



Energy Act 2023

2023 CHAPTER 52

PART 5

INDEPENDENT SYSTEM OPERATOR AND PLANNER

Independent System Operator and Planner: functions and designation

161 The Independent System Operator and Planner (“the ISOP”)

- (1) This Part contains provision about the Independent System Operator and Planner (referred to in this Part as “the ISOP”).
- (2) The functions of the ISOP include—
 - (a) functions conferred by or by virtue of this Act, which include functions relating to the matters mentioned in subsection (3), and
 - (b) whatever other functions are conferred on the ISOP by or by virtue of any enactment other than one contained in this Act.
- (3) The matters referred to in subsection (2)(a) are—
 - (a) co-ordinating and directing the flow of electricity onto and over transmission systems;
 - (b) making and administering arrangements for the provision of services for the purpose of facilitating the co-ordination of the flow of electricity onto and over transmission systems;
 - (c) carrying out strategic planning and forecasting in connection with—
 - (i) the development of transmission systems,
 - (ii) the provision of services referred to in [paragraph \(b\)](#), and
 - (iii) other arrangements relating to the conveyance or supply of electricity;
 - (d) carrying out strategic planning and forecasting in connection with—
 - (i) the development of pipe-line systems for the conveyance of gas, and
 - (ii) other arrangements relating to the conveyance or supply of gas;

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 for the Energy Act 2023, Part 5. (See end of Document for details)*

- (e) providing advice, analysis or information in relation to the matters mentioned in section 171(1).

Commencement Information

- I1** S. 161 not in force at Royal Assent, see [s. 334\(1\)](#)
I2 S. 161 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(i\)](#)

162 Designation etc

- (1) The Secretary of State may by notice designate a person as the ISOP.
- (2) A notice under [subsection \(1\)](#)—
 - (a) must specify the time from which the designation has effect;
 - (b) must be published by the Secretary of State as soon as reasonably practicable after the notice is given.
- (3) The Secretary of State must ensure that a person is designated under [subsection \(1\)](#) at all times after a person is first designated (but at any time not more than one person may be designated).
- (4) The Secretary of State may by notice revoke a person’s designation under [subsection \(1\)](#).
- (5) A notice under [subsection \(4\)](#)—
 - (a) must specify the time from which the revocation has effect;
 - (b) must be published by the Secretary of State as soon as reasonably practicable after the notice is given.

Commencement Information

- I3** S. 162 not in force at Royal Assent, see [s. 334\(1\)](#)
I4 S. 162 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(i\)](#)

General duties

163 Duty to promote particular objectives

- (1) The ISOP must carry out its functions in the way that it considers is best calculated to promote—
 - (a) the net zero objective;
 - (b) the security of supply objective;
 - (c) the efficiency and economy objective.
- (2) The net zero objective is the objective of enabling the Secretary of State to meet the duties imposed by—
 - (a) section 1 of the Climate Change Act 2008 (net UK carbon account target for 2050), and
 - (b) section 4(1)(b) of that Act (UK carbon account not to exceed carbon budget).

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- (3) The security of supply objective is the objective of ensuring the security of supply, to existing and future consumers, of—
- (a) electricity conveyed by distribution systems or transmission systems, and
 - (b) gas conveyed through pipes.
- (4) The efficiency and economy objective is the objective of promoting—
- (a) efficient, co-ordinated and economical systems for the distribution and transmission of electricity and the conveyance of gas;
 - (b) efficiency (including the efficient use of energy) and economy on the part of persons who carry out relevant activities within subsection (5)(a), (b) or (c).
- (5) In this Part, “relevant activity” means any of the following, so far as carried out in the course of a business—
- (a) an activity mentioned in section 5(1) of the Gas Act 1986 (gas transportation, interconnection, supply, shipping, system planning, smart meter communication, code management);
 - (b) an activity mentioned in section 4(1) of the Electricity Act 1989 (electricity generation, transmission, distribution, supply, interconnection, multi-purpose interconnection, system operation, smart meter communication, code management);
 - (c) an activity, other than an activity within paragraph (a) or (b), in respect of which the ISOP has functions;
 - (d) an activity, other than an activity within paragraph (a), (b) or (c), that is connected with—
 - (i) the production, conveyance, storage or supply of energy,
 - (ii) the reduction of UK emissions of targeted greenhouse gases arising from the production, conveyance, storage, supply or consumption of energy, or
 - (iii) data relating to any matter within sub-paragraph (i) or (ii), or to demand for or consumption of energy.
- (6) For the purposes of subsection (5)(d)—
- (a) “energy” means energy in any form and includes fuel or other substances used to produce energy;
 - (b) references to the production of energy include references to the conversion of energy from one form to another;
 - (c) references to the supply of energy include references to adjusting consumption of energy (whether generally, at particular times, or by particular persons);
 - (d) an activity referred to in paragraph (d)(i) is not a relevant activity when carried out in relation to products for human or animal consumption;
 - (e) “UK emissions of targeted greenhouse gases” are emissions of such gases as are, or are treated for the purposes of Part 1 of the Climate Change Act 2008 as, emissions from sources in the United Kingdom.
- (7) In this section, “targeted greenhouse gas” has the same meaning as in Part 1 of the Climate Change Act 2008 (see section 24 of that Act).

