



Utilities Act 2000

2000 CHAPTER 27

PART IV

AMENDMENT OF THE ELECTRICITY ACT 1989

Miscellaneous

68 Modification of licences: electricity trading arrangements

- (1) After section 15 of the Electricity Act 1989 (modification of licences by order under other enactments) there is inserted—

“15A Licence modifications relating to new electricity trading arrangements

- (1) The Secretary of State may, in accordance with this section, modify—
- (a) the conditions of a particular licence; or
 - (b) the standard conditions of licences of any type mentioned in section 6(1),
- where he considers it necessary or expedient to do so for the purpose of implementing, or facilitating the operation of, new arrangements relating to the trading of electricity.
- (2) The power to modify licence conditions under paragraph (a) or (b) of subsection (1) includes power—
- (a) to make modifications relating to the operation of transmission systems and distribution systems; and
 - (b) to make incidental or consequential, or transitional, modifications.
- (3) Before making modifications under this section the Secretary of State shall consult the holder of any licence being modified and such other persons as he considers appropriate.

Status: This is the original version (as it was originally enacted).

- (4) Any consultation undertaken by the Secretary of State before the commencement of this section shall be as effective, for the purposes of subsection (3), as if undertaken after that commencement.
 - (5) Any modification of part of a standard condition of a licence under subsection (1)(a) shall not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of this Part.
 - (6) Where the standard conditions of licences of any type are modified under subsection (1)(b), the Secretary of State shall make (as nearly as may be) the same modifications of the standard conditions for the purposes of their incorporation in licences of that type granted after that time.
 - (7) The Secretary of State shall publish any modifications under this section in such manner as he considers appropriate.
 - (8) The power of the Secretary of State under this section may not be exercised after the end of the period of two years beginning with the passing of the Utilities Act 2000.”
- (2) This section shall come into force on the passing of this Act.

69 Help for disadvantaged groups of electricity customers

After section 43 of the 1989 Act there is inserted—

“43A Adjustment of charges to help disadvantaged groups of customers

- (1) If the Secretary of State considers that members of any group (a “disadvantaged group”) of customers of authorised suppliers are treated less favourably than other customers of theirs as respects charges for electricity, he may make an order containing a scheme for the adjustment of charges for electricity with a view to eliminating or reducing the less favourable treatment.
- (2) The scheme may include—
 - (a) provision for the adjustment of charges by authorised distributors or authorised transmitters (as well as by suppliers);
 - (b) in relation to charges payable to suppliers, provision for the adjustment of charges payable by customers who are not members of the disadvantaged group (as well as by persons who are).
- (3) The scheme shall—
 - (a) describe the disadvantaged group;
 - (b) specify the persons whose charges are covered by the scheme; and
 - (c) set out the basis of the adjustment of the charges.
- (4) If the scheme does not relate to the whole of Great Britain, it shall specify the area or areas to which it relates.
- (5) The scheme may—
 - (a) require authorised suppliers, authorised distributors or authorised transmitters to supply information of any specified description, in any specified form, to any other such persons; and
 - (b) provide for the modification of the conditions of licences,

for the purpose of facilitating the implementation of the scheme.

- (6) An order shall not be made under this section unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.

43B Orders: supplementary

- (1) Before making an order under section 43A, the Secretary of State shall give notice—
- (a) stating that he proposes to make an order and setting out its effect;
 - (b) stating the reasons why he proposes to make the order; and
 - (c) specifying the time (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed order may be made,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (2) The notice shall be given—
- (a) by serving a copy of it on the persons whose charges are covered by the proposed order; and
 - (b) by publishing it in such manner as the Secretary of State considers appropriate for bringing the proposed order to the attention of other persons likely to be affected by it.
- (3) An order under section 43A shall continue in force for such period not exceeding three years as is specified in the order; but that does not prevent the making of another order to come into force at the end of that period.
- (4) The Secretary of State may by order require authorised suppliers, authorised distributors or authorised transmitters to supply information of any specified description, in any specified form, to any other such persons for the purpose of enabling the making of an order under section 43A.
- (5) The Authority—
- (a) shall monitor the effect of orders under section 43A and report its findings to the Secretary of State whenever he directs it to do so; and
 - (b) may require authorised suppliers, authorised distributors or authorised transmitters to supply to the Authority, in any specified form, such information as it requires for carrying out that duty.
- (6) In section 43A references to customers do not include customers of a description excluded by an order made by the Secretary of State.
- (7) In this section and section 43A “authorised transmitter” means a person authorised by a licence or exemption to transmit electricity.”

