

NORTHERN IRELAND FUEL SECURITY CODE



The Department of Enterprise, Trade & Investment as at 19 October 2015 has modified the existing Fuel Security Code as a condition of licences under Article 10 of the Electricity (Northern Ireland) Order 1992 (as subsequently amended).

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1. Introduction

1.1 Overview

This introduction does not form part of the substantive provisions of this Fuel Security Code (“the Code”). Its purpose is to assist the reader in understanding the reasons for, and background to the Code. This introduction does not have legal force and effect and does not confer rights or impose obligations. In addition, neither shall it affect the interpretation or construction of any of the substantive provisions of the Code.

1.2 Objectives

1.2.1 The objectives of the Code are to adequately protect the security of supply of electricity in Northern Ireland and assist with the effective management of an event where primary fuel supplies for electricity generation are, or at risk of being, disrupted and generators are instructed by the Electricity Transmission System Operator for Northern Ireland (the ETSO) to prepare for or to switch to secondary fuels as anticipation for, or the result of, the Department of Enterprise, Trade and Investment (the Department) declaring a Fuel Security Event (2.2.1).

1.2.2 The Code enables the Department to direct the electricity industry (2.4.1) to provide information on power supplies and to take specific action to manage such disruption in such a way as to ensure as far as is reasonably practical that:

- (a) the electricity system security is maintained and, where possible, economically acceptable, sufficient electricity is produced to meet demand during a Fuel Security Event;
- (b) this electricity is produced in as economical a way as circumstances allow;
- (c) in the event that complying with directions by the Department or instructions from the ETSO results in Exceptional Costs being incurred, then the Code allows for the recovery of such costs.

1.3 Background

1.3.1 A Fuel Security Code was published in 1992 (the 1992 Code) by the then Department of Economic Development, now Department of Enterprise, Trade and Investment under the Electricity (Northern Ireland) Order 1992 as amended (the 1992 Order), following the privatisation of Northern Ireland Electricity. Many changes have taken place in the energy sector in Northern Ireland since then.

- 1.3.2 Following the implementation of the Single Electricity Market (SEM) in November 2007, a consultation¹ on a proposed update to the 1992 Code was undertaken by the Northern Ireland Authority for Utility Regulation (the Regulator) on behalf of the Department. The responses to the consultation clearly demonstrated the changes arising from the introduction of the SEM in the industry were so significant that a simple update would be insufficient and a full review was required.
- 1.3.3 A second consultation on new ways of working was undertaken by the Regulator on behalf of the Department in the autumn of 2009² and these were reflected in the Fuel Security Code published by the Department in December 2011.
- 1.3.4 In April 2013 the Department decided on a further modification of the Code to clarify some process and roles and responsibilities and to reflect subsequent Fuel Switching Agreements to be put in place between the ETSO, Generators and others as considered appropriate by the ETSO or Regulator.

1.4 Context

- 1.4.1 The Code is one of a number of response tools to be used by the Department as the lead government body for energy emergencies in Northern Ireland.
- 1.4.2 The Code is compliant with the guidance contained in the mandatory NI Civil Contingencies Framework³ (the Framework) which all NI Departments agreed to adhere to. The Framework directs Departments to work with the private sector to ensure appropriate provision is in place for the continuance of critical services during civil emergencies⁴.

¹http://www.uregni.gov.uk/publications/consultation_on_a_proposed_update_to_the_northern_ireland_fuel_security_cod/

²http://www.uregni.gov.uk/news/view/the_utility_regulator_consults_on_the_northern_ireland_fuel_security_code/

³ [Northern Ireland Civil Contingencies Framework](#)

⁴ [A Guide to Emergency Planning in Northern Ireland](#)

2. General

2.1 Scope

2.1.1 The scope of this Code is to:

- (a) describe the arrangements that will apply for generating Licence Holders (Generators), or other licence holders to co-operate in strategic contingency planning in respect of primary fuels (where appropriate) and secondary fuel stocks, if directed to do so by the Department or ETSO;
- (b) describe the obligations on the ETSO and other Licence Holders in anticipation or preparation for, and during, a Fuel Security Event;
- (c) provide general principles for the recovery of Exceptional Costs incurred by Generators, ETSO, and other electricity undertakings including, the Northern Ireland Electricity Distribution Operator (the NIEDSO), and other relevant licensees in anticipation or preparation for, or during and after a Fuel Security Event;
- (d) ensure that, subject to the provisions of this Code, Northern Ireland Generators and other relevant licensees will be able to recover Exceptional Costs incurred in anticipation of, or as a result of a Fuel Security Event;
- (e) ensure that where possible, Generators continue to be fully available during a Fuel Security Event.

2.1.2 Given the current critical dependence of the electricity industry in Northern Ireland on gas supply, gas security and emergency planning arrangements are referred to frequently. However the arrangements apply to burning oils, coal, or any other fuel which may be used as a source for generating electricity.

