STATUTORY INSTRUMENTS

2001 No. 3270

ELECTRICITY

The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001

Made - - - -	*28th September 2001*
Laid before Parliament	*28th September 2001*
Coming into force - -	*1st October 2001*

The Secretary of State, in exercise of the powers conferred on her by sections 5 and 111(2) of the Electricity Act 1989[M1] and after giving notice under and considering any representations in accordance with section 5(2) and (11) of that Act and after consultation with the Gas and Electricity Markets Authority[M2] and the Scottish Ministers[M3], hereby makes the following Order:—

Marginal Citations

M1 1989 c. 29; section 5 was inserted by section 29 of the Utilities Act 2000 (c. 27).

M2 The Authority was established under section 1(1) of the Utilities Act 2000.

M3 S.I. 1999/1750; article 4 and Schedule 3 provide that functions under section 5(1) of the Act are, in so far as they are exerciseable in or as regards Scotland, only exercisable after consultation with the Scottish Ministers.

Citation and commencement

1. This Order may be cited as the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 and shall come into force on 1st October 2001.

Interpretation

2.—(1) In this Order—

"the Act" means the Electricity Act 1989;

"additional group consumers within the 100 megawatt limit" has the meaning given to that expression in paragraph C. 2 in Schedule 4;

[[F1]"array transmission" means transmission over a high voltage array system;**]**

"the Authority" means the Gas and Electricity Markets Authority;

"consumer" means a person to whom electricity is supplied [M4] (whether or not he is the same person as the person who supplies the electricity);

[[F1]"co-ordination licence" means a licence which authorises a person to co-ordinate and direct the flow of electricity onto and over a transmission system—

(a) by means of which the transmission of electricity takes place; and

(b) the whole or part of which is in Great Britain or offshore waters;**]**

"declared net capacity" in relation to a generating station has the meaning given to that expression in Schedule 1;

"domestic consumer" means a consumer supplied with electricity at domestic premises (but excluding such consumer in so far as he is supplied at premises other than domestic premises);

"domestic premises" means premises at which a supply is taken wholly or mainly for domestic purposes;

[[F1]"high voltage array system" means a transmission system—

(a) which is located in offshore waters;

(b) which is connected directly to an offshore generating station;

(c) which is used by the person who generates electricity at that offshore generating station for conveying electricity to a primary offshore substation; and

(d) in respect of which no bilateral agreement has been entered with the holder of a co-ordination licence in accordance with the arrangements for connection and use of transmission systems;**]**

"licensed distributor" means the holder of a licence under section 6(1)(c) of the Act [M5];

"licensed generator" means the holder of a licence under section 6(1)(a) of the Act;

"licensed supplier" means the holder of a licence under section 6(1)(d) of the Act;

"licensed transmitter" means the holder of a licence under section 6(1)(b) of the Act;

"offshore installation" has the same meaning as in regulation 3 of the Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 [M6];

[[F1]"offshore generating station" means a generating station that is situated within an area of offshore waters;**]**

[[F1]"offshore substation" means a substation or converter station which—

(a) is located wholly in offshore waters;

(b) is composed of a structure serving as a collection point for electric line and electrical plant; and

(c) contains equipment for the purpose of transforming electricity for conveyance onto and over a transmission system which forms, or is proposed to form, any part of a project which meets the requirements of regulation 8(6)(a) or (b) of the Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015;**]**

[[F1]"offshore waters" means—

(a) waters in or adjacent to Great Britain which are between the mean low water mark and the seaward limits of the territorial sea;

(b) waters within an area designated under section 1(7) of the Continental Shelf Act 1964;

(c) waters within an area designated under section 84(4) of the Energy Act 2004;**]**

"ordinary share capital" has the same meaning as in section 832(1) of the Income and Corporation Taxes Act 1988 [M7];

"parent undertaking" shall be construed in accordance with section 258 of the Companies Act 1985 [M8];

[[F1]"primary offshore substation" means, in respect of electricity conveyed from an offshore generating station, the first or only offshore substation through which the electricity passes;**]**

"qualifying group" means a group of two or more consumers which are all bodies corporate, and which either—

(a) are each connected to each other, provided that any body corporate which is connected to, or a parent undertaking in relation to, any of them is a parent undertaking in relation to all of them; or

(b) are each related to each other, were related to each other on 31st March 1990 and were supplied with electricity on 31st March 1990 by the person seeking to fall within the class in question specified in Schedule 2 or 4;

[[F2]"total system in England and Wales" means the transmission system located in England and Wales of the licensed transmitter and all distribution systems located in England and Wales;

"total system in Scotland" means all transmission and distribution systems located in Scotland;

"total system in Great Britain" means all transmission systems and distribution systems, located in Great Britain, of holders of licences under section 4(1)(b) [F3] and (bb) [F4] of the Act.**]**

"vertically integrated undertaking" means a person who carries on two or more of the activities of generating, transmitting, distributing [M9] and supplying electricity.

