
DRAFT STATUTORY INSTRUMENTS

2024 No.

**The Energy Act 2023 (Consequential
Amendments) Regulations 2024**

Part 2

Amendment of Primary Energy Legislation

Amendments to the Gas Act 1986

- 2.—(1) The Gas Act 1986(1) is amended as follows.
- (2) In section 4AA (the principal objective and general duties of the Secretary of State and the Authority)(2)—
- (a) in subsection (2)(b)(3), after “Energy Act 2010, or” insert “Chapter 1 of Part 2, Chapters 2 and 3 of Part 4 and”;
 - (b) in subsection (8)(4), in the definition of “licence”, for “or 7AB” substitute “, 7AA, 7AB or 7AC”.
- (3) In section 7B (licences: general)(5), after subsection (2B)(6) insert—
- “(2C) Subsections (1) to (2A) do not apply to an application for a code manager licence.”.
- (4) In section 8(1) (standard conditions of licences)(7)—
- (a) omit “or” after paragraph (b);
 - (b) after paragraph (c), insert “or
- “(d) licences under section 7AC.”.
- (5) In section 23 (modification of conditions of licences)(8), in subsection (1)(b), for “or 7A(1) or (2)” substitute “7A(1) or (2) or 7AC”.
- (6) In section 23B(2)(b) (appeal to the CMA)(9), for “or 7AB” substitute “, 7AA, 7AB or 7AC”.
- (7) In section 27 (modification by order under other enactments)(10), in subsection (1)(b), after “subsection (2) of that section” insert “or licences under section 7AC above”.
- (8) In section 27B(1)(a) (meaning of “section 27B dispute”)(11)—

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- (1) 1986 c. 44.
- (2) Section 4AA was substituted for section 4 by the Utilities Act 2000 (c. 27), section 9.
- (3) Subsection (2)(b) was amended by the Energy Act 2008 (c. 32), section 102(3), by the Energy Act 2010 (c. 27), section 16(4) (b) and by the Energy Act 2023 (c. 52), section 248(3).
- (4) The definition of “licence” in subsection (8) was amended by the Energy Act 2004 (c. 20), section 149(8)(a) and by S.I. 2012/2400, article 18(3).
- (5) Section 7B was inserted by the Gas Act 1995 (c. 45), section 7.
- (6) Subsection (2B) was inserted by S.I. 2012/2400.
- (7) Section 8(1) was amended by the Utilities Act 2000 (c. 27), section 81(3) and by the Energy Act 2004 (c. 20) section 150(6).
- (8) Section 23(1) and the rest of the section were substituted by the Gas Act 1995 (c. 45), paragraph 21 of Schedule 3 and by S.I. 2011/2704.
- (9) Section 23B was inserted by S.I. 2011/2704 and section 23B(2)(b) was amended by S.I. 2012/2400.
- (10) Section 27(1)(b) was amended by the Energy Act 2004 (c. 20), section 150(8).
- (11) Section 27B(1) was inserted by S.I. 2009/1349 and was amended by S.I. 2011/2704 and S.I. 2019/530.

- (a) omit “or” after sub-paragraph (v);
- (b) after sub-paragraph (vi), insert “or
“(vii) made against the holder of a gas system planner licence;”.
- (9) In section 36 (keeping of register)(12)—
 - (a) in subsection (1), for “or 7AB” substitute “, 7AA, 7AB or 7AC”;
 - (b) in subsection (2)(d), for “or 7AB” substitute “, 7AA, 7AB or 7AC”.
- (10) In section 48(1) (interpretation of Part I and savings)(13)—
 - (a) after the definition of “the CMA”, insert—
““code manager licence” means a licence under section 7AC;”;
 - (b) after the definition of “gas supplier”, insert—
““gas system planner licence” means a licence under section 7AA;”;
 - (c) in the definition of “licence”(14), for “or 7AB” substitute “, 7AA, 7AB or 7AC”.
- (11) In Schedule 4B (provisions imposing obligations enforceable as relevant requirements)(15)—
 - (a) in paragraph 1, after “communication licence” insert “or code manager licence”;
 - (b) after paragraph 3, insert—
“*Gas system planner*
3A. Sections 163 to 165, 171 and 173 of the Energy Act 2023 (ISOP objectives, duties and related functions) are relevant provisions in relation to a person who holds a licence under section 7AA.”;
 - (c) for the heading immediately before paragraph 9A, substitute “Holders of smart meter communication licences or code manager licences”;
 - (d) in paragraph 9A, after “licence” insert “or a code manager licence”.