2.1.3 This degree of preparation and resilience is an important requirement to ensure the integrity of the electricity system and the security of electricity supply to customers, and to functions considered as essential to support human life and well being.

2.2 Defining a Fuel Security Event

2.2.1 The Department will decide and declare when a Fuel Security Event begins and ends, and during this period may direct Generators to act in a certain way under Article 37(4)(b) of the 1992 Order. Where uncertainty exists on the extent of disruption then the Department will take the final decision based on advice from the Northern Ireland Joint Response Team (NIJRT) (5.2.1)

2.2.2 A Fuel Security Event will be declared when there is the potential for, or an actual severe disruption to primary fuels used for electricity generation. While covering all primary fuel sources, this Code recognises that Generators using natural gas as a primary energy source are particularly vulnerable to potentially rapid supply disruption. As such, a Fuel Security Event is considered most likely, but not exclusively, to arise in the event of a loss of natural gas supply.

2.2.3 A non-exhaustive list of circumstances which may give rise to a Fuel Security Event includes:

- (a) where the GB National Emergency Coordinator, the Northern Ireland Network Emergency Coordinator or the Irish Network Gas Emergency Manager has declared, or is likely to declare, a gas supply emergency. Within Northern Ireland this will be in accordance with the Northern Ireland Primary Gas Transmission Systems Operator (the NIPGTSO) Code and the Safety Case for the Network Emergency Co-ordinator for Northern Ireland (Safety Case)⁵;
- (b) prolonged severe constraints on the gas transmission and electricity network;
- (c) a geo-political issue which has the potential to disrupt gas supplies into the United Kingdom;
- (d) significant unplanned maintenance is being undertaken on the pipelines and equipment between the GB exit point at Moffat and the island of Ireland;
- (e) disruption to the routine replenishment of supply chains for other fuel stocks (e.g. coal or oil);
- (f) industrial action severely impacting directly or indirectly on fuel supply chains, either in Northern Ireland or beyond; and
- (g) loss of key staff over an extended period by events such as strikes or an influenza pandemic.

2.2.4 For the avoidance of doubt, a Fuel Security Event will not be declared for short term (e.g. in-day or a few days) network operational disruptions; agreed interim arrangements such as “Flip-Flop”; or for Generator initiated fuel switching for commercial reasons.

⁵ Required by the Gas Safety (Management) Regulations (Northern Ireland) 1997 (Reg. 3 (2))

2.3 Principles of Cost Recovery

- 2.3.1 The core principle underlying cost recovery by Generators or other licensees, who comply with provisions of the Code, as an obligation of their licence conditions, is that they can recover appropriate payments as approved by the ETSO for Exceptional Costs.
- 2.3.2 Where the Department makes preparation for, or declares, a Fuel Security Event, then Exceptional Costs incurred by Generators and other relevant licensed participants in preparing for, operating during, and transitioning back to normal operations, may not always be recoverable via the market or other relevant arrangements.
- 2.3.3 Where a Generator or another relevant licensed participant considers it has incurred Exceptional Costs as result of a direction or directions given by the Department (whether in anticipation of or during a Fuel Security Event), under Article 37 of the 1992 Order, an application can be made to the ETSO for the recovery of such Exceptional Costs, through a Fuel Switching Agreement or via other means, within sixty days (or such a longer period as the Regulator in any case may approve) following the end of a Fuel Security Event.
- 2.3.4 For the avoidance of doubt, claims for Exceptional Costs should relate to costs that were incurred:
- (a) Necessarily, properly and in good faith;
 - (b) On a basis consistent with commercial practice and procedures that were normal and prudent; and
 - (c) Only after all reasonable efforts had been made to establish that no alternative course of action was available at a lower cost.
- 2.3.5 Such Exceptional Costs shall be reviewed and determined by the ETSO in conjunction with the Regulator, as appropriate, who may (in conjunction with the Department) undertake an audit of all relevant information supporting a determination if compensation is due and, if appropriate, the Exceptional Costs deemed to be acceptable for recovery.
- 2.3.6 If Exceptional Costs are deemed as acceptable for recovery then the Regulator will instruct the ETSO to make a payment to be agreed within one month of its decision.
- 2.3.7 Exceptional costs do not include any costs incurred during a Fuel Security Event which benefits the period following a Fuel Security Event or any

proportion of cost recoverable from taxes on gross or net income, profits and gains and value added or similar taxes (to the extent that these are recoverable) together with all penalties, charges and interest relating to any of them; or grants, subsidies or other allowances made from any competent authority.

2.3.8 Nothing in this Code shall permit double recovery of costs. Furthermore, it is not the intention of this Code to compensate Generators or other electricity licensees for loss of profits.

2.3.9 A Fuel Switching Agreement includes rights and obligations of the Generator and ETSO in relation to:

- secondary switching as directed by the ETSO;
- fuel stock monitoring;
- minimum output capacity when running on secondary fuels;
- fuel switch testing; and
- recovery of costs for a secondary fuel switch.