(2) The following provisions shall have effect for the purposes of this Order.

(a) One body corporate shall be treated as associated with another if—

(i) one of them is a subsidiary of the other; or

(ii) both of them are subsidiaries of the same holding company;

and "holding company" and "subsidiary" shall have the same meaning as in section 736 of the Companies Act 1985 [M10].

(b) One body corporate shall be treated as related to another if—

(i) one of them is a 75 per cent subsidiary of the other; or

(ii) both of them are 75 per cent subsidaries of a third body corporate;

and "75 per cent subsidiary" shall be construed in accordance with section 838 of the Income and Corporation Taxes Act 1988.

(c) One body corporate shall be treated as connected to another if—

(i) 50 per cent or more of the ordinary share capital of one of them is owned directly or indirectly by the other; or

(ii) 50 per cent or more of the ordinary share capital of each of them is owned directly or indirectly by a third body corporate;

and for the purpose of determining whether 50 per cent or more of the ordinary share capital of a body corporate is owned directly or indirectly by another body corporate the provisions of subsections (2) to (10) of section 838 of the Income and Corporation Taxes Act 1988 shall apply in relation to this sub-paragraph as they apply in relation to subsection (1) of that section.

(d) A person shall be treated as generating electricity at any time if he is the operator of plant or equipment which at that time—

(i) is generating or capable of generating electricity; or

(ii) is not capable of generating electricity only by reason of the maintenance, repair or testing of the plant or equipment.

(e) Premises shall be treated as on the same site as each other if they are—

(i) the same premises;

(ii) immediately adjoining each other; or

(iii) separated from each other only by a road, railway or watercourse or by other premises occupied by the consumer in question, by any other person who together with that consumer forms a qualifying group, or by the person seeking to fall within the class in question specified in Schedule 2 or 4.

Textual Amendments

F1 Words in art. 2 inserted (16.8.2024) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 (S.I. 2024/819), art. 1(1), **Sch. para. 1**

F2 Words in art. 2(1) substituted (1.4.2005) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2005 (S.I. 2005/488), arts. 1, **3**

F3 Section 4(1)(b) of the Act was substituted by section 135(2) of the Energy Act 2004 (c. 20).

F4 Section 4(1)(bb) was inserted by section 28(2) of the Utilities Act 2000 (c. 27).

Marginal Citations

M4 The definition of "supply" was substituted in section 4(4) of the Electricity Act 1989 by section 28(1) and (3)(b) of the Utilities Act 2000.

M5 A new section 6 was substituted by section 30 of the Utilities Act 2000.

M6 S.I. 1995/738.

M7 1988 c. 1.

M8 1985 c. 6; section 258 was inserted by section 21 of the Companies Act 1989 (c. 40).

M9 The definition of "distribute" was inserted into section 4(4) of the Electricity Act 1989 by section 28(1) and (3)(a) of the Utilities Act 2000.

M10 Section 736 was substituted by section 144(1) of the Companies Act 1989.

Exemptions from section 4 of the Act

3.—(1) Exemption is granted—

(a) from section 4(1)(a) of the Act to persons of the classes specified in Schedule 2;

(b) from section 4(1)(bb) of the Act to persons of the classes specified in Schedule 3; [F5]...

(c) from section 4(1)(c) of the Act to persons of the classes specified in Schedule 4 **[**[F6]; and

(d) from section 4(1)(b) of the Act to a person specified in Schedule 5**]**.

