

Direction of the Northern Ireland Authority for Utility Regulation issued under Condition 14(9) of the licence granted, or treated as granted, to Power NI Energy Limited under Article 10(1)(c) of the Electricity (Northern Ireland) Order 1992.

To: Power NI Energy Limited, a body corporate registered in Northern Ireland under company number NI027394 (the **Licensee**)

WHEREAS –

- (A) The Licensee is the holder of an electricity supply licence (the **Licence**) which is granted, or treated as granted, under Article 10(1)(c) of the Electricity (Northern Ireland) Order 1992 and is subject to the conditions contained in that Licence.
- (B) Condition 14 of the Licence applies to the Licensee by virtue of it being in a dominant position in a market for the supply of electricity to Domestic Customers and therefore places obligations on the Licensee in relation to supplying or offering terms for the supply of electricity to Domestic Customers.
- (C) Paragraph 9 of Condition 14 of the Licence provides that the Northern Ireland Authority for Utility Regulation (the **Authority**) may, on the application of the Licensee and following consultation (if any) as the Authority may consider appropriate, issue directions relieving the Licensee of its obligations under Condition 14 in respect of such arrangements as specified in the direction.
- (D) The Licensee has requested the Authority to issue a direction relieving Power NI of its obligations under Condition 14 of the Licence in respect of the proposals set out and described in a document submitted the Licensee to the Authority entitled “Innovation projects – proposals for UR” and dated October 2020 (the **Innovation Projects Document**).
- (E) The Authority has had regard to the following facts and circumstances:
 - a. The Licensee's proposals are to carry out two (separate) time limited trials on a small subset of its Domestic Customers as outlined in the Innovation Products Document.
 - b. Each trial is to be limited to a small number (as outlined in the Innovation Products Document) of Domestic Customers supplied by the Licensee on its Economy 7 Tariff.
 - c. Any Domestic Customer participating in either trial will not be subject to increased charges as a consequence of participating in or an outcome of the trial.
 - d. The purpose of each trial is for the Licensee to:
 - i. understand and assess customer appetite and motivation for demand response products;

- ii. develop and refine demand response products through learning and adaptation from customer experiences;
 - iii. understand the drivers for consumer choice in relation to electricity supply services; and
 - iv. report to the Authority on the matters stated.
- e. The issue of a direction under paragraph 9 of Condition 14 would:
- i. facilitate the testing of new and innovative solutions and products on a small scale basis; and
 - ii. promote research into, and the development and use of, new techniques by or on behalf of the Licensee (in its capacity as a licensed electricity supplier).

(F) Accordingly, the Authority is satisfied that it is appropriate for it to exercise the power to issue such a direction to the Licensee in the terms set out below, for the purposes of Condition 14 of the Licence and in accordance with its principal objective and general duties under Article 12 of the Energy (Northern Ireland) Order 2003 (including in particular Articles 12(1), 12(5)(a), 12(5)(d) and 12A(5A)(b) of that Order).

NOW –

- 1) The Authority hereby directs in accordance with paragraph 9 of Condition 14 of the Licence that the Licensee is relieved from its obligations under paragraphs 2, 3 and 4 of Condition 14 of the Licence in respect of the supply of electricity to those Domestic Customers of the Licensee that participate in either of the two trials outlined in the Innovation Products Document.
- 2) This direction shall, in respect of any Domestic Customer, apply only for the period that the Domestic Customer is a participant in the relevant trial.
- 3) This direction is subject to the condition that, in combination, the two trials shall not have more than 100 participants.
- 4) This direction shall take effect on 5 February 2021 and shall continue in force for a period of 12 months thereafter.

Words and expressions used in this direction which are defined in the Licence shall have the same meanings in this direction as they are given in the Licence.



Authorised on behalf of the Authority

4 February 2021