2.3.10 In preparing for a Fuel Security Event, the following Exceptional Cost recovery principles apply:

- (i) Costs incurred following the Department requesting a state of readiness in anticipation of a Fuel Security Event which may or may not materialise; and
- (ii) Only actual preparation costs are recoverable.

2.4 Statutory Basis

The 1992 Order

2.4.1 Under Article 37 of the 1992 Order, the Department has the power to issue directions to operators of generating stations with a capacity of not less than 10 megawatts and fuelled otherwise than by waste or manufactured gas and to make contingency arrangements for the level of fuel and other materials, which they must keep in stock for the purposes of maintaining generating capacity. These powers also enable the Department to direct the manner in which the power station operator is to:

- (a) maintain such stocks at a specified level;
- (b) use these stocks; and

(c) operate its power station using specified fuels.

2.4.2 Under Article 38 of the 1992 Order, the Department may direct transmission and distribution licensees:

(a) after having consulted with other persons, to provide the Department with information and advice in respect of the exercise of its function under Article 37 of the 1992 Order; and

(b) when a direction under Article 37 of the 1992 Order is in force, to carry on activities which their licences authorises them to carry on in a specified manner or with a view to achieving specified objectives.

2.4.3 Failure to comply with a direction under Article 37 or 38 without reasonable excuse is a criminal offence carrying (on summary conviction) a fine not exceeding the current statutory maximum (Article 38 (5)(a)) of £5,000.

2.4.4 Under Article 39, the Department gives consent to Generators to construct, extend and operate generating stations above a certain limit. Failure to comply with a consent or conditions attached to any consent under Article 39, without reasonable excuse, is a criminal offence carrying (on summary conviction) a fine not exceeding level 5 on the standard scale (as set out in the Fines and Penalties (NI) Order 1984 – Revised 1994)

Electricity (Single Wholesale Market) (Northern Ireland) Order 2007

2.4.5 This Order makes provision for giving effect to the single wholesale electricity market in Northern Ireland and Ireland.

Licences

2.4.6 Under Article 8 of the 1992 Order (as amended), a person who:

(a) generates electricity for the purpose of giving a supply to any premises or enabling a supply to be so given;

(b) participates in the transmission of electricity for that purpose;

(c) distributes electricity for that purpose;

(d) supplies electricity to any premises; or

(e) acts as Single Electricity Market (SEM) operator;

is guilty of an offence if they do not comply with a Direction made by the Department unless he/she is authorised to do so by a licence or exemption. Class exemptions have been granted under the Electricity (Class Exemptions

from the Requirement for a Licence) Order (Northern Ireland) 2013 (as amended from time to time); although any person in an exempt class may still apply for a licence should they wish to do so.

Licence conditions

2.4.7 Article 11(4)(b) of the 1992 Order permits conditions to be included in licences by way of reference to provisions set out in documents designated for that purpose. Article 11(7)(6A) of the 1992 Order provides that references in licence conditions to any document may, if so provided, operate as references to that document as from time to time revised or re-issued. The incorporation of designated documents into licences is actually effected through licence conditions which identify the documents to be incorporated. This is the method used to incorporate the Fuel Security Code into licences so that it binds the relevant electricity licensees.

Non-licensees

2.4.8 As the Code is made binding through parties' licences, so it will not apply to any person who carries on any electricity-related activities under an exemption granted under Article 9 of the 1992 Order (2.4.6). It is recommended that any such person considers fuel planning for a potential Fuel Security Event in contractual arrangements with other industry participants.

Enforcement of this Code

2.4.9 This Code is enforceable by the Department and Regulator under the general procedures for enforcement contained in Articles 41 to 51 of the Energy (Northern Ireland) Order 2003. These provisions allow the Department and Regulator to make orders and impose fines for the breach of licences.

2.5 Parties who must comply with this Code

2.5.1 The following parties are obliged by their licences to comply with this Code:

- (a) electricity suppliers;
- (b) electricity generators;
- (c) electricity transmission and distribution Owner and Operator licensees;
- (d) the SEM Operator; and
- (e) the Moyle interconnector transmission licensee.

2.5.2 These licensees are also obliged by their licences to comply with the Grid Code, Distribution Code and Trading and Settlement Code (except for the

SEM Operator who is not obliged to comply with the Grid Code or Distribution Code, and the Moyle interconnector transmission licensee who is not obliged to comply with the Distribution Code).

