
EXPLANATORY NOTE

(This note is not part of the Order)

This Order re-enacts the Electricity (Class Exemptions from the Requirements for a Licence) Order (Northern Ireland) 1999, with amendments. It continues to grant exemption from the requirements of Article 8(1)(a) of the Electricity (Northern Ireland) Order 1992 (the “Electricity Order”) (which prohibits the generation of electricity without a licence) and Article 8(1)(c) of the Electricity Order (which prohibits the supply of electricity to premises without a licence) to persons of particular classes. The class of persons who are exempt from the requirement to hold a licence to generate electricity is set out in Schedule 1 and the classes of persons who are exempt from the requirement to hold a licence to supply electricity to premises are set out in Schedule 3.

In addition to minor and drafting amendments, this Order makes the following changes of substance—

- (a) A new exemption from the requirement of Article 8(1)(bb) of the Electricity Order (which prohibits the distribution of electricity without a licence) is granted. The classes of persons who are exempt from the requirement to hold a licence to distribute electricity are set out in Schedule 2 to this Order and are as follows—
 - (i) persons who do not at any time distribute more electrical power than 2.5 megawatts for the purpose of giving a supply to domestic consumers or enabling a supply to be so given with that electrical power;
 - (ii) persons who do not at any time distribute from any distribution system more electrical power than one megawatt for the purpose of giving a supply to domestic consumers or enabling a supply to be so given with that electrical power provided that each domestic consumer receives the electrical power, disregarding stand-by electrical power, from a generating station embedded in the same distribution system as himself;
 - (iii) persons who do not at any time distribute electrical power for the purpose of giving a supply to domestic consumers or enabling a supply to be so given with that electrical power; and
 - (iv) persons who distribute electricity generated by an offshore generating station by means of a distribution system which is not used to convey electricity generated otherwise than by offshore generating stations and where those persons do not distribute electricity for the purpose of giving a supply to domestic premises.
- (b) The exemption from the requirement to hold a licence to distribute electricity is granted subject to compliance with the conditions specified in Schedule 4 to this Order. These include an obligation to give third party suppliers access to licence-exempt networks in order to enable customers connected to those networks to switch supplier; arrangements for connection in the context of the provision of such access; an obligation to submit methodologies for use of system charges to the Utility Regulator for approval; requirements relating to the preparation and separation of distribution account; and provisions relating to closed distribution systems.
- (c) The exemption from the requirement to hold a licence to supply electricity to premises is granted subject to compliance with the conditions specified in Schedule 5 to this Order. These include an obligation to enable customers, free of charge, to switch suppliers within three weeks (unless a debt in excess of £100.00 is owed to the existing supplier by

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the customer in specified circumstances or conditions in the contract with the existing supplier prevent this) and obligations regarding the conditions of customer contracts and the provision of the energy consumer checklist (published under Article 7(5) of the Energy (Northern Ireland) Order 2003) and other information to customers.