



Climate Change and Sustainable Energy Act 2006

2006 CHAPTER 19

Microgeneration

4 National targets for microgeneration

- (1) The Secretary of State must, during the period beginning with 1st November 2008 and ending with 31st March 2009—
 - (a) designate one or more national microgeneration targets, and
 - (b) publish a statement of that fact together with a copy of the target or targets.
- (2) But subsection (1) does not apply unless on 1st November 2008 the Secretary of State considers that it would be appropriate to designate one or more targets under that subsection.
- (3) For the purposes of this section, a national microgeneration target is a target in respect of—
 - (a) the number of microgeneration systems installed in England and Wales, and
 - (b) the number of electricity microgenerating systems installed in Scotland, as at a date specified in the target (“the target date”).
- (4) The matters to which the Secretary of State must have regard in determining whether subsection (1) applies include, in particular—
 - (a) the number of microgeneration systems installed in England and Wales,
 - (b) the number of electricity microgenerating systems installed in Scotland,
 - (c) the strategy published under section 82 of the Energy Act 2004 (c. 20) (microgeneration), and
 - (d) the results of any research carried out into the effect that designating a target under subsection (1) could be expected to have on the number of microgeneration systems that are installed in England and Wales, and the number of electricity microgenerating systems that are installed in Scotland, by the target date.

- (5) If a target is designated under subsection (1), the Secretary of State must take reasonable steps to secure that the target is met.
- (6) If the Secretary of State does not designate a target under subsection (1) he shall publish forthwith a statement of his reasons.
- (7) At any time before the target date, the Secretary of State may review a target and, if he considers it appropriate to do so, revise the target.
- (8) If under subsection (7) the Secretary of State revises a target—
- (a) he must publish a statement of that fact together with a copy of the revised target, and
 - (b) the revised target is treated for the purposes of subsection (5) and section 5 as a target designated under subsection (1) (in place of the target which has been revised).
- (9) In this section—
- “electricity microgenerating system” means a microgeneration system for generating electricity;
- “microgeneration system” means any plant or system of plant for generating electricity or producing heat—
- (a) which, in generating electricity or (as the case may be) producing heat, relies wholly or mainly on a source of energy or a technology mentioned in subsection (7) of section 82 of the Energy Act 2004 (c. 20), and
 - (b) whose capacity to generate electricity or (as the case may be) to produce heat does not exceed the capacity mentioned in subsection (8) of that section;
- “plant” includes any equipment, apparatus or appliance.

5 National microgeneration targets: modification of section 1 of the Sustainable Energy Act 2003

- (1) This section applies if a target is designated under section 4.
- (2) Section 1 of the Sustainable Energy Act 2003 (c. 30) (annual reports on progress towards sustainable energy aims) applies in relation to every relevant sustainable energy report as if after subsection (1B) there were inserted—
- “(1BA) The report must also include such information as the Secretary of State considers appropriate about things done during the reporting period for the purpose of meeting any target designated under section 4 of the Climate Change and Sustainable Energy Act 2006 (national targets for microgeneration).”,
- and as if, in subsection (1C), for “subsection (1A)” there were substituted “subsections (1A) and (1BA)”.
- (3) For the purposes of this section—
- (a) a sustainable energy report is a relevant sustainable energy report in relation to a target designated under subsection (1) of section 4 if the reporting period to which the report relates includes the period, or any part of the period, to which the target relates,

- (b) a target designated under subsection (1) of that section relates to the period beginning when it is designated and ending with the target date (within the meaning of that section),
- (c) “reporting period”, in relation to a sustainable energy report, has the meaning given by section 1 of the Sustainable Energy Act 2003, and
- (d) “sustainable energy report” means a sustainable energy report which is required to be published under that section.

6 Reports under section 1 of the Sustainable Energy Act 2003: microgeneration

In section 1(1A) of the Sustainable Energy Act 2003 (c. 30) (annual reports on progress towards sustainable energy aims)—

- (a) omit “and” at the end of paragraph (b), and
- (b) at the end of paragraph (c) insert “; and
- (d) things done during that period for the purpose of implementing the strategy for the promotion of microgeneration in Great Britain published under section 82 of the Energy Act 2004.”

7 Sale of electricity generated by microgeneration: power to modify distribution and supply licences etc

- (1) Where the Secretary of State considers it appropriate to do so for the purpose of increasing the amount of the electricity consumed in Great Britain that is generated by microgeneration, he may make—
 - (a) relevant modifications of the conditions of a distribution licence or a supply licence held by a particular person;
 - (b) relevant modifications of the standard conditions of distribution licences or supply licences.
- (2) For the purposes of subsection (1), “relevant modifications” means—
 - (a) in relation to a distribution licence, modifications—
 - (i) imposing conditions requiring the holder of such a licence to provide information to holders of supply licences about the connection to the distribution system, or use, of microgeneration plant, or
 - (ii) for the purposes of enabling or facilitating holders of supply licences to satisfy any conditions of such licences of a description mentioned in paragraph (b), and
 - (b) in relation to a supply licence, modifications imposing conditions requiring the holder of such a licence to offer to acquire electricity generated by microgeneration by the licenceholder’s customers;and also includes incidental, consequential or transitional modifications.
- (3) A modification under subsection (1)(a) of part of a standard condition of a distribution licence or supply licence does not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part 1 of the Electricity Act 1989 (c. 29).
- (4) Where the Secretary of State makes modifications under subsection (1)(b) of the standard conditions of distribution licences or supply licences, the Gas and Electricity Markets Authority must make (as nearly as may be) the same modifications of those

standard conditions for the purposes of their incorporation in distribution licences or, as the case may be, supply licences granted after that time.

