

The Company Secretary
Solarplicity
1st Floor, Batchworth Lock
House,
99 Church Street,
Rickmansworth, Hertfordshire,
WD3 1JJ

Date: 29 March 2018

Dear Sir/Madam

Prepayment charge restriction: Directions for alternative compliance assessment

This letter sets out the decision of the Gas and Electricity Markets Authority (the **"Authority"**; **"we"**; **"our"**) to issue Solarplicity Supply Limited (company number 08053210; the **"Licensee"**) a temporary direction pursuant to standard licence conditions (**"SLC"**) 28A.21 and 28A.22 of its electricity supply licence.

The direction is attached to this letter and will be published on our website. It is effective from 1 April 2018 until 30 September 2018 (subject to certain conditions explained below) unless revoked earlier or varied in writing by the Authority. Any change in circumstances relevant to the direction must be reported to the Authority as soon as possible.

This letter constitutes the notice, under section 49A of the Electricity Act 1989, of the reasons for the Authority's decision to issue the attached directions. Capitalised terms used in this letter, which are not defined herein, have the meaning given to them in the standard licence conditions of the electricity supply licence.

Background to the Direction request

The Authority received a written application from the Licensee on 1 December 2017 for a direction concerning the compliance of an electricity Prepayment Tariff with the Prepayment Charge Restriction. The Licensee will be offering the Tariff to a small number of customers (around 40). The relevant Tariff is a variable tariff and does not have a Standing Charge; the structure of the Tariff is such that the Charges for Supply Activities at certain consumption levels would exceed the Relevant Maximum Charge.

The Authority's decision

Based on the information provided by the Licensee, and having regard to our principle objective and statutory duties, we have decided to issue the requested direction for the following reasons:

A small number of customers that are affected overall, with a significant proportion of these expected to have a consumption level below that which would cause them to incur Charges for Supply Activities in excess of the Relevant Maximum Charge.

Where it is the case that the Licensee determines that any Relevant Customer has incurred Charges for Supply Activities in excess of the Relevant Maximum Charge, it

must, *inter alia*, pay a rebate to, or credit the account of, each such Relevant Customer in accordance with SLC 28A.22.

Yours faithfully,

Anthony Pygram

Partner, Consumers and Competition

Signed on behalf of the Authority and authorised for that purpose

ATTACHMENT 1: Electricity Supply Licence

The Company Secretary
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Solarplicity
1st Floor, Batchworth Lock House,
99 Church Street, Rickmansworth, Hertfordshire, WD3 1JJ

Direction issued to Solarplicity Supply Limited (company number 08053210; the “Licensee”) by the Gas and Electricity Markets Authority (the “Authority”)

1. The Authority issues this temporary direction pursuant to Standard Licence Condition (“SLC”) 28A.21 and SLC 28A.22 of the electricity supply licence granted under section 6(1)(d) of the Electricity Act 1989 to the Licensee in respect of the Licensee’s proposed electricity prepayment tariff (Relevant Tariff).

2. Capitalised terms used in this Direction which are not defined in this Direction shall have the meaning given to them in the standard conditions of electricity supply licences.

3. The Authority directs that the compliance provisions of SLC 28A.22 shall apply in respect of the Relevant Tariff instead of the *ex ante* compliance mechanism described in SLC 28A.2. Accordingly, the notification and rebate requirements of SLC 28A.22 which shall apply in respect of the Relevant Tariff in the event that the Licensee determines that any Relevant Customer on the Relevant Tariff has incurred Charges for Supply Activities in excess of the Relevant Maximum Charge.

4. The considerations and rationale of the Authority’s decision are set out in the accompanying letter to the Licensee, dated 29 March 2018.

5. The Licensee is required to report any change of circumstances relevant to this direction to the Authority without delay.

6. This Direction shall be effective from 1 April 2018 and shall remain in force until and including 30 September 2018, unless revoked earlier or varied in writing by the Authority.

Dated: 29 March 2018

Anthony Pygram

Partner, Consumers and Competition

Signed on behalf of the Authority and authorised for that purpose.