



Nuclear Energy (Financing) Act 2022

2022 CHAPTER 15

PART 1

NUCLEAR ENERGY GENERATION PROJECTS: REGULATED ASSET BASE MODEL

Licence modifications

6 Licence modifications: designated nuclear companies

- (1) The Secretary of State may modify—
 - (a) a condition of a nuclear company's electricity generation licence;
 - (b) a term of a nuclear company's electricity generation licence.
- (2) The Secretary of State may exercise the power under [subsection \(1\)](#) only for the purpose of facilitating investment in the design, construction, commissioning and operation of nuclear energy generation projects.
- (3) The power under [subsection \(1\)](#) may be exercised in relation to a nuclear company only at a time when a designation under [section 2\(1\)](#) has effect in relation to the company.
- (4) When exercising the power under [subsection \(1\)](#), the Secretary of State must have regard to—
 - (a) the duties of the Secretary of State under sections 1 and 4(1)(b) of the Climate Change Act 2008 (carbon targets and budgets);
 - (b) the interests of existing and future consumers of electricity, including their interests in relation to the cost and security of supply of electricity;
 - (c) costs, expenditure or liabilities of any description that the nuclear company may reasonably be expected to incur in carrying out its activities;
 - (d) the need to secure that the nuclear company is able to finance its activities;
 - (e) the need to secure that the nuclear company has appropriate incentives in relation to the carrying out of its activities;
 - (f) such other matters as the Secretary of State considers appropriate.
- (5) Modifications made under [subsection \(1\)\(a\)](#) may include, for example—

Changes to legislation: There are currently no known outstanding effects for the Nuclear Energy (Financing) Act 2022, Section 6. (See end of Document for details)

- (a) provision about the revenue that the nuclear company may receive in respect of its activities (the company’s “allowed revenue”);
 - (b) provision about how the nuclear company’s allowed revenue is to be calculated;
 - (c) provision about the amounts that the nuclear company is entitled to receive, or is required to pay, under any revenue collection contract to which it is a party;
 - (d) provision about activities that the nuclear company must, may or may not carry on;
 - (e) provision about the management of the nuclear company’s activities, including the manner in which they are carried out;
 - (f) provision conferring functions on the Authority, including provision enabling or requiring the nuclear company to refer for determination, decision or approval by the Authority matters specified, or of a description specified, in the licence;
 - (g) provision enabling the nuclear company to refer to the CMA a decision of the Authority falling within [section 10\(3\)](#) (decisions relating to allowed revenue);
 - (h) provision for the amendment of the licence for the purpose of implementing a determination or decision of the Authority or the CMA;
 - (i) provision requiring the nuclear company to comply with any direction or instruction, or to have regard to any guidance, given by the Authority in relation to matters specified, or of a description specified, in the licence;
 - (j) provision requiring the nuclear company to co-operate with the Authority and to provide such information and assistance to the Authority as the Authority may require for the purposes of carrying out any of its functions;
 - (k) provision about the payment by the nuclear company, to the Authority or to the CMA, of such amounts as may be determined by or in accordance with the licence;
 - (l) provision about relevant licensee nuclear company administration orders (as defined in [section 31\(1\)](#)), including provision about the raising of funds for the purpose of meeting expenses arising by virtue of such an order;
 - (m) provision about the disclosure or publication of information by the nuclear company.
- (6) Modifications made under [subsection \(1\)\(b\)](#) may include, for example, provision relating to the circumstances in which the nuclear company’s electricity generation licence may be revoked.
- (7) The Secretary of State may modify—
- (a) the standard conditions incorporated in licences under [section 6\(1\)\(a\) to \(d\)](#) of the Electricity Act 1989 by virtue of [section 8A](#) of that Act;
 - (b) a document maintained in accordance with the conditions of licences under [section 6\(1\)\(a\) to \(d\)](#) of the Electricity Act 1989 or an agreement that gives effect to a document so maintained.
- (8) The Secretary of State may exercise the power under [subsection \(7\)](#) only if the Secretary of State considers it appropriate to do so in consequence of, or for purposes incidental or supplementary to, the making of a modification under [subsection \(1\)](#).
- (9) Modifications made under [subsection \(1\)](#) or [\(7\)](#) do not take effect unless the nuclear company whose licence is modified under [subsection \(1\)](#) enters into a revenue collection contract with a revenue collection counterparty.

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- (10) References in this section to the activities of a nuclear company are references to the company's activities in relation to the design, construction, commissioning and operation of the nuclear project, including its activities in complying with any obligations it has under an approved funded decommissioning programme under Chapter 1 of Part 3 of the Energy Act 2008.

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Commencement Information

II S. 6 in force at 1.6.2022, see **s. 44(2)(a)**

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