

ENERGY (NORTHERN IRELAND) ORDER 2003

S.I. 2003 No. 419 (N.I. 6)

EXPLANATORY MEMORANDUM

PURPOSE OF THE ORDER AND SUMMARY OF MAIN PROVISIONS

4. The Order addresses priority energy policy issues in Northern Ireland by:
- restructuring Northern Ireland’s current framework of regulatory and consumer representation institutions in the electricity and gas sectors;
 - creating a new regulatory Authority to take over the functions of the Director General of Gas for Northern Ireland and the Director General of Electricity Supply for Northern Ireland and giving it and the Department of Enterprise, Trade and Investment (“the Department”) new principal objectives and duties in exercising their respective functions in each sector;
 - increasing the functions and powers of the General Consumer Council for Northern Ireland to review and provide information concerning energy-related consumer matters and to investigate such matters;
 - facilitating the amendment of the licensing regime in both the electricity and gas sectors;
 - enhancing the enforcement powers of the Authority in relation to the breach by electricity and gas licence holders of their licence conditions and certain statutory obligations;
 - creating a power to impose on Northern Ireland electricity suppliers a “renewables obligation” to promote the generation and consumption of energy from renewable sources;
 - creating enabling provisions to implement the concept of “postalisation” of gas conveyance charges to facilitate the extension of the gas industry in Northern Ireland by a major gas infrastructure project. Postalisation is essential to enable this project to proceed; and
 - replacing transitional statutory provisions relating to energy payments by the Department with permanent statutory authority for the Department to make grants in the electricity and gas sectors.