



Making a positive difference
for energy consumers

All interested parties,
stakeholders in GB and beyond,
and other regulatory bodies

Direct Dial: 020 7901 9662
Email: mark.copley@ofgem.gov.uk

Date: 30 November 2016

Dear Ms. Beltracchi,

Notice of Designation of Nord Pool Spot AS as a Nominated Electricity Market Operator for single day ahead and intraday coupling in Great Britain

On 11 December 2015 we¹ designated Nord Pool Spot AS (NPS) as a Nominated Electricity Market Operator (NEMO) for single day ahead and intraday coupling in Great Britain (GB), pursuant to the Designation Notice we published in Appendix 2 of our decision letter².

In that Designation Notice we referred to Articles 4(4) and 9(8)(a) of the CACM Regulation³ as the basis for this designation. However, we also consider that Article 4(2) is relevant for NEMO designation. We therefore write to clarify that Articles 4(2), 4(4), and 9(8)(a) are the basis on which NPS's designation, and any other NEMO designation in GB, is made.

An amended Designation Notice is provided in the appendix to this letter for clarification purposes only. There are no other changes to the Notice, which continues to be valid, and no action is required from NPS.

Yours sincerely,

Mark Copley
Associate Partner, Wholesale Markets

¹ The Gas and Electricity Markets Authority. Ofgem is the Office of the Authority. The terms "Ofgem" and "the Authority", "we" and "us" are used interchangeably in this letter.

² [Final decisions on applications made by APX Commodities Limited and Nord Pool Spot AS to be designated Nominated Electricity Market Operators in Great Britain](#) .

³ European Commission Regulation 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the CACM Regulation).

Appendix 1 – Amended Notice of Designation of Nord Pool Spot AS

Initial Designation for the purpose of Articles 4(2), 4(4) and 9(8)(a) of the Commission Regulation, No. 2015/1222 of 24 July 2015, establishing a Guideline on Capacity Allocation and Congestion Management (the CACM Regulation), (the Designation)

Designation

1. The Gas and Electricity Markets Authority (the **Authority**), pursuant to Articles 4(2), (4) (*NEMOs designation and revocation of the designation*) and 9(8)(a) (*Adoption of terms and conditions or methodologies*) of the CACM regulation, hereby designates: NORD POOL SPOT AS, incorporated and registered under the laws of Norway having a registered office at Vollsveien 17B, 1366 Lysaker, Norway and registered in the Bronnoysund Register under the company number 984 058 098, (**NPS**), as a Nominated Electricity Market Operator (**NEMO**), for single day ahead and intraday coupling in GB for an initial term of four years. The Designation is subject to the conditions set out below.

Obligations

2. As a NEMO **NPS** will be expected to comply with all obligations placed on **NEMOs** under and in connection with the CACM regulation.

Effective Date and Revocation

3. The Designation shall take effect at 12:00 am on **11 December 2015** and shall continue in force until 12:00 am on **11 December 2019**, unless renewed in accordance with paragraph 11 below.
4. The Authority may at any time by Notice revoke the Designation:
 - a) if **NPS** agrees in writing with the Authority that the Designation should be revoked; or
 - b) if **NPS** fails to maintain compliance with the criteria set out in Article 6 (*NEMO designation criteria*) of the CACM regulation and is not able to restore compliance within six months of being notified of its non-compliance by the Authority; or
 - c) if **NPS**
 - i. is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986, but subject to paragraph 5 of this Notice of Designation) or has any voluntary arrangement proposed in relation to it under section 1 of that Act or enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved by the Authority);
 - ii. has a receiver (which expression shall include an administrative receiver within the meaning of section 251 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed;
 - iii. has entered into administration under section 8 of and Schedule B1 to the Insolvency Act 1986;
 - iv. passes any resolution for winding-up other than a resolution previously approved in writing by the Authority; or
 - v. becomes subject to an order for winding-up by a court of competent jurisdiction; or
 - d) if **NPS** is incorporated or has assets in a jurisdiction outside England and Wales and anything analogous to any of the events specified in sub-paragraph (c) occurs in relation to **NPS** under the law of any such jurisdiction.

5. **NPS** shall not be deemed to be unable to pay its debts for the purposes of paragraph 4 (c) (i) if any such demand as is mentioned in section 123(1)(a) of the Insolvency Act 1986 is being contested in good faith by **NPS** with recourse to all appropriate measures and procedures or if any such demand is satisfied before the expiration of such period as may be stated in any notice given by the Authority under paragraph 4.
6. For the purposes of paragraph 4 (a), the notice period for revocation shall be not less than [30] days from the date of the written agreement between **NPS** and the Authority.
7. For the purposes of paragraph 4 (b), **NPS** will have six months to provide the Authority with evidence that it has restored compliance following its notification of non-compliance by the Authority. If, following consideration of this evidence, the Authority decides, in its total discretion, to revoke the Designation it will give **NPS** no less than [30] days' notice.
8. For the purposes of paragraph 4 (c), the notice period for revocation shall be not less than [24 hours'].
9. The Authority may at any time revoke the Designation by giving no less than [seven] days' notice in writing to **NPS** where the Authority is satisfied that there has been a material misstatement (of fact) by, or on behalf of **NPS**, in making its application for designation as a **NEMO**.
10. The Authority will publish any decision to revoke this Designation on its website.

Renewal

11. **NPS** must confirm to the Authority six months before expiry of this initial designation, on 11 June 2019, if it wishes to continue its designation on an ongoing basis and provide evidence that it continues to meet the criteria set out in Article 6 (*NEMO designation criteria*) of the CACM regulation.

Interpretation

12. References in this Designation to the provision of any enactment, where after the date of this designation -
 - a) the enactment has been replaced or supplemented by another enactment, and
 - b) such enactment incorporates a corresponding provision in relation to fundamentally the same subject matter.

shall be construed, so far as the context permits, as including a reference to the corresponding provision of that other enactment.

Mark Copley, Associate Partner, Wholesale Markets

**Duly authorised on behalf of the Gas and Electricity Markets Authority
30 November 2016**