



# Energy Act 2023

## 2023 CHAPTER 52

### PART 7

#### MARKET REFORM AND CONSUMER PROTECTION

##### *Principal objectives of Secretary of State and GEMA*

#### **202 Principal objectives of Secretary of State and GEMA**

- (1) Section 4AA of the Gas Act 1986 (principal objective and general duties of Secretary of State and GEMA) is amended as set out in subsections (2) and (3).
- (2) In subsection (1A)(a), for “the reduction of gas-supply emissions of targeted greenhouse gases” substitute “the Secretary of State’s compliance with the duties in sections 1 and 4(1)(b) of the Climate Change Act 2008 (net zero target for 2050 and five-year carbon budgets)”.
- (3) In subsection (5B), omit the definitions of “emissions”, “gas-supply emissions” and “targeted greenhouse gases”.
- (4) Section 3A of the Electricity Act 1989 (principal objective and general duties of Secretary of State and GEMA) is amended as set out in subsections (5) and (6).
- (5) In subsection (1A)(a), for “the reduction of electricity-supply emissions of targeted greenhouse gases” substitute “the Secretary of State’s compliance with the duties in sections 1 and 4(1)(b) of the Climate Change Act 2008 (net zero target for 2050 and five-year carbon budgets)”.
- (6) In subsection (5B), omit the definitions of “emissions”, “electricity-supply emissions” and “targeted greenhouse gases”.

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#### **Commencement Information**

**II** S. 202 in force at 26.12.2023, see s. 334(3)

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*Status: This version of this part contains provisions that are prospective.*  
**Changes to legislation:** There are currently no known outstanding effects  
for the Energy Act 2023, Part 7. (See end of Document for details)

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## *Competition*

### **203 Competitive tenders for electricity projects**

- (1) [Schedule 15](#) contains amendments of the Electricity Act 1989 in connection with enabling competitive tendering for electricity projects.
- (2) The power conferred by section [330\(1\)](#) (consequential provision) includes, in particular, power to amend provision inserted in the Electricity Act 1989 by [Schedule 15](#) where the amendment is consequential on the coming into force of [paragraph 4](#) of [Schedule 11](#).

#### **Commencement Information**

**I2** S. 203 in force at Royal Assent, see [s. 334\(2\)\(i\)](#)

### **204 Mergers of energy network enterprises**

- (1) [Schedule 16](#) makes provision about mergers of energy network enterprises.
- (2) The Secretary of State must carry out a review of the operation of sections [68A](#) to [68F](#) of, and [Schedule 5A](#) to, the Enterprise Act 2002 (inserted by [Schedule 16](#)) before the end of the period of 5 years beginning with the day on which [paragraph 2](#) of [Schedule 16](#) to this Act comes into force.
- (3) The Secretary of State must set out the conclusions of the review in a report.
- (4) The report must, in particular—
  - (a) set out the objectives of the provisions subject to review,
  - (b) assess the extent to which those objectives have been achieved, and
  - (c) assess whether those objectives remain appropriate and, if so, the extent to which those objectives could be achieved in a way that imposes less regulation.
- (5) The Secretary of State must lay the report before Parliament.

#### **Commencement Information**

**I3** S. 204 in force at Royal Assent, see [s. 334\(2\)\(j\)](#)

PROSPECTIVE

## *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)—

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- (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—
- “(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—

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- (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);”.

#### Commencement Information

**I4** S. 205 not in force at Royal Assent, see [s. 334\(1\)](#)

### 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;
  - (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).

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#### Commencement Information

**I5** S. 206 not in force at Royal Assent, see [s. 334\(1\)](#)

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

#### Commencement Information

**I6** S. 207 not in force at Royal Assent, see [s. 334\(1\)](#)

### 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—

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- (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).

