

**Regulatory Framework for**

**NEMO Regulation**

Information Paper

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# EXECUTIVE SUMMARY

The Capacity Allocation and Congestion Management Regulation (CACM or the Regulation) came into force on 14 August 2015 requiring a designation of a Nominated Electricity Market Operator for performance of day ahead and intraday market coupling for I-SEM by 14 December 2015.

On 2 October 2015 the Commission for Energy Regulation (CER) designated EirGrid as the Designated NEMO for Ireland under Article 4 of CACM and the Utility Regulator (UR) designated SONI as the Designated NEMO for Northern Ireland.

The purpose of this paper is to outline the framework for NEMO regulation in Ireland and Northern Ireland with respect to the designated NEMO EirGrid in Ireland and SONI in Northern Ireland and for any additional NEMO which might seek to operate in SEM. In outlining the framework for NEMO regulation the Regulatory Authorities (RAs)[[1]](#footnote-1) consider the most appropriate form of regulation to contain the following elements:

* The definition of market operator contained within the EirGrid and SONI licences will include NEMO functions;
* Changes to the EirGrid and SONI Market Operator Agreement will be required.
* Regulatory oversight in the form of price regulation will be implemented.
* The Trading and Settlement Code (TSC) will oblige all parties to the TSC to procure single day ahead and intraday market coupling services through a NEMO designated under CACM.
* In addition, the Trading and Settlement Code would require all NEMOs operating in the market to be party to the Trading and Settlement Code. The TSC will prescribe that only NEMOs party to the Code may submit ex-ante contract notifications to the Balancing Market Operator.
* The RAs will continue to work with ACER NRAs who are the NEMO designating authorities across Europe, to ensure CACM compliance by NEMOs operating in SEM.

# NEMO OVERSIGHT AND CACM COMPLIANCE

### INTRODUCTION

The Capacity Allocation and Congestion Management Regulation (CACM or the Regulation) came into force on 14 August 2015 requiring a designation of a Nominated Electricity Market Operator for performance of day ahead and intraday market coupling for I-SEM by 14 December 2015.

The CER and UR invited candidates to submit NEMO designation applications no later than 24 June 2015, to be designated through an initial designation process. One application was received from EirGrid plc for designation in Ireland and one from SONI Ltd in Northern Ireland.[[2]](#footnote-2)

On 2 October, 2015 the CER designated EirGrid as the Designated NEMO for Ireland under Article 4 of CACM and the UR designated SONI as the Designated NEMO for Northern Ireland with both designations being subject to the terms and meaning of designation as outlined. In addition, the respective designation documents set out next steps for the wider regulatory framework for NEMOs in Ireland and Northern Ireland.

Article 4(5) of CACM prescribes that a NEMO designated in one Member State shall have the right to offer day-ahead and intraday trading services with delivery in another Member State. The trading rules in the latter Member State apply without the need for designation as a NEMO in that Member State. For this reason although NEMO designation is an issue for each NRA, the ACER NRAs have worked on an informal basis to consider how CACM compliance by NEMOs might best be monitored.

### REGULATORY OVERSIGHT

Article 4(5) imposes an obligation on all designating authorities to monitor all NEMOs performing single day-ahead and intra-day coupling within their Member State irrespective of where such NEMOs are designated. Further details on the designation criteria are provided in Annex 2 to this paper.

Given that from I-SEM Go-live, only one NEMO has been designated for Ireland and one NEMO for Northern Ireland thus far, and given the importance of the NEMO markets to the I-SEM, the RAs have considered what degree of additional regulatory oversight may be appropriate in order to ensure that NEMO costs are efficient and the interests of consumers on the island of Ireland are protected.

It should also be noted that unlike other markets where NEMOs compete with Over The Counter trades (OTC) and bilateral trades in addition to competing with other NEMOs; in SEM options for competition are limited; NEMOs are the sole conduit for access to the ex-ante markets, and only one NEMO has been designated in Ireland and one in Northern Ireland. For this reason, regulatory oversight of NEMOs is of paramount importance in SEM.