2.6 Modifications

The right to modify

2.6.1 Having regard to the objectives of this Code as described above:

- (a) the Department, having regard to its principle objectives and duties under the Energy (Northern Ireland) Order 2003, after consultation with the Regulator and all relevant Licence Holders, or
- (b) the Regulator, having regard to its duties under the Energy (Northern Ireland) Order 2003, with the consent of, or in accordance with a general authority given by the Department, after consultation with all relevant Licence Holders;

may modify any provision of this Code in such a manner as appears to it to be appropriate in any of the following circumstances:

- (i) it reasonably considers that such modifications are of a minor and inconsequential nature;
- (ii) the modification is in the best interests of consumers of electricity in Northern Ireland;
- (iii) on the basis of a written submission made by a Generator or the ETSO, it is satisfied after consultation with other relevant Licence Holders, that the modification would be equitable to ensure that Generators would be by actions described in this Code, able to recover Exceptional Costs incurred in anticipation of or as a result of a Fuel Security Event; or
- (iv) on the basis of a written submission from the ETSO, it is satisfied, after consulting with whoever it considers appropriate, that the modification would enable recovery, through increased charges to its customers (as the Regulator considers appropriate), costs that the Regulator has determined under the provisions of the Code should be recovered.

Review of this Code

2.6.2 The Department will, from time to time as it deems necessary, formally review this Code including with the ETSO, Licence Holders and the Regulator, to determine whether any modifications to this Code are required.

Consultation on proposed modifications

2.6.3 Before making any modifications to any provision of this Code the Department or, as the case may be, the Regulator shall give to each authorised electricity operator materially affected a notice stating in such detail as it shall consider appropriate in the circumstances:

(a) the modifications proposed;

(b) the reasons it considers the right to modify arises, for example;

(i) an imminent risk of injury to persons or material damage to property; and

(ii) a significant risk exists from compliance that would result in damage or deterioration to plant and/or apparatus, and/or costs, expenses or losses for which the Licence Holder reasonably considers there is insufficient contractual commitment to compensate the Licence Holder.

(c) the reasons it considers such modifications to be:

(i) consistent with the objectives of this Code; and

(ii) consistent with its duties under the Energy Order (NI) 2003 (as amended from time to time) and the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007; and

(d) the reasons any powers of modification available pursuant to Articles 14 to 18 of the 1992 Order are not being utilised.

2.6.4 The notification shall also specify the period of time which it considers appropriate in the circumstances within which representations or objections with respect to the proposed modifications may be made.

Notice of modification

2.6.5 Before making any modification to any provision of this Code, the Department or the Regulator shall notify each Licence Holder stating the reasons for the modification and the date on which the modification shall have effect.

2.7 General Provisions

Definitions

2.7.1 The definitions used in this Code are explained at the glossary in Appendix (ii).

Illegality

2.7.2 Notwithstanding anything to the contrary contained in this Code, but subject to the following proviso, no Licence Holder shall be obliged by any provision of this Code to take any action or refrain from taking any action to the extent that the relevant Licence Holder reasonably believes in the circumstances then subsisting that:

- (a) such action or inaction would be unlawful or prohibited; and
- (b) there is no defence (other than that provided for under this Section) available to the relevant Licence Holder in respect of such unlawfulness or prohibition, provided that the relevant Licence Holder:
 - (i) takes all efforts as are reasonable in the circumstances to confirm the truth and accuracy of that belief; and
 - (ii) uses its best efforts to comply with the relevant provision in a manner which is not unlawful or prohibited.

3. Documents covering other aspects of the Code

3.1 Priority with electricity documents

3.1.1 Where the Department gives a Direction under Article 37, in preparation for or during a Fuel Security Event, this Code will take precedence over other Electricity Codes which Generators are obliged to follow. It is not intended that the detail in these Codes be replicated in the following sections. From time to time where necessary, the Gas and Electricity Codes may be amended on agreement with the Regulator and with the Gas and Electricity Industry to take account of directions in this Code. This will ensure that obligations placed on Generators remain consistent across all documents.

3.2 Key electricity market documents

3.2.1 This Code is intended to be a concise document defining its scope as stated at 2.1.

The detailed arrangements which support this Code are set out in:

- (a) Licences (covering generation, participation in transmission, distribution and supply and granted by the Regulator and/or the Department);
- (b) the Grid Code (details secure operation of the grid);
- (c) the Trading and Settlement Code (details the process of revenue recovery via the wholesale market);
- (d) Bidding Code of Practice (principles used to calculate costs); and
- (e) any Fuel Switching Agreement or other arrangements which may, from time to time, be in place between the ETSO, Generators and other electricity undertakings (2.3.3) in accordance with the Code.

3.3 Gas legislation and associated Safety Cases

3.3.1 If a Fuel Security Event relates to the supply of gas, nothing in this Code prevents Generators, the ETSO and other relevant parties from complying with the Northern Ireland Gas Safety Case. In the event of a conflict between the provisions of the Northern Ireland Gas Safety Case and the provisions of this Code, during a gas emergency, then the provisions of the Northern Ireland Gas Safety Case shall prevail.

3.4 Environmental considerations

- 3.4.1 Generators who are obliged to comply with this Code, and who are subject to obligations in permits issued under the Pollution Prevention and Control Regulations (Northern Ireland) 2003 by the Industrial Pollution and Radiochemical Inspectorate of Northern Ireland Environmental Agency, may be required to notify the Environmental Agency if they intend to or have switched to secondary fuels for electricity generation.