Commencement Information

I5 S. 163 not in force at Royal Assent, see s. 334(1)

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

16 S. 163 in force at 31.1.2024 by S.I. 2024/32, reg. 3(a)(ii)

164 Duty to have regard to particular matters

- (1) The ISOP must, when carrying out its functions, have regard to—
 - (a) the need to facilitate competition between persons who carry out a relevant activity (except to the extent that such persons are, in accordance with or by virtue of an enactment, not subject to competition in relation to the activity);
 - (b) the consumer impact of a relevant activity;
 - (c) the whole-system impact of a relevant activity;
 - (d) the desirability of facilitating innovation in relation to the carrying out of relevant activities.
- (2) The reference in subsection (1)(b) to the consumer impact of a relevant activity is a reference to the impact (or likely impact) of—
 - (a) the behaviour of persons who carry out the activity on existing and future consumers, and
 - (b) the behaviour of existing and future consumers on the carrying out of the activity.
- (3) The reference in subsection (1)(c) to the whole-system impact of a relevant activity is a reference to the impact (or likely impact) of—
 - (a) the carrying out of the activity, and
 - (b) the behaviour of existing and future consumers in relation to the carrying out of the activity,
 in relation to the carrying out of other relevant activities.

Commencement Information

- I7** S. 164 not in force at Royal Assent, see s. 334(1)
I8 S. 164 in force at 31.1.2024 by S.I. 2024/32, reg. 3(a)(ii)

165 Duty to have regard to strategy and policy statement

- (1) The ISOP must, when carrying out its functions, have regard to the strategic priorities set out in the current strategy and policy statement.
- (2) The ISOP must give notice to the Secretary of State if at any time the ISOP concludes that a policy outcome contained in the current strategy and policy statement is not realistically achievable.
- (3) A notice under subsection (2) must include—
 - (a) the grounds on which the conclusion was reached;
 - (b) what (if anything) the ISOP is doing or proposes to do for the purpose of furthering the delivery of the outcome so far as reasonably practicable.
- (4) In this section—

“the current strategy and policy statement” means the statement for the time being designated under section 131(1) of the Energy Act 2013;

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“policy outcome” and “strategic priorities” have the same meaning as in Part 5 of the Energy Act 2013 (see section 131(5) of that Act).

- (5) Part 5 of the Energy Act 2013 is amended as follows.
- (6) In section 131 (designation of strategy and policy statement)—
- (a) in subsection (2)(c), after “Authority” insert “, the Independent System Operator and Planner”;
 - (b) in subsection (5), after the definition of “the 1986 Act” insert—
““Independent System Operator and Planner” means the person for the time being designated under [section 162\(1\)](#) of the Energy Act 2023;”.
- (7) Section 134 (review of strategy and policy statement) is amended as follows.
- (8) In subsection (4), after paragraph (b) insert—
- “(ba) the Independent System Operator and Planner has given notice to the Secretary of State under [section 165\(2\)](#) of the Energy Act 2023 since the relevant time.”.
- (9) After subsection (5) insert—
- “(5A) The Secretary of State may also review the strategy and policy statement at any other time if the Secretary of State considers it appropriate to do so in preparation for or in connection with the designation of a person under [section 162\(1\)](#) of the Energy Act 2023 (Independent System Operator and Planner).”
- (10) In subsection (10), after paragraph (a) insert—
- “(aa) the Independent System Operator and Planner.”.
- (11) In section 135(4) (procedural requirements in relation to strategy and policy statement), after paragraph (a) insert—
- “(aa) the Independent System Operator and Planner.”.