[[F7](2) A person shall be treated as falling within any class specified in Schedule 2, 3, 4 or 5 notwithstanding that the person generates, distributes, supplies or transmits electricity, as the case may be, in circumstances other than those specified in the description of that class if the generation, distribution, supply or transmission of electricity in those circumstances would, if taken on its own, be such that that person would fall within another class in Schedule 2, 3, 4 or 5 as the case may be.**]**

Textual Amendments

F5 Word in art. 3(1) omitted (16.8.2024) by virtue of The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 (S.I. 2024/819), art. 1(1), **Sch. para. 2(a)**

F6 Art. 3(1)(d) and word inserted (16.8.2024) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 (S.I. 2024/819), art. 1(1), **Sch. para. 2(b)**

F7 Art. 3(2) substituted (16.8.2024) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 (S.I. 2024/819), art. 1(1), **Sch. para. 2(c)**

Conditions on exemptions

4.—(1) The exemption granted by article 3(1)(a) to persons of Class D in Schedule 2 is subject to compliance with the condition specified in paragraph (2) below.

(2) The highest generation of electricity from any generating station of such a person (at the main alternator terminals) which can be maintained indefinitely without causing damage to the plant (the "maximum capacity") shall not at any time exceed the maximum capacity of that generating station on 30th September 2000.

(3) The exemption granted by article 3(1)(b) to persons of the classes specified in Schedule 3 is subject to compliance with the conditions specified in paragraph (4) below.

(4) (a) Persons referred to in paragraph (3) above shall furnish to the Authority, in such manner and at such times as the Authority may direct, such information as the Authority may consider necessary for the purpose of performing its functions under the Act.

(b) Persons referred to in paragraph (3) above **[**[F8](other than persons who fall within Class D of Schedule 3)**]** who at any time distribute more electrical power than 500 kilowatts to domestic consumers and who are vertically integrated undertakings shall keep separate accounts for their distribution activities in their internal accounts.

[[F9](c) Persons referred to in paragraph (3) above who fall within Class D of Schedule 3 shall not distribute electricity for the purpose of giving a supply to domestic premises.**]**

(5) The exemption granted by article 3(1)(c) to persons of Class A in Schedule 4 is subject to compliance with the conditions specified in paragraph (6) below.

(6) A person who at any time supplies more electrical power than 500 kilowatts—

(a) shall not supply electricity to domestic consumers at a price which exceeds such maximum price as may be specified in or as may be calculated by such method and by reference to such matters as may be specified in a direction given by the Authority; and

(b) shall give at least seven days' notice in writing to a domestic consumer before entering into a contract to supply the same. The notice shall be in such form as the Authority may direct and shall, in particular, specify that the person is authorised to supply electricity by exemption under article 3(1)(c) of this Order and is therefore not subject to the licence conditions and the obligations under the Act that he would be subject to if he were a licensed supplier.

(7) The exemption granted by article 3(1)(c) to persons of Class C in Schedule 4 is subject to compliance with the condition specified in paragraph (8) below.

(8) A person shall not supply electricity to domestic consumers who are additional group consumers within the 100 megawatt limit at a price which exceeds such maximum price as may be specified in or as may be calculated by such method and by reference to such matters as may be specified in a direction given by the Authority.

Textual Amendments

F8 Words in art. 4(4)(b) inserted (6.4.2007) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2007 (S.I. 2007/629), arts. 1, **3**

F9 Art. 4(4)(c) inserted (6.4.2007) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2007 (S.I. 2007/629), arts. 1, **4**

Revocation

5. The Electricity (Class Exemptions from the Requirement for a Licence) Order 1997 [M11] and the Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) (England and Wales) Order 2000 [M12] are revoked.

Marginal Citations

M11 S.I. 1997/989.

M12 S.I. 2000/2424.

Brian Wilson,
Minister for State for Industry and Energy,
Department of Trade and Industry

SCHEDULE 1

Article 2(1)

MEANING OF "DECLARED NET CAPACITY"

1. The declared net capacity of a generating station which is driven by any means other than water, wind or solar power is the highest generation of electricity (at the main alternator terminals) which can be maintained indefinitely without causing damage to the plant less so much of that capacity as is consumed by the plant.

2. The declared net capacity of a generating station which is driven by water, wind or solar power shall be ascertained by the application of the formula

$$A \times B$$

where—A is the highest generation of electricity (at the main alternator terminals or, in the case of direct current generation, at the output terminals of the direct current to alternating current converter) which, on the assumption that the source of power is available uninterruptedly, can be maintained indefinitely without causing damage to the plant less so much of that electricity as is consumed by the plant; and

B has the value set out in the table as applicable to the particular description of station.

