



Gas Act 1986

1986 CHAPTER 44

PART I

GAS SUPPLY

^{F1}[Standards of performance]

[^{F1}33BC [^{F2}Promotion of reductions in carbon emissions: gas transporters and gas suppliers]

- (1) The Secretary of State may by order impose—
- (a) on each gas transporter (or each gas transporter of a specified description); and
 - (b) on each gas supplier (or each gas supplier of a specified description),
- an obligation to achieve, within a specified period and in accordance with the order, the [^{F3}carbon emissions reduction target] to be determined by [^{F4}the Administrator] under the order for that transporter or supplier (and that obligation is referred to in this section as [^{F5}a “carbon emissions reduction obligation”]).

[The power to make orders under this section may be exercised so as to impose more ^{F6}(1A) than one carbon emissions reduction obligation on a person in relation to the same period or to periods that overlap to any extent.]

- [^{F7}(2) In this section “carbon emissions reduction target” means a target for the promotion of any of the following—
- (a) measures for improving energy efficiency, that is to say, efficiency in the use by consumers of electricity, gas conveyed through pipes or any other source of energy which is specified in the order;
 - (b) if the order so provides—
 - (i) measures for increasing the amount of electricity generated, or heat produced, by microgeneration;
 - (ii) any other measures of a description specified in the order for increasing the amount of electricity generated, or heat produced, using low-emissions sources or technologies;

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(iii) measures for reducing the consumption of such energy as is mentioned in paragraph (a).]

[In this section “the Administrator” means—

- ^{F8}(2A) (a) the Authority; or
 (b) if the order so provides, the Secretary of State or a specified body other than the Authority.]
- (3) An order under this section may specify criteria by reference to which [^{F9}the Administrator] is to determine [^{F10}carbon emissions reduction targets] for the gas transporters and gas suppliers on whom obligations are imposed by the order.
- (4) The Secretary of State and [^{F11}(subject to any directions given under subsection (9B)) the Administrator] shall carry out their respective functions under this section in the manner he or it considers is best calculated to ensure that no gas transporter is unduly disadvantaged in competing with other gas transporters and no gas supplier is unduly disadvantaged in competing with other gas suppliers.
- (5) The order may make provision generally in relation to the [^{F12}carbon emissions reduction obligations] which it imposes, including in particular provision—
- (a) as to the treatment of persons who become gas transporters or gas suppliers after the beginning of the period to which the order relates;
- (b) as to the action which qualifies for the purpose of meeting the whole or any part of [^{F13}a carbon emissions reduction target];
- [^{F14}(ba) requiring part of a carbon emissions reduction target to be met by action of a specified description;
- (bb) requiring the whole or any part of a carbon emissions reduction target to be met by action relating to—
- (i) individuals of a specified description,
- (ii) property of a specified description,
- (iii) specified areas or areas of a specified description, or
- (iv) individuals or property of a specified description in specified areas or areas of a specified description;
- (bc) enabling the Administrator to direct a transporter or supplier to meet part of a carbon emissions reduction target by action relating to an individual named in the direction;
- (bd) preventing action from qualifying for the purpose of meeting the whole or any part of a carbon emissions reduction target unless such persons as are specified in, or determined in accordance with, the order—
- (i) have been consulted about the action;
- (ii) have consented to the action;
- (be) requiring action which qualifies for the purpose of meeting both a carbon emissions reduction target and a home-heating cost reduction target to be treated as qualifying only for the purpose of meeting such one of those targets as the transporter or supplier concerned elects;
- (c) determining, or specifying the method for determining, the contribution that any action makes towards meeting a carbon emissions reduction target;]
- (d) requiring transporters and suppliers to give to [^{F15}the Administrator] specified information, or information of a specified nature, about their proposals for complying with their [^{F16}carbon emissions reduction obligations];
- (e) requiring [^{F17}the Administrator] to determine—

