



Capacity Confirmation No.: SONI 091001-2

1. Sale and Purchase of the right to use Contracted Capacity

- (a) SONI Limited (the "**Capacity Holder**") offered to acquire the right to use certain capacity on the Moyle Interconnector (the "**Contracted Capacity**") pursuant to Relevant Access Arrangements established by Moyle Interconnector Limited ("**Moyle**").
- (b) Moyle agreed to grant the Capacity Holder the right to use the Contracted Capacity specified in this Capacity Confirmation.
- (c) This Capacity Confirmation evidences the terms and conditions of the Capacity Contract entered into between Moyle and the Capacity Holder in relation to the grant by Moyle of the right for the Capacity Holder to use such Contracted Capacity on the Moyle Interconnector.
- (d) The Moyle Interconnector Capacity Framework Agreement entered into between Moyle and the Capacity Holder is incorporated into this Capacity Confirmation as if it was set out in full and forms part of the terms and Conditions of the Capacity Contract.

2. Capacity Period

- (a) The Capacity Period shall commence at 06:00 hours on 1st October 2009.
- (b) The Capacity Period shall expire immediately before 06:00 hours on 1st October 2010 (the "**Expiry Date**").

3. Capacity Charges

The Capacity Charge for each Payment Period in the Capacity Period will be calculated in accordance with paragraph 6(a) of this Capacity Confirmation.

4. Direction of Flow

The Contracted Capacity under this Capacity Confirmation shall be in respect of import to and export from Northern Ireland.

5. Profile of Contracted Capacity

The Contracted Capacity in respect of which the Capacity Holder has rights are as follows:

- a) Use by way of real time trigger by Moyle's frequency controls of a reserve capacity of up to 100MW in the event of a frequency deviation below 49.6Hz

on either of the systems to which the Moyle Interconnector is connected, provided that in all cases:

- (i) the physical flows remain within the limits specified in Moyle's Connection Agreements with National Grid Electricity Transmission plc "NGT" and SONI Limited;
- (ii) the physical flow following the delivery of the reserve capacity will be determined by Moyle's automatic controls and will not fall within the range of 15MW import to 15MW export;
- (iii) SONI's rights in respect of pre-planned SONI Trades (as defined in any relevant Capacity Confirmation) are not in any way affected; and
- (iv) the contractual rights of and the nominations made by other capacity holders in accordance with their respective Moyle Interconnector Capacity Framework Agreements are not in any way affected.

(for the purposes of this Capacity Confirmation "**50 plus 50 Static Reserve**").

- b) For each Trading Period SONI shall set the level of the 50 plus 50 Static Reserve on the Moyle Interconnector automatic controls for power flows linked to the frequency of the NGT system (NGT Static Reserve Setting "NSRS") and for power flows linked to the frequency of the Northern Ireland system (SONI Static Reserve Setting "SSRS") subject to the following:

- i) The level of the NSRS and the SSRS shall always be in the range 50MW to 100MW;
- ii) Prior to the start of each calendar month SONI shall notify Moyle of its intended level for SSRS and shall adjust SSRS accordingly;
- iii) Notwithstanding (ii) above, during any trading period SONI may further adjust the SSRS provided that the SSRS is never less than the difference between Moyle's Maximum Connection Capacity "MMCC" (500MW during winter and 460MW during Summer) and the total quantity of Moyle Import Capacity contracted to Interconnector Users "IUCC" for the relevant trading period.

$$\text{i.e. SSRS} \geq \text{Min}[(\text{MMCC}-\text{IUCC}),100]$$

6. Special Conditions

- (a) The Capacity Charges in respect of the Static Reserve for each Trading Period shall be calculated as follows:

$$\text{CC}_{\text{SP}} = \text{A}_{\text{SP}} \times \text{P}$$

Where: CC_{SP} = the Capacity Charges in respect of the Static Reserve for each Trading Period;

A_{SP} = the availability of the Static Reserve in each Trading Period, in respect of the SONI Static

Reserve Setting “**SSRS**”, expressed in MWh, provided that A_{SP} shall:

- (i) subject to (ii), (iii), (iv) and (v), below, be reduced on a per MWh basis to the extent that capacity is not available on the North-South Interconnector for reasons that are outside the reasonable control of its owners and operators;
- (ii) be set to zero during any period in which the Capacity Holder is unable to deliver and receive reciprocal low frequency service pursuant to the Balancing Services Agreement for provision of Commercial Ancillary Services for the Moyle Interconnector between the Capacity Holder and NGC;
- (iii) at no stage be less than 25MWh nor greater than half the SONI Static Reserve Setting “**SSRS**”; and
- (iv) to take account of the Moyle automatic controls referred to in 5(a)(ii), be set to half the minimum of the **SSRS** and the average actual power transfer level to Scotland “**EXP**” less 15 MW, for trading periods where the average actual power transfer level to Scotland is more than the **SSRS** less 7.5MW.

