



# Energy Act 2016

## 2016 CHAPTER 20

### PART 1

#### THE OGA

#### *Funding*

VALID FROM 01/10/2016

#### **12 Powers of the OGA to charge fees**

- (1) The OGA may charge fees—
- (a) for making a determination under Schedule 1 to the Oil Taxation Act 1975;
  - (b) on an application made to it under section 12A of the Energy Act 1976;
  - (c) on an application made to it under section 3, 15, 16 or 17 of the Petroleum Act 1998;
  - (d) on an application of a prescribed description made to it by the holder of a licence granted under—
    - (i) section 3 of that Act (searching for, boring and getting petroleum), or
    - (ii) section 2 of the Petroleum (Production) Act 1934 (licences to search for and get petroleum);
  - (e) on an application of a prescribed description made to it by the holder of an authorisation issued under section 15 of the Petroleum Act 1998;
  - (f) for carrying out or attending any test, examination or inspection of a prescribed description;
  - (g) on an application made to it under section 4 or 18 of the Energy Act 2008;
  - (h) on an application of a prescribed description made to it by the holder of a licence granted under section 4 or 18 of that Act;
  - (i) for the storage by it of samples or information in accordance with an information and samples plan (see section 33(4) of this Act).

*Status: Point in time view as at 12/07/2016. This version of this cross heading contains provisions that are not valid for this point in time.*

*Changes to legislation: There are currently no known outstanding effects for the Energy Act 2016, Cross Heading: Funding. (See end of Document for details)*

- (2) The fees—
  - (a) are to be determined by or in accordance with regulations made by the Secretary of State, and
  - (b) are to be payable by such persons as the regulations may provide.
- (3) The OGA must pay into the Consolidated Fund any amount which it receives in respect of fees charged by it under this section.
- (4) Subsection (3) does not apply where the Secretary of State, with the consent of the Treasury, otherwise directs.
- (5) Where in relation to any matter the OGA has a function mentioned in subsection (6), that function is treated for the purposes of this section as carried out pursuant to an application made to the OGA (whether or not there is any requirement to make such an application).
- (6) The functions are—
  - (a) extending the term of a licence;
  - (b) giving its consent or approval in relation to any matter;
  - (c) objecting in relation to any matter.
- (7) The OGA may not charge fees under this section for the exercise of any function which it is authorised to exercise by virtue of—
  - (a) an order under section 69 of the Deregulation and Contracting Out Act 1994, or
  - (b) an agreement under section 7(3).
- (8) The Secretary of State must consult the OGA before making regulations under this section.
- (9) In this section “prescribed” means prescribed by regulations made by the Secretary of State.

### 13 Levy on licence holders

- (1) The Secretary of State may, by regulations, provide for a levy to be imposed on, and be payable by, one or more of the following kinds of persons—
  - (a) persons who hold licences (other than excluded licences) granted under section 3 of the Petroleum Act 1998 (searching for, boring and getting petroleum);
  - (b) persons who hold licences (other than excluded licences) granted under section 2 of the Petroleum (Production) Act 1934 (licences to search for and get petroleum);
  - (c) persons who hold licences granted under section 4 of the Energy Act 2008 (unloading and storing gas);
  - (d) persons who hold licences granted under section 18 of the Energy Act 2008 by the Secretary of State or the OGA (storage of carbon dioxide).
- (2) The Secretary of State must exercise the power conferred by subsection (1) so as to secure—
  - (a) that the total amount of licensing levy which is payable in respect of a charging period does not exceed the sum of—

