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**Changes to legislation:** Energy Act 2004, SCHEDULE 18 is up to date with all changes known to be in force on or before 19 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## SCHEDULES

### SCHEDULE 18 **E+W+S**

Section 141

#### PROPERTY ARRANGEMENTS SCHEMES

##### *Scheme-making power*

- 1 (1) GEMA may, on application, make a scheme providing for—
- (a) the transfer to the system operator of, or
  - (b) the creation in favour of the system operator of any rights in relation to, property, rights or liabilities of an existing transmission licence holder.
- (2) A scheme under sub-paragraph (1) (“a property arrangements scheme”) may also contain—
- (a) provision for the creation, in relation to property which the scheme transfers, of an interest in or right over the property in favour of the relevant existing transmission licence holder;
  - (b) provision for the creation of any rights or liabilities as between the relevant existing transmission licence holder and the system operator;
  - (c) provision for imposing on the relevant existing transmission licence holder or the system operator an obligation to enter into a written agreement with, or to execute an instrument of another kind in favour of, the other;
  - (d) supplemental, incidental and consequential provision.
- (3) The property, rights or liabilities which may be transferred by a property arrangements scheme include property, rights or liabilities which would not otherwise be capable of being transferred.
- (4) If a property arrangements scheme provides for the division of an estate or interest in land and any rent is—
- (a) payable in respect of the estate or interest under a lease, or
  - (b) charged on the estate or interest,
- the scheme may contain provision for apportionment or division so that one part is payable in respect of, or charged on, only one part of the estate or interest and the other part is payable in respect of, or charged on, only the other part of the estate or interest.
- (5) A property arrangements scheme that contains provision which adversely affects a third party may also contain provision requiring the system operator or the relevant existing transmission licence holder to pay the third party compensation.

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#### **Commencement Information**

**II** Sch. 18 para. 1 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

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### *Applications for schemes*

- 2 (1) An application for the making of a property arrangements scheme may be made by—
- (a) the system operator, or
  - (b) the relevant existing transmission licence holder.
- (2) No application for a property arrangements scheme may be made after the end of the period of three months beginning with the day on which section 141 comes into force.
- (3) An application for a property arrangements scheme shall specify the property, rights or liabilities in relation to which provision of a kind mentioned in paragraph 1(1) is proposed to be included in the scheme.

#### **Commencement Information**

**I2** Sch. 18 para. 2 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

### *GEMA's functions in relation to applications*

- 3 (1) On an application for the making of a property arrangements scheme, GEMA shall, in relation to any property, rights or liabilities in respect of which the application proposes provision of a kind mentioned in paragraph 1(1), determine whether provision of such a kind is, in relation to that property, or those rights or liabilities, necessary or expedient for implementation purposes.
- (2) Sub-paragraph (1) does not apply if the system operator and the relevant existing transmission licence holder agree that provision of a kind mentioned in paragraph 1(1) is, in relation to the property, rights or liabilities concerned, necessary or expedient for implementation purposes.
- (3) If GEMA determines under sub-paragraph (1) that provision of a kind mentioned in paragraph 1(1) is not, in relation to any property, rights or liabilities, necessary or expedient for implementation purposes, it shall refuse the application in relation to that property, or those rights or liabilities.
- (4) If—
- (a) GEMA determines under sub-paragraph (1) that provision of a kind mentioned in paragraph 1(1) is, in relation to any property, rights or liabilities, necessary or expedient for implementation purposes, or
  - (b) the system operator and the relevant existing transmission licence holder agree that that is the case,
- GEMA shall, subject to paragraph 4(2), make a property arrangements scheme in relation to that property, or those rights or liabilities.

#### **Commencement Information**

**I3** Sch. 18 para. 3 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 4 (1) Subject to the following provisions of this paragraph, where GEMA is required to make a property arrangements scheme, the terms of the scheme shall be such as the system operator and the relevant existing transmission licence holder may agree or, if they fail to agree, as GEMA may determine.

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- (2) GEMA may not include in a property arrangements scheme provision which would adversely affect a third party unless it determines that it is necessary or expedient for implementation purposes for the provision to be made.
- (3) Where GEMA does include in a property arrangements scheme provision which would adversely affect a third party, GEMA shall determine whether the scheme should include provision for compensation and, if so, what that provision should be.
- (4) A property arrangements scheme shall not provide for any provision to come into operation before the end of the period of 21 days beginning with the day on which the scheme is made.

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**Commencement Information**

**I4** Sch. 18 para. 4 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 5 (1) A determination under paragraph 4, so far as relating to any financial matter, shall be made on the basis of what is just in all the circumstances of the case.
- (2) A determination under paragraph 4, so far as relating to any other matter, shall be made on the basis of what appears to GEMA to be appropriate in all the circumstances of the case having regard, in particular, to what is necessary or expedient for implementation purposes.