Amendments to the Electricity Act 1989

3.—(1) The Electricity Act 1989(16) is amended as follows.

- (2) In section 3A (the principal objective and general duties of the Secretary of State and the Authority)(17)—
 - (a) in subsection (2)(b)(18), after “the Nuclear Energy (Financing) Act 2022 or” insert “Chapter 1 of Part 2, Chapters 2 and 3 of Part 4 and”;
 - (b) in subsection (5)(a)(19), after “distribute, supply or participate in the transmission of electricity,” insert “to co-ordinate and direct the flow of electricity onto or over transmission systems by means of which the transmission of electricity takes place,”.

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- (12) Section 36 has been amended on a number of occasions but only the following amendments are relevant: subsections (1) and (2) were substituted by the Gas (Exempt Supplies) Act 1993 (c.1), section 3 and amended in respect of new licence activities by the Gas Act 1995 (c. 45), paragraph 42 of Schedule 3, by the Energy Act 2004 (c. 20), sections 149(8)(b), 183(2) and by S.I. 2012/2400.
 - (13) To which there are amendments not relevant to these Regulations.
 - (14) The definition of “licence” was substituted by the Utilities Act 2000 (c. 27), paragraph 19(d) of Schedule 6 and amended by the Energy Act 2004 (c. 20), section 198(2) and by S.I. 2012/2400.
 - (15) Schedule 4B was inserted by S.I. 2011/2704 and by S.I. 2012/2400. There are other amendments to Schedule 4B which are not relevant to these Regulations.
 - (16) 1989 c. 29.
 - (17) Section 3A was substituted for section 3 by the Utilities Act 2000 (c. 27), section 13.
 - (18) Subsection (2)(b) was amended by the Energy Act 2023 (c. 52), section 248(6). There are other amendments to this subsection which are not relevant to these Regulations.
 - (19) In subsection (5)(a), the words “distribute, supply or participate in the transmission of electricity” were substituted by the Energy Act 2004 (c. 20) paragraph 4 of Schedule 19.

- (3) In section 6A (procedure for licence applications)(**20**)—
- (a) in subsection (1)(a), for “subsection (1A)” substitute “subsections (1A) and (1B)”;
 - (b) after subsection (1A) insert—
“(1B) This section does not apply to an application for a code manager licence.”.
- (4) In section 6BA (meaning of “relevant electricity project” etc.)(**21**)—
- (a) in subsection (3)(a), omit from “that does” to the end;
 - (b) in subsection (4), for “a system operator electricity licence” substitute “an electricity system operator licence”.
- (5) In section 6CC(8) (competitive tenders: supplementary)(**22**), for “a transmission licence” substitute “a licence”.
- (6) In section 6G(6) (section 6F: meaning of “commissioning period”)(**23**), for “a transmission licence” substitute “a licence”.
- (7) In section 6H (sections 6C, 6F and 6G: modification of codes or agreements), in subsection (1)(a)(**24**), for “a relevant licence” substitute “a licence under section 6(1)”.
- (8) In section 8A(1) (standard conditions of licences)(**25**)—
- (a) for “or (d)” substitute “, (d) or (g)”;
 - (b) for “or supply licences” substitute “, supply licences or code manager licences”.
- (9) In section 35 (provisions supplementary to section 34)—
- (a) in subsection (1)(**26**), after “licence” insert “or an electricity system operator licence”;
 - (b) in subsection (2)(**27**), for “is authorised by a licence to participate in the transmission of electricity” substitute “holds a transmission licence or an electricity system operator licence”.
- (10) In section 43 (functions with respect to competition), in the words after subsection (3)(c)(**28**), for “or the use of electricity interconnectors” substitute “, the use of electricity interconnectors or the performance of the function of a code manager in relation to a designated electricity licence document.”.
- (11) In section 44B(1)(**29**) (meaning of a section 44B dispute)—
- (a) omit “or” after sub-paragraph (iv);
 - (b) after sub-paragraph (v), insert, “or
“(vi) made against the holder of an electricity system operator licence;”.
- (12) In section 47 (general functions)(**30**), in the words after subsection (1)(b), after “heated by such heat,” insert “, to the performance of the function of code manager in relation to a designated electricity licence document”.

(20) Section 6A was substituted by the Utilities Act 2000 (c. 27), section 30.

(21) Section 6BA was inserted by the Energy Act 2023 (c. 52) paragraph 2 of Schedule 15.