Commencement Information

19 S. 165 not in force at Royal Assent, see [s. 334\(1\)](#)

110 S. 165 in force at 31.1.2024 by [S.I. 2024/32](#), [reg. 3\(a\)\(ii\)](#)

Licences

166 Licensing of electricity system operator activity

- (1) Part 1 of the Electricity Act 1989 is amended as follows.
- (2) In section 4(1) (prohibition on unlicensed supply, transmission etc of electricity), after paragraph (c) insert—
- “(ca) co-ordinates and directs the flow of electricity onto and over transmission systems by means of which the transmission of electricity takes place;”.
- (3) Section 6 (licences authorising supply, etc) is amended as follows.
- (4) In subsection (1), after paragraph (d) insert—

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“(da) subject to subsections (1ZB) and (2ZA), a licence authorising a person to co-ordinate and direct the flow of electricity onto and over transmission systems by means of which the transmission of electricity takes place (“an electricity system operator licence”).”

(5) After subsection (1) insert—

“(1ZA) Subject to subsection (2ZA), the Secretary of State may grant an electricity system operator licence.

(1ZB) The first electricity system operator licence may only be granted by the Secretary of State.

(1ZC) For the purposes of this section, references to the grant of an electricity system operator licence include the giving of a direction under section 167 of the Energy Act 2023 in respect of a transmission licence.”

(6) After subsection (2) insert—

“(2ZA) A person may not be granted an electricity system operator licence unless the same person—

- (a) already holds a licence granted under section 7AA of the Gas Act 1986, or
- (b) is granted such a licence at the same time as the person is granted an electricity system operator licence.”

(7) In subsection (2A), for “(d)” substitute “(da)”.

(8) In subsection (8), after “term of the licence” insert “and subject to”.

(9) After subsection (8) insert—

“(8A) If a person who holds an electricity system operator licence ceases at any time to hold a licence under section 7AA of the Gas Act 1986, the person is to be treated as ceasing to hold the electricity system operator licence at the same time.”

(10) In section 7A (transfer of licences), after subsection (11) insert—

“(11ZA) An electricity system operator licence may not be transferred to a person unless a licence granted under section 7AA of the Gas Act 1986 is also transferred to the same person at the same time.”

Commencement Information

I11 S. 166 not in force at Royal Assent, see **s. 334(1)**

I12 S. 166(1)(3)-(10) in force at 31.1.2024 by S.I. 2024/32, **reg. 3(a)(iii)**

167 Direction for transmission licence to have effect as electricity system operator licence

- (1) The Secretary of State may (instead of granting an electricity system operator licence) direct that a pre-commencement transmission licence is to have effect as an electricity system operator licence.

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

- (2) A direction under this section may provide that a licence that has effect by virtue of the direction includes such terms and conditions as are specified, or of a description specified, in the direction (regardless of whether or the extent to which those terms and conditions were included in the pre-commencement transmission licence).
- (3) A direction under this section may provide for the continued effect (in accordance with the direction) of rights, liabilities and obligations that have effect immediately before the relevant date in connection with—
 - (a) a pre-commencement transmission licence,
 - (b) a document maintained in accordance with the conditions of such a licence, or
 - (c) an agreement that gives effect to such a document.
- (4) In subsection (3), “the relevant date” means the date on which the direction takes effect.
- (5) A direction under [this section](#) may make—
 - (a) incidental, consequential, supplementary and transitional provision;
 - (b) such amendments relating to the revocation of a pre-commencement transmission licence as the Secretary of State considers appropriate;
 - (c) different provision for different purposes.
- (6) Before giving a direction under this section, the Secretary of State must consult—
 - (a) the GEMA, and
 - (b) such other persons as the Secretary of State considers appropriate.
- (7) Subsection (6) may be satisfied by consultation before the passing of this Act (as well as by consultation after that time).
- (8) In [this Part](#)—
 - “electricity system operator licence” means a licence under section 6(1)(da) of the Electricity Act 1989 (as inserted by [section 166](#));
 - “pre-commencement transmission licence” means a licence under section 6(1)(b) of the Electricity Act 1989 that is in force immediately before [this section](#) comes into force.