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**Commencement Information**

**I5** Sch. 18 para. 5 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 6 GEMA may require any of the following persons to give it information and assistance in connection with the making of a determination under this Schedule—
  - (a) the system operator,
  - (b) any existing transmission licence holder, and
  - (c) any person who makes representations to GEMA about the application to which the determination relates.

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**Commencement Information**

**I6** Sch. 18 para. 6 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 7 GEMA may engage such consultants as it thinks fit for the purpose of advising it in relation to the making of a determination under this Schedule.

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**Commencement Information**

**I7** Sch. 18 para. 7 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

*Effect of property arrangements scheme*

- 8 A property arrangements scheme shall, by virtue of this paragraph, have effect according to its terms.

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**Commencement Information**

**I8** Sch. 18 para. 8 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 9 (1) A transaction of any description effected by or under a property arrangements scheme shall have effect subject to the provisions of any enactment which provides for transactions of that description to be registered in any statutory register.
- (2) Subject to sub-paragraph (1), a transaction of any description effected by or under a property arrangements scheme shall be binding on all persons, notwithstanding that it would, apart from this provision, have required the consent or concurrence of any person.

**Commencement Information**

**I9** Sch. 18 para. 9 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

*Review of determinations*

- 10 (1) Any person aggrieved by a determination of GEMA under this Schedule may apply to the Competition Appeal Tribunal for a review of the determination.
- (2) Subject to sub-paragraph (3), no application under sub-paragraph (1) may be made after the end of the period of 7 days beginning with the day on which the determination is made.
- (3) Where GEMA has made a property arrangements scheme, an application under sub-paragraph (1) may be made in respect of a determination relating to the scheme at any time before the end of the period of 7 days beginning with the day on which the scheme is made.
- (4) On an application under sub-paragraph (1), the Competition Appeal Tribunal may—
- (a) dismiss the application, or
  - (b) make an order substituting its own determination.

**Commencement Information**

**I10** Sch. 18 para. 10 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 11 (1) This paragraph applies where—
- (a) the Competition Appeal Tribunal makes an order under paragraph 10(4)(b), and
  - (b) GEMA has not made a property arrangements scheme in relation to the property, rights or liabilities concerned.
- (2) The Tribunal may include in the order provision requiring GEMA to make a property arrangements scheme in relation to that property, or those rights or liabilities.
- (3) Where paragraph 4 applies because of provision under this paragraph, anything the Tribunal has determined shall be treated for the purposes of that paragraph as determined by GEMA.

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#### Commencement Information

**I11** Sch. 18 para. 11 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 12 (1) This paragraph applies where—
- (a) the Competition Appeal Tribunal makes an order under paragraph 10(4)(b),
  - (b) GEMA has made a property arrangements scheme in relation to the property, rights or liabilities concerned, and
  - (c) the scheme has not come into operation.
- (2) Where the Tribunal's determination is that provision of the kind mentioned in paragraph 1(1) is not, in relation to the property, rights or liabilities concerned, necessary or expedient for implementation purposes, it may include in the order provision quashing the scheme.
- (3) In any other case, the Tribunal may include in the order—
- (a) provision for the scheme to have effect with such amendments with respect to any matter dealt with by GEMA's determination as it thinks fit, and
  - (b) to the extent that GEMA's determination dealt with any financial matter, provision requiring GEMA to redetermine the matter in accordance with the order and to amend the scheme accordingly.

#### Commencement Information

**I12** Sch. 18 para. 12 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 13 (1) This paragraph applies where—
- (a) the Competition Appeal Tribunal makes an order under paragraph 10(4)(b),
  - (b) GEMA has made a property arrangements scheme in relation to the property, rights or liabilities concerned, and
  - (c) the scheme has come into operation.
- (2) The Tribunal may include in the order such provision as it thinks fit for the purpose of doing justice between—
- (a) the system operator,
  - (b) the relevant existing transmission licence holder, and
  - (c) any third party adversely affected by the scheme,
- in the light of its determination.
- (3) Without prejudice to the generality of sub-paragraph (2), the Tribunal may include in the order—
- (a) provision for retransfer,
  - (b) provision for the surrender or extinction of rights, and
  - (c) provision for the payment of compensation.

#### Commencement Information

**I13** Sch. 18 para. 13 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

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- 14 An order under paragraph 10(4)(b) may include provision for the award of interest at such rate and for such period as the Competition Appeal Tribunal thinks fit.

**Commencement Information**

**I14** Sch. 18 para. 14 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 15 Section 120(6) to (8) of the Enterprise Act 2002 (c. 40) (appeal with leave on point of law from decision of Competition Appeal Tribunal to Court of Appeal or Court of Session) shall apply in relation to decisions of the Tribunal under this Schedule as they apply in relation to decisions under that section.