(22) Section 6CC was substituted for the existing section by the Energy Act 2023 (c. 52) paragraph 3 of Schedule 15.

(23) Section 6G was amended, and subsection (6) was substituted for the existing subsection, by the Energy Act 2023 (c. 52) paragraph 6 of Schedule 15.

(24) Subsection (1) was amended by the Energy Act 2023 (c. 52) paragraph 7(2) of Schedule 15.

(25) Section 8A was inserted by the Utilities Act 2000 (c. 27); subsection (1) was substituted by the Energy Act 2004 (c. 20).

(26) Section 35(1) was amended by the Energy Act 2004 (c. 20), paragraph 12(2) of Schedule 19 .

(27) Section 35(2) was substituted by the Energy Act 2004 (c. 20), paragraph 12(3) of Schedule 19.

(28) Section 43(3)(c) was amended by the Energy Act 2004 (c. 20), sections 147(5) and 198(2).

(29) Section 44B(1) was amended by S.I. 2019/530.

(30) Section 47(1) was amended by S.I. 2012/2400.

(13) In section 58(1) (directions restricting the use of certain information)(**31**), after “transmission licence”, insert “, an electricity system operator licence or a code manager licence”.

(14) In Schedule 6A (provisions imposing obligations enforceable as relevant requirements)(**32**)—

- (a) in paragraph 1, in the opening words, after “communication licence” insert “or a code manager licence”;
- (b) after paragraph 4, insert—
“*Electricity System Operator*

4A. The following are relevant provisions in relation to the holder of an electricity system operator licence—

- (a) each of the provisions mentioned in sub-paragraphs (ca) to (h) of paragraph 4 above;
- (b) sections 26 to 29 of the Energy Act 2010 (adjustment of charges);
- (c) sections 163 to 165, 171 and 173 of the Energy Act 2023 (ISOP objectives, duties and related functions).”;
- (c) in the heading immediately before paragraph 9A, after “holders” insert “and code manager licence holders”;
- (d) in paragraph 9A, in the opening words, after “licence” insert “or the holder of a code manager licence”.

Amendment of the Gas (Northern Ireland) Order 1996

4. In Article 11 of the Gas (Northern Ireland) Order 1996(**33**) (standard conditions of licences), in paragraph (2), after “Article 60(5) of the Energy (Northern Ireland) Order 2003” insert “and to section 89 of the Energy Act 2023”.

Amendment of the Utilities Act 2000

5.—(1) The Utilities Act 2000(**34**) is amended as follows.

(2) In section 5(2)(a) (annual and other reports of Authority)(**35**)—

- (a) omit “or” after sub-paragraph (i);
- (b) after sub-paragraph (ii), insert “or
“(iii) the operation or maintenance of, or the supply of heating, cooling or hot water by means of, relevant heat networks (as defined in section 216 of the Energy Act 2023).”.

(3) In section 5A (duty of Authority to carry out impact assessment)(**36**)—

- (a) in subsection (1)(a), for “or Part 1 of the 1989 Act” substitute “, Part 1 of the 1989 Act or Part 8 of the Energy Act 2023”;
- (b) after subsection (2)(c), insert—

(31) Section 58(1) was amended by the Energy Act 2004 (c. 20), paragraph 14 of Schedule 19.

(32) Schedule 6A was inserted by S.I. 2011/2704 and amended by S.I. 2012/2400, S.I. 2019/530 and S.I. 2020/96. There are other amendments to Schedule 6A which are not relevant to these Regulations.

(33) S.I. 1996/275 (N.I. 2), amended by S.I. 2003/419 (N.I. 6), S.R. 2015/1 and S.R. 2013/92.

(34) 2000 c. 27.

(35) Section 5(2) was amended by S.I. 2015/862, regulations 1(1) and (4).

(36) Section 5A was inserted by the Sustainable Energy Act 2003 (c. 30), section 6.

- “(ca) have a significant impact on the carrying out by the Independent System Operator and Planner (within the meaning of Part 5 of the Energy Act 2023) of any of its functions;
- (cb) have a significant impact on the carrying out by a code manager (within the meaning of Part 6 of the Energy Act 2023) of its functions—
- (i) in relation to a designated gas licence document, or
 - (ii) in relation to a designated electricity licence document;
- (cc) have a significant impact on persons engaged in—
- (i) the operation or maintenance of, or the supply of heating, cooling or hot water by means of, relevant heat networks (as defined in section 216 of the Energy Act 2023), or
 - (ii) commercial activities connected with an activity mentioned in sub-paragraph (i);”.