Commencement Information

- I13** S. 167 not in force at Royal Assent, see [s. 334\(1\)](#)
I14 S. 167 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(iv\)](#)

168 Licensing of gas system planning activity

- (1) The Gas Act 1986 is amended as follows.
- (2) In section 5 (prohibition on unlicensed activities), in subsection (1)—
 - (a) omit the “or” at the end of paragraph (c);
 - (b) after that paragraph insert—
 - “(ca) carries out planning and forecasting functions of the Independent System Operator and Planner;”;
 - (c) after subsection (10) insert—

*Changes to legislation: There are currently no known outstanding effects
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“(10A) In subsection (5)(1)(ca), “planning and forecasting functions of the Independent System Operator and Planner” means functions that—

- (a) are conferred by or by virtue of an enactment on a person who is designated under [section 162\(1\)](#) of the Energy Act 2023, and
- (b) relate to strategic planning and forecasting in connection with the development of pipe-line systems operated by gas transporters for the conveyance of gas.”

(3) After section 7A insert—

“7AA Licensing of a person carrying out gas system planner functions

- (1) Subject to subsections (3) and (4), the Authority may grant a licence authorising a person to carry out planning and forecasting functions of the Independent System Operator and Planner (“a gas system planner licence”).
- (2) Subject to subsection (4), the Secretary of State may grant a gas system planner licence.
- (3) The first gas system planner licence may only be granted by the Secretary of State.
- (4) A person may not be granted a gas system planner licence unless either of the following paragraphs applies to the person—
 - (a) the person—
 - (i) already holds an electricity system operator licence, or
 - (ii) is treated as holding such a licence by virtue of a direction under [section 167](#) of the Energy Act 2023;
 - (b) the person is granted an electricity system operator licence, or is treated by virtue of a direction under [section 167](#) of the Energy Act 2023 as having been granted such a licence, at the same time as the person is granted a gas system planner licence.

(5) In this section—

“electricity system operator licence” means a licence under [section 6\(1\)\(da\)](#) of the Electricity Act 1989;

“planning and forecasting functions of the Independent System Operator and Planner” has the meaning given by [section 5\(10A\)](#).”

(4) In section 7B (licences: general)—

- (a) in subsection (3), after “contained in it” insert “and subject to subsection (3A)”;
- (b) after subsection (3) insert—

“(3A) If a person who holds a gas system planner licence ceases at any time to hold a licence under [section 6\(1\)\(da\)](#) of the Electricity Act 1989, the person is to be treated as ceasing to hold the gas system planner licence at the same time.”

(5) In section 8AA (transfer of licences), after subsection (11) insert—

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

“(11ZA) A gas system planner licence may not be transferred to a person unless a licence granted under section 6(1)(da) of the Electricity Act 1989 is also transferred to the same person at the same time.”

Commencement Information

I15 S. 168 not in force at Royal Assent, see [s. 334\(1\)](#)

I16 S. 168(1), (3)-(5) in force at 31.1.2024 by [S.I. 2024/32](#), [reg. 3\(a\)\(v\)](#)

169 Modification of licences etc

- (1) A relevant authority may modify—
 - (a) the conditions of a particular relevant licence;
 - (b) the standard conditions of relevant licences of a particular type;
 - (c) a relevant document.
- (2) A relevant authority may revoke a pre-commencement transmission licence where—
 - (a) the licence authorises the holder to co-ordinate and direct the flow of electricity onto and over a transmission system by means of which the transmission of electricity takes place, and
 - (b) the first electricity system operator licence has been granted to a person.
- (3) A relevant authority may exercise the power under [subsection \(1\)](#) or [\(2\)](#) only—
 - (a) in preparation for the designation of a person under [section 162\(1\)](#), or
 - (b) in connection with or in consequence of the designation of a person under that provision.
- (4) A relevant authority may also exercise the power under [subsection \(1\)](#) where—
 - (a) the operation or management of a relevant document is affected by steps taken in connection with the designation of a person under [section 162\(1\)](#) or by the preparation for such a designation, and
 - (b) the authority considers it appropriate to exercise the power in connection with the operation or management of a relevant document.
- (5) The Secretary of State may direct the GEMA to exercise the power under [subsection \(1\)](#) or [\(2\)](#) if the Secretary of State considers it appropriate for the GEMA to exercise that power.
- (6) A relevant authority may not exercise the power under [subsection \(1\)](#) or [\(2\)](#) after the end of the period of 3 years beginning with the day on which the first designation under [section 162\(1\)](#) has effect.
- (7) In this section—
 - “pre-commencement transmission licence” has the same meaning as in [section 167](#);
 - “relevant authority” means the Secretary of State or the GEMA;
 - “relevant document” means a document maintained in accordance with the conditions of a relevant licence.

