TSO licence which in turn defines by reference to the market operator licence. It would be better to simply refer here to the market operator licence.

"transmission system operator" – the words "...who shall initially be SONI..." implies that SONI may not retain this function. The definition should refer to the "holder of the transmission system operator licence who from time to time is authorised..etc."

"transmission system operator licence" – this should be defined in a similar way to the "transmission owner licence", i.e. by reference to Article 10(b) of the Order and to SONI as holder of that licence.

2. Condition 5: Health and Safety of Employees

This condition requires the licensee to work jointly with other licensees. There should therefore be a common condition in all licences. The revised condition agreed with NIAER some time ago is now in the TSO licence. The other licences should replicate that condition.

3. Condition 7: Provision of Information to other persons

The obligation here has changed such that the licensee must provide such information to other transmission system operators or distribution system operators with whom the Moyle Interconnector is connected to ensure the

secure and efficient operation, co-ordinated development and interoperability of the Moyle Interconnector and such other system. Previously, the obligation had also been to furnish any other transmission licensee or system operator such information to enable that transmission licensee or system operator to comply with its licence obligations or other e.g. statutory obligations.

This change could represent a real risk for NIE and SONI as transmission licensees that information that is required to fulfil their licence obligations no longer has to be provided under this licence condition. What is the reason for this change?

4. Condition 13: The Licensee's regulated revenue entitlement

In paragraph 7(c) the reference in the last sentence should be to the transmission system operator licence.

5. Condition 14: Prohibited Activities

Why has the prohibition on participating in other forms of transmission been deleted from this condition?

6. Condition 20: Restriction on Use of Certain Information

We note that the provisions dealing with the restriction on use of certain information remain largely unchanged. This is different to the approach taken in relation to the draft NIE and SONI licences where the provisions have changed markedly. Is there a reason for this difference in approach?