Table

(1) ***Description of station***	**(2)** ***Value of B***
1.Station driven by tidal or wave power	0.33
2.Station driven by any form of water power other than tidal or wave power	1
3.Station driven by wind power	0.43
4.Station driven by solar power	0.17

SCHEDULE 2

Article 3(1)(a)

EXEMPTIONS FROM SECTION 4(1)(a) OF THE ACT (GENERATION EXEMPTIONS)

Class A: Small generators

Persons (other than licensed generators) who do not at any time provide more electrical power from any one generating station than—

(1) 10 megawatts; or

(2) 50 megawatts in the case of a generating station with a declared net capacity of less than 100 megawatts;

disregarding—

(a) power supplied to—

(i) a single consumer who occupies premises which are on the same site as the premises where the generating station is situated and who consumes all the power provided to him from that generating station at those premises or supplies all or some of such

power in circumstances specified in the description of Class B in Schedule 4 and consumes at those premises any of such power not so supplied by him; or

(ii) two or more consumers who form a qualifying group each of whom occupies premises which are on the same site as the premises where the generating station is situated and consumes all the power provided to him from that generating station at those premises or supplies all or some of such power in circumstances specified in the description of Class B in Schedule 4 and consumes at those premises any of such power not so supplied by him; and

(b) for the purposes of paragraph (2) above power temporarily provided in excess of 50 megawatts due to technical circumstances outside the reasonable control of the person providing that power.

Class B: Offshore generators

Persons (other than licensed generators) who—

(1) do not generate electricity except at a generating station which is situated on an offshore installation; and

(2) do not supply such electricity except to premises which constitute or are comprised in an offshore installation.

[F10 Class C: Generators not exceeding 100 megawatts

Persons (other than licensed generators) who do not provide any electrical power except from generating stations which—

(a) on 30th September 2000 were connected to:—

(i) the total system in England and Wales; or

(ii) the total system in Scotland, and

(b) are not normally capable of exporting more than 100 megawatts to the total system in Great Britain, disregarding power temporarily provided in excess of 100 megawatts due to technical circumstances outside the reasonable control of the person providing that power.

Textual Amendments

F10 Words in Sch. 2 substituted (1.4.2005) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2005 (S.I. 2005/488), arts. 1, **4**

Class D: Generators never subject to central despatch

Persons (other than licensed generators) who do not provide electrical power except from generating stations which were connected to the total system in England and Wales on 30th September 2000, provided that under the terms and conditions of their licences granted under section 6(1)(a) of the Act they were not on that date required to submit those stations to central despatch by the licensed transmitter (central despatch being the process by which the licensed transmitter scheduled and issued direct instructions to licensed generators for the despatch of electrical power prior to 27th March 2001).**]**

Textual Amendments

F10 Words in Sch. 2 substituted (1.4.2005) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2005 (S.I. 2005/488), arts. 1, **4**

SCHEDULE 3

Article 3(1)(b)

EXEMPTIONS FROM SECTION 4(1)(bb) OF THE ACT (DISTRIBUTION EXEMPTIONS)

Class A: Small distributors

Persons (other than licensed distributors) who do not at any time distribute more electrical power than 2.5 megawatts for the purpose of giving a supply to domestic consumers or enabling a supply to be so given with that electrical power.

A.1. For the purposes of Class A electrical power distributed by a body corporate, which is associated with, connected to or related to any distributor and which does not fall within Class B below, shall be treated as distributed by that distributor.

Class B: On-site distribution

Persons (other than licensed distributors) who do not at any time distribute from any distribution system more electrical power than one megawatt for the purpose of giving a supply to domestic consumers or enabling a supply to be so given with that electrical power provided that each domestic consumer receives the electrical power, disregarding stand-by electrical power, from a generating station embedded in the same distribution system as himself.

B.1 For the purposes of Class B "stand-by electrical power" means electricity supplied periodically or intermittently to a person to make good any shortfall in the availability of electricity to that person from its own generation for the purposes of its supply of electricity to domestic consumers seeking such supply, where such shortfall arises from the generating station being wholly or partly out of commission for a temporary period.

Class C: Distribution to non-domestic consumers

Persons (other than licensed distributors) who do not at any time distribute electrical power for the purpose of giving a supply to domestic consumers or enabling a supply to be so given with that electrical power.