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

Commencement Information

I17 S. 169 in force at Royal Assent, see **s. 334(2)(h)(i)**

170 Procedure relating to modifications under [section 169](#)

- (1) Before making a modification under [section 169](#), a relevant authority must—
 - (a) publish a notice about the proposed modification,
 - (b) send a copy of the notice to the persons listed in [subsection \(2\)](#), and
 - (c) consider any representations made within the period specified in the notice about the proposed modification or the date from which it would take effect.
- (2) The persons mentioned in [subsection \(1\)\(b\)](#) are—
 - (a) each relevant licence holder;
 - (b) the GEMA (where the relevant authority is the Secretary of State) or the Secretary of State (where the relevant authority is the GEMA);
 - (c) the National Association of Citizens Advice Bureaux;
 - (d) the Scottish Association of Citizens Advice Bureaux;
 - (e) Consumer Scotland;
 - (f) the General Consumer Council for Northern Ireland, unless the relevant authority does not consider it appropriate for the Council to be sent a copy of the notice in a particular case;
 - (g) where the proposed modification relates to a licence for the purposes of section 5 of the Gas Act 1986, the Health and Safety Executive;
 - (h) such other persons as the relevant authority considers appropriate.
- (3) A notice under [subsection \(1\)](#) must—
 - (a) state that the relevant authority proposes to make a modification;
 - (b) set out the proposed modification and its effect;
 - (c) specify the date from which the relevant authority proposes that the modification will have effect;
 - (d) state the reasons why the relevant authority proposes to make the modification.
- (4) If, after complying with [subsections \(1\) to \(3\)](#) in relation to a modification, the relevant authority decides to make the modification, it must publish a notice about the decision.
- (5) A notice under [subsection \(4\)](#) must—
 - (a) state that the relevant authority has decided to make the modification;
 - (b) set out the modification and its effect;
 - (c) specify the date from which the modification has effect;
 - (d) state how the relevant authority has taken account of any representations made in the period specified in the notice under [subsection \(1\)](#);
 - (e) state the reason for any differences between the modification set out in the notice and the proposed modification.
- (6) A notice under this section about a modification or decision must be published in such manner as the relevant authority considers appropriate for bringing it to the attention of those likely to be affected by the making of the modification or decision.

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- (7) References in this section to the making of a modification, in relation to a relevant licence, include references to the revocation of the licence.
- (8) In this section, “relevant licence holder”—
- (a) in relation to the modification of standard conditions of relevant licences of any type, means the holder of a licence of that type—
 - (i) that is to be modified by the inclusion of a new standard condition, or
 - (ii) that includes any standard conditions to which the modification relates that are in effect at the end of the period specified by virtue of [subsection \(1\)\(c\)](#);
 - (b) in relation to the modification of a condition of a particular relevant licence (other than a standard condition), means the holder of that licence;
 - (c) in relation to the modification of a document maintained in accordance with the conditions of a relevant licence of a particular type, means the holder of a relevant licence of that type;
 - (d) in relation to the revocation of a relevant licence, means the holder of that licence.
- (9) In this section, “relevant authority” means the Secretary of State or the GEMA.

Commencement Information

I18 S. 170 in force at Royal Assent, see [s. 334\(2\)\(h\)\(i\)](#)

Advice, analysis and information

171 Provision of advice, analysis or information

- (1) The ISOP must, so far as reasonably practicable, comply with a request by a person within [subsection \(2\)](#) for the provision of advice, analysis or information to the person in connection with—
- (a) any of the ISOP’s functions,
 - (b) any of the objectives listed in [section 163\(1\)](#), or
 - (c) any of the matters listed in [section 164\(1\)](#).
- (2) The persons within this subsection are—
- (a) a Minister of the Crown (within the meaning of the Ministers of the Crown Act 1975: see [section 8\(1\)](#) of that Act);
 - (b) the GEMA.
- (3) The ISOP must, so far as reasonably practicable, comply with a request made under [subsection \(1\)](#) within such period, and in such form and manner, as the person making the request may reasonably require.

