



Electricity Act 1989

1989 CHAPTER 29

PART I

ELECTRICITY SUPPLY

Introductory

[^{F1}3A The principal objective and general duties of the Secretary of State and the Authority.

- (1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as “the Authority”) in carrying out their respective functions under this Part is to protect the interests of [^{F2}existing and future] consumers in relation to electricity conveyed by distribution systems [^{F3}or transmission systems]^{F4}....

[Those interests of existing and future consumers are their interests taken as a whole,^{F5}(1A) including—

- (a) their interests in [^{F6}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)];^{F7} ...
- (b) their interests in the security of the supply of electricity to them [^{F8}; and
- (c) their interests in the fulfilment by the Authority, when carrying out its [^{F9}designated regulatory functions], of the [^{F10}designated regulatory objectives].]

- (1B) The Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which the Secretary of State or the Authority (as the case may be) considers is best calculated to further the principal objective, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

Changes to legislation: Electricity Act 1989, Section 3A is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (1C) Before deciding to carry out functions under this Part in a particular manner with a view to promoting competition as mentioned in subsection (1B), the Secretary of State or the Authority shall consider—
- (a) to what extent the interests referred to in subsection (1) of consumers would be protected by that manner of carrying out those functions; and
 - (b) whether there is any other manner (whether or not it would promote competition as mentioned in subsection (1B)) in which the Secretary of State or the Authority (as the case may be) could carry out those functions which would better protect those interests.]
- (2) ^[F11]In performing the duties under subsections (1B) and (1C), the Secretary of State or the Authority shall have regard to] —
- (a) the need to secure that all reasonable demands for electricity are met; and
 - (b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part ^[F12], the Utilities Act 2000 ^[F13], Part 2 or 3 of the Energy Act 2004 ^[F14], Part 2 or 5 of the Energy Act 2008 or section 4, Part 2, ^[F15] sections 26 to 29 of the Energy Act 2010 ^[F16], Part 2 of the Energy Act 2013 ^[F17], the Nuclear Energy (Financing) Act 2022 or sections 245 to 247 of the Energy Act 2023]]]]]] ^[F18]; and
 - (c) the need to contribute to the achievement of sustainable development.]
- (3) In performing ^[F19]the duties under subsections (1B), (1C) and (2)], the Secretary of State or the Authority shall have regard to the interests of—
- (a) individuals who are disabled or chronically sick;
 - (b) individuals of pensionable age;
 - (c) individuals with low incomes; and
 - (d) individuals residing in rural areas;
- but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.
- (4) The Secretary of State and the Authority may, in carrying out any function under this Part, have regard to—
- (a) the interests of consumers in relation to gas conveyed through pipes (within the meaning of the ^{M1}Gas Act 1986); and
 - (b) any interests of consumers in relation to—
 - ^[F20](i) communications services and electronic communications apparatus, or
 - (ii) water services or sewerage services (within the meaning of the ^{M2}Water Industry Act 1991),
 which are affected by the carrying out of that function.
- (5) Subject to ^[F21]subsections (1B) and] (2), ^[F22]and to section 132(2) of the Energy Act 2013 (duty to carry out functions in manner best calculated to further delivery of policy outcomes)] the Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which he or it considers is best calculated—
- (a) to promote efficiency and economy on the part of persons authorised by licences or exemptions to ^[F23]distribute, supply or participate in the transmission of] electricity^[F24], ^[F25]to participate in the operation of electricity interconnectors]^[F26]or to provide a smart meter communication service] and the efficient use of electricity conveyed by distribution systems ^[F27]or transmission systems];

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(b) to protect the public from dangers arising from the generation, transmission, distribution or supply of electricity [^{F28}or the provision of a smart meter communication service];

^{F29}(ba)

(c) to secure a diverse and viable long-term energy supply, [^{F30}and ^{F31}... shall], in carrying out those functions, have regard to the effect on the environment of activities connected with the generation, transmission, distribution or supply of electricity [^{F28}or the provision of a smart meter communication service].

^{F32}(5A) [In carrying out their respective functions under this Part in accordance with the preceding provisions of this section the Secretary of State and the Authority must each have regard to—

- (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed; and
- (b) any other principles appearing to him or, as the case may be, it to represent the best regulatory practice.]