#### Commencement Information

**I7** S. 208 not in force at Royal Assent, see [s. 334\(1\)](#)

### 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.

#### Commencement Information

**I8** S. 209 not in force at Royal Assent, see [s. 334\(1\)](#)

### 210 Consequential amendments relating to multi-purpose interconnectors

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

#### Commencement Information

**I9** S. 210 not in force at Royal Assent, see [s. 334\(1\)](#)

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### *Support for energy-intensive industries*

## **211 Electricity support payments for energy-intensive industries**

- (1) The Secretary of State may make regulations requiring payments (“electricity support payments”) to be made to a person who carries out an energy-intensive activity, for the purpose of alleviating the impact on the person of electricity costs.
- (2) In [subsection \(1\)](#), “energy-intensive activity” means an activity (or description of activity) that is designated as such in the regulations.
- (3) The regulations may make provision—
  - (a) about the circumstances in which a person is eligible for electricity support payments;
  - (b) about how eligibility is to be considered and determined;
  - (c) setting out a process for applying for electricity support payments, including provision about the form and content of applications;
  - (d) about the calculation of electricity support payments;
  - (e) requiring a person to provide information that is relevant to their eligibility for electricity support payments or to the calculation of any such payments;
  - (f) requiring a person who supplies electricity to another person to provide information that is relevant to the matters mentioned in [paragraph \(e\)](#) (whether to the person to whom the information relates or to another person specified in the regulations);
  - (g) about the sharing of information provided by virtue of [paragraph \(e\)](#) or [\(f\)](#);
  - (h) requiring past electricity support payments to be repaid (with or without interest) in circumstances specified in the regulations;
  - (i) about how amounts repaid by virtue of [paragraph \(h\)](#) are to be applied (including provision for amounts to be held in reserve or paid into the Consolidated Fund);
  - (j) for the enforcement of obligations imposed by or under the regulations (including provision about interest on late payments and imposing financial penalties);
  - (k) about the resolution of disputes, including provision about arbitration or appeals (which may in particular include provision for the person conducting an arbitration or determining an appeal to order the payment of costs or expenses or compensation).
- (4) Where by virtue of [subsection \(3\)\(j\)](#) the regulations provide for the imposition of a financial penalty, they must also provide for a right of appeal against the imposition of the penalty.
- (5) The regulations may—
  - (a) appoint a person, with the person’s consent, to carry out functions in connection with electricity support payments (a “support payment administrator”);
  - (b) confer functions on the support payment administrator;
  - (c) require the support payment administrator to provide information or assistance to the Secretary of State, or to another person specified in the regulations, in relation to any functions so conferred.
- (6) Where—



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- (a) the regulations impose a requirement on a regulated person (as defined by section 25(8) of the Electricity Act 1989),
  - (b) the requirement is enforceable by a support payment administrator, and
  - (c) the support payment administrator is the GEMA,
- the regulations may provide for the requirement to be enforceable by the GEMA as if it were a relevant requirement imposed on the person for the purposes of section 25 of that Act.
- (7) The regulations may provide for any sum—
- (a) that a person is required under the regulations to pay to the Secretary of State or to a support payment administrator, and
  - (b) that has not been paid by the date required,
- to be recoverable from the person as a civil debt due to the Secretary of State or to the support payment administrator (as the case may be).
- (8) The regulations may make provision about the terms of a support payment administrator’s appointment, including provision—
- (a) for the support payment administrator to be remunerated, or compensated for costs that they incur;
  - (b) about how an appointment may be terminated by the Secretary of State or by the support payment administrator, and when termination takes effect.
- (9) If functions of a support payment administrator (“the outgoing administrator”) are to be taken on by another support payment administrator or by the Secretary of State (“the successor”), the regulations may—
- (a) require the outgoing administrator to take steps specified in the regulations to enable or facilitate the carrying out of those functions by the successor;
  - (b) provide for the transfer of any property, rights or liabilities from the outgoing administrator to the successor;
  - (c) provide for anything done by or in relation to the outgoing administrator in connection with any property, rights or liabilities to be treated as done, or to be continued, by or in relation to the successor.
- “Property” in this subsection includes interests of any description.
- (10) Regulations under this section may confer a discretion on the Secretary of State or on a support payment administrator.
- (11) Regulations under this section are subject to the affirmative procedure.

