

CLIMATE CHANGE ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Other provisions

Carbon emissions reduction targets

Section 79 and Schedule 8: Carbon emissions reduction targets

428. This section introduces Schedule 8 to the Act, which makes amendments to the provisions of section 33BC of the Gas Act 1986, section 41A of the Electricity Act 1989 and section 103 of the Utilities Act 2000 which relate to powers of the Secretary of State to set carbon emission reduction targets.

Schedule 8: Carbon emissions reduction targets

429. *Paragraph 1* makes amendments to section 33BC of the Gas Act 1986.
430. *Paragraph 1(1)* introduces the amendments to section 33BC of the Gas Act 1986. Section 33BC is the enabling power which allows the Secretary of State to impose carbon emissions reduction obligations on those gas companies falling within its scope.
431. *Paragraph 1(2)* inserts a new subsection (1A) into section 33BC of the Gas Act 1986. Subsection (1A) allows the Secretary of State to exercise the power (to impose carbon emissions reduction obligations) so as to impose more than one obligation on a person in relation to the same period or periods which may overlap.
432. *Paragraph 1(3)* inserts a new paragraph (ba) into section 33BC(5) of the Gas Act 1986. The new paragraph gives the Secretary of State the power to require the whole or any part of a carbon emissions reduction target to be met by action promoted to persons of a specified description, action promoted in specified areas or a combination of the two.
433. *Paragraph 1(4)* inserts a definition of “specified” into section 33BC (13). This is necessary as a result of the new paragraph (ba) (introduced by paragraph 1(3)) allowing the Secretary of State to specify persons to whom or areas in which action must be promoted by those under a carbon emissions reduction obligation.
434. *Paragraphs 2 and 3* make amendments to the Electricity Act 1989.
435. *Paragraph 2* inserts a definition of “electricity generators” into section 6(9) of the Electricity Act 1989.
436. *Paragraph 3(1)* introduces amendments to section 41A of the Electricity Act 1989. Section 41A is the enabling power which allows the Secretary of State to impose carbon emissions reduction obligations on those electricity companies falling within its scope.
437. *Paragraph 3(2)* widens the scope of the enabling power in section 41A(1) so that it includes electricity generators. This is achieved by the insertion of a new paragraph (za) into section 41A(1). As a result of this amendment the Secretary of State may exercise

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the enabling power so as to impose a carbon emissions reduction obligation on electricity generators, electricity distributors and electricity suppliers. To date, under section 41A, the Secretary of State has only exercised the power in relation to electricity suppliers.

438. [Paragraph 3\(3\)](#) makes a similar amendment to that made by paragraph 1(2).
439. [Paragraph 3\(4\)](#) makes a consequential amendment to section 41A(3) which is necessary as a result of bringing electricity generators within the scope of section 41A(1).
440. [Paragraph 3\(5\)](#) makes consequential amendments to section 41A(4) which are necessary as a result of bringing electricity generators within the scope of section 41A(1).
441. [Paragraph 3\(6\)](#) contains a mixture of consequential amendments to section 41A(5) which are necessary as a result of bringing electricity generators within the scope of section 41A(1) but also introduces a new provision. Paragraph 3(6)(b) introduces a new paragraph (ba) into section 41A(5) which reflects the amendment made by paragraph 1(3).
442. [Paragraphs 3\(7\), 3\(8\), 3\(9\), and 3\(10\)](#) make consequential amendments to sections 41A(6), (7)(d), (8)(d) and (11) respectively. All of these amendments are necessary as a result of bringing electricity generators within the scope of section 41A(1).
443. [Paragraph 3\(11\)](#) inserts a definition of “specified” into section 41A(13). This is necessary as a result of the new paragraph (ba) (introduced by paragraph 3(6)(b) into section 41A(5)) allowing the Secretary of State to specify persons to whom or areas in which action must be promoted by those under a carbon emissions reduction obligation.
444. [Paragraph 3\(12\)](#) amends the heading of section 41A so that it reflects the scope of the provision as a result of electricity generators being brought within its scope.
445. [Paragraph 4](#) makes amendments to section 42AA of the Electricity Act 1989.
446. [Paragraph 4\(1\)](#) introduces amendments to section 42AA of the Electricity Act 1989. Section 42AA requires the National Consumer Council to publish information on the standards of performance of electricity suppliers and electricity distributors relating to any carbon emissions reduction obligation imposed on them under section 41A.
447. [Paragraphs 4\(2\) and 4\(3\)](#) make consequential amendments to section 42AA so as to ensure that electricity generators are within its scope and that the National Consumer Council can publish information relating to their standards of performance relating to any carbon emissions reduction obligation placed upon them in the future.
448. [Paragraph 5](#) makes a consequential amendment to section 64(1) of the Electricity Act 1989 which is necessary as a result of bringing electricity generators within the scope of the power in section 41A. Paragraph 5 amends the definition of “electricity distributor” and “electricity supplier” in section 64(1) so as to include “electricity generator”.
449. [Paragraph 6](#) makes amendments to section 103 of the Utilities Act 2000.
450. [Paragraph 6\(1\)](#) introduces amendments to section 103 of the Utilities Act 2000. Section 103 contains a power which relates to the exercise of power under section 33BC of the Gas Act 1986 and section 41A of the Electricity Act 1989. Section 103 provides the Secretary of State with the power to set overall carbon emissions reduction targets.
451. [Paragraph 6\(2\)](#) makes a consequential amendment to section 103(1)(b) which is necessary as a result of electricity generators being brought within the scope of the enabling power in section 41A of the Electricity Act 1989.
452. [Paragraph 6\(3\)](#) inserts a new subsection (1A) into section 103 of the Utilities Act 2000. In light of the amendments introduced by paragraphs 1(2) and 3(3) which allow the Secretary of State to impose more than one carbon emissions reduction obligation on

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those persons falling within the scope of the enabling powers, paragraph 6(3) introduces a new subsection (1A) which allows the Secretary of State to specify more than one overall carbon emissions reduction target in relation to the same period or periods which overlap to any extent.

453. Paragraphs 6(4) and 6(5) introduce consequential amendments which are necessary as a result of electricity generators being brought within the scope of the enabling power in section 41A of the Electricity Act 1989.