**Commencement Information**

**I15** Sch. 18 para. 15 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

*Interim arrangements pending review of determination*

- 16 (1) This paragraph applies where—
- (a) a person makes an application under paragraph 10(1) for the review of a determination, and
  - (b) GEMA has not made a property arrangements scheme in relation to the property, rights or liabilities to which the determination relates.
- (2) The Competition Appeal Tribunal may on application by the system operator or the relevant existing transmission licence holder make such interim arrangements as it thinks fit with respect to the property, rights or liabilities concerned.
- (3) Without prejudice to the generality of sub-paragraph (2), the power under that sub-paragraph includes, in particular, power to make provision for the system operator to have access to, or otherwise to enjoy the benefit of, any of the property or rights concerned for such period, and on such terms, as the Tribunal thinks fit.
- (4) No application under sub-paragraph (2) may be made after the end of the period of 7 days beginning with the day on which the application under paragraph 10(1) is made.

**Commencement Information**

**I16** Sch. 18 para. 16 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 17 (1) This paragraph applies where—
- (a) a person makes an application under paragraph 10(1) for the review of a determination, and
  - (b) GEMA has made a property arrangements scheme in relation to the property, rights or liabilities to which the determination relates.
- (2) The Competition Appeal Tribunal may on application by—
- (a) the system operator,
  - (b) the relevant existing transmission licence holder, or
  - (c) a third party who is adversely affected by any provision of the scheme,

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make such interim arrangements as it thinks fit with respect to the property, rights or liabilities concerned.

- (3) Without prejudice to the generality of sub-paragraph (2), the power under that sub-paragraph includes, in particular, power—
- (a) to make provision postponing or suspending the operation of any provision of the scheme for such period, and on such terms, as the Tribunal thinks fit;
  - (b) to make provision for the system operator to have access to, or otherwise to enjoy the benefit of, any of the property or rights concerned for such period, and on such terms, as the Tribunal thinks fit.
- (4) No application under sub-paragraph (2) may be made after the end of the period of 7 days beginning with the day on which the application under paragraph 10(1) is made.

**Commencement Information**

**I17** Sch. 18 para. 17 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 18 In exercising its powers under paragraph 16 or 17, the Competition Appeal Tribunal shall have regard, in particular, to what is necessary or expedient for implementation purposes.

**Commencement Information**

**I18** Sch. 18 para. 18 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 19 Paragraphs 16 and 17 are without prejudice to any powers of the Competition Appeal Tribunal to make orders on an interim basis under rules under section 15 of the Enterprise Act 2002 (c. 40).

**Commencement Information**

**I19** Sch. 18 para. 19 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 20 (1) If an order under paragraph 16 or 17 is registered in England and Wales in accordance with rules of court or any practice direction, it shall be enforceable as an order of the High Court.
- (2) An order under paragraph 16 or 17 may be recorded for execution in the Books of Council and Session and shall be enforceable accordingly.
- (3) Subject to rules of court or any practice direction, an order under paragraph 16 or 17 may be registered or recorded for execution by a person entitled to any right under the interim arrangements for which the order makes provision.
- (4) Sub-paragraphs (1) to (3) apply to an order on an interim basis made under rules under section 15 of the Enterprise Act 2002 in connection with an application under paragraph 10(1) as they apply to an order under paragraph 16 or 17.

**Commencement Information**

**I20** Sch. 18 para. 20 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

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### Supplementary

- 21 The Secretary of State may by order designate the holder of a transmission licence as the system operator for the purposes of this Schedule.

**Commencement Information**

**I21** Sch. 18 para. 21 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 22 An application under this Schedule is not allowed to be made orally.

**Commencement Information**

**I22** Sch. 18 para. 22 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2

- 23 (1) In this Schedule—
- “existing transmission licence” means a transmission licence which is in force immediately before the day on which section 136 comes into force;
  - “implementation purposes” means the purposes of implementing the new trading and transmission arrangements in accordance with the timetable for implementation for the time being published by GEMA;
  - “property arrangements scheme” has the meaning given by paragraph 1(2);
  - “relevant existing transmission licence holder”, in relation to a property arrangements scheme, or an application for such a scheme, means the existing transmission licence holder to whose property, rights or liabilities the scheme, or application, relates;
  - “system operator” means the person designated under paragraph 21;
  - “third party”, in relation to a property arrangements scheme, means a person other than the system operator or the relevant existing transmission licence holder.
- (2) For the purposes of this Schedule, a provision of a property arrangements scheme adversely affects a third party if—
- (a) his consent or concurrence would be required to the making of the provision otherwise than by means of the scheme, and
  - (b) he does not consent to the making of the provision by means of the scheme.

**Commencement Information**

**I23** Sch. 18 para. 23 in force at 1.9.2004 by S.I. 2004/2184, art. 2(2), Sch. 2



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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 137(3)(c)-(e) inserted by [2011 c. 16 s. 117\(b\)](#)
- s. 173(2C) inserted by [2023 c. 52 Sch. 14 para. 10](#)
- Sch. 22 para. 4(1A) inserted by [2023 c. 52 Sch. 14 para. 11\(2\)\(b\)](#)