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- (i) the costs incurred by the OGA in exercising its functions in respect of that period, and
  - (ii) the costs incurred in respect of that period by the Lord Chancellor in connection with the provision of Tribunals to consider appeals against decisions of the OGA, and
- (b) that no levy is payable in respect of costs incurred in the exercise of functions—
  - (i) for which fees are charged under section 12, or
  - (ii) which the OGA is authorised to exercise by virtue of an order under section 69 of the Deregulation and Contracting Out Act 1994 or an agreement under section 7(3) of this Act.
- (3) In determining for the purposes of subsection (2)(a) the total amount of licensing levy payable in respect of a charging period, an amount of levy payable in respect of that period may be ignored if (during that period or subsequently)—
  - (a) having been paid, it is repaid or credit for it is given against other licensing levy that is payable, or
  - (b) having not been paid, the requirement to pay it is cancelled.
- (4) The amount or amounts of licensing levy payable by licence holders must be—
  - (a) set out in the regulations, or
  - (b) calculated in accordance with a method set out in the regulations.
- (5) The licensing levy is payable to the OGA.
- (6) The OGA must pay into the Consolidated Fund any amount which it receives in respect of the licensing levy.
- (7) Subsection (6) does not apply where the Secretary of State, with the consent of the Treasury, otherwise directs.
- (8) The Secretary of State must consult the OGA before making regulations under this section.
- (9) Section 14 does not limit the provision that may be made by regulations under this section.
- (10) In this section and section 14—
  - “charging period” means a period in respect of which licensing levy is payable;
  - “excluded licence”, in relation to a charging period, means a licence that, if granted at the beginning of the period, would fall to be granted by the Scottish Ministers or the Welsh Ministers (and for these purposes a licence within subsection (1)(b) is to be treated as granted under section 3 of the Petroleum Act 1998);
  - “licensing levy” means the levy provided for in regulations under this section.

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**Commencement Information**

**II** S. 13 in force at 12.7.2016 by S.I. 2016/602, reg. 3(e) (as substituted by S.I. 2016/710, reg. 2)

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## 14 The licensing levy: regulations

- (1) Regulations may provide for the licensing levy payable in respect of a charging period to increase or decrease over that period.
- (2) Regulations may provide for an amount of licensing levy payable by a licence holder to be calculated by reference to the size of an area to which a licence held by that person relates.
- (3) Regulations may provide for different categories of licence holders to pay—
  - (a) different amounts of licensing levy, or
  - (b) amounts of licensing levy calculated, set or determined in different ways.
- (4) Regulations may provide for a category of licence holder to be exempt from payment of the licensing levy.
- (5) Regulations may provide for interest (at a rate specified in, or determined under, the regulations) to be charged in respect of unpaid amounts of licensing levy.
- (6) Regulations may provide for unpaid amounts of licensing levy (together with any interest charged) to be recoverable as a civil debt.
- (7) Regulations may confer a function (including a function involving the exercise of a discretion) on—
  - (a) the Secretary of State,
  - (b) the OGA, or
  - (c) any other person, apart from the Scottish Ministers or the Welsh Ministers.
- (8) Regulations (including regulations of the kinds mentioned in subsections (3) and (4)) may provide for a category of licence holder to consist of persons who hold a kind of licence that is specified in the regulations.
- (9) The regulations may (in particular) specify any of the following kinds of licence—
  - (a) licences granted under a particular enactment;
  - (b) licences of a particular description granted under a particular enactment;
  - (c) licences, or licences of a particular description (including a description falling within paragraph (a) or (b)), granted—
    - (i) before a particular time,
    - (ii) after a particular time, or
    - (iii) during a particular period.
- (10) In this section—
 

“licence” means a licence falling within section 13(1);

“licence holder” means a person who holds a licence (whether the person was granted it or has, after its grant, acquired it by assignment or other means);

“regulations” means regulations under section 13.

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### Commencement Information

**I2** S. 14 in force at 12.7.2016 by S.I. 2016/602, reg. 3(f) (as substituted by S.I. 2016/710, reg. 2)

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## **15 Payments and financial assistance**

- (1) The Secretary of State may make payments or provide financial assistance to the OGA.
- (2) The payments or financial assistance may be made or provided subject to such conditions as may be determined by the Secretary of State.
- (3) In the case of a grant such conditions may, in particular, include conditions requiring repayment in specified circumstances.
- (4) In this section “financial assistance” means grants, loans, guarantees or indemnities, or any other kind of financial assistance.

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