4. Preparation for a Fuel Security Event

4.1 Rationale

4.1.1 This Section sets out the arrangements to ensure that systems and procedures necessary to achieve the scope of this Code are in place in advance of a Fuel Security Event.

4.2 Fuel Stocking

4.2.1 Where any Generators operate generating sets in accordance with a direction by the Department under Article 37, which include a condition that the Generator will store and maintain a supply of secondary fuel, then they will notify the Department, if requested to do so from time to time on the amount of stocks held.

4.2.2 Where a direction under Article 37 or an obligation in a Fuel Switching Agreement is in force then Generators shall confirm to the ETSO that:

- (a) The stocking levels of secondary fuels held by or on behalf of Generators adhere to such a direction or obligation; and
- (b) Generators are able to demonstrate they can replenish secondary fuels stocks should the duration of a Fuel Security Event exceed the number of days of generating capacity available by secondary stocks at the onset.
- (c) Adequate primary fuels and secondary fuel stocks can be sourced to run generators as required by the ETSO;

4.2.3 Additionally, Generators will supply any other information that the Department considers relevant.

4.2.4 The ETSO will be responsible for identifying with Generators and other electricity undertakings work required to prepare for a Fuel Security Event.

5. Anticipating a Fuel Security Event

5.1 Circumstances where it would be appropriate to enter a state of readiness

5.1.1 If the Regulator or Department or ETSO becomes aware of any circumstances which may result in a Fuel Security Event, then they shall inform those organisations listed at 5.2.1 of those circumstances and shall consult with them concerning the appropriate response.

5.2 Organisations expected to enter a state of readiness

5.2.1 The parties referred to as the NIJRT who, in preparation for or during a severe disruption to gas or electricity supplies, would normally meet under the chair of the Department to consider the need to enter a state of readiness are:

- (a) the Regulator;
- (b) the ETSO;
- (c) the NIPGTSO;
- (d) the NIEDSO;
- (e) NINEC;
- (f) Generators (and their intermediaries);
- (g) Moyle Capacity Holders (in the event that there is a risk of ATC being revised down); and
- (h) Any other organisation as the Department may determine.

5.2.2 In accordance with agreed procedures in the Northern Ireland Response Strategy to Gas & Electricity Disruption:

- (a) The NIPGTSO and other relevant members of NIJRT should liaise with counterparts in the Republic of Ireland, where necessary, to ensure communications across the gas, electricity and wider government sectors is consistent, timely and accurate during a Fuel Security Event.
- (b) The Department will be responsible for strategic communications in conjunction with the Departments responsible for energy in Ireland and Great Britain (GB), and other relevant government bodies, in preparation, or during a Fuel Security Event.

5.3 Actions to be taken in anticipation of a Fuel Security Event

5.3.1 This may be determined by the Department in consultation with other NIJRT members during normal operations or during a heightened state of alert.

- 5.3.2 A state of readiness requires a heightened state of preparedness, and action may need to be taken, to coordinate a precautionary emergency response including increased monitoring. This may require establishing NIJRT to collectively monitor and agree any responses for an escalation or de-escalation of any potential or actual emergency, where wider societal and economic impacts are likely to, or have occurred. In such cases the Department can seek the support of central government response arrangements facilitated by the Office of First Minister and Deputy First Minister.
- 5.3.3 Additionally, each organisation that has entered a state of readiness will ensure that response mechanisms within their own business continuity, emergency plans, or response strategies, including communications strategies and availability of key staff, are placed on standby for quick activation.
- 5.3.4 Appendix (i) summarises some key actions which certain parties must undertake in anticipation of a Fuel Security Event, or following a declaration by the Department or NINEC to enter a state of readiness.

6. Declaration and Notification of a Fuel Security Event

6.1 Declaring a Fuel Security Event

6.1.1 In determining whether to declare a Fuel Security Event, or once declared, the Department may liaise with the Northern Ireland Assembly and any other organisations, as the Department deems necessary, to support its decision to declare a Fuel Security Event.

6.1.2 If the Fuel Security Event is declared because of a gas emergency or a gas constraint declared by the NINEC or NEC then the ETSO shall liaise with NINEC to maintain the safe operation of the gas system, as specified in the relevant Northern Ireland Safety Case article.⁶

6.1.3 In exceptional circumstances, where unforeseen disruption or catastrophic failure occurs to the primary fuel supply, and generators are instructed by the ETSO to switch generating sets immediately to secondary fuels before NIJRT meets, the Department can declare a Fuel Security Event, as soon as is reasonably practicable, after the switch occurs.