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- (i) whether any proposed action qualifies for the purpose of achieving the whole or any part of a person's [^{F18}carbon emissions reduction target]; and
 - [^{F19}(ii) if so, what contribution the proposed action (or any result of that action specified in the determination) is to make towards achieving the carbon emissions reduction target;]
 - (f) requiring transporters or suppliers to produce to [^{F20}the Administrator] evidence of a specified kind demonstrating that they have complied with their [^{F21}carbon emissions reduction obligations][^{F22}; and
 - (g) requiring the Administrator or a specified body to offer services of a specified kind and authorising a specified fee to be charged to those who take up the offer.]
- [If the order makes provision by virtue of subsection (5)(bc) enabling the Administrator [^{F23}(5A) to direct a transporter or supplier to meet part of a carbon emissions reduction target by action relating to an individual named in the direction the order may also make provision—
- (a) authorising the Administrator to require specified persons to provide it with information for the purpose of enabling it to identify and select individuals who are to be the subject of a direction;
 - (b) specifying criteria in accordance with which the Administrator is to select individuals who are to be the subject of a direction;
 - (c) determining, or specifying the method for determining, which transporter or supplier is to be given a direction in relation to any particular individual selected in accordance with provision made under paragraph (b);
 - (d) authorising the Administrator, if it gives a direction to a transporter or supplier, to provide the transporter or supplier with information relating to the individual concerned for the purpose of assisting the transporter or supplier to comply with the direction;
 - (e) as to the times at which a direction may be given;
 - (f) as to the circumstances in which a direction need not be complied with.
- (5B) Provision made by virtue of subsection (5)(c) may in particular provide for an action to be treated as making a greater contribution than it would otherwise do if the action relates to—
- (a) an individual of a specified description,
 - (b) a property of a specified description, or
 - (c) both an individual of a specified description and a property of a specified description.]
- (6) The order may make provision authorising [^{F24}the Administrator] to require a transporter or supplier to provide it with specified information, or information of a specified nature, relating to—
- (a) his proposals for complying with his [^{F25}carbon emissions reduction obligation]; or
 - (b) the question whether he has complied with that obligation.
- (7) The order may make provision as to circumstances in which—
- (a) a person's [^{F26}carbon emissions reduction target] may be altered during the period to which the order relates;

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- (b) the whole or any part of a person’s [^{F26}carbon emissions reduction target] may be treated as having been achieved by action taken otherwise than by or on behalf of that person;
- (c) any action taken before the period to which the order relates may be treated as qualifying action taken during that period;
- (d) the whole or any part of a person’s [^{F27}carbon emissions reduction target] may be transferred to another gas transporter or gas supplier or to an electricity distributor or electricity supplier (within the meaning of Part I of the ^{M1}Electricity Act 1989); or
- (e) a person may carry forward the whole or any part of his [^{F27}carbon emissions reduction target] for the period to which the order relates to a subsequent period.

[The order may—

- ^{F28}(7A) (a) make provision for any specified requirement contained in it to be treated as a relevant requirement for the purposes of this Part; or
- (b) if it provides for the Administrator to be a person other than the Authority, make provision for and in connection with enabling the Administrator to enforce any requirement imposed by the order.

(7B) Provision made by virtue of paragraph (b) of subsection (7A) may, in particular, include provision corresponding to or applying (with or without modifications) any of sections 28 to 30F and section 38.]

[The order may make provision as to circumstances in which a transporter or supplier

- ^{F29}(7C) 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—

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- (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;
- (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.]

- (8) The order may—
- (a) provide for exceptions from any requirement of the order;
 - ^{F30}(b)
 - (c) make supplementary, incidental and transitional provision; and
 - (d) subject to subsection (4), make different provision for different cases (including different provision in relation to different transporters or suppliers).

- (9) The order may include provision for treating the promotion of the supply to premises of—
- (a) electricity generated by a generating station which is operated for the purposes of producing heat, or a cooling effect, in association with electricity;
 - (b) heat produced in association with electricity or steam produced from (or air or water heated by) such heat; or
 - (c) any gas or liquid subjected to a cooling effect produced in association with electricity,
- as promotion of improvements in energy efficiency.

