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Mrs Jenny Pyper
Chief Executive
Northern Ireland Authority for Utility Regulation
Queens House
14 Queen Street
Belfast
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27 February 2015

Dear Jenny

Designation of Nominated Electricity Market Operator

Article 4(1) of the Capacity Allocation and Congestion Management Regulation requires Member States to ensure designation of one or more entity to perform the role of Nominated Electricity Market Operator (NEMO) within that Member State's bidding zones. This must be accomplished within four months of the coming into force of the Regulation.

Under the provisions of Article 4(3), unless otherwise provided by Member States, National Regulatory Authorities shall be the designating authority.

Article 5(1) and (3) requires consideration to be given as to whether a national legal monopoly (NLM) for day-ahead and intraday trading services exists within a Member State, which specifically excludes the designation of more than one NEMO.

I am writing to confirm that the NLM position does not apply in Northern Ireland. Having regard to the provisions of Article 4(3), I can also confirm that the Northern Ireland Authority for Utility Regulation will be the designating authority.

I understand that the Department of Communication, Energy and Natural Resources will write in similar terms to the Commission for Energy Regulation (CER) asking them to progress the NEMO designation arrangements in the Republic of Ireland. Given existing single market arrangements, I know you appreciate the importance of practical cooperation between the designating authorities.

I would be grateful for your acknowledgement that you will progress this matter in the terms outlined.

Yours



John Mills
Director, Energy Division