

# ENERGY ACT 2010

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## EXPLANATORY NOTES

### SUMMARY AND BACKGROUND

4. The Act implements elements of: *The UK Low Carbon Transition Plan – a national strategy for climate and energy* (published in July 2009: [www.decc.gov.uk/en/content/cms/publications/lc\\_trans\\_plan/lc\\_trans\\_plan.aspx](http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx)). This Plan will deliver emission cuts of 18% on 2008 levels by 2020 (and over a one-third reduction on 1990 levels) on the way to achieving a reduction of at least 80% by 2050. The Plan makes it clear that we need to cut emissions in a way that helps the sustainable development of our economy, society and environment. This means keeping energy supplies safe and secure, maximising economic opportunities and protecting the most vulnerable consumers.
5. The Act has three principal objectives: the introduction of a framework for a financial incentive to support commercial-scale demonstration of carbon capture and storage (CCS) and funding for the fitting of additional CCS capacity to those projects at a later stage, should it be required; the introduction of schemes for the reduction of fuel poverty (which will introduce mandated social price support); and the strengthening of the powers of Government and the regulator to ensure that the energy markets are working fairly for consumers and delivering secure and sustainable energy supplies.