[F11Class D: Offshore distributors

Persons (other than licensed distributors) who distribute electricity generated by an offshore generating station by means of a distribution system which is not used to convey electricity generated otherwise than by offshore generating stations.

F12D.1. . . . . . .]

Textual Amendments

F11 Words in Sch. 3 inserted (6.4.2007) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2007 (S.I. 2007/629), arts. 1, **5**

F12 Sch. 3 para. D.1 omitted (16.8.2024) by virtue of The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 (S.I. 2024/819), art. 1(1), **Sch. para. 3**

SCHEDULE 4

Article 3(1)(c)

EXEMPTIONS FROM SECTION 4(1)(c) OF THE ACT (SUPPLY EXEMPTIONS)

Class A: Small suppliers

Persons (other than licensed suppliers) who do not supply any electricity except electricity which they generate themselves and who do not at any time supply more electrical power than 5 megawatts of which not more than 2.5 megawatts is supplied to domestic consumers.

A.1. For the purposes of Class A electrical power supplied by a body corporate which is associated with any supplier shall be treated as supplied by that supplier.

Class B: Resale

Persons (other than licensed suppliers) who—

(1) do not supply any electricity except—

(a) electricity which is supplied to their premises by—

(i) a licensed supplier; or

(ii) by a person in circumstances such that he falls within Class C in this Schedule (in this Class referred to as a "Class C supplier") provided that for the purpose of determining for the purpose of this Class and paragraphs B.1 and B.2 below whether a person is supplying electricity in such circumstances paragraph (2)(a), (b), (c), (d) and (e) in Class C in this Schedule shall have effect as if sub-paragraph (ii) and the preceding "and", in each case, were omitted; or

(b) electricity which they generate themselves or which is supplied to them by a person authorised by an exemption to supply electricity when—

(i) the supply of electricity which is normally available to them from a licensed supplier or a Class C supplier (their "normal supply") is interrupted temporarily due to circumstances outside their control; or

(ii) the plant or equipment which is used to generate electricity for the purpose of giving their normal supply is being tested; and

(2) to the extent that they supply Class C electricity—

(a) supply such electricity only to premises, which are on the same site as the relevant premises; and

(b) comply with all the conditions set out in paragraph B. 2 below.

B.1. For the purposes of Class B—

"Class C electricity" means electricity which is supplied by a person in circumstances such that he falls within Class C in this Schedule;

"relevant premises", in relation to any reference to a supplier falling or seeking to fall within Class B, means the premises from which he supplies that electricity; and

"year" means a period of twelve months running from 1st April to 31st March.

B.2. The conditions referred to in paragraph (2) in Class B are as follows.

(1) In respect of each relevant premises the supplier must not in the previous year have supplied from those relevant premises an amount of Class C electricity which is more than 10 per cent of the Class C electricity supplied in that year to those relevant premises.

(2) If during a year the supplier starts to supply Class C electricity from any particular relevant premises for the first time, at the time he starts to make such supplies he must reasonably expect that the total amount of Class C electricity supplied by him during the remainder of that year from those premises will be no more than 10 per cent. of the Class C electricity supplied in that year to those relevant premises.

(3) In respect of each relevant premises the supplier must not in any year supply from those relevant premises more that 250 megawatt hours of Class C electricity to domestic consumers.

B.3. A supplier shall not, if and to the extent that it would lead to his falling outside Class B, be treated as supplying Class C electricity to any premises during a year in which the relevant premises are being supplied with electricity by licensed suppliers, unless he supplies more electricity in that year than the amount of electricity which is supplied to those relevant premises by licensed suppliers in that year.

Class C: On-site supply

Persons (other than licensed suppliers) who—

(1) do not supply any electricity except—

(a) electricity which they generate themselves; or

(b) electricity which they generate themselves together with electricity which is supplied to them by a licensed supplier; and

(2) provide the output of each generating station at which they generate electricity only to—

(a) one consumer who—

(i) occupies premises which are on the same site as the premises where the generating station is situated; and

(ii) consumes all the electricity provided to him by the supplier in question at those premises other than any of that electricity supplied by that consumer in circumstances such that he falls within Class B in this Schedule;

(in this Class referred to as a “single consumer”) or

(b) two or more consumers who form a qualifying group each of whom—

(i) occupies premises which are on the same site as the premises where the generating station is situated; and