^{F33}(5B) [In subsection (1A)—

^{F34}“the designated regulatory objectives” means the objectives set out in Article 36(c) to (h) of the Electricity Directive but read with the following modifications—

- (a) in Article 36(c), for the words from “between” to the end substitute “, including enabling the development of appropriate cross-border transmission capacities to meet demand; ”
- (b) in Article 36(d), omit “, in line with general energy policy objectives,
- (c) in Article 36(f), omit “and foster market integration”, and
- (d) in Article 36(g), for “their national market” substitute “ the energy market in Great Britain ”;]

^{F35}
...
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...
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...]

(6) In [^{F36}subsections [^{F37}(1C),] (3) and (4) references to consumers include] both existing and future consumers.

(7) In this section and sections 3B and 3C, references to functions of the Secretary of State or the Authority under this Part include a reference to functions under the Utilities Act 2000 which relate to electricity conveyed by distribution systems [^{F38}or transmission systems].

(8) In this Part, unless the context otherwise requires—

“exemption” means an exemption granted under section 5;

“licence” means a licence under section 6 and “licence holder” shall be construed accordingly.]

Textual Amendments

F1 S. 3A substituted for s. 3 (20.12.2000) by 2000 c. 27, s. 13; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15) (as amended by S.I. 2001/1780, art. 2)

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- F2** Words in s. 3A(1) inserted (26.1.2009) by Energy Act 2008 (c. 32), **ss. 83(2)(a)**, 110(2); S.I. 2009/45, art. 2(d)(i)
- F3** Words in s. 3A(1) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), s. 179(2)(3)(a), 198(2); S.I. 2005/2965, **art. 3**
- F4** Words in s. 3A(1) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), **ss. 17(2)**, 38(3)
- F5** Ss. 3A(1A)-(1C) inserted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(3)**, 38(3)
- F6** Words in s. 3A(1A)(a) substituted (26.12.2023) by Energy Act 2023 (c. 52), **ss. 202(5)**, 334(3)(f)
- F7** Word in s. 3A(1A)(a) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **27(a)**
- F8** S. 3A(1A)(c) and preceding word inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **27(b)**
- F9** Words in s. 3A(1A)(c) substituted (31.12.2020) by The Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/530), regs. 1(1), **39(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in s. 3A(1A)(c) substituted (31.12.2020) by The Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/530), regs. 1(1), **39(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in s. 3A(2) substituted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(4)(a)**, 38(3)
- F12** Words in s. 3A(2)(b) substituted (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), **ss. 190(3)**, 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- F13** Words in s. 3A(2)(b) substituted (26.11.2008) by Energy Act 2008 (c. 32), **ss. 102(6)**, 110(2)
- F14** Words in s. 3A(2)(b) substituted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(4)(b)**, 38(3)
- F15** Words in s. 3A(2)(b) substituted (18.12.2013) by Energy Act 2013 (c. 32), **ss. 65(1)**, 156(3)
- F16** Words in s. 3A(2)(b) substituted (1.6.2022) by Nuclear Energy (Financing) Act 2022 (c. 15), s. 44(2)(d), **Sch. para. 1(2)**
- F17** Words in s. 3A(2)(b) substituted (11.1.2024) by Energy Act 2023 (c. 52), **ss. 248(6)**, 334(1); S.I. 2024/32, reg. 2(b)(iii)
- F18** S. 3A(2)(c) and preceding word inserted (26.1.2009) by Energy Act 2008 (c. 32), **ss. 83(2)(b)**, 110(2); S.I. 2009/45, art. 2(d)(i)
- F19** Words in s. 3A(3) substituted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(5)**, 38(3)
- F20** S. 3A(4)(b)(i) substituted (25.7.2003 for specified purposes, 29.12.2003 in so far as not already in force) by Communications Act 2003 (c. 21), s. 411(2), **Sch. 17 para. 98** (with Sch. 18); S.I. 2003/1900, arts. 1(2), 2(1), Sch. 1 (with art. 3) (as amended by S.I. 2003/3142, art. 1(3)); S.I. 2003/3142, art. 3(2) (with art. 11)
- F21** Words in s. 3A(5) substituted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(6)(a)**, 38(3)
- F22** Words in s. 3A(5) inserted (18.2.2014) by Energy Act 2013 (c. 32), **ss. 138(3)**, 156(2)
- F23** Words in s. 3A(5)(a) substituted (1.9.2004) by Energy Act 2004 (c. 20), s. 198(2), **Sch. 19 para. 4**; S.I. 2004/2184, art. 2(2), Sch. 2
- F24** Word in S. 3A(5)(a) substituted (19.9.2012) by The Electricity and Gas (Smart Meters Licensable Activity) Order 2012 (S.I. 2012/2400), arts. 1, **3(a)(i)**
- F25** Words in s. 3A(5)(a) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 147(2)(b)**, 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F26** Words in s. 3A(5)(a) inserted (19.9.2012) by The Electricity and Gas (Smart Meters Licensable Activity) Order 2012 (S.I. 2012/2400), arts. 1, **3(a)(ii)**
- F27** Words in s. 3A(5)(a) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), **s. 179(2)(3)(a)**, 198(2); S.I. 2005/2965, **art. 3**
- F28** Words in s. 3A(5) inserted (19.9.2012) by The Electricity and Gas (Smart Meters Licensable Activity) Order 2012 (S.I. 2012/2400), arts. 1, **3(b)**
- F29** S. 3A(5)(ba) repealed (26.1.2009) by Energy Act 2008 (c. 32), **ss. 83(2)(c)**, 110(2), **Sch. 6**; S.I. 2009/45, art. 2(d)(bb)(e)(vi)(i)
- F30** Words in s. 3A(5) substituted (5.10.2004) by Energy Act 2004 (c. 20), **ss. 83(b)**, 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F31** Words in s. 3A(5) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), **ss. 17(6)(b)**, 38(3)

