## **EXPLANATORY NOTE**

## (This note is not part of the Order)

This Order brings into force the provisions of the Energy Act 2004 as follows-

- (a) section 177 on 1st November 2005;
- (b) section 179, and the associated repeals in section 197(9) and Schedule 23, on 1st April 2006, except for the purposes specified in article 3(2), for which they shall come into force on 1st April 2010.

Section 177 gives powers to the Secretary of State to amend licence conditions enabling the Gas and Electricity Markets Authority to comply with directions issued by the Competition Commission in connection with the funding of licence modification references.

Section 179(1) of the Energy Act 2004 amends the definition of "supply" in section 4 of the Electricity Act 1989 to include supply to premises connected directly to the transmission system. One effect of the change in the definition is to make such supplies subject to the renewables obligation imposed under sections 32, 32A, 32B and 32C of the Electricity Act. This Order provides that this element of the change will not take effect until the 1st April 2010 as regards the supply of electricity to certain high electricity users as defined in the Order.

Article 3(2)(b) of the Order also postpones until 1st April 2010 the application of section 179 to certain supplies of electricity which make good any unplanned shortfall in the availability of electricity from a generating station owned or operated by the recipient.

The remaining provisions will be brought into force by subsequent orders.