The CER and UR have considered which NEMO monitoring tools and/or enforcement powers might be appropriate. It should be noted that the issue of NEMO regulation and CACM compliance is a matter of concern to European Regulators including Ofgem who, for example, with the Department of Energy and Climate Change have consulted on NEMO regulation and enforcement with respect to the NEMO designation in Great Britain[[3]](#footnote-3)

### CACM COMPLIANCE

As a matter of course all designated NEMOs are regulated through ongoing monitoring of CACM compliance which will be overseen by all NRAs. The NEMO designation criteria detailed in Article 6 of CACM apply regardless of whether one or more NEMOs are designated or whether one or more NEMOs operate in any Bidding Zone. A NEMO designated in any Bidding Zone will be responsible for and be required to make sure it continues to comply with the criteria and its wider obligations and requirements set out in CACM together with ensuring compliance with EU law and any local arrangements as may apply from time to time.

The RAs will continue to work with ACER NRAs who are the NEMO designating authorities across Europe, to ensure CACM compliance by NEMOs operating in SEM. In particular, CACM Regulation sets out that the designating authority shall monitor all NEMOs performing single day-ahead and/ or intra-day coupling within their Member State. In addition, the CER and UR as designating authorities shall in accordance with Article 19 of Regulation 714/2009 ensure compliance with this Regulation by all NEMOs performing singe day-ahead and /or intra-day coupling within their Member State. Furthermore, Article 82 of CACM Regulation provides that the entity or entities performing the Market Coupling Operator functions shall be monitored by the regulatory authorities or relevant authorities of the territory where they are located, to ensure proper monitoring of singe day-ahead and intraday coupling in accordance with article 38 of Directive 2009/72/EC.

### REVOCATION OF DESIGNATION

In the event a designated NEMO fails to maintain compliance with the criteria and is not able to restore compliance within six months of being notified of such failure by the designating authority, such NEMO designation may be revoked.

### RE-DESIGNATION

CACM regulation requires an initial designation term of four years except in the case of a national legal monopoly (Article 4) where Member States must allow applications for designation at least annually. As the RAs did not seek to invoke Article 4 of CACM[[4]](#footnote-4), in our respective designation notices, the CER and UR stated that as only one application was received by the designating authority in each respective jurisdiction that EirGrid and SONI as the designated NEMO should confirm nine months before the expiry of this initial four-year period if it wishes to continue to be a designated NEMO in Ireland and Northern Ireland, and submit evidence demonstrating how EirGrid and SONI continue to comply with the designation criteria. The RAs will then assess this evidence and publish a decision to extend the NEMO designation before its expiry date. The RAS consider that any re-designation following this initial four year designation should be for an ongoing basis. Notwithstanding this, it is implicit that any subsequent designation is also a conditional designation based on compliance with criteria of Article 6.

### NEMO COORDINATION

At EU level, a NEMO Coordination Committee has been established and the NEMOs have been tasked with the development of a Market Coupling Operator (MCO) Plan which provides for arrangements as to how NEMOs will jointly set up and perform the MCO functions and the creation of an all NEMO Committee to govern the Day ahead and Intra Day algorithms. The MCO Plan has been received by all NRAs on 14 April 2016 and is expected approved in the early autumn 2016.

# REGULATION OF NEMOS THROUGH LICENCE

### NEMO ACTIVITIES AS A LICENCABLE ACTIVITY

Regulatory oversight of NEMOs in general is currently limited, given that the carrying on of NEMO activities is not a licensable activity per se in Ireland or Northern Ireland. The RAs understand that DECC and Ofgem considered introducing a concept of ‘regulated entity’ which would facilitate NEMO governance without the need of licences. In the absence of legislation DECC considers that in Great Britain NEMO may not be a licensable activity. In Ireland and Northern Ireland, the RAs and the respective Departments may need to consider whether specific legislation governing NEMOs may be merited in the longer term. Nonetheless, the market in Great Britain differs from SEM in that the NEMO functions[[5]](#footnote-5)are performed by unregulated and unlicensed merchant power exchanges. It is therefore both possible and appropriate that in Ireland and Northern Ireland the market operator function, which is broadly drafted, would include NEMO activities.

### EXISTING LICENCE PROVISIONS AND PROPOSED CHANGES

The ‘Single Electricity Market Operator’ is defined in Ireland in the Electricity Regulation (Amendment) (Single Electricity Market) Act 2007 as “the holder of a licence under section 14(1)(j) or a person exempted from the requirement to hold such a licence.” In Northern Ireland, powers are conferred by Article 10(1)(d) of the Electricity (Northern Ireland) Order 1992 to the Authority (the Utility Regulator) to licence any person to act as SEM operator.

