



Nuclear Energy (Financing) Act 2022

2022 CHAPTER 15

PART 2

REVENUE COLLECTION CONTRACTS

Revenue collection contracts

15 Regulations about revenue collection contracts

- (1) The Secretary of State may by regulations make provision about revenue collection contracts.
- (2) A revenue collection contract is a contract in relation to which all of the following paragraphs apply—
 - (a) the contract is between a revenue collection counterparty and a nuclear company in relation to which, immediately before the contract was entered into, a designation under [section 2\(1\)](#) had effect;
 - (b) certain payments under the contract are to be funded by electricity suppliers (see further [section 19](#));
 - (c) those payments may be made both before and after the start of electricity generation by the nuclear energy generation project in respect of which the nuclear company holds a licence under section 6(1)(a) of the Electricity Act 1989;
 - (d) the contract is entered into by the revenue collection counterparty in pursuance of a direction given to it under [section 18](#).
- (3) For the purposes of this Part—
 - “revenue collection counterparty” is to be construed in accordance with [section 16](#);
 - “revenue regulations” means regulations under this section.
- (4) The provision made by this Part is without prejudice to the generality of subsection (1).
- (5) Revenue regulations may—

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- (a) include incidental, supplementary or consequential provision;
 - (b) make transitory or transitional provision or savings;
 - (c) make different provision for different purposes;
 - (d) make provision subject to exceptions.
- (6) Revenue regulations are to be made by statutory instrument.
- (7) An instrument containing—
- (a) the first revenue regulations that make provision falling within [section 23](#) or [24](#), or
 - (b) revenue regulations that make provision falling within any of sections [16](#) to [22](#),
- may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament (in each case, whether or not the regulations also make other provision).
- (8) Any other instrument containing revenue regulations is subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) If, apart from this subsection, a draft of an instrument containing revenue regulations would be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not such an instrument.

16 Designation of a revenue collection counterparty

- (1) The Secretary of State may by notice given to an eligible person designate the person to be a counterparty for revenue collection contracts.
- (2) A person designated under [subsection \(1\)](#) is referred to in this Part as a “revenue collection counterparty”.
- (3) A person is eligible if the person is—
- (a) a company registered under the Companies Act 2006 in England and Wales or Scotland, or
 - (b) a public authority, including a person any of whose functions are of a public nature.
- (4) A designation may be made only with the consent of the person designated.
- (5) The Secretary of State may exercise the power to designate so that more than one designation has effect under [subsection \(1\)](#), but only if the Secretary of State considers it necessary for the purposes of ensuring that—
- (a) liabilities under a revenue collection contract are met,
 - (b) arrangements entered into for purposes connected to a revenue collection contract continue to operate, or
 - (c) directions given to a revenue collection counterparty by virtue of this Part continue to have effect.
- (6) A designation ceases to have effect if—
- (a) the Secretary of State revokes the designation by notice given to the person designated (in which case the designation ends on the date specified in the notice), or

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- (b) the person withdraws consent to the designation by giving not less than 3 months' notice in writing to the Secretary of State.
- (7) At any time after the first designation under [subsection \(1\)](#) has effect, the Secretary of State must, so far as reasonably practicable, exercise the power to designate so as to ensure that at least one designation has effect under [subsection \(1\)](#).
- (8) The Secretary of State must publish a notice given to a person under [subsection \(1\)](#) or [\(6\)\(a\)](#).
- (9) As soon as reasonably practicable after a designation ceases to have effect, the Secretary of State must make a transfer scheme under [section 26](#) to ensure the transfer of all rights and liabilities under any revenue collection contract to which the person who has ceased to be a revenue collection counterparty was a party.
- (10) Revenue regulations may include provision about the period of time for which, and the circumstances in which, a person who has ceased to be a revenue collection counterparty is to continue to be treated as a revenue collection counterparty for the purposes of the regulations.

17 Duties of a revenue collection counterparty

- (1) A revenue collection counterparty must act in accordance with—
 - (a) any direction given by the Secretary of State by virtue of this Part;
 - (b) any provision included in revenue regulations.
- (2) Revenue regulations may make provision—
 - (a) to require a revenue collection counterparty to enter into arrangements or to offer to contract for purposes connected to a revenue collection contract;
 - (b) specifying things that a revenue collection counterparty may or must do, or things that a revenue collection counterparty may not do;
 - (c) conferring on the Secretary of State further powers to direct a revenue collection counterparty to do, or not to do, things specified in the regulations or the direction.
- (3) The provision that may be made by virtue of [subsection \(2\)\(b\)](#) or [\(c\)](#) includes provision requiring consultation with, or the consent of, the Secretary of State in relation to—
 - (a) the enforcement of obligations under a revenue collection contract;
 - (b) a variation or termination of a revenue collection contract;
 - (c) the settlement or compromise of a claim under a revenue collection contract;
 - (d) the conduct of legal proceedings relating to a revenue collection contract;
 - (e) the exercise of rights under a revenue collection contract.
- (4) A revenue collection counterparty must exercise the functions conferred by or by virtue of this Part so as to ensure that it can meet its liabilities under any revenue collection contract to which it is a party.
- (5) Revenue regulations must include such provision as the Secretary of State considers necessary so as to ensure that a revenue collection counterparty can meet its liabilities under any revenue collection contract to which it is a party.

18 Direction to offer to contract

- (1) The Secretary of State may, in accordance with any provision made by revenue regulations, direct a revenue collection counterparty to offer to contract with a designated nuclear company specified in the direction, on terms specified in the direction.
- (2) Revenue regulations may make further provision about a direction under this section and in particular about—
 - (a) the circumstances in which a direction may or must be given;
 - (b) the terms that may or must be specified in a direction.
- (3) The provision that may be made by virtue of [subsection \(2\)](#) includes provision for calculations or determinations to be made under the regulations, including provision for them to be made—
 - (a) by such persons,
 - (b) in accordance with such procedure, and
 - (c) by reference to such matters and to the opinion of such persons,as may be specified in the regulations.
- (4) The reference in [subsection \(1\)](#) to a designated nuclear company is a reference to a nuclear company in relation to which a designation under [section 2\(1\)](#) has effect.