6.2 Notification

6.2.1 Once the Department has declared a Fuel Security Event it will issue a formal notification by way of either a telephone call, e-mail or text to:

- (a) the ETSO;
- (b) the NIEDSO;
- (c) Generators;
- (d) the NIEPGTSO;
- (e) gas shippers;
- (f) gas system operators;
- (g) oil and coal shippers/wholesalers;
- (h) the Regulator;
- (i) HSENI (if appropriate);

⁶ GS9(M)R(NI) 1997 Regulation 6(2) (Appendix K)

(j) NINEC; and

(k) others as deemed necessary by the Department.

6.2.2 If the Fuel Security Event arises, or is likely to arise because of a disruption to natural gas, coal, burning oils or other fuels used as primary generating fuel then the Generators affected must inform the ETSO as soon as is practically possible, who in turn must inform the Department, providing detail on the scale and scope of the event and associated timescales for resupply.

6.2.3 Sufficient data should be supplied to the ETSO on primary and secondary fuels (stocks and replacement availability) so they can manage the system in a prudent and economic manner during a Fuel Security Event.

6.2.4 Where disruption occurs to natural gas, coal, burning oils or other fuels used as primary generating fuel then the Department will liaise with the relevant fuel distribution chain to facilitate a return to normal supply. Some of these sectors are not regulated within the UK or Ireland.

6.2.5 Where a Fuel Security Event reduces generation to a level where capacity is unable to meet Northern Ireland customer demand then the ETSO will inform the Department as soon as practicable, and may take action to shed generating load in line with procedures in the ETSO Emergency Plan.

6.2.6 The ETSO must:

(a) Use the communication channels defined in the Grid Code to confirm actions to all Generators that they have entered a Fuel Security Event; and

(b) Generators must confirm that they have received the notification.

7. Operating During a Fuel Security Event

7.1 Managing the response

7.1.1 If the Department considers from information available at the time that an emergency has occurred or is likely to occur, or if NINEC has declared a gas emergency, then it will establish and chair the NIJRT (if it has not already been established). NIJRT will make recommendations to the Department as to the most appropriate way to manage an emergency including the declaration of a Fuel Security Event.

7.1.2 The Department will advise and support members of NIJRT who may be asked to liaise directly with Central Government structures (5.3.2).

7.1.3 The gas and electricity industry participants are responsible for the operational response to a gas supply emergency, as detailed in their own emergency arrangements and plans that may trigger a Fuel Security Event.

7.2 Return to normal operations

Notifications to Power Stations / Transmission System Operators

7.2.1 For a gas related Fuel Security Event, NINEC/NIPGTSO will inform Gas Shippers of the availability of gas supplies to the Generators.

7.2.2 In accordance with its licence obligations the ETSO has a duty to dispatch, as far as is reasonably practical, power generation in the most economic manner. This duty continues throughout a Fuel Security Event. The ETSO must ensure, as far as is reasonably practical, that generating plant are switched back to primary fuel supply in a timely and safe manner while maintaining the integrity and security of the Northern Ireland electricity transmission system.

7.3 Declaring the end of a Fuel Security Event

7.3.1 The Department declares the end of a Fuel Security Event by varying or revoking the direction to Generators under Articles 37(4)(a) and (b) or 37(3) of the 1992 Order or it otherwise expires. In declaring the end of a Fuel Security Event, the Department shall consult with the NIJRT.

7.3.2 The Department will issue formal notification of the end of the Fuel Security Event. This notification must be issued to the same parties that received the notification declaring a Fuel Security Event. (6.2.1)

8. Communications

8.1 Customer Communications

8.1.1 Where an emergency response requires electricity load shedding to protect the security of the system from further failure, the NIEDSO shall use existing procedures set out in the Distribution Code. In doing so it shall comply with its emergency planning procedures in a manner which is equitable and efficient taking account, as far as is reasonably practical, of those customers identified as being most vulnerable.

8.1.2 All customers must be informed in a timely manner about potential or actual disruption to electricity supplies as defined in the ETSO Grid Code⁷. The NIEDSO will, as a matter of priority, and in line with its own emergency procedures, contact customers on its vulnerable customer lists and critical services which rely on electricity supply such as hospitals and care homes. Article 12 (3) of the Energy (Northern Ireland) Order 2003 also identifies some of these groups.

8.1.3 The NIEDSO and, if relevant, the gas and electricity distributors would normally maintain proactive communication, in line with their emergency plans, with customers throughout a Fuel Security Event and in accordance their relevant licence conditions. These plans will be reviewed by the Department from time to time as it deems necessary.

8.2 Strategic Communications

8.2.1 The Department will lead in the preparation and coordination of strategic communications between members of NIJRT, other organisations and the press, in line with its lead Departmental role for Energy Policy in Northern Ireland as defined in the Framework (1.4.2) and its own internal emergency response strategies. This will support energy companies who are responsible for operational communications with their own customers.

8.2.2 The Department may also make a public statement and, as deemed necessary, inform the Northern Ireland Assembly and Northern Ireland Executive in line with the Northern Ireland Ministerial Code (Sections 2.4; 2.14; 2.15) that it has declared a Fuel Security Event, particularly but not exclusively, if this forms part of a wider incident involving severe or prolonged disruption to other supply chains relying or impacted by energy supply.