Commencement Information

I19 S. 171 not in force at Royal Assent, see [s. 334\(1\)](#)

I20 S. 171 in force at 31.1.2024 by [S.I. 2024/32](#), [reg. 3\(a\)\(vi\)](#)

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

172 Power to require information from regulated persons etc

- (1) The ISOP may by notice request from a person within [subsection \(2\)](#) such information as the ISOP reasonably requires in connection with the exercise of any of its functions.
- (2) A person is within this subsection if—
 - (a) the person carries out a relevant activity, or
 - (b) the ISOP reasonably considers that the person intends to carry out a relevant activity.
- (3) A person to whom a request is made under [subsection \(1\)](#) must, so far as reasonably practicable, provide the requested information within such period, and in such form and manner, as may be specified in the notice.
- (4) Where a requirement under [subsection \(3\)](#) is imposed on a regulated person (as defined by section 25(8) of the Electricity Act 1989), it is enforceable by the GEMA as if it were a relevant requirement imposed on the person for the purposes of section 25 of that Act.
- (5) Where a requirement under [subsection \(3\)](#) is imposed on a regulated person (as defined by section 28(8) of the Gas Act 1986), it is enforceable by the GEMA as if it were a relevant requirement imposed on the person for the purposes of section 28 of that Act.
- (6) Where neither of [subsections \(4\)](#) and [\(5\)](#) applies, the duty imposed under [subsection \(3\)](#) on a person is enforceable by the ISOP in civil proceedings—
 - (a) for an injunction,
 - (b) for specific performance of a statutory duty under section 45 of the Court of Session Act 1988, or
 - (c) for any other appropriate remedy or relief.
- (7) Nothing in this section requires a disclosure of information that would contravene the data protection legislation (within the meaning of the Data Protection Act 2018 - see section 3 of that Act).
In determining whether a disclosure would do so, the duty imposed by [subsection \(3\)](#) is to be taken into account.

Commencement Information

- I21** S. 172 not in force at Royal Assent, see [s. 334\(1\)](#)
I22 S. 172 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(vi\)](#)

173 Duty to keep developments in energy sector under review

The ISOP must keep under review developments relating to the energy sector that may be relevant to the carrying out of any of the ISOP's functions.

Commencement Information

- I23** S. 173 not in force at Royal Assent, see [s. 334\(1\)](#)
I24 S. 173 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(vi\)](#)

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

Transfers, pensions and financial assistance

174 Transfers

Schedule 9 contains—

- (a) in Part 1, provision about transfer schemes relating to the ISOP;
- (b) in Part 2, related provision about transfers and other provision in connection with the designation of a person as the ISOP.

Commencement Information

I25 S. 174 in force at Royal Assent, see s. 334(2)(h)(ii)

175 Pension arrangements

Schedule 10 contains provision about pension arrangements in connection with the ISOP.

Commencement Information

I26 S. 175 in force at Royal Assent, see s. 334(2)(h)(ii)

176 Financial assistance for the ISOP

- (1) The Secretary of State may provide financial assistance to the ISOP.
- (2) Financial assistance under this section may be provided in any form and in particular may be provided by way of—
 - (a) grant,
 - (b) loan,
 - (c) guarantee or indemnity, or
 - (d) the acquisition of shares or any other interest in, or securities of, a body corporate.
- (3) Financial assistance under this section may be provided subject to such conditions as the Secretary of State considers appropriate (which may include conditions about repayment with or without interest or other return).

Commencement Information

I27 S. 176 not in force at Royal Assent, see s. 334(1)

I28 S. 176 in force at 31.1.2024 by S.I. 2024/32, reg. 3(a)(vii)

177 Cross-sectoral funding

- (1) In section 7 of the Electricity Act 1989 (conditions of licences: general), in subsection (3A)—
 - (a) for “or a distribution licence” substitute “, a distribution licence or an electricity system operator licence”;

