

EXPLANATORY NOTES

ENERGY ACT 2004

INTRODUCTION

OVERVIEW

TERRITORIAL EXTENT AND TERRITORIAL APPLICATION

Scotland

Wales

Northern Ireland

THE ACT

PART 1: THE CIVIL NUCLEAR INDUSTRY SUMMARY AND BACKGROUND

Chapters 1 and 2: Nuclear Decommissioning and Transfers Relating to Nuclear Undertakings

Chapter 3: Civil Nuclear Constabulary

Chapter 4: Authorisations Relating to Radioactive Waste

Chapter 5: Miscellaneous Provisions Relating to Nuclear Industry

Nuclear Liability

Nuclear Security

Authorisation of Government expenditure

Option to purchase BE's nuclear stations from third party

Option for the Secretary of State to acquire BE's shares in Nirex

COMMENTARY ON SECTIONS

Chapter 1: Nuclear Decommissioning

Section 1: The Nuclear Decommissioning Authority

Section 2 and Schedule 1: Constitution of NDA

Section 3: Designated responsibilities

These notes refer to the Energy Act 2004 (c.20)

- Section 4: Additional responsibilities under designating directions
- Section 5: Supplemental provisions of designating directions
- Section 6: Designations relating to Scotland
- Section 7: Supplemental functions
- Section 8: Special functions in relation to pensions etc.
- Section 9: General duties when carrying out functions
- Section 10: Powers for carrying out functions
- Section 11 and Schedule 2: Strategy for carrying out functions
- Section 12: Contents of strategy
- Section 13 and Schedule 3: Annual plans
- Section 14: Annual reports
- Section 15: Duty to decommission and clean up installations and sites
- Section 16: Duties to operate installations and provide treatment, etc
- Section 17: Duty to use installations etc for purposes of NDA
- Section 18: Directions by NDA to the person with control
- Section 19: Designation as a related site for the purpose of section 18
- Section 20: Duty to comply with directions under section 18
- Section 21: Financial responsibilities of NDA
- Section 22: Expenditure and receipts of NDA
- Section 23: Borrowing by the NDA
- Sections 24 and 25: Limit on NDA borrowing and Government guarantees for NDA borrowing
- Section 26: Accounts of NDA
- Section 27 and Schedule 4: Tax exemption for NDA activities
- Section 28: Taxation of NDA activities chargeable under Case VI of Schedule D
- Section 29: Disregard for tax purposes of cancellation etc of provisions
- Section 30: Disregard for tax purposes of provisions recognised by NDA
- Section 31: Establishment and maintenance of the Account
- Section 32: Examination of the Account
- Section 33: Validity of transactions

Section 34: Amendment of Schedule 12 to Electricity Act 1989

Section 35: Power to modify Chapter 1 of Part 1

Section 36: Meaning of “nuclear site” etc and “person with control”