(4) In section 33 (standard conditions of electricity licences)**(37)**—

 - (a) in subsection (1)—
 - (i) in the opening words—
 - (aa) for “the commencement of subsection (3)” substitute “the relevant time”;
 - (bb) for “section 6(1)(a), (c) and (d)” substitute “section 6(1)(a), (c), (d) and (g)”;
 - (cc) for “distribution licences or supply licences” substitute “distribution licences, supply licences or code manager licences”;
 - (ii) in paragraph (1)**(38)**, for “sections 245 to 247 of” substitute “sections 169, 245 to 247 of, and paragraph 4 of Schedule 12 to,”;
 - (b) after subsection (1), insert—

“(1A) In subsection (1), “the relevant time” means—

 - (a) where the determination relates to any of the types of licence mentioned in section 6(1)(a), (c) and (d) of the 1989 Act (generation licences, distribution licences or supply licences), the time when subsection (3) comes into force;
 - (b) where the determination relates to the type of licence mentioned in section 6(1)(g) of the 1989 Act (code manager licences), 26th October 2030**(39)**.”
- (5) In section 81 (standard conditions of gas licences)**(40)**—
- (a) in subsection (1), for “or section 7A(2)”, substitute “, section 7A(2) or 7AC(1)”;
 - (b) in subsection (2)—
 - (i) for “the commencement of subsection (3)” substitute “the relevant time”;
 - (ii) for “section 89” to “Energy Act 2023” substitute “sections 89, 136(1) or (4), 169, 245 to 247 of, and paragraph 4 of Schedule 12 to, the Energy Act 2023”;
 - (c) after subsection (2), insert—

“(2A) In subsection (2), “the relevant time” means—

(37) Section 33 was amended by the Energy Act 2004 (c. 20), Schedule 19 and the Energy Act 2023 (c. 52), section 248(7)(b). There are other amendments to subsection (1) which are not relevant to these Regulations.

(38) Paragraph (l) was inserted by the Energy Act 2023, section 248(7)(b). A correction slip for the Energy Act 2023 was published in February 2004 correcting the numbering of paragraph (k) inserted by section 248(7)(b) to paragraph (l).

(39) This date is seven years from the date of Royal Assent of the Energy Act 2023 (c. 52) and links to the date specified in paragraph 3(b) of Schedule 12 to that Act.

(40) Section 81 was amended by the Energy Act 2023 (c. 52), section 91(13) and section 137(7). There are other amendments to subsection (2) which are not relevant to these Regulations.

- (a) where the determination relates to any of the types of licence mentioned in sections 7, 7A(1) or 7A(2) of the 1986 Act, the time when subsection (3) comes into force;
 - (b) where the determination relates to the type of licence mentioned in section 7AC of the 1986 Act (licence of a person performing code manager function), 26th October 2030⁽⁴¹⁾.”.
- (6) In section 105 (general restrictions on disclosure of information)⁽⁴²⁾—
- (a) in subsection (1)(a), for “Part 1 of the Energy Act 2023 or Part 5 of that Act” substitute “Part 1, 5 or 6, or Chapter 1 of Part 8 of the Energy Act 2023”;
 - (b) in subsection (3), after paragraph (ad) insert—
 - “(ae) it is made for the purpose of facilitating the performance of any functions of—
 - (i) any person under or by virtue of Chapter 1 of Part 8 of the Energy Act 2023,
 - (ii) a person designated as the Heat Network Zones Authority by regulations made by virtue of section 227(1) of that Act, or
 - (iii) a person designated as a heat network zone coordinator by regulations made by virtue of section 228(3)(a) of that Act;
 - (af) it is a disclosure of information that relates to relevant heat networks (as defined in section 216 of the Energy Act 2023) and it is made for the purpose of facilitating the performance of the functions of—
 - (i) the Scottish Ministers under the Climate Change (Scotland) Act 2009 (asp 12) or the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 (asp 10), or
 - (ii) any person under the Heat Networks (Scotland) Act 2021 (asp 9);”;
 - (c) in subsection (8)—
 - (i) in paragraph (a), for “or section 32J or 48 of the 1989 Act” substitute “, section 32J or 48 of the 1989 Act or regulations made by virtue of paragraph 11(4) of Schedule 18 to the Energy Act 2023”;
 - (ii) in paragraph (c), for “or Part I of the 1989 Act” substitute “, Part 1 of the 1989 Act or regulations made by virtue of paragraph 41 of Schedule 18 to the Energy Act 2023”.
- (7) In section 106(1) (interpretation)⁽⁴³⁾, in the definition of “gas licence”, for “or 7AB” substitute “, 7AA, 7AB or 7AC”.