A Nominated Electricity Market Operator or NEMO will be the sole conduit through which trades take place in the ex-ante markets, is a core element of the EU Target Model. When the Energy Bill 2016 and Energy Regulations Northern Ireland 2016 are enacted references to the Single Electricity Market and Single Electricity Market operator will be understood in the broader context of the SEM to incorporate changes required to implement the EU Target Model including the requirement for a NEMO function. Furthermore any subsequent changes to the Market Operator licences would be viewed in the context of this change.

### PROPOSED MARKET OPERATOR LICENCE CHANGE

The changes required to the licences should reflect or consider *inter alia* the following issues:

* EirGrid and SONI must cooperate to provide day-ahead and intra-day market coupling in Ireland and Northern Ireland. (The Market Operator Agreement may need to be updated to reflect this);
* EirGrid and SONI must comply with the provisions of CACM with specific reference to Article 6, the criteria under which EirGrid and SONI were designated;
* Any price control element in keeping with CACM’s Article 4 criteria which may or may not include: cost efficiency; separate accounting; adequate business separation from market participants.

In Ireland, a licence granted to the ‘Single Electricity Market Operator’ may include such terms and conditions relating to participation in and the operation of the Single Electricity Market as the Commission [for Energy Regulation] considers necessary or expedient[[6]](#footnote-6). With the passing of legislative changes through the coming into force of the Energy Act 2016 and the enactment of the Single Wholesale Market (Northern Ireland) Order 2007, changes to the SEM definition have been introduced on a jurisdictional basis. Therefore the relevant provisions in the Electricity Regulation Act 1999 as amended and the Single Wholesale Market (Northern Ireland) Order 2007, will further support that there is a legal basis to amend the Market Operator licences to include aspects of NEMO regulation.

### RATIONALE BEHIND APPROACH

Existing legislation suggests that the Market Operator is a single entity within each jurisdiction and therefore in the absence of legislation providing for NEMO activities as a specific licensable activity, the licencing of NEMO through a modified Market Operator licence is a robust approach which will allow the most effective regulatory oversight.

As stated previously, the market in Great Britain differs from SEM in that the market operator function is performed by unregulated and unlicensed merchant power exchanges. This means that the regulatory solution in GB should not necessarily be paralleled in Ireland and Northern Ireland. In SEM, EirGrid and SONI, as regulated entities perform the role of Market Operator under a Contractual Joint Venture and are licensed accordingly. Given the passing of the relevant legislation in both Ireland and Northern Ireland, the NEMO activity will sit as a subset of the activities of SEM carried out by the Market Operator. Accordingly, the framework for regulating NEMO activity should in part sit within the Market Operator Licence. If NEMO regulation were only to take place through monitoring of compliance with CACM, this would mean that the sole recourse for the RAs would be a revocation of a designation. To revoke a designation of a NEMO for a minor infraction (even if CACM allows a six month period for the correction of an infraction) would not seem reasonable, proportionate or transparent especially where only one NEMO is operating in each jurisdiction. The use of licences to regulate is appropriate in this context.

Incorporating NEMO activities within a Market Operator licence ensures a solid framework for ongoing engagement and a platform for ensuring CACM compliance.

### PRICE REGULATION

Article 5(1) of CACM expressly requires price regulation, in the case of a NEMO holding a legal monopoly in a bidding zone.[[7]](#footnote-7)

Article 6(1)(c) of CACM provides that each designated NEMO, whether or not occupying a monopoly position, “shall be cost-efficient with respect to single day-ahead and intraday coupling and shall in its internal accounting keep separate accounts for MCO functions and other activities in order to prevent cross-subsidisation.”

Article 76 of CACM deals specifically with the ability of NEMOs to recover the costs of establishing, amending and operating single day-ahead and intraday coupling and the role of the competent NRAs in agreeing to allow recovery of particular costs in particular, we note that NEMOs are only permitted to recover costs (over and above those borne by TSOs) which are a “reasonable and proportionate”.

The RAS are of the view that CACM acknowledges the need for oversight by NRAs of the cost-efficiency of those carrying on NEMO activities, whether or not occupying a monopoly position and that, therefore CACM would not prevent the RAs from taking steps, e.g. through price regulation, to tackle cost-inefficiency to the extent that competition was not a sufficient driver of efficiency.