**Commencement Information**

**I10** S. 211 in force at 26.12.2023, see s. 334(3)(g)

**212 Levy to fund electricity support payments**

- (1) The Secretary of State may make regulations requiring the payment of a levy by electricity suppliers for the purpose of funding—
- (a) the making of electricity support payments by virtue of [section 211](#) (including expected future payments);



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- (b) any other costs arising by virtue of [section 211](#) or this section (including expected future costs).
- (2) The regulations may make provision—
- (a) about the calculation of the levy;
  - (b) requiring electricity suppliers to provide financial collateral in respect of their obligations to pay the levy, and about the form and terms of such collateral;
  - (c) for the issuing of notices to require the payment of the levy or the provision of collateral;
  - (d) for the provision of copies of such notices to persons specified in the regulations or for the publication of such notices;
  - (e) about how amounts of levy are to be applied once paid (including provision for amounts to be held in reserve or paid into the Consolidated Fund);
  - (f) for the recovery of unpaid amounts of levy in the event of the insolvency or default of an electricity supplier (including provision requiring amounts to be borne by other electricity suppliers in accordance with the regulations);
  - (g) requiring electricity suppliers or the GEMA to provide information that is needed to determine—
    - (i) what an electricity supplier’s obligations are in relation to the levy, or
    - (ii) whether an electricity supplier has complied with those obligations;
  - (h) about the sharing of information provided by virtue of [paragraph \(g\)](#);
  - (i) for the enforcement of obligations imposed by or under the regulations (including provision about interest on late payments and imposing financial penalties);
  - (j) about the resolution of disputes, including provision about arbitration or appeals (which may in particular include provision for the person conducting an arbitration or determining an appeal to order the payment of costs or expenses or compensation).
- (3) Where by virtue of [subsection \(2\)\(i\)](#) the regulations provide for the imposition of a financial penalty, they must also provide for a right of appeal against the imposition of the penalty.
- (4) The regulations may—
- (a) appoint a person, with the person’s consent, to carry out functions in connection with the levy (a “levy administrator”);
  - (b) confer functions on the levy administrator;
  - (c) require the levy administrator to provide information or assistance to the Secretary of State, or to another person specified in the regulations, in relation to any functions so conferred.
- (5) Where—
- (a) the regulations impose a requirement on a regulated person (as defined by [section 25\(8\)](#) of the Electricity Act 1989),
  - (b) the requirement is enforceable by a levy administrator, and
  - (c) the levy administrator is the GEMA,
- the regulations may provide for the requirement to be enforceable by the GEMA as if it were a relevant requirement imposed on the person for the purposes of [section 25](#) of that Act.
- (6) The regulations may provide for any sum—

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- (a) that a person is required under the regulations to pay to the Secretary of State or to a levy administrator, and
  - (b) that has not been paid by the date required,
- to be recoverable from the person as a civil debt due to the Secretary of State or to the levy administrator (as the case may be).
- (7) The regulations may make provision about the terms of a levy administrator’s appointment, including provision—
- (a) for the levy administrator to be remunerated, or compensated for costs that they incur;
  - (b) about how an appointment may be terminated by the Secretary of State or by the levy administrator, and when termination takes effect.
- (8) If functions of a levy administrator (“the outgoing administrator”) are to be taken on by another levy administrator or by the Secretary of State (“the successor”), the regulations may—
- (a) require the outgoing administrator to take steps specified in the regulations to enable or facilitate the carrying out of those functions by the successor;
  - (b) provide for the transfer of any property, rights or liabilities from the outgoing administrator to the successor;
  - (c) provide for anything done by or in relation to the outgoing administrator in connection with any property, rights or liabilities to be treated as done, or to be continued, by or in relation to the successor.
- “Property” in this subsection includes interests of any description.
- (9) Regulations under this section may confer a discretion on the Secretary of State or on a levy administrator.
- (10) Regulations under this section are subject to the affirmative procedure.
- (11) In this section, “electricity supplier” means the holder of a licence under section 6(1) (d) of the Electricity Act 1989.

