

SCHEDULES

SCHEDULE 3

Section 20

DOMESTIC GAS AND ELECTRICITY (TARIFF CAP) ACT 2018

Amendments to 2018 Act

- 1 The Domestic Gas and Electricity (Tariff Cap) Act 2018 is amended as follows.
- 2 (1) Section 1 (cap on standard variable and default rates) is amended as follows.
 - (2) After subsection (3) insert—
 - “(3A) If tariff cap conditions cease to have effect by virtue of section 8 in the case of supply licences for the supply of gas but continue to have effect in the case of supply licences for the supply of electricity, or vice versa, the reference in subsection (2)(b) to the standard supply licence conditions is to be construed accordingly.”
 - (3) In subsection (6), after paragraph (d) insert—
 - “(e) the need to set the cap at a level that takes account of the impact of the cap on public spending.”
 - (4) After subsection (6) insert—
 - “(6A) In performing the duty under subsection (6)(e), the Authority must have regard to any information provided to it by the Secretary of State, or any guidance given by the Secretary of State, in relation to the matter mentioned in that provision.”
- 3 (1) Section 5 (publication and effect of modifications) is amended as follows.
 - (2) In subsection (4), for “56 days” substitute “25 working days”.
 - (3) After subsection (4) insert—
 - “(5) In subsection (4), “working day” means a day other than—
 - (a) Saturday or Sunday,
 - (b) Christmas Day or Good Friday, or
 - (c) a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.”
- 4 (1) Section 6 (review of level at which cap is set) is amended as follows.
 - (2) After subsection (1) insert—
 - “(1A) As soon as practicable after carrying out a review under subsection (1), the Authority must—
 - (a) produce a statement stating whether, in consequence of the review, the Authority proposes to change the level at which the cap is set, and

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(b) send a copy of the statement to the Secretary of State.

(1B) The Authority must publish a statement under subsection (1A) as soon as practicable after complying with that subsection.”

(3) Omit subsection (2).

5 Omit section 7.

6 For section 8 substitute—

“8 Termination of tariff cap conditions

(1) The Secretary of State may at any time give a notice that tariff cap conditions are to cease to have effect in the case of—

- (a) all supply licences,
- (b) all supply licences for the supply of gas, or
- (c) all supply licences for the supply of electricity.

(2) Where the Secretary of State gives a notice under subsection (1), tariff cap conditions cease to have effect, in the case of licences to which the notice relates, on the date specified in the notice.

(3) In deciding whether to give a notice under subsection (1), the Secretary of State must have regard to the desirability of ensuring that tariff cap conditions continue to have effect—

- (a) in the case of supply licences for the supply of electricity, for so long as a scheme is designated for the purposes of section 2 of the Energy Prices Act 2022 (domestic electricity price reduction scheme for Great Britain);
- (b) in the case of supply licences for the supply of gas, for so long as a scheme is designated for the purposes of section 3 of the Energy Prices Act 2022 (domestic gas price reduction scheme for Great Britain).

(4) The Secretary of State must publish a notice under subsection (1).

(5) Where tariff cap conditions cease to have effect as provided by this section in the case of all supply licences, the functions of the Authority under section 1 cease to be exercisable.

(6) Where tariff cap conditions cease to have effect as provided by this section in the case of supply licences for the supply of gas, the functions of the Authority under section 1 cease to be exercisable in relation to such licences.

(7) Where tariff cap conditions cease to have effect as provided by this section in the case of supply licences for the supply of electricity, the functions of the Authority under section 1 cease to be exercisable in relation to such licences.”

7 In section 9(1) (protection for domestic customers after termination of tariff cap conditions), for the words from “Before” to “the Authority must” substitute “The Authority must, at such intervals as it considers appropriate,”.

8 (1) Section 10 (consequential modification of standard supply licence conditions) is amended as follows.

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

- (2) In subsection (1), after “effect” insert “, in the case of all supply licences,”.
- (3) After subsection (1) insert—
 - “(1A) The Authority may make such modifications of any standard conditions incorporated in supply licences by virtue of section 8 of the Gas Act 1986 as it considers necessary or expedient in consequence of tariff cap conditions ceasing to have effect as provided by section 8 in the case only of supply licences for the supply of gas.
 - (1B) The Authority may make such modifications of any standard conditions incorporated in supply licences by virtue of section 8A of the Electricity Act 1989 as it considers necessary or expedient in consequence of tariff cap conditions ceasing to have effect as provided by section 8 in the case only of supply licences for the supply of electricity.”
- (4) In subsection (2)(a), for “the modifications” substitute “modifications made under this section”.
- (5) In subsection (3), after “modification” insert “made under this section”.

Transitional provision

- 9 (1) This paragraph applies if—
 - (a) paragraph 5 of this Schedule comes into force on or after 1 November 2022, and
 - (b) in relation to the review carried out in 2022 under section 7 of the 2018 Act (review of competition for domestic supply contracts), no statement was published in accordance with section 7(6) of that Act.
- (2) In such a case—
 - (a) tariff cap conditions continue to have effect, notwithstanding section 8(3) of the 2018 Act, until they cease to have effect in accordance with section 8 of that Act (as substituted by paragraph 6 of this Schedule), and
 - (b) section 7(5) and (6) of the 2018 Act (duty to publish statement following review) is to be treated as not having applied in relation to the review.
- (3) In this paragraph—
 - “the 2018 Act” means the Domestic Gas and Electricity (Tariff Cap) Act 2018;
 - “tariff cap conditions” has the same meaning as in the 2018 Act.