On an initial assessment, the RAs are of the view that any price review would at least initially be carried out on a cost pass through basis. Any approval of costs would be carried out in a transparent way, allowing for the submission of a schedule of costs or such other submission as the RAs deem fit with appropriate consultation informing the decision of the SEM Committee.

### CONCLUSION

NEMO regulation through market operator licences will ensure a proportionate, transparent approach to regulation which both protects the interests of consumers, and ensures compliance with CACM.

The RAs consider that there is no certainty that another NEMO will ever operate in the SEM and accordingly a de facto legal monopoly exists, which needs to be regulated to ensure value for the all-island consumer.

The RAs are of the view that CACM acknowledges the need for oversight by NRAs of the cost-efficiency of those carrying on NEMO activities, whether or not occupying a monopoly position and that, therefore CACM would not prevent the RAs from taking steps, e.g. through price regulation, to tackle cost-inefficiency to the extent that competition was not a sufficient driver of efficiency.

# I-SEM LOCAL ARRANGEMENTS AND INTERACTION WITH THE BALANCING MARKET

The RAs consider that it is necessary that any NEMOs operating in the market would be aware of any local arrangements unique to the SEM. To ensure the efficient operating of the market, the RAs propose any such special arrangements necessary to ensure the efficient operation of the market be contained within the market rules, i.e. the Trading and Settlement Code. Furthermore, that any NEMOs operating in SEM must be Parties to the Trading and Settlement Code.

In the event that (an) additional NEMO(s) seek to operate in the market a hub would have to be designed, built and systemised. It is not clear whether this is feasible in advance of Go-Live. The project team is engaged in discussions with the TSOs on this issue. It would also be important that any NEMO proposing to operate in the market would be made aware of any local arrangements unique to the SEM.

### I-SEM LOCAL ARRANGEMENTS

A number of local requirements will be applicable to NEMOs operating in the SEM market. Specifically these local requirements consist of:

1. Dual currency requirement[[8]](#footnote-8)
2. Data provision that may require NEMOs to provide ex-ante trade information for the purposes of calculating compensation for curtailment
3. Data provision that may require NEMOs to provide ex-ante trade information for the purposes of settlement of Reliability Options
4. Data provision requirements on NEMOs relating to the linking of Final Physical Notifications to ex-ante trades.

A description of I-SEM local requirements relating to the NEMO markets is provided below followed by a consideration of where such arrangements might best be accommodated.

### THE PROVISION OF SPECIFIC DAY AHEAD PRODUCTS AND INTRA-DAY SOLUTIONS

Given the high importance that the I-SEM HLD places on the DA markets, the capacity of the EUPHEMIA algorithm to produce feasible market schedules is critical to the successful operation of the I-SEM. In this regard, the RAs have requested that the Market Operator (SEMO) investigate the feasibility, quality and performance of EUPHEMIA for I-SEM. SEMO has therefore been conducting a series of EUPHEMIA trials in conjunction with an industry working group. The goal of the trialling was to develop SEMO’s understanding of the feasibility, quality and performance of EUPHEMIA and to inform on its best use for I-SEM.

A Recommendation Report has been published based on the results of the trialling. This Recommendation Report has now been submitted to the Price Coupling of the Regions (PCR) for final decision.[[9]](#footnote-9) It should be noted that although certain bid types may be preferred in SEM, that the Trading and Settlement Code will not mandate the offering of specific bid types by NEMOs.

### DATA PROVISION REQUIREMENTS

In terms of data provision, there are three main ‘I-SEM local requirements’ that may place obligations on NEMOs operating in I-SEM that may not be placed on NEMOs operating in other markets.

The first of these relates to curtailment. In the ETA Building Blocks Detailed Design decision the SEM Committee decided that cash out and post processing is the optimal way to implement its previous decision on compensation for curtailment in I-SEM from 2018. This means that a generator in a curtailment event will be initially cashed out at the imbalance price. Then a post processing stage will recoup any extra revenues earned by the generator where the prices in the ex-ante markets were higher than the balancing market prices, and will “make whole” any losses made by the generator where prices in the ex-ante markets were lower than the balancing market prices. It is yet to be decided whether an ex-ante “reference price” will be used in this post processing or whether any NEMO operating in I-SEM shall have to provide data on all individual ex-ante trades (price, quantity and timestamp) to the Imbalance Settlement Operator.

The second is the linking of Final Physical Notifications to ex-ante trades. In the ETA Markets Detailed Design decision the SEM Committee decided that a generator unit’s Physical Notification must be linked to its ex-ante trades at gate closure through the Trading and Settlement Code.