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- F32** S. 3A(5A) inserted (5.10.2004) by Energy Act 2004 (c. 20), **ss. 178**, 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F33** S. 3A(5B) inserted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(7)**, 38(3)
- F34** Words in s. 3A(5B) inserted (31.12.2020) by The Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/530), regs. 1(1), **39(3)**; 2020 c. 1, Sch. 5 para. 1(1)
- F35** Words in s. 3A(5B) omitted (26.12.2023) by virtue of Energy Act 2023 (c. 52), **ss. 202(6)**, 334(3)(f)
- F36** Words in s. 3A(6) substituted (26.1.2009) by Energy Act 2008 (c. 32), **ss. 83(2)(d)**, 110(2); S.I. 2009/45, art. 2(d)(i)
- F37** Word in s. 3A(6) inserted (8.6.2010) by Energy Act 2010 (c. 27), **ss. 17(8)**, 38(3)
- F38** Words in s. 3A(7) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), **s. 179(2)(3)(a)**, 198(2); S.I. 2005/2965, **art. 3**

Modifications etc. (not altering text)

- C1** Ss. 3A-3D applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), **ss. 190(2)**, 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C2** S. 3A: transfer of functions (23.3.2005) by The Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2005 (S.I. 2005/849), art. 1, **Sch.** (with art. 6)
- C3** Ss. 3A-3D applied (21.8.2006) by Climate Change and Sustainable Energy Act 2006 (c. 19), **ss. 8(6)**, 28(1)
- C4** Ss. 3A-3D applied (26.11.2008) by Energy Act 2008 (c. 32), **ss. 102(4)**, 110(2)
- C5** Ss. 3A-3D applied (8.4.2010) by Energy Act 2010 (c. 27), **ss. 30(2)**, 38(1)
- C6** Ss. 3A-3D applied (18.12.2011) by Energy Act 2011 (c. 16), **ss. 78(2)**, 121(3)
- C7** Ss. 3A-3D applied (18.12.2011) by Energy Act 2011 (c. 16), **ss. 98(14)**, 121(3)
- C8** Ss. 3A-3D applied (21.3.2012) by Energy Act 2011 (c. 16), **ss. 22(10)**, 121(1); S.I. 2012/873, art. 2(a)(v)
- C9** Ss. 3A-3D applied (18.12.2013) by Energy Act 2013 (c. 32), **ss. 39**, 156(3)
- C10** Ss. 3A-3D applied (18.2.2014) by Energy Act 2013 (c. 32), **ss. 141(2)**, 156(2)
- C11** Ss. 3A-3D applied (18.2.2014) by Energy Act 2013 (c. 32), **ss. 53**, 156(2)
- C12** Ss. 3A-3D applied (18.2.2014) by Energy Act 2013 (c. 32), **ss. 136(2)**, 156(2)
- C13** Ss. 3A-3D applied (23.7.2018) by Smart Meters Act 2018 (c. 14), **ss. 6(13)**, 14(5)
- C14** Ss. 3A-3D applied (26.10.2023 for specified purposes, 31.1.2024 in so far as not already in force) by Energy Act 2023 (c. 52), **ss. 178(2)**, 334(1)(2)(h); S.I. 2024/32, reg. 3(a)(viii)
- C15** Ss. 3A-3D applied (11.1.2024) by Energy Act 2023 (c. 52), **ss. 248(4)(5)**, 334(1); S.I. 2024/32, reg. 2(b)(iii)
- C16** Ss. 3A-3D applied (31.1.2024) by Energy Act 2023 (c. 52), **ss. 178(1)**, 334(1); S.I. 2024/32, reg. 3(a)(viii)