⁷ October 2013 SONI Grid Code – sections OC26.2 of the D Code and OC2.8.5 of the Grid Code

8.3 Review

- 8.3.1 The Department will, in conjunction with the NIJRT members and others as it considers appropriate, review strategic communication process annually as part of energy industry exercises, or as part of a debrief from an emergency.

Key Actions to be undertaken in anticipation of a Fuel Security Event.

Organisation	Action
The Department of Enterprise, Trade & Investment	<ul style="list-style-type: none"> • In conjunction with the Regulator, to monitor developments and request parties to enter a state of readiness if it considers a Fuel Security Event is developing or imminent. • To invoke and chair the NI Joint Response Team in anticipation of the need for a coordinated response and to gauge the likelihood and impact of risk from an actual or likely Fuel Security Event on advice from the ETSO and or NINEC. • To declare a Fuel Security Event on advice from NIJRT, NINEC, ETSO or NIPGTSO. • To coordinate communications with relevant GB and Irish Departments, as required.
Electricity Transmission System Operator for Northern Ireland (ETSO)	<ul style="list-style-type: none"> • To update NINEC regularly as required on their preferred option for load shedding gas across power stations as required by the Grid Code. • In the case of a potential problem with fuels other than gas (or with more than one fuel) report to the Department as directed on a daily basis on actions to conserve stocks, dates of expected deliveries and length of time that current stocks are expected to last. • If a sudden drop in gas availability could reasonably be expected within hours then consider a pro-active switch to secondary fuel at one or more power stations. Non-gas fired power stations may be synchronized out of merit if not already constrained. • If there is a risk to stocks of coal or burning oil, and the plant operating on those are in merit (as defined in the Grid Code), then other plant may be dispatched out of merit in order to preserve a reasonable margin of fuel stocks. • If an anticipated Fuel Security Event only affects energy supplies on the island of Ireland then consider reducing the ATC of the Moyle Interconnector. This will remove the obligation to provide additional power for export at times when there is a risk of load shedding on the Island. If the anticipated event is likely to impact on electricity supplies in GB then the NINEC will liaise with NEC to ensure that risk is shared appropriately between the jurisdictions.

Key Actions to be undertaken in anticipation of a fuel security event.

Organisation	Action
Northern Ireland Joint Response Team (NIJRT)	<ul style="list-style-type: none"> • The Department will invoke the NIJRT in the event that it is advised that gas or electricity has or is likely to be seriously disrupted (including a Fuel Security Event). • In respect of a Fuel Security Event and subsequent recovery from such an incident NIJRT will comprise core membership with the Department as Chair, the NIPGTSO, ETSO, NIEDSO and NINEC. • Any other organisation may be invited to the NIJRT to advise or assist in the management of a Fuel Security Event (6.2.1).
Regulator (Northern Ireland Authority for Utility Regulation)	<ul style="list-style-type: none"> • Ensure cost recovery process is properly followed. • Ensure all relevant licences, code, contracts and testing modifications are completed correctly.
Generators	<ul style="list-style-type: none"> • To review the technical and cost data that they have submitted to the ETSO and undertake any checks and/or staff briefings that may be necessary to ensure a smooth and timely changeover to secondary fuel if required. • To ensure that they continue to comply with consent conditions during a Fuel Security Event.
National Emergency Coordinator (GB)	<ul style="list-style-type: none"> • Where a GB gas supply emergency is declared by the National Gas Coordinator he will normally inform the Primary Upstream Gas Transporter supplying Northern Ireland, who will in turn liaise with the SNIP Agent and NI Primary Gas Transporter, who will then inform the Department and NIJRT. • In circumstances where events are unforeseen, or occur very quickly, or are informed to the Department directly by GB or the Irish Government or other relevant parties, then NIJRT will meet as soon as possible to review and establish a response.
Northern Ireland Network Emergency Coordinator (NINEC)	<ul style="list-style-type: none"> • Can declare a gas emergency in line with the Gas Safety Case required by the Health & Safety, Gas Safety (Mgt) Reg (NI) 1997. • Will ensure that the integrity of the gas network continues to operate safely during a gas emergency. • Will direct through the NIPGTSO that gas customers reduce gas demand or instigate gas load shedding to keep the gas system balanced.

Organisation	Action
NI Primary Gas Transmission System Operator	<ul style="list-style-type: none"><li data-bbox="635 277 1412 344">• Monitors pressures and coordinates demand with the Irish Primary Gas Transmission System Operator.<li data-bbox="635 367 1412 434">• Liaises with NINEC to ensure gas demand balances gas supply.