Amendment of the Energy Act 2004

6. In section 184(13) of the Energy Act 2004 (assistance for areas with high distribution costs)⁽⁴⁴⁾, in the definition of “authorised transmitter”, for “a licence under section 6(1)(b)” to the end, substitute “a licence under section 6(1)(da) (an electricity system operator licence) of that Act;”.

⁽⁴¹⁾ This date is seven years from the date of Royal Assent of the Energy Act 2023 (c. 52) and links to the date specified in paragraph 3(b) of Schedule 12 to that Act.

⁽⁴²⁾ Section 105 was amended by the Energy Act 2023 (c. 52), paragraph 5(a) and (b) of Schedule 5, paragraph 8(2), (3) and (4) of Schedule 11, paragraph 26(2) of Schedule 15, paragraph 35 of Schedule 16. There are other amendments to subsections (1), (3) and (8) which are not relevant to these Regulations.

⁽⁴³⁾ The definition of “gas licence” in section 106(1) was amended by S.I. 2012/2400 to insert references to licences under section 7A or 7AB of the Gas Act 1986.

⁽⁴⁴⁾ 2004 c. 20.

Amendment of Energy Act 2008

7. In section 88 of the Energy Act 2008 (power to amend licence conditions etc: smart meters) (45)—

- (a) in subsection (1)(a)(46), for “or (d)” to the end of paragraph (a) substitute “, (d) or (da) of the Electricity Act 1989 (c. 29) (transmission, distribution, supply and electricity system operator licence)”;
- (b) in subsection (1)(e)(47), after “7A” insert “, 7AA”;
- (c) in subsection (6)(b)(48), after “7A” insert “, 7AA”;
- (d) in subsection (6)(c)(49), after “section 6(1)(b), (c), (d)” insert “, (da)”.

Amendment of the Energy Act 2010

8. In section 12(1)(a) of the Energy Act 2010 (reconciliation mechanism: licence modifications)(50), for “section 6(1)(b) or (d)” to the end, substitute “section 6(1)(b), (d) or (da) of the Electricity Act 1989 (transmission, supply and electricity system operator licences)”.

Amendment of the Energy Act 2013

9.—(1) The Energy Act 2013(51) is amended as follows.

(2) In section 8(3) (definition of national system operator: Chapter 2 of Part 2), for “operating” to the end, substitute “designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023.”.

(3) In section 26(1)(a) (licence modifications)—

- (a) for “(b) or (c)” substitute “(c) or (da)”;
- (b) for “transmission and distribution licences” substitute “distribution and electricity system operator licences”.

(4) In section 27(6) (definition of national system operator: Chapter 3 of Part 2), for “operating” to the end, substitute “designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023.”.

(5) In section 37(1)(a) (licence modifications for the purpose of the capacity market), after “supply”, insert “, electricity system operator”.

(6) Omit section 45 (modification of transmission and other licences:business separation).

(7) In section 46 (power to transfer EMR functions)—

- (a) in subsection (2), omit paragraph (b);
- (b) in subsection (11)—
 - (i) omit the definition of “energy administration order”;
 - (ii) in the definition of “national system operator”, for “operating” to the end, substitute “designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023.”.

(8) In section 47(10) (orders under section 46: fees and other supplementary provision)—

(45) 2008 c. 32.

(46) Subsection (1)(a) was amended by the Energy Act 2011 (c. 16), section 73(2)(a) and (b).

(47) Subsection (1)(e) was amended by S.I. 2012/2400.

(48) Subsection (6)(b) was amended by S.I. 2012/2400.

(49) Subsection (6)(c) was amended by the Energy Act 2008 (c. 32), section 73(6) and by S.I. 2012/2400.

(50) 2010 c. 27.

(51) 2013 c. 32.

- (a) in paragraph (a), for “transmission licence” to the end, substitute “licence granted to the national system operator under section 6(1)(da) of the EA 1989, or”;
- (b) omit paragraph (b).

(9) In section 63(5) (definition of national system operator: section 63), for “operating” to the end, substitute “designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023.”.

(10) In paragraph 4(1) of Schedule 2 (interpretation for the purposes of Schedule 2), in the definition of “national system operator” for “operating” to the end, substitute “designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023;”.