

2004 No. 2242

ELECTRICITY

**The Energy Act 2004 (Designation of System Operator) Order
2004**

Made - - - - *27th August 2004*

Coming into force - - *1st September 2004*

The Secretary of State, in exercise of the power conferred on her by section 141 of, and paragraph 21 of Schedule 18 to, the Energy Act 2004, (a) hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Energy Act 2004 (Designation of System Operator) Order 2004 and shall come into force on 1st September 2004.

Designation

2. The Secretary of State designates National Grid Company plc (company registered no. 2366977) as the system operator for the purposes of Schedule 18 to the Energy Act 2004.

27th August 2004

Stephen Timms,
Minister of State for Energy, E-Commerce and Postal Services
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Order)

Chapter 1 Part 3 of the Energy Act 2004 makes certain changes to electricity trading and transmission arrangements in Great Britain. In particular, section 135 amends section 4 Electricity Act 1989 (c.29) so that the prohibition on transmission of electricity becomes a prohibition on participation in the transmission of electricity. Participation in transmission is defined in section 4(3A) and (3B) Electricity Act 1989, as inserted by section 135 Energy Act 2004 and includes co-ordinating and directing the flow of electricity onto and over a transmission system. The person undertaking this activity is a system operator.

At the time this Order is made the activity of system operator is undertaken by three transmission companies in Great Britain. As a result of changes in the regulation of electricity pursuant to the powers in Chapter 1 Part 3 of the Energy Act 2004, this activity will be undertaken by a single company, National Grid plc, for the whole of Great Britain. In order to undertake this activity, certain rights and obligations may need to be transferred to National Grid plc from the other two transmission companies. This may be achieved by a property arrangements scheme made under Schedule 18, which requires an order to be made designating the system operator before a scheme can come into operation. Pursuant to The Energy Act 2004 (Commencement No. 2) Order 2004 (S.I. 2004/2184, c.95) Schedule 18 of the Energy Act will come into force on 1st September.

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