[The order may make provision requiring the Administrator to give guidance to ^{F31}(9A) transporters or suppliers concerning such matters relating to the order as are specified.

(9B) The Administrator shall carry out its functions under this section in accordance with any general or specific directions given to it by the Secretary of State.]

(10) No person shall be required by virtue of this section to provide any information which he could not be compelled to give in evidence in civil proceedings in the High Court or, in Scotland, the Court of Session.

- [^{F32}(10A) The Secretary of State must obtain the consent of the Scottish Ministers before making an order under this section which contains provision that—
- (a) is included by virtue of subsection (2)(b),

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- (b) extends to Scotland, and
 - (c) would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.]
- (11) Before making an order under this section the Secretary of State shall consult the Authority, [^{F33}Citizens Advice, [^{F34}Consumer Scotland]], gas transporters and gas suppliers and such other persons as he considers appropriate.
- (12) An order under this section shall not be made unless a draft of the instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.]
- [^{F35}(12A) Subsection (12) does not apply to an order under this section made only for the purpose of amending an earlier order under this section so as to alter the provision included in the earlier order by virtue of any of paragraphs (b), (ba) or (c) of subsection (5). But such an order shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (12B) If an order under this section provides for the Administrator to be a body other than the Authority, the Secretary of State may make payments to the body of such amounts as the Secretary of State considers appropriate.]
- [^{F36}(13) In this section—
- “[^{F37}home-heating cost reduction target ” has the meaning given by section 33BD(2)(a);]
 - “microgeneration” has the same meaning as in the Climate Change and Sustainable Energy Act 2006;
 - “plant” includes any equipment, apparatus or appliance;
 - [^{F38}“specified” means specified in the order.]
- (14) For the purposes of subsection (2)(b)(ii), electricity is generated, or heat is produced, using low-emissions sources or technologies if it is generated, or produced, by plant which relies wholly or mainly on a source of energy or a technology mentioned in section 26(2) of the Climate Change and Sustainable Energy Act 2006.]

Textual Amendments

- F1** S. 33BC substituted (1.10.2001) for s. 33BB by 2000 c. 27, s. 99; S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F2** S. 33BC heading substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), Sch. para. 2(2); S.I. 2007/538, art. 2
- F3** Words in s. 33BC(1) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 15(2)(a), 28(3); S.I. 2007/538, art. 2
- F4** Words in s. 33BC(1) substituted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(2), 121(3)
- F5** Words in s. 33BC(1) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 15(2)(b), 28(3); S.I. 2007/538, art. 2
- F6** S. 33BC(1A) inserted (26.1.2009) by Climate Change Act 2008 (c. 27), s. 100(5), Sch. 8 para. 1(2)
- F7** S. 33BC(2) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 15(3), 28(3); S.I. 2007/538, art. 2
- F8** S. 33BC(2A) inserted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(3), 121(3)
- F9** Words in s. 33BC(3) substituted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(4), 121(3)
- F10** Words in s. 33BC(3) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), Sch. para. 2(3); S.I. 2007/538, art. 2
- F11** Words in s. 33BC(4) substituted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(5), 121(3)