The third is the provision of ex-ante trade information for the purposes of settlement of Reliability Options against volumes traded in the DA and ID markets. In CRM Detailed Design Decision 1 the SEM Committee decided that a multiple reference prices would apply to Reliability Options which will likely entail similar requirements on NEMO operating in the ISEM as the compensation for curtailment calculation referred to above.

### INTERACTION WITH THE BALANCING MARKET

In the previous section, ‘I-SEM local requirements’ that may place obligations on NEMOs operating in I-SEM that may not be placed on NEMOs operating in other markets were outlined. The RAs are of the view that the requirement to provide data and other I-SEM local arrangements which may create obligations on NEMOs would be best captured in the Trading and Settlement Code, a multi-party agreement between Parties to the Code who are bound by the Trading and Settlement Code and party to its Framework Agreement.

# NEMO REGULATION THROUGH THE TRADING AND SETTLEMENT CODE

### RATIONALE BEHIND APPROACH

The RAs consider that enshrining minimal I-SEM local arrangements in a set of market rules is crucial to the effective operation of the market. Furthermore, the RAs consider that the obligation to use a NEMO to trade in the ex-ante markets should be enshrined also in the market rules, i.e. the Trading and Settlement Code. Accordingly, the RAs require all parties to the Trading and Settlement Code to trade in the ex-ante markets using a NEMO designated under CACM (i.e. EirGrid or SONI or another validly designated NEMO) with an additional requirement that such a NEMO be a party to the Trading and Settlement Code. This latter requirement will ensure that any NEMO passporting to SEM will be required to observe any local issues.

### ANALYSIS

The Trading and Settlement Code would provide a level of clarity around the operation of any NEMO functioning in SEM. It would ensure that similar conditions are applied to all NEMOs operating in the market. It would also ensure that I-SEM local considerations that apply uniquely to the SEM such as those detailed in Section 5 above are taken into account by all NEMOs, even those NEMOs who passport across from another Bidding Zone.

### DETAILS OF APPROACH

The RAs propose the following steps in ensuring NEMO governance through the Trading and Settlement Code:

1. Impose an obligation on all NEMOs operating in Ireland/ Northern Ireland to be party to the Trading and Settlement Code.
2. Include content in the Trading and Settlement Code obliging market participants, when procuring Intra Day or Day Ahead Market Coupling services, to use only NEMOs designated in accordance with CACM, who are also party to the Trading and Settlement Code.
3. Lastly, for the sake of completeness, a licence condition could be imposed on all generators and suppliers requiring the use of a NEMO designated in accordance with CACM and who is a party to the Trading and Settlement Code, would ensure a belt and braces approach whereby parties to the Code including unlicensed interconnector users and licenced generator and suppliers would be subject to the same requirements.

# CONCLUSIONS, NEXT STEPS

### CONCLUSIONS

Following review and assessment the RA’s consider that in developing a framework for regulation of the NEMO the most appropriate form of regulation should be:

* NEMO role should sit as a subset of the Market Operator function contained within the EirGrid and SONI MO licences.
* Given that CACM envisages some level of regulatory oversight of price regulation and cost recovery by the RAs, it is appropriate that regulatory oversight in the price regulation should be implemented. Furthermore given that only one NEMO is designated respectively in Ireland/ Northern Ireland, the RAs consider that such regulatory oversight is important to protect the interests of the consumer.
* The Trading and Settlement Code should oblige all parties to the TSC to procure single day ahead and intraday market coupling services through a NEMO designated under CACM and who is also party to the Trading and Settlement Code. In addition, the Trading and Settlement Code would require all NEMOs operating in the market to be party\_ to the Trading and Settlement Code. In addition, the TSC will prescribe that only NEMOs party to the Code may submit ex-ante contract notifications to the Market Operator.

### NEXT STEPS

The RAs will engage with EirGrid and SONI as Market Operators to consider and implement the governance framework outlined in this paper.

The RAs will continue to ensure NEMO compliance under Article 6 of CACM.

The RAs will continue to participate in NEMO Coordination, CACM Task Force meetings together with any other appropriate ACER briefings to ensure that the RAS are kept up-to-date on European Network Code development. In addition, the RAs are in the process of establishing and European Stakeholders Forum which would allow the RAs, TSOs and market participants to engage on European Network Code related issues on a regular basis.

