

ENERGY ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Chapter 3: Special Administration Regime for Energy Licensees

Section 166: Indemnities

402. This section enables the Secretary of State, with the consent of the Treasury, to indemnify persons in respect of liabilities incurred or loss or damage sustained in connection with the exercise of the energy administrator's powers and duties.
403. Subsections (2), (3), (4) and (5) enable the Secretary of State to set the terms of an indemnity including requiring that where any sums are paid out by him in respect of the indemnity to the energy administrator, to direct that the protected energy company pay such amounts as are directed towards the repayment of those sums and interest on them.
404. Subsection (6) provides that subsection (4) does not apply if the sums paid out by the Secretary of State are paid to the company in energy administration.
405. Subsection (7) requires the Secretary of State to secure Treasury consent before setting any of the terms of an indemnity under subsections (2), (4) and (5).
406. Paragraph (b) of subsection (8) enables the Secretary of State to agree to indemnify persons who become relevant to the energy administration subsequent to the initial agreement e.g. persons who become employees of the energy administrator in the course of the energy administration.
407. Subsection (9) specifies the categories of person who may be indemnified under the terms of this section.