



Energy Act 2023

2023 CHAPTER 52

PART 7

MARKET REFORM AND CONSUMER PROTECTION

Multi-purpose interconnectors

205 Licence required for operation of multi-purpose interconnector

(1) Section 4 of the Electricity Act 1989 (prohibition on unlicensed supply etc of electricity) is amended in accordance with [subsections \(2\) to \(5\)](#).

(2) In subsection (1)—

- (a) omit the “or” after paragraph (d);
- (b) after paragraph (d) insert—

“(da) participates in the operation of a multi-purpose interconnector; or”.

(3) After subsection (3C) insert—

“(3CA) A reference in this Part to participating in the operation of a multi-purpose interconnector is a reference to—

- (a) co-ordinating and directing the flow of electricity into or through a multi-purpose interconnector; or
- (b) making a multi-purpose interconnector available for use for the conveyance of electricity,

and a person is not to be regarded as participating in the operation of an interconnector or as participating in the transmission of electricity by reason only of activities constituting participation in the operation of a multi-purpose interconnector.”

(4) In subsection (3D), after “(3C)(b)” insert “and (3CA)(b)”.

(5) After subsection (3E) insert—

Status: This is the original version (as it was originally enacted).

- “(3EA) In this Part “multi-purpose interconnector” means so much of an electric line or other electrical plant as—
- (a) is situated at a place within the jurisdiction of Great Britain; and
 - (b) subsists for both—
 - (i) the conveyance of electricity (whether in both directions or in only one) between Great Britain and a place within the jurisdiction of another country or territory, and
 - (ii) the conveyance of electricity generated in offshore waters (whether in both directions or in only one) between a generating station and a substation or another generating station, or between two or more substations.”
- (6) In section 5 of the Electricity Act 1989 (exemptions from prohibition), in subsection (1), after “(d)” insert “, (da)”.
- (7) Section 6 of the Electricity Act 1989 (licences authorising supply, etc) is amended in accordance with subsections (8) to (10).
- (8) In subsection (1)—
- (a) omit the “or” after paragraph (e);
 - (b) after paragraph (e) insert—
 - “(ea) a licence authorising a person to participate in the operation of a multi-purpose interconnector (“an MPI licence”); or”.
- (9) After subsection (2A) insert—
- “(2AA) The same person may not be the holder of an MPI licence and the holder of a licence falling within any of paragraphs (a) to (e) of subsection (1).”
- (10) After subsection (6D) insert—
- “(6E) An MPI licence authorising participation in the operation of a multi-purpose connector—
- (a) must specify the multi-purpose interconnector or multi-purpose interconnectors in relation to which participation is authorised;
 - (b) may limit the forms of participation in the operation of a multi-purpose interconnector which are authorised by the licence.”
- (11) In section 64(1) of the Electricity Act 1989 (interpretation of Part 1), at the appropriate place insert—
- ““multi-purpose interconnector” has the meaning given by section 4(3EA);”.

206 Standard conditions for MPI licences

- (1) The Secretary of State must, before [subsection \(6\)](#) comes into force, determine standard conditions for MPI licences.
- (2) Those standard conditions may contain provision—
 - (a) for a standard condition included in an MPI licence not to have effect until brought into operation in such manner, and in such circumstances, as may be specified in or determined under the standard conditions;

Status: This is the original version (as it was originally enacted).