# Annex 1: I-SEM REGULATORY FRAMEWORK

**Figure 1: I-SEM Regulatory Framework[[10]](#footnote-10)**



# Annex 2: NEMO DESIGNATION CRITERIA AS OUTLINED IN ARTICLE 6 OF CACM

| **CACM Regulation Article Reference**  | **CACM NEMO Requirement as a condition of Designation** |
| --- | --- |
| 6.1(a) | It [NEMO] 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; |
| 6.1(b) | It [NEMO] shall be able to ensure that market participants have open access to information regarding the NEMO tasks in accordance with Article 7; |
| 6.1(c) | It [NEMO] shall be cost-efficient with respect to single day-ahead and intraday coupling and shall in their internal accounting keep separate accounts for MCO functions and other activities in order to prevent cross-subsidisation; |
| 6.1(d) | It [NEMO] shall have an adequate level of business separation from other market participants; |
| 6.1(e) | If designated as a national legal monopoly for day-ahead and intraday trading services in a Member State, it [NEMO] 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;  |
| 6.1(f) | It [NEMO] shall be able to treat all market participants in a non-discriminatory way; |
| 6.1(g) | It [NEMO] shall be subject to appropriate market surveillance arrangements; |
| 6.1(h) | It [NEMO] shall have in place appropriate transparency and confidentiality agreements with market participants and the TSOs;  |
| 6.1(i) | It [NEMO] shall be able to provide the necessary clearing and settlement services; |
| 6.1(j) | It [NEMO] shall be able to put in place the necessary communication systems and routines for coordinating with the TSOs of the Member State; |
| 6.2 | The designation shall be applied in such a way that competition between NEMOs is organised in a fair and non-discriminatory manner. |

1. Commission for Energy Regulation & Utility Regulator [↑](#footnote-ref-1)
2. It should be noted that in the Invitation for NEMO applications for I-SEM (SEM-15-033n) published on 13 May 2015, and with reference to a letter received from DCENR to the Commission for Energy Regulation (CER), the Regulatory Authorities indicated that Ireland did not intend to involve Article 5 of CACM; with reference to a letter received from DETI to the Utility Regulation, the RAS confirmed that a National Legal Monopoly does not exist in Northern Ireland. Accordingly both RAs indicated that they would follow the NEMO designation process outlined in Article 6 of CACM. See: [www.uregni.gov.uk/.../Invite\_for\_NEMO\_applications\_for\_I-SEM.pdf](http://www.uregni.gov.uk/.../Invite_for_NEMO_applications_for_I-SEM.pdf) and <http://www.allislandproject.org/enTS_Current_Consulations.aspx?article=5d17226-e065-4bba-9ff-980512012c885&mode=author> [↑](#footnote-ref-2)
3. <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/European-network-code/Decision-letters/> [↑](#footnote-ref-3)
4. See footnote 3 above. [↑](#footnote-ref-4)
5. Balancing Market Operator activity is carried out through Elexon, a subsidiary of National Grid and Elexon’s activities are mandated in the Balancing and Settlement Code. [↑](#footnote-ref-5)
6. Section 14(2E) of the Electricity Regulation Act 1999 [↑](#footnote-ref-6)
7. According to article 5(1) “If a Member State refuses the designation of more than one NEMO per bidding zone, the competent national authority shall fix or approve the NEMO fees for trading in the day-ahead and intraday markets, sufficiently in advance of their entry into force, or specify the methodologies used to calculate them.” [↑](#footnote-ref-7)
8. It should be noted that given that ECC’s M7 Platform may not support dual currency for ID Continuous for Go-Live, that a transitional provision may be needed to deal with this discrepancy until this dual currency can be accommodated. Further discussion on this is required with TSOs. [↑](#footnote-ref-8)
9. See Euphemia Commercial Phase Report: <http://www.sem-o.com/Publications/General/EUPHEMIA%20Trial%20-%20Commercial%20Phase%20Report.pdf> [↑](#footnote-ref-9)
10. It should be noted that this diagram is intended for illustrative purposes only. It is not intended that the diagram is a definitive guide to the operations of I-SEM across all timeframes; nor is it intended that the diagram be an accurate depiction of every single entity which will operate in I-SEM. Rather, the diagram provides a high-level pictorial representation of the I-SEM Regulatory Framework. [↑](#footnote-ref-10)