## **EXPLANATORY NOTE**

(This note is not part of the Order.)

This Order provides for the coming into operation on 2nd March 2004 of the following provisions of the Energy (Northern Ireland) Order 2003 –

Article 22(10) contains the definitions of "enforcement function" and "regulated activities" for the purposes of the Article.

Article 32(1) and (2) gives the Department power to determine new standard conditions for gas conveyance licences.

Articles 36 and 37 amend the Electricity (Northern Ireland) Order 1992 and the Gas (Northern Ireland) Order 1996 to make the Competition Commission the ultimate decision maker in determining electricity or gas licence modifications.

Article 38 requires any relevant body which modifies any electricity or gas licence to have regard to the relevant European Directives concerning common rules for the internal market in electricity or gas.

Articles 39 and 40 give the Department power to alter licensable activities. Schedule 2 sets out the process and procedures to be followed for such purposes.

Article 41(1)(c) stipulates that Part VI of the Order (enforcement) has effect in relation to the enforcement of individual standards of performance prescribed under Article 42 of the Electricity (Northern Ireland) Order 1992.

Articles 45 to 50 introduce provisions which allow the Northern Ireland Authority for Energy Regulation to impose financial penalties on licence holders for contravening relevant conditions or requirements. They set out arrangements for the payment and recovery of such penalties and also include provision for appeal against the imposition of a penalty or its amount.

Article 51 gives the Authority powers to obtain documents and information in connection with the investigation of suspected contraventions.

Article 52(6) requires the Department to consult before making an order placing an obligation on suppliers to provide evidence of the supply of electricity from renewable sources.

Article 56 gives the Department power to amend by order the provisions in Articles 52 to 55 of the Energy (Northern Ireland) Order 2003 to take account of developments in Great Britain or to give effect to any European Community obligation.

Article 57(2) to (8) enables the Department to make orders to save non-fossil fuel orders (which established arrangements for the purchase of electricity from renewable sources) previously made under Article 35 of the Electricity (Northern Ireland) Order 1992 and to preserve, modify, replace or otherwise deal with arrangements made thereunder.

Consequential amendments and repeals effected by Schedules 3 and 5, and Article 65 in so far as it relates to them.