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**Commencement Information**

**I11** S. 212 in force at 26.12.2023, see s. 334(3)(g)

*Electricity storage*

**213 Electricity storage**

In section 4 of the Electricity Act 1989 (prohibition on unlicensed generation etc of electricity), after subsection (3) insert—

- “(3ZA) In subsection (1)(a), the reference to a person who generates electricity includes a reference to a person who generates electricity from stored energy.
- (3ZB) In subsection (3ZA), “stored energy” means energy that—
- (a) was converted from electricity, and
  - (b) is stored for the purpose of its future reconversion into electricity.”

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#### Commencement Information

**112** S. 213 in force at 26.12.2023, see s. 334(3)(g)

*Reduction targets: carbon emissions and home-heating costs*

### **214 Payment as alternative to complying with certain energy company obligations**

(1) In section 33BC of the Gas Act 1986 (promotion of reductions in carbon emissions: gas transporters and gas suppliers), after subsection (7B) insert—

“(7C) The order may make provision as to circumstances in which a transporter or supplier may meet the whole or any part of a carbon emissions reduction target by making a buy-out payment.

(7D) In this section, “buy-out payment” means a payment—

- (a) of an amount (“the buy-out price”) determined by the Secretary of State,
- (b) to a person approved by the Administrator (an “approved person”),
- (c) for a purpose approved by the Administrator (an “approved purpose”).

(7E) Provision made by virtue of subsection (7C) may include provision about the determination by the Secretary of State of the buy-out price, including provision—

- (a) enabling the Secretary of State to set different buy-out prices—
  - (i) for different parts of the period to which the order relates;
  - (ii) for different cases (including different buy-out prices for different transporters or suppliers);
- (b) requiring the Secretary of State to publish the buy-out price.

(7F) If the order makes provision by virtue of subsection (7C), the order may also make provision—

- (a) as to the procedure to be followed by the Administrator in approving a person as an approved person or a purpose as an approved purpose;
- (b) specifying criteria by reference to which the Administrator is to determine whether to approve a person or purpose.

(7G) Provision made by virtue of subsection (7C) may include further provision about buy-out payments, including in particular provision—

- (a) as to the procedure to be followed by a transporter or supplier who proposes to make a buy-out payment, including provision—
  - (i) requiring a transporter or supplier to notify the Administrator of specified matters by a specified time;
  - (ii) as to circumstances in which a transporter or supplier must make the buy-out payment to which notification given to the Administrator relates;
  - (iii) about the process for seeking approval of a person as an approved person, or of a purpose as an approved purpose;