- (5) Conditions included in a distribution licence or supply licence by virtue of a power conferred by this section—
- (a) need not relate to the activities authorised by the licence, and
 - (b) may do any of the things authorised in relation to licences of that kind by section 7(2) to (4) of the Electricity Act 1989 (which applies to the Gas and Electricity Markets Authority’s power with respect to licence conditions under section 7(1)(a) of that Act).
- (6) In this section and section 8—
- “distribution licence” has the meaning given by section 6(1)(c) of the Electricity Act 1989 (c. 29) (licences authorising supply, etc);
- “microgeneration plant” means plant used, or intended for use, for generating electricity by microgeneration, where “plant” includes any equipment, apparatus or appliance;
- “supply licence” has the meaning given by section 6(1)(d) of the Electricity Act 1989.
- (7) In section 33(1) of the Utilities Act 2000 (c. 27) (standard conditions of electricity licences)—
- (a) omit “or” at the end of paragraph (a), and
 - (b) after paragraph (b) insert “or
 - (c) under section 7 of the Climate Change and Sustainable Energy Act 2006 (sale of electricity generated by microgeneration: power to modify distribution and supply licences etc).”.

8 Exercise of powers under section 7

- (1) Before making any modification of a distribution licence or a supply licence under section 7, the Secretary of State must consult—
- (a) the holder of any licence being modified, and
 - (b) such other persons as he considers appropriate.
- (2) The Secretary of State must publish every modification made by him under that section.
- (3) The publication must be in such manner as the Secretary of State considers appropriate.
- (4) Where the Gas and Electricity Markets Authority makes modifications of standard conditions under section 7(4), it must publish the modifications in such manner as it considers appropriate.
- (5) The Secretary of State’s powers under section 7 are exercisable only during the period which—
- (a) begins with the first anniversary, and
 - (b) ends with the third anniversary,
- of the commencement of that section.
- (6) Sections 3A to 3D of the Electricity Act 1989 (principal objectives and general duties) apply to the carrying out of functions conferred on the Secretary of State, or on the

Gas and Electricity Markets Authority, by section 7 or this section as they apply in relation to the carrying out of functions conferred on him, or on it, by or under Part 1 of that Act.

9 Functions of the Gas and Electricity Markets Authority in relation to microgeneration

In section 47 of the Electricity Act 1989 (functions of the Gas and Electricity Markets Authority), after subsection (1) insert—

“(1A) The activities to which subsection (1) applies also include, in particular, activities connected with the generation of electricity by microgeneration or with the transmission and supply of electricity so generated.

(1B) In subsection (1A), “microgeneration” has the same meaning as it has in the Climate Change and Sustainable Energy Act 2006.”.

10 Review of permitted development orders

- (1) The Secretary of State shall for the purpose mentioned in subsection (2) carry out a review of the effect in England of development orders made by virtue of section 59(2)(a) of the Town and Country Planning Act 1990 (c. 8) (which confers power by order to grant planning permission for development or a class of development specified in the order).
- (2) The purpose of the review is to enable the Secretary of State to form a view as to what provision (or further provision) such development orders should make to facilitate development in England consisting of the installation, within the curtilage of a dwellinghouse, of equipment, apparatus or appliances for microgeneration.
- (3) As soon as reasonably practicable after he has carried out the review, the Secretary of State must lay before Parliament a report of the review, including his view as mentioned in subsection (2) and the reasons for it.
- (4) The report must also set out what provision (or further provision), if any, the Secretary of State proposes to make in development orders by virtue of section 59(2)(a) of the Town and Country Planning Act 1990 in consequence of the review.
- (5) Where the Secretary of State proposes to make provision (or further provision) in development orders in consequence of the review, he must—
 - (a) exercise his powers under section 59 of the Town and Country Planning Act 1990 so as to provide that development orders made by virtue of that section make such provision in consequence of the review as he considers appropriate, and
 - (b) exercise those powers as soon as reasonably practicable after laying the report before Parliament under subsection (3).
- (6) In this section—

“dwellinghouse” does not include a building containing one or more flats, or a flat contained within such a building;

“flat” means a separate and self-contained set of premises constructed or adapted for use for the purpose of a dwelling and forming part of a building from some other part of which it is divided horizontally.

11 Building regulations: microgeneration

In Schedule 1 to the Building Act 1984 (c. 55) (building regulations), in paragraph 7(a), after paragraph (xxiid) insert—

“(xxiie) the production of heat or the generation of electricity by microgeneration (as defined for the purposes of this paragraph by building regulations),”.