Section 37: General interpretation of Chapter 1 of Part 1

Chapter 2: Transfers Relating to Nuclear Undertakings

Section 38 and Schedule 5: Nuclear transfer schemes

Section 39 and Schedule 6: Transfers of publicly owned assets

Section 40: Transfers with the consent of the transferor

Section 41: Recovery of property from private ownership

Section 42: Transfer of Nuclear Liabilities Investment Portfolio

Section 43: Undertakings given by the Secretary of State

Section 44: Extinguishment of BNFL losses for tax purposes

Section 45 and Schedule 7: Further provisions applying to transferee companies

Section 46 and Schedule 8: Pensions

Section 47 and Schedule 9: Taxation

Section 48: Supplementary powers of the Secretary of State, the NDA and UKAEA

Section 49: Duty to assist the Secretary of State

Section 50: Interpretation of Chapter 2 of Part 1

Chapter 3: Civil Nuclear Constabulary

Section 51 and Schedule 10: The Civil Nuclear Police Authority

Section 52: The Civil Nuclear Constabulary

Section 53 and Schedule 11: Chief Constable and other senior officers

Section 54: Functions of senior officers

Section 55: Members of the Constabulary

Section 56: Jurisdiction of Constabulary

Section 57: Stop and search under Terrorism Act 2000

Section 58: Government, administration and conditions of service

Section 59: Members of the Constabulary serving with other forces

Section 60: Charges

Section 61 and Schedule 12: Planning and reports

Section 62: Inspection

Section 63 and Schedule 13: Supervision by Secretary of State

Section 64: Civil Nuclear Police Federation

Section 65: Rank - related associations

Section 66: Representation at certain disciplinary proceedings

Section 67: Trade union membership

Section 68: Application of offences etc applying to constables

Section 69 and Schedule 14: Minor amendments relating to the Constabulary

Section 70: Nuclear transfer scheme for UKAEA Constabulary

Chapter 4: Authorisations Relating to Radioactive Waste

Section 72: Transfer of authorisations

Section 73: Applications for variation of authorisations

Section 74: Periodic reviews of authorisations

Section 75 and Schedule 15: Consequential amendments of the 1993 Act

Chapter 5: Miscellaneous Provisions Relating to Nuclear Industry

Section 76: Amendment for giving effect to international obligations

Section 77: Regulation of equipment, software and information

Section 78: Application of the 1965 Act to Northern Ireland

Section 79: Expenditure on nuclear related matters

Section 80: Additional functions of UKAEA

PART 2: SUSTAINABILITY AND RENEWABLE ENERGY SOURCES SUMMARY AND BACKGROUND

Chapter 1: Sustainable Energy

Chapter 2: Offshore production of energy and Chapter 3: Decommissioning of offshore installations

Chapter 4: Renewables Obligations relating to Electricity

Chapter 5: Renewable transport fuel obligations

COMMENTARY ON SECTIONS

PART 2: SUSTAINABILITY AND RENEWABLE ENERGY SOURCES

Chapter 1: Sustainable Energy

Section 81: Reports under section 1 of the Sustainable Energy Act 2003

Section 82: Microgeneration

Section 83: Sustainable development

Chapter 2: Offshore Production of Energy

Section 84: Exploitation of areas outside the territorial sea for energy production

Section 85: Application of criminal law to renewable energy installations

Section 86: Prosecutions

Section 87: Application of civil law to renewable energy installations

Section 88: Orders in Council under sections 85 and 87

Section 89: Activities offshore requiring 1989 Act licences

Section 90: Modification of licence conditions for offshore transmission and distribution

Section 91: Extension of transmission licences offshore

Section 92: Competitive tenders for offshore transmission licences

Section 93: Consents for generating stations offshore

Section 94: Application of regulations under 1989 Act offshore

Sections 95 to 98: Safety zones for installations

Sections 99 and 100: Navigation and public rights of navigation

Section 101: Application of civil aviation regulations to renewable energy installations

Section 103: Other amendments consequential on Chapter 2 of Part 2

Chapter 3: Decommissioning of Offshore Installations

Section 105: Requirement to prepare decommissioning programmes

Sections 106 and 107: Approval of decommissioning programmes and failure to submit or rejection of decommissioning programmes

Section 108: Reviews and revisions of decommissioning programmes

Section 109: Carrying out of decommissioning programmes and section 110: Default in carrying out decommissioning programmes

Chapter 4: Renewables Obligations Relating to Electricity

Section 115: Discharge of renewables obligation in Great Britain by payment

These notes refer to the Energy Act 2004 (c.20)

Section 116: Issue of green certificates in Great Britain

Section 117: Use of green certificates issued in Northern Ireland

Section 118: Distributions to Northern Ireland suppliers

Section 120: Issue of green certificates in Northern Ireland

Section 121: GEMA's power to act on behalf of Northern Ireland regulator

Section 122: Consultation in relation to Northern Ireland renewables orders

Section 123: Modification of conditions of Northern Ireland electricity licenses

Chapter 5: Renewable Transport Fuel Obligations

Section 124: Imposition of renewable transport fuel obligations

Section 125: The Administrator

Section 126: Determinations of amounts of transport fuel

Section 127: Renewable transport fuel certificates

Section 128: Discharge of obligation by payment

Section 129: Imposition of civil penalties

Section 130: Objections to civil penalties

Section 131: Appeals against civil penalties

Section 132: Interpretation

PART 3: ENERGY REGULATION SUMMARY AND BACKGROUND

Chapter 1: Electricity Trading and Transmission

England and Wales

Scotland

Europe

Main provisions

Chapter 2: Interconnectors for Electricity and Gas

Chapter 3: Special Administration Regime for Energy licensees

Chapter 4: Further Provisions about Regulation

Annual report on security of energy supplies

Appeals from GEMA decisions

Meaning of electricity supply

Meaning of “high voltage line”

Prepayment meters

Inquiries under sections 36 and 37 of the 1989 Act

Exclusion of confidential information from the Register

Assistance for areas with high distribution costs

Payments into the Scottish Consolidated Fund

COMMENTARY ON SECTIONS

Chapter 1: Electricity Trading and Transmission

Section 133: “New trading and transmission arrangements”