(ii) consumes all the electricity provided to him by the supplier in question at those premises other than any of that electricity supplied by that consumer in circumstances such that he falls within Class B in this Schedule;

(in this Class referred to as an “on-site qualifying group”) or

(c) one or more consumers who—

(i) each occupy premises which are—

(aa) on the same site as the premises where the generating station is situated; or

(bb) not on the same site but which receive the electricity supply from that generating station over private wires; and

(ii) each of whom consumes all the electricity provided to him by the supplier in question at those premises other than any of that electricity supplied by that consumer in circumstances such that he falls within Class B in this Schedule;

(each in this Class referred to as an "additional group consumer")
where the total maximum amount of electrical power supplied to those additional group consumers at any time is 100 megawatts of which not more than one megawatt is supplied to domestic consumers; or

(d) one consumer who—

(i) receives at least a third of the output of that generating station at premises he occupies which are—

(aa) on the same site as the premises where the generating station is situated; or

(bb) not on the same site but which receive the electricity supply from that generating station over private wires; and

(ii) consumes all the electricity provided to him by the supplier in question at premises he occupies other than any of that electricity supplied by that consumer in circumstances such that he falls within Class B in this Schedule;

(in this Class referred to as a "remote consumer") or

(e) two or more consumers who form a qualifying group—

(i) who between them receive at least a third of the output of that generating station at premises they occupy which are—

(aa) on the same site as the premises where the generating station is situated; or

(bb) not on the same site but which receive the electricity supply from that generating station over private wires; and

(ii) each of whom consumes all the electricity provided to him by the supplier in question at premises he occupies other than any of that electricity supplied by that consumer in circumstances such that he falls within Class B in this Schedule;

(in this Class referred to as a "remote qualifying group") or

(f) additional group consumers within the 100 megawatt limit and one of the following—

(i) a single consumer;

(ii) an on-site qualifying group;

(iii) a remote consumer; or

(iv) a remote qualifying group; or

(g)

(i) a single consumer, or an on-site qualifying group, or additional group consumers within the 100 megawatt limit, or a remote consumer, or a remote qualifying group, or a mixed group of consumers of a type described in sub-paragraph (f) above; and

(ii) any other person in circumstances where the provision of the output of the generating station in question does not amount to the supply of electricity.

C.1. The following provisions have effect for the purposes of Class C.

(1) Where at any time the supplier in question and some other person generate electricity at the same generating station or provide the output of the same generating station, the generation of electricity by that other person or the provision of the output of that generating station by that other person shall be treated as the generation of electricity and the provision of the output of that generating station respectively by that supplier if that other person, being a body corporate, is associated with that supplier.

(2) Two or more generating sets which are operated by the same person or by bodies corporate which are associated with each other shall be treated as a single generating station if they are on the

same site as each other (whether or not there is an electrical interconnection between any of them) but otherwise shall be treated as separate generating stations, and in this sub-paragraph—

(a) "generating set" means a combination of the plant and equipment that produces electricity and any other plant or equipment by which that plant or equipment is driven; and

(b) generating sets shall be treated as being on the same site as each other if they are—

(i) situated on the same premises as each other;

(ii) situated on premises which are immediately adjoining each other; or

(iii) situated on premises which are separated from each other only by a road, railway or watercourse or by other premises occupied by the supplier in question or by a body corporate which is an associate of that supplier.

C.2. In Class C—

"additional group consumers within the 100 megawatt limit" means consumers described in paragraph (2)(c) in Class C;

"output" in relation to a generating station means the electricity generated at that generating station other than electricity consumed by the plant; and

"private wires" in relation to a generating station means electric lines owned by—

(a) the supplier in question;

(b) a consumer who receives a supply from the supplier in question from the generating station;

(c) the owner, lessor or lessee of the generating station or of one of the premises to which a supply is made by the supplier in question; or

(d) any of the persons described in paragraphs (a) to (c) above jointly with any other of the persons described in those paragraphs;

provided that the owner of those wires is not a licensed distributor.

Class D: Offshore supply

Persons (other than licensed suppliers) who—

(1) do not supply electricity except electricity which has been generated at a generating station which is situated on an offshore installation; and

(2) do not supply such electricity to any premises except premises which constitute or are comprised in an offshore installation.