*Changes to legislation: There are currently no known outstanding effects
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- (b) in paragraph (a), for “his charges for the transmission or distribution of electricity” substitute “the charges payable to the holder in connection with the transmission or distribution of electricity, or in connection with the exercise of any other functions under or by virtue of the licence,”;
 - (c) in paragraph (b), for “licence holders” substitute “holders of licences under section 6 or under Part 1 of the Gas Act 1986”.
- (2) In section 9 of that Act (general duties of licence holders), after subsection (2A) insert—
- “(2B) The conditions of a licence held by a person to which a duty imposed by subsection (1) or (2) applies may include a condition requiring the person, in performing the duty, to have regard to the interests of existing and future consumers in relation to gas conveyed through pipes (within the meaning of the Gas Act 1986).”
- (3) In section 7B of the Gas Act 1986 (licences: general), in subsection (5)(b)—
- (a) after “section 7” insert “or 7AA”;
 - (b) in sub-paragraph (i), for “his charges for the conveyance of gas” substitute “the charges payable to the holder in connection with the conveyance of gas, or in connection with the exercise of any other functions under or by virtue of the licence,”;
 - (c) in sub-paragraph (ii), for the words from “licences under” to “above” substitute “licences under [this Part](#) or under section 6 of the Electricity Act 1989”.
- (4) In section 9 of that Act (general powers and duties of gas transporters), after subsection (2) insert—
- “(2A) The conditions of a licence held by a gas transporter may include a condition requiring the gas transporter, in performing a duty under subsection (1), (1A) or (2), to have regard to the interests of existing and future consumers in relation to electricity conveyed by distribution systems or transmission systems (within the meaning of the Electricity Act 1989).”

Commencement Information

I29 S. 177 not in force at Royal Assent, see [s. 334\(1\)](#)

I30 S. 177 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(vii\)](#)

Other

178 Principal objective and general duties of Secretary of State and GEMA under Part 5

- (1) Sections 3A to 3D of the Electricity Act 1989 and sections 4AA to 4B of the Gas Act 1986 (principal objective and general duties) apply in relation to the functions of the Secretary of State under sections [162](#) and [167](#) as they apply in relation to functions under Part 1 of the Act in question.
- (2) Where the Secretary of State or the GEMA has functions under section [169](#), [170](#) or [172](#) in relation to a licence under section 6(1) of the Electricity Act 1989, sections 3A to

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Part 5. (See end of Document for details)

3D of that Act apply in relation to those functions as they apply in relation to functions under Part 1 of that Act.

- (3) Where the Secretary of State or the GEMA has functions under section 169, 170 or 172 in relation to a licence under section 7, 7ZA, 7A, 7AA, 7AB or 7AC of the Gas Act 1986, sections 4AA to 4B of that Act apply in relation to those functions as they apply in relation to functions under Part 1 of that Act.

Commencement Information

- I31** S. 178(2)(3) in force at Royal Assent for specified purposes, see [s. 334\(2\)\(h\)\(iii\)](#)
I32 S. 178(1) in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(viii\)](#)
I33 S. 178(2)(3) in force at 31.1.2024 in so far as not already in force by [S.I. 2024/32, reg. 3\(a\)\(viii\)](#)

179 Minor and consequential amendments

[Schedule 11](#) contains further amendments to the Electricity Act 1989 and the Gas Act 1986.

Commencement Information

- I34** S. 179 not in force at Royal Assent, see [s. 334\(1\)](#)
I35 S. 179 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(ix\)](#)

180 Interpretation of Part 5

- (1) In this Part—
- “distribution system” has the same meaning as in Part 1 of the Electricity Act 1989 (see section 4(4) of that Act);
 - “electricity system operator licence” has the meaning given by section 167(8);
 - “gas” has the same meaning as in Part 1 of the Gas Act 1986 (see section 48(1) of that Act);
 - “relevant activity” has the meaning given by section 163(5);
 - “relevant licence” means a licence for the purposes of section 4 of the Electricity Act 1989 or section 5 of the Gas Act 1986 (prohibitions on unlicensed activities);
 - “transmission system” has the same meaning as in Part 1 of the Electricity Act 1989 (see section 4(4) of that Act).
- (2) References in this Part to the distribution, generation, supply or transmission of electricity are to be construed in accordance with section 4(4) of the Electricity Act 1989.
- (3) For the purposes of this Part, references to the ISOP’s functions are to any functions that are exercisable by the person for the time being designated as the ISOP (whether they are exercisable in the person’s capacity as the ISOP or in another capacity).

*Changes to legislation: There are currently no known outstanding effects
for the Energy Act 2023, Part 5. (See end of Document for details)*

Commencement Information

I36 S. 180 in force at Royal Assent, see [s. 334\(2\)\(h\)\(iv\)](#)

181 Regulations under Part 5

- (1) Regulations under [this Part](#) are subject to the negative procedure.
- (2) Subsection (1) does not apply to regulations under paragraph 9 of [Schedule 9](#).

Commencement Information

I37 S. 181 in force at Royal Assent, see [s. 334\(2\)\(h\)\(iv\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Energy Act 2023, Part 5.