Glossary

Term	Meaning
1992 Order	Means the Electricity (Northern Ireland) Order 1992
Aggregators	Parties which combine generator capacity bids into one submission for the purposes of dispatch by the ETSO and of participation in the SEM.
Customer	Means a person to whom electrical power is provided.
Department	Dept of Enterprise, Trade & Investment - the lead government Department with responsibility for gas and electricity policy in Northern Ireland.
ETSO	Electricity Transmission System Operator for Northern Ireland ensures the safe, secure and economic operation of the high voltage electricity grid in Northern Ireland and in cooperation with the Irish TSO is also responsible for running the all-island wholesale market for electricity (generic term for function rather than the title of any entity undertaking this task).
Exceptional Costs	Means costs incurred by a Licensee which would not have been recovered via the market (2.3.3-2.3.4). In other documents Exceptional Costs may also be referred to as Security Period Costs.
Flip-Flop Arrangements	Flip Flop arrangements refers to the order in which nominations to Generators agreed in NIEPGTSO Transportation Code Rules are reduced on the first occurrence of a short term gas constraint or Capacity Shortfall and the reversal of this order on a second occasion on Day D (e.g. two Generators alternatively switch).
Fuel Security Event (FSE)	Means a period defined by the Department within which the Department may give a direction under Article 37(4)(b) of the Electricity Order that a generating station is to be operated in a certain way or with a view to achieving specific objectives. In other electricity industry documents a Fuel Security Event may also be referred to as a "Fuel Security Period"
Fuel Switching Agreement (FSA)	Sets out the rights and obligations of Generators and the ETSO as listed at section 2.3.7.
Generators	Means a person who generates electricity for the purpose of giving a supply to any premises, or enable a supply to be given.
Gas and electricity distributors	Means companies who distribute gas and electricity to consumers.
Gas Supply Emergency	A Gas Supply Emergency is classified by the NI Gas Safety Case as a potential or actual supply emergency on the National or Northern Ireland transmission systems that results in a potential or actual loss in pressure on the Northern Ireland primary gas transmission system. ⁸
Gas Safety Case	Document containing particulars required by the provisions in the Gas Safety (Management) Regulations (Northern Ireland) 1997 as regulated by the Northern Ireland Health and Safety Executive.
Generation Licence	Means a licence granted or to be granted under Article 10 (1)(a) of the 1992 Order.
Grid Code	Means the Grid Code drawn up pursuant to the SONI Transmission System Operator Licence, as from time to time revised in accordance with that Licence.

⁸ The purchase/sale of balancing gas in the system and the interruption of Power Generation Load in accordance with the GTSO Transportation Codes does not constitute a Gas Supply Emergency.

Glossary

Term	Meaning
Health & Safety Executive for Northern Ireland	Responsible for health and safety legislation for those working in the gas and electricity industries and other sectors.
Intermediaries	Parties acting on behalf of others under the Trading and Settlement Code.
Licence	Means all Generation Licences and Supply Licences, the Moyle Licence, the TSO Licence and the T&D Licence and “Licence” means any or (as the context may require) a particular one of them.
Licence Holder	Means the holder for the time being of a Licence.
NINEC Safety Case	The Code by which NINEC coordinates the actions to be taken by the NI gas industry during an emergency.
NEC	The National Emergency Coordinator coordinates the actions to be taken by the GB gas industry during an emergency
NIJRT	The Northern Ireland Joint Response Team acts as the interface between the NI gas and electricity industries and government comprising the Department as Chair. NIJRT will meet either face-to-face or via telephone conference calls initiated by the Department. The description of the NIJRT within wider Government arrangements is detailed in the Northern Ireland Response Strategy to Gas and Electricity Disruption controlled by the Department.
NINEC	The NI Network Emergency Coordinator coordinates the actions to be taken by the NI gas industry during an emergency, if directed under SR 1997 N0 195 as a requirement of GS(M)R (NI) 1997.
NIEDSO	The Northern Ireland Electricity Distribution Systems Operator or Operators which is/ are responsible for maintaining electricity infrastructure downstream of the power stations (generic term for function rather than the title of any entity undertaking this task).
NIPGTSO	The Northern Ireland Primary Gas Transmission System Operator responsible for the primary transportation of gas from the GB network to all secondary systems. In essence the primary source of gas for NI as defined by this meaning as a secondary system. (generic term for function rather than the title of any entity undertaking this task).
Primary Fuels	Fuel most frequently used for the sole purpose to drive machinery to generate electricity.
Regulator	Responsible for the regulation of the gas and electricity markets in Northern Ireland.
Secondary Fuel	Any fuel used for electricity generation, which is not the primary fuel used when an instruction is given to switch to other fuels.
Secondary Fuel Switch	Means instructions from the ETSO that a generator unit(s) must switch over from primary fuel used to generate electricity, at the time of the direction, to secondary fuel pursuant to sections SDC2.A.8 and SCD2.A.9 of the Grid Code. For the benefit of doubt, this excludes generator initiated switches.
Trading and Settlement Code	Sets out the detailed rules and procedures concerning the sale and purchase of wholesale electricity in the single electricity market in Ireland and Northern Ireland.

