



Energy Act 2023

2023 CHAPTER 52

PART 5

INDEPENDENT SYSTEM OPERATOR AND PLANNER

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—
 - “(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.”

Changes to legislation: There are currently no known outstanding effects for the Energy Act 2023, Section 166. (See end of Document for details)

(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

I1 S. 166 not in force at Royal Assent, see [s. 334\(1\)](#)

I2 [S. 166\(1\)\(3\)-\(10\)](#) in force at 31.1.2024 by [S.I. 2024/32](#), [reg. 3\(a\)\(iii\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Energy Act 2023, Section 166.