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- (b) preventing a transporter or supplier from treating a buy-out payment as a payment pursuant to any other obligation (whether statutory or contractual), or vice versa;
  - (c) setting out circumstances in which a requirement imposed on a transporter or supplier by provision made by virtue of subsection (5) (ba) or (bb) may be—
    - (i) met, in whole or in part, by the making of a buy-out payment;
    - (ii) varied as a result of a buy-out payment;
  - (d) about the effect of provision included in the order by virtue of subsection (7)(c) to (e) on a person’s ability to meet the whole or any part of a carbon emissions reduction target by making a buy-out payment.
- (7H) Where an order includes provision for the making of a buy-out payment, the references in subsections (5)(be) and (7)(b) to action include a reference to the making of a buy-out payment.”
- (2) In section 33BCA of the Gas Act 1986 (Scottish Ministers’ promotion of reductions in carbon emissions: gas suppliers)—
- (a) in subsection (3)—
    - (i) in paragraph (b), after “(7)(a)” insert “, (7C), (7E)”;
    - (ii) after paragraph (c) insert—
      - “(ca) in subsection (7F), for “order makes” is substituted “Secretary of State has made”;
      - (cb) in subsection (7G), for “(7C)” is substituted “(7F)”;
      - (cc) in subsection (7H), for “an order includes” is substituted “the Secretary of State has made”;
    - (iii) in paragraph (g), after “place” insert “other than in subsection (7D)(a)”;
  - (b) in subsection (9)(a), for “or (7)(a)” substitute “, (7)(a), (7C) or (7E)”.
- (3) In section 33BDA of the Gas Act 1986 (Scottish Ministers’ promotion of reductions in home-heating costs: gas suppliers)—
- (a) in subsection (3)—
    - (i) in paragraph (c), after “(7)(a)” insert “, (7C), (7E)”;
    - (ii) after paragraph (d) insert—
      - “(da) in section 33BC(7F) as applied by subsection (4), for “order makes” is substituted “Secretary of State has made”;
      - (db) in section 33BC(7G) as applied by subsection (4), for “(7C)” is substituted “(7F)”;
      - (dc) in section 33BC(7H) as applied by subsection (4), for “an order includes” is substituted “the Secretary of State has made”;
    - (iii) in paragraph (h), after “subsection (4)” insert “other than in section 33BC(7D)(a)”;
  - (b) in subsection (9)(b), for “or (7)(a)” substitute “(7)(a), (7C) or (7E)”.
- (4) In section 41A of the Electricity Act 1989 (promotion of reductions in carbon emissions: electricity distributors and electricity suppliers), after subsection (7B) insert—

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- “(7C) The order may make provision as to circumstances in which a distributor or supplier may meet the whole or any part of a carbon emissions reduction target by making a buy-out payment.
- (7D) In this section, “buy-out payment” means a payment—
- (a) of an amount (“the buy-out price”) determined by the Secretary of State,
  - (b) to a person approved by the Administrator (an “approved person”),
  - (c) for a purpose approved by the Administrator (an “approved purpose”).
- (7E) Provision made by virtue of subsection (7C) may include provision about the determination by the Secretary of State of the buy-out price, including provision—
- (a) enabling the Secretary of State to set different buy-out prices—
    - (i) for different parts of the period to which the order relates;
    - (ii) for different cases (including different buy-out prices for different distributors or suppliers);
  - (b) requiring the Secretary of State to publish the buy-out price.
- (7F) If the order makes provision by virtue of subsection (7C), the order may also make provision—
- (a) as to the procedure to be followed by the Administrator in approving a person as an approved person or a purpose as an approved purpose;
  - (b) specifying criteria by reference to which the Administrator is to determine whether to approve a person or purpose.
- (7G) Provision made by virtue of subsection (7C) may include further provision about buy-out payments, including in particular provision—
- (a) as to the procedure to be followed by a distributor or supplier who proposes to make a buy-out payment, including provision—
    - (i) requiring a distributor or supplier to notify the Administrator of specified matters by a specified time;
    - (ii) as to circumstances in which a distributor or supplier must make the buy-out payment to which notification given to the Administrator relates;
    - (iii) about the process for seeking approval of a person as an approved person, or of a purpose as an approved purpose;
  - (b) preventing a distributor or supplier from treating a buy-out payment as a payment pursuant to any other obligation (whether statutory or contractual), or vice versa;
  - (c) setting out circumstances in which a requirement imposed on a distributor or supplier by provision made by virtue of subsection (5) (ba) or (bb) may be—
    - (i) met, in whole or in part, by the making of a buy-out payment;
    - (ii) varied as a result of a buy-out payment;
  - (d) about the effect of provision included in the order by virtue of subsection (7)(c) to (e) on a person’s ability to meet the whole or any part of a carbon emissions reduction target by making a buy-out payment.