Marginal Citations

- M1** 1986 c. 44.
- M2** 1991 c. 56.

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Changes and effects yet to be applied to :

- s. 3A-3D applied by 2018 c. 14 s. 12(8)
- s. 3A-3D applied by 2023 c. 52 s. 196
- s. 3A(1B) words inserted by 2023 c. 52 Sch. 17 para. 2(a)
- s. 3A(5)(a) words inserted by 2023 c. 52 Sch. 17 para. 2(b)
- s. 3A(5B) words inserted by 2023 c. 52 Sch. 17 para. 2(c)
- s. 3A(7) words substituted by 2013 c. 32 s. 138(5)(a)

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. 4(1)(f) and word inserted by 2023 c. 52 s. 186(3)(b)
- s. 4(1)(ca) inserted by 2023 c. 52 s. 166(2)
- s. 4(1)(da) inserted by 2023 c. 52 s. 205(2)(b)
- s. 4(3H)(3I) inserted by 2023 c. 52 s. 186(4)
- s. 4(3CA) inserted by 2023 c. 52 s. 205(3)
- s. 4(3EA) inserted by 2023 c. 52 s. 205(5)
- s. 6(1)(g) and word inserted by 2023 c. 52 s. 186(7)(b)
- s. 6(1)(ea) inserted by 2023 c. 52 s. 205(8)(b)
- s. 6(2C) inserted by 2023 c. 52 s. 186(8)
- s. 6(2AA) inserted by 2023 c. 52 s. 205(9)
- s. 6(6E) inserted by 2023 c. 52 s. 205(10)
- s. 7(3GA) inserted by 2023 c. 52 s. 186(17)
- s. 7A(11B) inserted by 2023 c. 52 s. 186(18)
- s. 8A(1C) inserted by 2023 c. 52 s. 206(6)
- s. 10NA inserted by 2023 c. 52 s. 207(2)
- s. 11E(2)(d) and word inserted by 2013 c. 32 s. 138(5)(b)(iii)
- s. 11AA inserted by 2018 c. 14 s. 13(3)
- s. 15(2)(aa) inserted by S.I. 2019/93, Sch. 1 para. 3(2)(b) (as substituted) by [S.I. 2019/1245 reg. 19](#) (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. 25(8A) inserted by 2023 c. 52 Sch. 14 para. 7(3)
- s. 44A inserted by 1992 c. 43 s. 23
- s. 44A(6)(b)(i) words substituted by 2013 c. 22 Sch. 9 para. 52
- s. 44B(1)(a)(iiia) inserted by 2023 c. 52 Sch. 17 para. 8
- s. 56C(6)(d) and word inserted by 2013 c. 32 s. 138(5)(d)(ii)
- Sch. 5A para. 2(1A) inserted by 2018 c. 14 s. 13(4)
- Sch. 6A para. 9ZA and cross-heading inserted by 2023 c. 52 Sch. 14 para. 8