

ENERGY ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Chapter 1: Electricity Trading and Transmission

Section 137: New standard conditions for transmission licences

348. Subsection (1) of section 137 gives the Secretary of State power to determine a whole new set of standard conditions for transmission licences, whilst subsection (2) requires the publication of such conditions. This power is required because it is expected that a new set of standard conditions for transmission licence holders will be required for BETTA and the power in section 134 only allows for the modification of individual conditions, not the wholesale replacement of a set of standard conditions. Subsection (4), following the approach in section 33(2) of the Utilities Act, permits the inclusion of conditions which make provision in respect of the operation of other standard conditions, in particular for other conditions not to be brought into operation, or to be re-activated or suspended in the circumstances specified in the condition, i.e. for conditions to be switched on and off as appropriate during the implementation of BETTA. Subsections (5) and (6) ensure that section 8A of the Electricity Act operates, in the case of transmission licences, by reference to the standard conditions determined under subsection (1). Subsection (7) restricts the time during which the Secretary of State may use this power to eighteen months after subsection (1) comes into force (or if earlier, once subsections (5) and (6) come into force, by which time the power should have been exercised).