Section 134: Power to modify licence conditions

Section 135: Alteration of transmission activities requiring licence

Section 136: Transmission licences

Section 137: New standard conditions for transmission licences

Section 138 and Schedule 17: Conversion of existing transmission licences

Section 139: Grant of transmission licences

Section 141 and Schedule 18: Property arrangements scheme

Section 143 and Schedule 19: Amendments consequential on Chapter 1 of Part 3

Chapter 2: Interconnectors for Electricity and Gas

Sections 145 to 148: licensing of electricity interconnectors

Sections 149 to 153: Gas interconnectors

Chapter 3: Special Administration Regime for Energy Licensees

Section 154: Energy administration orders

Section 155: Objective of an energy administration

Section 156: Applications for energy administration orders

Section 157: Powers of court

Section 158: Energy administrators

Section 159 and Schedules 20 and 21: Conduct of energy administration, transfer schemes etc

Section 160 to 164: Restrictions

Section 160: Restrictions on winding-up orders

Section 161: Restrictions on voluntary winding-up

Section 162: Restrictions on making of ordinary administration orders

Section 163: Restrictions on administrator appointments by creditors etc.

Section 164: Restrictions on enforcement of security

Section 165: Grants and loans

Section 166: Indemnities

Section 167: Guarantees where energy administration order is made

Sections 168 to 169: Licence modifications relating to energy administration

Section 168: Modifications of particular or standard conditions

Section 169: Licence conditions to secure funding of energy administration

Section 170: Modification of Chapter 3 of Part 3 under Enterprise Act 2002

Section 171: Interpretation of Chapter 3 of Part 3

Chapter 4: Further Provisions about Regulation

Section 172: Annual report on security of energy supplies

Section 173: Appeals to the Competition Commission

Section 174 and Schedule 22: Procedure on appeals

Section 175: Determination of appeals

Section 176: Specialist members of Competition Commission

Section 177: Modifications of standard conditions for funding appeals and references

Section 178: Duty to have regard to best regulatory practice

Section 179: Meaning of electricity supply

Section 180: Meaning of “high voltage line”

Section 181: Prepayment meters

Section 182: Additional inspectors

Section 183: Exclusion of confidential information from registers

Section 184: Assistance for areas with high distribution costs

Section 185: Adjustment of transmission charges

Section 186: Restrictions on disclosure of information

Section 187: Payments of sums raised by fossil fuel levy

PART 4: MISCELLANEOUS AND SUPPLEMENTAL

Section 188: Imposition of charges

Section 189: International agreements relating to pipelines and offshore installations

Sections 190 and 191: Application of general duties to Part 3 functions etc and Supplementary provision about licence condition powers

Section 192: Service of notifications and other documents in electronic form

Section 197: Repeals

SCHEDULES

Schedule 1: The Nuclear Decommissioning Authority

Schedule 2: Procedural requirements applicable to NDA’s Strategy

Schedule 3: Procedural requirements applicable to NDA’s annual plans

Schedule 4: Supplemental taxation provisions for exempt activities

Schedule 5: Supplementary provisions about nuclear transfer schemes

Schedule 6: Structure etc of the transferee companies

Schedule 7: Finance and accounts of transferee companies

Schedule 8: Pensions

Schedule 9: Taxation provisions relating to nuclear transfer schemes

PART 1 – TRANSFERS TO THE NDA OR A SUBSIDIARY OF THE NDA

PART 2 – OTHER TRANSFERS RELATING TO BNFL OR THE UKAEA ETC

PART 3 – TRANSFERS RELATING TO RELEVANT SITE LICENSEES

PART 4 – TRANSFER OF NUCLEAR LIABILITIES INVESTMENT PORTFOLIO

PART 5 – STAMP DUTY ETC

PART 6 – SUPPLEMENTAL PROVISIONS OF SCHEDULE 9

Schedule 10: The Civil Nuclear Police Authority

Schedule 11: Removal and suspension of senior officers of Constabulary

Schedule 12: Planning and reports about Constabulary

Schedule 13: Directions by Secretary of State about Constabulary

Schedule 14: Minor amendments relating to Constabulary

Schedule 15: Amendments of 1993 Act

Schedule 16: Applications and proposals for notices under section 95

Schedule 17: Conversion of existing transmission licences: licensing scheme

Schedule 18: Property arrangements schemes

Schedule 19: Consequential amendments relating to Chapter 1 of Part 3

Schedule 20: Conduct of energy administration

Schedule 21: Energy transfer schemes

Schedule 22: Procedure for appeals under section 173

Application for permission to bring an appeal

Addition of persons to application

Suspension of decision

Time limit for representations and observations by GEMA

Consideration and determination of appeal by group

Timetable for determination of appeal

Matters to be considered on appeal

Production of documents

Oral hearings

Written Statements

Defaults in relation to evidence

Procedural Rules

Costs

The Secretary of State's power to modify time limits

Schedule 23: Repeals

COMMENCEMENT

Hansard References