



# Energy Act 2023

## 2023 CHAPTER 52

### PART 5

#### INDEPENDENT SYSTEM OPERATOR AND PLANNER

##### *General duties*

#### **163 Duty to promote particular objectives**

- (1) The ISOP must carry out its functions in the way that it considers is best calculated to promote—
  - (a) the net zero objective;
  - (b) the security of supply objective;
  - (c) the efficiency and economy objective.
- (2) The net zero objective is the objective of enabling the Secretary of State to meet the duties imposed by—
  - (a) section 1 of the Climate Change Act 2008 (net UK carbon account target for 2050), and
  - (b) section 4(1)(b) of that Act (UK carbon account not to exceed carbon budget).
- (3) The security of supply objective is the objective of ensuring the security of supply, to existing and future consumers, of—
  - (a) electricity conveyed by distribution systems or transmission systems, and
  - (b) gas conveyed through pipes.
- (4) The efficiency and economy objective is the objective of promoting—
  - (a) efficient, co-ordinated and economical systems for the distribution and transmission of electricity and the conveyance of gas;
  - (b) efficiency (including the efficient use of energy) and economy on the part of persons who carry out relevant activities within subsection (5)(a), (b) or (c).

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*Changes to legislation: There are currently no known outstanding effects for the  
 Energy Act 2023, Cross Heading: General duties. (See end of Document for details)*

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- (5) In this Part, “relevant activity” means any of the following, so far as carried out in the course of a business—
- (a) an activity mentioned in section 5(1) of the Gas Act 1986 (gas transportation, interconnection, supply, shipping, system planning, smart meter communication, code management);
  - (b) an activity mentioned in section 4(1) of the Electricity Act 1989 (electricity generation, transmission, distribution, supply, interconnection, multi-purpose interconnection, system operation, smart meter communication, code management);
  - (c) an activity, other than an activity within paragraph (a) or (b), in respect of which the ISOP has functions;
  - (d) an activity, other than an activity within paragraph (a), (b) or (c), that is connected with—
    - (i) the production, conveyance, storage or supply of energy,
    - (ii) the reduction of UK emissions of targeted greenhouse gases arising from the production, conveyance, storage, supply or consumption of energy, or
    - (iii) data relating to any matter within sub-paragraph (i) or (ii), or to demand for or consumption of energy.
- (6) For the purposes of [subsection \(5\)\(d\)](#)—
- (a) “energy” means energy in any form and includes fuel or other substances used to produce energy;
  - (b) references to the production of energy include references to the conversion of energy from one form to another;
  - (c) references to the supply of energy include references to adjusting consumption of energy (whether generally, at particular times, or by particular persons);
  - (d) an activity referred to in [paragraph \(d\)\(i\)](#) is not a relevant activity when carried out in relation to products for human or animal consumption;
  - (e) “UK emissions of targeted greenhouse gases” are emissions of such gases as are, or are treated for the purposes of Part 1 of the Climate Change Act 2008 as, emissions from sources in the United Kingdom.
- (7) In [this section](#), “targeted greenhouse gas” has the same meaning as in Part 1 of the Climate Change Act 2008 (see section 24 of that Act).

**Commencement Information**

- 11** S. 163 not in force at Royal Assent, see [s. 334\(1\)](#)  
**12** S. 163 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(ii\)](#)

**164 Duty to have regard to particular matters**

- (1) The ISOP must, when carrying out its functions, have regard to—
- (a) the need to facilitate competition between persons who carry out a relevant activity (except to the extent that such persons are, in accordance with or by virtue of an enactment, not subject to competition in relation to the activity);
  - (b) the consumer impact of a relevant activity;
  - (c) the whole-system impact of a relevant activity;

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- (d) the desirability of facilitating innovation in relation to the carrying out of relevant activities.
- (2) The reference in subsection (1)(b) to the consumer impact of a relevant activity is a reference to the impact (or likely impact) of—
- (a) the behaviour of persons who carry out the activity on existing and future consumers, and
  - (b) the behaviour of existing and future consumers on the carrying out of the activity.
- (3) The reference in subsection (1)(c) to the whole-system impact of a relevant activity is a reference to the impact (or likely impact) of—
- (a) the carrying out of the activity, and
  - (b) the behaviour of existing and future consumers in relation to the carrying out of the activity,
- in relation to the carrying out of other relevant activities.

#### Commencement Information

- I3** S. 164 not in force at Royal Assent, see [s. 334\(1\)](#)
- I4** S. 164 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(ii\)](#)

## 165 Duty to have regard to strategy and policy statement

- (1) The ISOP must, when carrying out its functions, have regard to the strategic priorities set out in the current strategy and policy statement.
- (2) The ISOP must give notice to the Secretary of State if at any time the ISOP concludes that a policy outcome contained in the current strategy and policy statement is not realistically achievable.
- (3) A notice under [subsection \(2\)](#) must include—
  - (a) the grounds on which the conclusion was reached;
  - (b) what (if anything) the ISOP is doing or proposes to do for the purpose of furthering the delivery of the outcome so far as reasonably practicable.
- (4) In this section—
  - “the current strategy and policy statement” means the statement for the time being designated under section 131(1) of the Energy Act 2013;
  - “policy outcome” and “strategic priorities” have the same meaning as in Part 5 of the Energy Act 2013 (see section 131(5) of that Act).
- (5) Part 5 of the Energy Act 2013 is amended as follows.
- (6) In section 131 (designation of strategy and policy statement)—
  - (a) in subsection (2)(c), after “Authority” insert “, the Independent System Operator and Planner”;
  - (b) in subsection (5), after the definition of “the 1986 Act” insert—
    - ““Independent System Operator and Planner” means the person for the time being designated under [section 162\(1\)](#) of the Energy Act 2023;”.
- (7) Section 134 (review of strategy and policy statement) is amended as follows.

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(8) In subsection (4), after paragraph (b) insert—

“(ba) the Independent System Operator and Planner has given notice to the Secretary of State under [section 165\(2\)](#) of the Energy Act 2023 since the relevant time.”

(9) After subsection (5) insert—

“(5A) The Secretary of State may also review the strategy and policy statement at any other time if the Secretary of State considers it appropriate to do so in preparation for or in connection with the designation of a person under [section 162\(1\)](#) of the Energy Act 2023 (Independent System Operator and Planner).”

(10) In subsection (10), after paragraph (a) insert—

“(aa) the Independent System Operator and Planner,”.

(11) In section 135(4) (procedural requirements in relation to strategy and policy statement), after paragraph (a) insert—

“(aa) the Independent System Operator and Planner,”.

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**Commencement Information**

**I5** S. 165 not in force at Royal Assent, see [s. 334\(1\)](#)

**I6** S. 165 in force at 31.1.2024 by [S.I. 2024/32, reg. 3\(a\)\(ii\)](#)

**Changes to legislation:**

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