



Energy Act 2013

2013 CHAPTER 32

PART 2

ELECTRICITY MARKET REFORM

CHAPTER 6

ACCESS TO MARKETS ETC

Power purchase agreement scheme

- 50 Power to modify licence conditions etc to facilitate investment in electricity generation**
- (1) The Secretary of State may modify—
 - (a) a condition of a particular licence under section 6(1)(d) of EA 1989 (supply licences);
 - (b) the standard conditions incorporated in licences under that provision by virtue of section 8A of that Act;
 - (c) a document maintained in accordance with the conditions of licences under section 6(1)(d) of that Act, or an agreement that gives effect to a document so maintained.
 - (2) The Secretary of State may exercise the power in subsection (1) only for the purpose of facilitating investment in electricity generation by means of a power purchase agreement scheme.
 - (3) For the purposes of this section and section 51—
 - (a) a power purchase agreement scheme is a scheme established by supply licence conditions and regulations under section 51 for promoting the availability to electricity generators of power purchase agreements, and

Changes to legislation: Energy Act 2013, Section 50 is up to date with all changes known to be in force on or before 01 February 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

- (b) “power purchase agreement” means an arrangement under which a licensed supplier agrees to purchase electricity generated by an electricity generator at a discount to a prevailing market price.

For this purpose, “supply licence condition” means any condition, document or agreement of a kind mentioned in subsection (1).

- (4) Provision that may be made under subsection (1) in relation to a power purchase agreement scheme includes provision—
- (a) as to the eligibility of an electricity generator to enter into a power purchase agreement under the scheme;
 - (b) as to the terms of any power purchase agreement to be entered into under the scheme, including provision—
 - (i) for determining the price at which electricity is to be purchased under the agreement (including provision for determining a market price and the amount of a discount at any time);
 - (ii) as to the duration of any such agreement;
 - (c) as to the circumstances in which a licensed supplier is or may be required or permitted to enter, or offer to enter, into a power purchase agreement under the scheme;
 - (d) for the provision of information in connection with the scheme.
- (5) Provision within subsection (4)(c) includes provision for determining which licensed supplier or suppliers is or are to be required or permitted to enter, or offer to enter, into a power purchase agreement with an electricity generator in any particular case.
- (6) Such provision may in particular include provision for the licensed supplier or suppliers in question to be determined—
- (a) by a process involving a determination or determinations by one or more of the following—
 - (i) the Secretary of State;
 - (ii) the Authority;
 - (iii) the electricity generator;
 - (b) by auction or other competitive process;
- and provision that may be made by virtue of paragraph (b) includes provision as to the circumstances in which a licensed supplier is or may be required or permitted to participate in an auction or other process.
- (7) For the purposes of this section and section 51, “licensed supplier” means the holder of a licence under section 6(1)(d) of EA 1989.

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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. 68(4) inserted by [2023 c. 52 s. 302\(4\)](#)