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 7. (See end of Document for details)*

- (7H) Where an order includes provision for the making of a buy-out payment, the references in subsections (5)(be) and (7)(b) to action include a reference to the making of a buy-out payment.”
- (5) In section 41AA of the Electricity Act 1989 (Scottish Ministers’ promotion of reductions in carbon emissions: electricity suppliers)—
- (a) in subsection (3)—
- (i) in paragraph (b), after “(7)(a)” insert “, (7C), (7E)”;
- (ii) after paragraph (c) insert—
- “(ca) in subsection (7F), for “order makes” is substituted “Secretary of State has made”;
- (cb) in subsection (7G), for “(7C)” is substituted “(7F)”;
- (cc) in subsection (7H), for “an order includes” is substituted “the Secretary of State has made”;
- (iii) in paragraph (g), after “place” insert “other than in subsection (7D)(a)”;
- (b) in subsection (9)(a), for “or (7)(a)” substitute “, (7)(a), (7C) or (7E)”.
- (6) In subsection 41BA of the Electricity Act 1989 (Scottish Ministers’ promotion of reductions in home-heating costs: electricity suppliers)—
- (a) in subsection (3)—
- (i) in paragraph (c), after “(7)(a)” insert “, (7C), (7E)”;
- (ii) after paragraph (d) insert—
- “(da) in section 41A(7F) as applied by subsection (4), for “order makes” is substituted “Secretary of State has made”;
- (db) in section 41A(7G) as applied by subsection (4), for “(7C)” is substituted “(7F)”;
- (dc) in section 41A(7H) as applied by subsection (4), for “an order includes” is substituted “the Secretary of State has made”;
- (iii) in paragraph (h), after “subsection (4)” insert “other than in section 41A(7D)(a)”;
- (b) in subsection (9)(b), for “or (7)(a)” substitute “, (7)(a), (7C) or (7E)”.

#### Commencement Information

**I13** S. 214 in force at 26.12.2023, see s. 334(3)(g)

#### Smart meters

### 215 Smart meters: extension of time for exercise of powers

- (1) In section 88(5) of the Energy Act 2008 (expiry of power to amend licence conditions etc: smart meters), for “1 November 2023” substitute “1 November 2028”.
- (2) In the Gas Act 1986—

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*Status: This version of this part contains provisions that are prospective.*

**Changes to legislation:** *There are currently no known outstanding effects for the Energy Act 2023, Part 7. (See end of Document for details)*

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- (a) in section 8AA(10D) (expiry of provisions requiring proposed transfer of smart meter communication licence to be notified to Secretary of State), for “1 November 2023” substitute “1 November 2028”;
  - (b) in section 41HB(2) (time limit for exercise of power to provide for activities connected with smart meters to be licensable activities), for “1 November 2023” substitute “1 November 2028”.
- (3) In the Electricity Act 1989—
- (a) in section 7A(10D) (expiry of provisions requiring proposed transfer of smart meter communication licence to be notified to Secretary of State), for “1 November 2023” substitute “1 November 2028”;
  - (b) in section 56FB(2) (time limit for exercise of power to provide for activities connected with smart meters to be licensable activities), for “1 November 2023” substitute “1 November 2028”.
- (4) Subsections (5) and (6) apply if this section comes into force after 1 November 2023.
- (5) Section 89(1) of the Energy Act 2008 (duty to consult on modifications) may be satisfied by consultation before, as well as by consultation after, 1 November 2023.
- (6) Where—
- (a) on or before 1 November 2023 the Secretary of State has, in accordance with section 89(3) of the Energy Act 2008, laid before Parliament a draft of proposed modifications under section 88 of that Act, and
  - (b) on that date the 40-day period referred to in section 89(4) of that Act has not expired,
- in calculating that 40-day period no account is to be taken of the period beginning with 2 November 2023 and ending immediately before the day on which this section comes into force.
- (7) In the Smart Meters Act 2018, omit section 1.

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**Commencement Information**

**I14** S. 215 in force at Royal Assent, see [s. 334\(2\)\(k\)](#)



**Status:**

This version of this part contains provisions that are prospective.

**Changes to legislation:**

There are currently no known outstanding effects for the Energy Act 2023, Part 7.