70 Energy efficiency requirements for electricity distributors and suppliers

For section 41 of the 1989 Act (promotion of efficient use of electricity) there is substituted—

Status: This is the original version (as it was originally enacted).

“41A Promotion of the efficient use by consumers of electricity

- (1) The Secretary of State may by order impose—
 - (a) on each electricity distributor (or each electricity distributor of a specified description); and
 - (b) on each electricity supplier (or each electricity supplier of a specified description),
an obligation to achieve, within a specified period and in accordance with the order, the energy efficiency target to be determined by the Authority under the order for that distributor or supplier (and that obligation is referred to in this section as an “energy efficiency obligation”).
- (2) In this section “energy efficiency target” means a target for the promotion of improvements in energy efficiency, that is to say, efficiency in the use by consumers of electricity, gas conveyed through pipes or any other source of energy which is specified in the order.
- (3) An order under this section may specify criteria by reference to which the Authority is to determine energy efficiency targets for the electricity distributors or electricity suppliers on whom obligations are imposed by the order.
- (4) The Secretary of State and the Authority shall carry out their respective functions under this section in the manner he or it considers is best calculated to ensure that no electricity distributor is unduly disadvantaged in competing with other electricity distributors and no electricity supplier is unduly disadvantaged in competing with other electricity suppliers.
- (5) The order may make provision generally in relation to the energy efficiency obligations which it imposes, including in particular provision—
 - (a) as to the treatment of persons who become electricity distributors or electricity suppliers after the beginning of the period to which the order relates;
 - (b) as to the action which qualifies for the purpose of meeting the whole or any part of an energy efficiency target;
 - (c) as to the method by which improvements in energy efficiency attributable to any qualifying action are to be assessed;
 - (d) requiring distributors and suppliers to give to the Authority specified information, or information of a specified nature, about their proposals for complying with their energy efficiency obligations;
 - (e) requiring the Authority to determine—
 - (i) whether any proposed action qualifies for the purpose of achieving the whole or any part of a person’s energy efficiency target; and
 - (ii) if so, what improvement in energy efficiency is to be attributed for that purpose to the proposed action or to any result of that action specified in the determination; and
 - (f) requiring distributors or suppliers to produce to the Authority evidence of a specified kind demonstrating that they have complied with their energy efficiency obligations.

Status: This is the original version (as it was originally enacted).

- (6) The order may make provision authorising the Authority to require a distributor or supplier to provide it with specified information, or information of a specified nature, relating to—
- (a) his proposals for complying with his energy efficiency obligation; or
 - (b) the question whether he has complied with that obligation.
- (7) The order may make provision as to circumstances in which—
- (a) a person's energy efficiency target may be altered during the period to which the order relates;
 - (b) the whole or any part of a person's energy efficiency target may be treated as having been achieved by action taken otherwise than by or on behalf of that person;
 - (c) any action taken before the period to which the order relates may be treated as qualifying action taken during that period;
 - (d) the whole or any part of a person's energy efficiency target may be transferred to another electricity distributor or electricity supplier or to a gas transporter or gas supplier (within the meaning of Part I of the Gas Act 1986); or
 - (e) a person may carry forward the whole or any part of his energy efficiency target for the period to which the order relates to a subsequent period.
- (8) The order may—
- (a) provide for exceptions from any requirement of the order;
 - (b) provide that any specified requirement contained in it is to be treated as a relevant requirement for the purposes of this Part;
 - (c) make supplementary, incidental and transitional provision; and
 - (d) subject to subsection (4), make different provision for different cases (including different provision in relation to different distributors or suppliers).
- (9) The order may include provision for treating the promotion of the supply to premises of—
- (a) electricity generated by a generating station which is operated for the purposes of producing heat, or a cooling effect, in association with electricity;
 - (b) heat produced in association with electricity or steam produced from (or air or water heated by) such heat;
 - (c) any gas or liquid subjected to a cooling effect produced in association with electricity,
- as promotion of energy efficiency.
- (10) No person shall be required by virtue of this section to provide any information which he could not be compelled to give in evidence in civil proceedings in the High Court or, in Scotland, the Court of Session.
- (11) Before making an order under this section the Secretary of State shall consult the Authority, the Council, electricity distributors and electricity suppliers and such other persons as he considers appropriate.