$$\text{i.e. } A_{SP} = 0.5 * \text{Min}[\text{SSRS}; \text{EXP}-15]$$

where $\text{EXP} > \text{SSRS}-7.5$; and

- (v) to take account of the Moyle Maximum Connection Capacity “**MMCC**” (500MW in Winter and 460MW in Summer), be set to half the difference between the **MMCC** and the average actual power transfer level to Northern Ireland “**IMP**”, for trading periods where $\text{IMP} + \text{SSRS}$ is more than 460MW in Summer and 500MW in Winter.

$$\text{i.e. } A_{SP} = 0.5 * (\text{MMCC} - \text{IMP})$$

where $(\text{IMP} + \text{SSRS}) > \text{MMCC}$

P = €4.10; the price for Static Reserve in each Trading Period (50% of the Basic Payment specified in the Payment Schedule ILS for 2009).

Where for the purposes of this Special Condition 6(a):

“**Payment Scheme ILS**” means the Payment Schedule ILS (Interruptible Load/ Short Term Active Response (STAR) Service) as set out in the EirGrid Statement of Charges and Payments for Ancillary Service Providers in force from time to time);

Charges will be in arrears and all payments of the Capacity Charges shall be made in GBP at the rate of £0.88 to €1.00.

- (b) A rebate in Capacity Charges will be payable at the end of the Capacity Period if there has been a failure to deliver the expected change in physical flow following the occurrence of a Trigger Event during the Capacity Period, subject in each case to paragraph 6(c), below. The rebate shall be an amount equal to 5% of the aggregate Capacity Charges for the Capacity Period in respect of each occasion on which there has been a failure to deliver the expected change in physical flow following the occurrence of a Trigger Event, up to a maximum of 100% of such Capacity Charges.

Where “**Trigger Event**” means each occasion on which there is a frequency deviation below 49.6Hz on either of the systems to which the Moyle Interconnector is connected and Static Reserve is available as determined in accordance with Special Condition 5 and 6 (a).

- (c) For the avoidance of doubt, Moyle shall have no liability to the Capacity Holder (whether by way of rebate pursuant to Paragraph 6(b), above, or otherwise) in the event that the Capacity Holder does not receive the full benefit of the Contracted Capacity as a result of either (i) its being limited in any of the circumstances specified in paragraph 5 of this Capacity Confirmation; (ii) the actual capacity made available to the Capacity Holder by the operation of Moyle’s automatic controls being greater than the Contracted Capacity; or (iii) the act or omission of the Capacity Holder.
- (d) No later than 5 Business Days after the end of each Payment Period, SONI shall send to Moyle a schedule (“**Static Reserve Schedule**”) which shall state:
- (i) the SONI Static Reserve Setting in each Trading Period, including details of any reduction in the available level of Static Reserve due to lack of capacity on the North-South Interconnector and the reasons for such lack of capacity on the North-South Interconnector;
 - (ii) the time and date of each Trigger Event;
 - (iii) the expected energy flow upon the occurrence of each Trigger Event;
 - (iv) details of the actual energy flow as a result of each Trigger Event; and
 - (v) the reason for any discrepancy between paragraphs (iii) and (iv), above.

- (e) For the purposes of this Capacity Confirmation and the Agreement to the extent that it is incorporated into this Capacity Confirmation, the Agreement shall be deemed to be amended as follows:
- (i) The final sentence of Recital (A) is deleted;
 - (ii) References to “Units” shall be read as references to “capacity” and references to “Units of Contracted Capacity” shall be read as references to “Contracted Capacity”;
 - (iii) SONI shall not be required to comply with clauses 4.1(a) and (e).
 - (iv) Clauses 4.4 to 4.9 (inclusive), 6.1 and 16.2 of the Agreement shall not apply; and
 - (v) For the purposes of Clause 5.2, Moyle shall invoice the Capacity Holder for Capacity Charges and other payments specified in Clause 5.1 within 5 Business Days of receipt of the Static Reserve Schedule. The Capacity Holder shall invoice Moyle in respect of any rebate arising pursuant to Clause 6(b) of this Capacity Confirmation at the same time as delivering the final Static Reserve Schedule following the end of the Capacity Period. If the Capacity Holder invoices Moyle in respect of a rebate, Moyle shall pay the invoice in accordance with the provisions of Clause 5.3, as if references to the Capacity Holder were references to Moyle and references to Moyle were references to the Capacity Holder.



PP. Paddy Larkin
Managing Director
for and on behalf of Moyle