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- F12** Words in s. 33BC(5) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(a)**; S.I. 2007/538, art. 2
- F13** Words in s. 33BC(5)(b) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(b)**; S.I. 2007/538, art. 2
- F14** Ss. 33BC(5)(ba)-(c) substituted for s. 33BC(5)(ba)(c) (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(a)**, 121(3)
- F15** Words in s. 33BC(5)(d) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(b)**, 121(3)
- F16** Words in s. 33BC(5)(d) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(d)**; S.I. 2007/538, art. 2
- F17** Words in s. 33BC(5)(e) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(c)(i)**, 121(3)
- F18** Words in s. 33BC(5)(e)(i) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(e)(i)**; S.I. 2007/538, art. 2
- F19** S. 33BC(5)(e)(ii) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(c)(ii)**, 121(3)
- F20** Words in s. 33BC(5)(f) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(d)**, 121(3)
- F21** Words in s. 33BC(5)(f) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(d)**; S.I. 2007/538, art. 2
- F22** S. 33BC(5)(g) and words inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(e)**, 121(3)
- F23** S. 33BC(5A)(5B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(7)**, 121(3)
- F24** Words in s. 33BC(6) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(8)**, 121(3)
- F25** Words in s. 33BC(6) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(5)**; S.I. 2007/538, art. 2
- F26** Words in s. 33BC(7) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(6)**; S.I. 2007/538, art. 2
- F27** Words in s. 33BC(7)(d)(e) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(6)**; S.I. 2007/538, art. 2
- F28** S. 33BC(7A)(7B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(9)**, 121(3)
- F29** S. 33BC(7C)-(7H) inserted (26.12.2023) by Energy Act 2023 (c. 52), **ss. 214(1)**, 334(3)(g)
- F30** S. 33BC(8)(b) omitted (18.12.2011) by virtue of Energy Act 2011 (c. 16), **ss. 66(10)**, 121(3)
- F31** S. 33BC(9A)(9B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(11)**, 121(3)
- F32** S. 33BC(10A) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(12)**, 121(3)
- F33** Words in s. 33BC(11) substituted (1.4.2014) by The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading’s Functions in relation to Estate Agents etc) Order 2014 (S.I. 2014/631), art. 1(3), **Sch. 1 para. 4(11)** (with Sch. 1 para. 28, Sch. 2 paras. 13-15)
- F34** Words in s. 33BC(11) substituted (13.1.2022) by The Consumer Scotland Act 2020 (Consequential Provisions and Modifications) Order 2022 (S.I. 2022/34), art. 1(1), **Sch. para. 2(11)** (with art. 5)
- F35** S. 33BC(12A)(12B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(13)**, 121(3) (with s. 66(15))
- F36** S. 33BC(13)(14) added (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), **ss. 15(5)**, 28(3); S.I. 2007/538, art. 2
- F37** Words in s. 33BC(13) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(14)**, 121(3)
- F38** Words in s. 33BC(13) inserted (26.1.2009) by Climate Change Act 2008 (c. 27), s. 100(5), **Sch. 8 para. 1(4)**

Modifications etc. (not altering text)

- C1** Definition of
“energy efficiency target”
in s. 33BC(2) modified (15.12.2001) by S.I. 2001/4011, **art. 5**

Marginal Citations

- M1** 1989 c. 29.

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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. 5(e) and word inserted by [2023 c. 52 s. 185\(3\)](#)
- s. 5(1)(ca) inserted by [2023 c. 52 s. 168\(2\)\(b\)](#)
- s. 5(10A) inserted by [2023 c. 52 s. 168\(2\)\(c\)](#)
- s. 5(11A)(11B) inserted by [2023 c. 52 s. 185\(4\)](#)
- s. 7B(5FA) inserted by [2023 c. 52 s. 185\(13\)](#)
- s. 7AC inserted by [2023 c. 52 s. 185\(6\)](#)
- s. 8AA(11B) inserted by [2023 c. 52 s. 185\(14\)](#)
- s. 15A inserted by [1992 c. 43 s. 17](#)
- s. 23D(2)(d) and word inserted by [2013 c. 32 s. 138\(4\)\(c\)\(iii\)](#)
- s. 27(1ZA)(aa) inserted by S.I. 2019/93, Sch. 1 para. 2(2)(b) (as substituted) by [S.I. 2019/1245 reg. 17](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)
- s. 28(8A) inserted by [2023 c. 52 Sch. 14 para. 3\(3\)](#)
- s. 41E(6)(d) and word inserted by [2013 c. 32 s. 138\(4\)\(f\)\(ii\)](#)
- Sch. 4B para. 9B and cross-heading inserted by [2023 c. 52 Sch. 14 para. 4](#)