Status: This is the original version (as it was originally enacted).

- (12) An order under this section shall not be made unless a draft of the instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.”

71 General duties of transmission licence holders in Scotland

Section 9(3) and (4) of the 1989 Act (special duty in Scotland for transmission licence holders who also hold licences to supply or generate electricity) shall cease to have effect.

72 Uniform prices etc. in certain areas of Scotland

After section 7A of the 1989 Act (which is inserted by section 41 above) there is inserted—

“7B Uniform prices etc. in certain areas of Scotland

- (1) The Secretary of State may, by an order made under this section, require the holder of—
- (a) a transmission licence; or
 - (b) a distribution licence,
- to apply in respect of the use of the transmission or, as the case may be, distribution system, or any part of the system, in a specified area charges which do not distinguish (whether directly or indirectly) between users in different parts of the area.
- (2) The Secretary of State may, by such an order, require the holder of a supply licence—
- (a) to charge prices; or
 - (b) to offer conditions of contract,
- in respect of a comparable supply of electricity in a specified area which do not distinguish (whether directly or indirectly) between consumers in different parts of the area.
- (3) The Secretary of State shall not specify in such an order any particular or maximum charge or price or any particular condition of contract.
- (4) Such an order may make different provision for different cases or descriptions of case.
- (5) For the purposes of this section—
- (a) a specified area is an area of Scotland specified in such an order; and
 - (b) supplies of electricity are comparable if they are—
 - (i) at the same or similar voltages; and
 - (ii) are in accordance with the same or similar demand characteristics.”

73 Maximum prices for reselling electricity

- (1) For section 44 of the 1989 Act (maximum charges for reselling electricity) there is substituted—

“44 Maximum prices for reselling electricity

- (1) The Authority may from time to time direct that the maximum prices at which electricity supplied by authorised suppliers may be resold—
- (a) shall be such as may be specified in the direction; or
 - (b) shall be calculated by such method and by reference to such matters as may be so specified;
- and shall publish directions under this section in such manner as in its opinion will secure adequate publicity for them.

- (2) A direction under this section may—
- (a) require any person who resells electricity supplied by an authorised supplier to furnish the purchaser with such information as may be specified or described in the direction; and
 - (b) provide that, in the event of his failing to do so, the maximum price applicable to the resale shall be such as may be specified in the direction, or shall be reduced by such amount or such percentage as may be so specified.

- (3) Different directions may be given under this section as respects different classes of cases, which may be defined by reference to areas or any other relevant circumstances.

- (4) If any person resells electricity supplied by an authorised supplier at a price exceeding the maximum price determined by or under a direction under this section and applicable to the resale—
- (a) the amount of the excess; and
 - (b) if the direction so provides, interest on that amount at a rate specified or described in the direction,

shall be recoverable by the person to whom the electricity was resold.”

- (2) Any maximum price fixed under section 44 of the 1989 Act which is in force immediately before the date on which this section comes into force shall be treated on and after that date as if it had been specified in a direction under section 44 as substituted by this section.