[F13 Schedule 5

Article 3(1)(d)

EXEMPTIONS FROM SECTION 4(1)(b) OF THE ACT (TRANSMISSION EXEMPTIONS)

Textual Amendments

F13 Sch. 5 inserted (16.8.2024) by The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 (S.I. 2024/819), art. 1(1), **Sch. para. 4**

Array transmission

1. Persons (other than licensed transmitters) who do not at any time participate in transmission other than array transmission.**]**

EXPLANATORY NOTE

(This note is not part of the Order)
This Order revokes and re-enacts the Electricity (Class Exemptions from the Requirement for a Licence) Order 1997 with amendments. It grants exemption from the requirements of section 4(1)(a) of the Electricity Act 1989 ("the Act") (which prohibits the generation of electricity without a licence), section 4(1)(bb) of the Act (which prohibits the distribution of electricity without a licence) and section 4(1)(c) of the Act (which prohibits the supply of electricity to premises without a licence) to persons of various classes. The classes of persons who are exempt from the requirement to hold a licence to generate electricity are set out in Schedule 2, the classes of persons who are exempt from the requirement to hold a licence to distribute electricity are set out in Schedule 3 and the classes of persons who are exempt from the requirement to hold a licence to supply electricity to premises are set out in Schedule 4. A person may qualify for exemption by falling within more than one class in a Schedule (article 3(2)).
This Order applies to Great Britain. However, the exemptions granted to persons falling within Class C and Class D in Schedule 2 only apply to persons whose generating stations were connected to the transmission system and the distribution systems in England and Wales on 30th September 2000.
In addition to minor and drafting amendments, this Order makes the following changes of substance:
— a domestic consumer now means a consumer supplied with electricity at premises at which a supply is taken wholly or mainly for domestic purposes;
— the exemptions granted to persons falling within Class C (Generators not exceeding 100 megawatts) and Class D (Generators never subject to central despatch) in Schedule 2 whose generating stations were connected to the transmission system and the distribution systems in England and Wales on 30th September 2000 are no longer subject to a time-limit;
— exemption is granted to persons falling within Class A in Schedule 3 who do not at any time distribute more electrical power than 2.5 megawatts for the purpose of giving a supply or enabling a supply to be given to domestic customers;
— exemption is granted to persons falling within Class B in Schedule 3 who do not distribute from any distribution system more than one megawatt of electrical power for the purpose of giving a supply or enabling a supply to be given to domestic consumers who each receive the electrical power from a generating station embedded in the same distribution system as himself;
— exemption is granted to persons falling within Class C in Schedule 3 to persons who distribute electricity for the purpose of supplying or enabling a supply to be given to non-domestic consumers only. The exemptions in Schedule 3 are subject to the conditions set out in article 4(4);
— exemption is granted to persons falling within Class A in Schedule 4 who do not at any time supply electricity other than that which they generate themselves and who do not supply more electrical power than 5 megawatts of which not more than 2.5 megawatts can be supplied to domestic consumers. The exemption is subject to the conditions set out in article 4(6);
— the conditions relating to the limit on the amount of Class C electricity which may be resold have been amended in paragraph B.2 in Class B in Schedule 4. A person who is authorised by an

exemption to supply electricity, who resells electricity supplied by a person falling within Class C in Schedule 4, must not supply from the premises from which he supplies electricity more than 10 per cent of the Class C electricity supplied to those premises and must also not in any year supply more than 250 megawatt hours of such Class C electricity to domestic consumers;
— the exemption granted to persons falling within Class C in Schedule 4 is extended to allow supply to one consumer or two or more consumers who form a qualifying group provided at least a third of the output of each generating station is supplied to either the one consumer or the qualifying group on-site or off-site over private wires;
— maximum prices for the supply of electricity to certain domestic consumers are to be established by means of a direction given by the Gas and Electricity Markets Authority (article 4(6)(a) and (8)).
Article 4(4)(b) partially implements Article 14.3 of Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 [O.J. No. L27/20 30.1.97]. The implementation is completed by licence conditions.
A regulatory impact assessment is available and can be obtained from the Energy Policy Directorate, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET. Copies have been placed in the libraries of both Houses of Parliament. A copy of any direction issued under article 4(6)(a) and (b) and (8) may be obtained from the Gas and Electricity Markets Authority, 9 Millbank, London SW1P 3GE.

Changes to legislation:
There are currently no known outstanding effects for the The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001.