- (b) for the effect of a standard condition included in an MPI licence to be suspended in such manner, and in such circumstances, as may be so specified or determined; or
 - (c) for a standard condition included in such a licence the effect of which is for the time being suspended to be brought back into operation in such manner, and in such circumstances, as may be so specified or determined.
- (3) The Secretary of State must publish the standard conditions determined by the Secretary of State under this section.
- (4) The publication must be in such manner as the Secretary of State considers appropriate.
- (5) The standard conditions determined by the Secretary of State have effect subject to any modifications made under—
- (a) Part 1 of the Electricity Act 1989,
 - (b) section 37 or 45 of the Energy Act 2013, or
 - (c) this Act.
- (6) In section 8A of Electricity Act 1989 (standard conditions of licences), after subsection (1B) insert—
- “(1C) Subject to subsection (2), each condition which by virtue of [section 206](#) of the Energy Act 2023 is a standard condition for the purposes of MPI licences is incorporated, by reference, in each MPI licence granted on or after the day on which subsection (6) of that section comes into force.”
- (7) In this section, “MPI licence” means a licence under section 6(1)(ea) of the Electricity Act 1989 (inserted by section [205](#) of this Act).

207 Operation of multi-purpose interconnectors: independence

- (1) In the italic heading above section 10A of the Electricity Act 1989, after “interconnectors” insert “and multi-purpose interconnectors”.
- (2) After section 10N of the Electricity Act 1989 insert—

“10NA Electricity transmission and the operation of multi-purpose interconnectors: independence

- (1) A person who, for any qualifying period, holds an MPI licence and participates in the operation of a multi-purpose interconnector must ensure that the person is certified by the Authority under section 10D throughout that period.
- (2) Sections 10B to 10N apply for the purposes of subsection (1) as they apply for the purposes of section 10A(3), but as if—
- (a) references to an electricity interconnector were references to a multi-purpose interconnector;
 - (b) references to an interconnector licence (or to a licence under section 6(1)(e)) were to an MPI licence (or to a licence under section 6(1)(ea)).
- (3) In this section, “qualifying period” means a period beginning on or after the day on which section [207](#) of the Energy Act 2023 comes into force.”

Status: This is the original version (as it was originally enacted).

- (3) In section 100(1) of the Electricity Act 1989 (interpretation), for “10N” substitute “10NA”.

208 Grant of MPI licences to existing operators

- (1) This section applies where a person holds a licence under section 6(1)(e) of the Electricity Act 1989 (interconnector licence) or an offshore transmission licence on the day on which [section 205](#) of this Act comes into force.
- (2) The Secretary of State has power to grant an MPI licence to that person under section 6 of the Electricity Act 1989.
- (3) Sections 6A(5), 7 and 8A of the Electricity Act 1989 (notice of licence and licence conditions) have effect in relation to the grant of a licence by the Secretary of State by virtue of this section as if—
- (a) references in those provisions to the Authority included references to the Secretary of State, and
 - (b) in section 8A—
 - (i) in subsection (4)(b), the words “the Secretary of State,” were omitted, and
 - (ii) subsection (5) were omitted.
- (4) Before granting a licence to a person by virtue of this section, the Secretary of State must consult—
- (a) that person,
 - (b) the GEMA, and
 - (c) such other persons as the Secretary of State considers appropriate.
- (5) [Subsection \(4\)](#) may be satisfied by consultation before this section comes into force (as well as by consultation after that time).
- (6) In this section—
- “MPI licence” means a licence under section 6(1)(ea) of the Electricity Act 1989 (inserted by [section 205](#) of this Act);
- “offshore transmission licence” has the same meaning as in Part 1 of the Electricity Act 1989 (see [section 64\(1\)](#) of that Act).

209 Power to make consequential etc provision

- (1) The Secretary of State may by regulations make consequential, supplementary, incidental, transitional or saving provision in connection with [sections 205](#) to [208](#).
- (2) The provision that may be made by virtue of [subsection \(1\)](#) includes provision amending, repealing or revoking an Act of Parliament or retained direct EU legislation.
- (3) Before making regulations under [subsection \(1\)](#), the Secretary of State must consult—
- (a) the GEMA, and
 - (b) such other persons as the Secretary of State considers appropriate.
- (4) Regulations under [subsection \(1\)](#) are subject to the affirmative procedure.

210 Consequential amendments relating to multi-purpose interconnectors

[Schedule 17](#) contains minor and consequential amendments.